HEIDELBERG

Experience
Evolution
Excellence

Annual Report
2024/2025

Experience Evolution *Excellence*

In 2025, we will look back with pride on 175 years of successful company history. Our experience and our expertise are the foundation on which we develop forward-looking solutions: sustainable, digital and growth-oriented. We are tapping into new markets and investing specifically in digital systems, automation and networked services. At the same time, we are driving forward innovations that go beyond traditional mechanical engineering – such as in the areas of electromobility and industrial manufacturing. Our strength lies in the combination of technical excellence, market-oriented development and entrepreneurial vision. HEIDELBERG is ready for the future.

Company profile

HEIDELBERG is a leading technology and service company that has stood for innovation, quality and reliability worldwide for 175 years. With a clear focus on growth, HEIDELBERG as a total solution provider is driving further development in the core areas of packaging and digital printing, software solutions and the lifecycle business with service and consumables so that customers can achieve maximum productivity and efficiency.

Two-year overview – HEIDELBERG Group

Figures in € millions	2023/2024	**2024/2025**	Change in %
Results of operations			
Incoming orders[1]	2,288	2,433	+ 6
Order backlog at financial year-end[1]	652	722	+ 11
Net sales	2,395	2,280	– 5
EBITDA[2]	168	137	– 18
Adjusted EBITDA[2]	172	162	– 6
in percent of sales	7.2	7.1	– 1
Result of operating activities	91	61	– 33
Net result after taxes	39	5	– 87
Earnings per share in €	0.13	0.02	– 85
Financial position			
Cash generated by operating activities	90	113	+ 26
Free cash flow	56	51	– 9
Net assets			
Equity	527	546	+ 4
Net financial position[3]	77	91	+ 18
Number of employees at financial year-end[4]	9,591	9,309	– 3

1) All information on incoming orders and order backlog in this report is not part of the management report and is not the subject of an audit by the auditor KPMG
2) Result of operating activities before interest and taxes and before depreciation and amortization
3) Net total of cash and cash equivalents and current securities and financial liabilities
4) Number of employees excluding trainees

Note
In individual cases, rounding may result in discrepancies concerning the totals and percentages contained in this financial report.

For ease of reading, gender-specific language has not been applied in this report. Where personal terms are only used in the masculine form, they are representative of all genders.

Figures and future

€ 51 million

free cash flow

More than

3,400 patents

have been registered by HEIDELBERG since 2000. Innovations in electric drive technology in particular set us apart from our competitors.

€ 91 million

net financial position

8,000,000 kWh

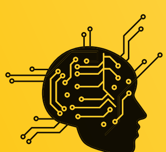
of green electricity is generated by the photovoltaic systems on the roofs of the Amstetten and Wiesloch-Walldorf plants.

Contents

Our way *forward*

Whether it's digitalization, demographic change or sustainability, global developments are challenging. But with the right strategy and the appropriate technologies, they open up great opportunities for HEIDELBERG.

Growing global population



Artificial intelligence

Online commerce

Circular economy

Our world is changing faster and more profoundly than ever before – driven by megatrends that are permanently shaping our lives. One example of this is global population growth. The United Nations estimates that there will be more than nine billion people in 2040. That is a good billion consumers more than in 2020. One consequence of this is that the demand for packaging, preferably made from sustainable paper and cardboard, will increase. We are preparing for this and driving forward development projects and partnerships worldwide. At the same time, we are looking for ways to integrate barrier coatings for fiber-based packaging even more efficiently into the flexographic printing process of the Boardmaster.

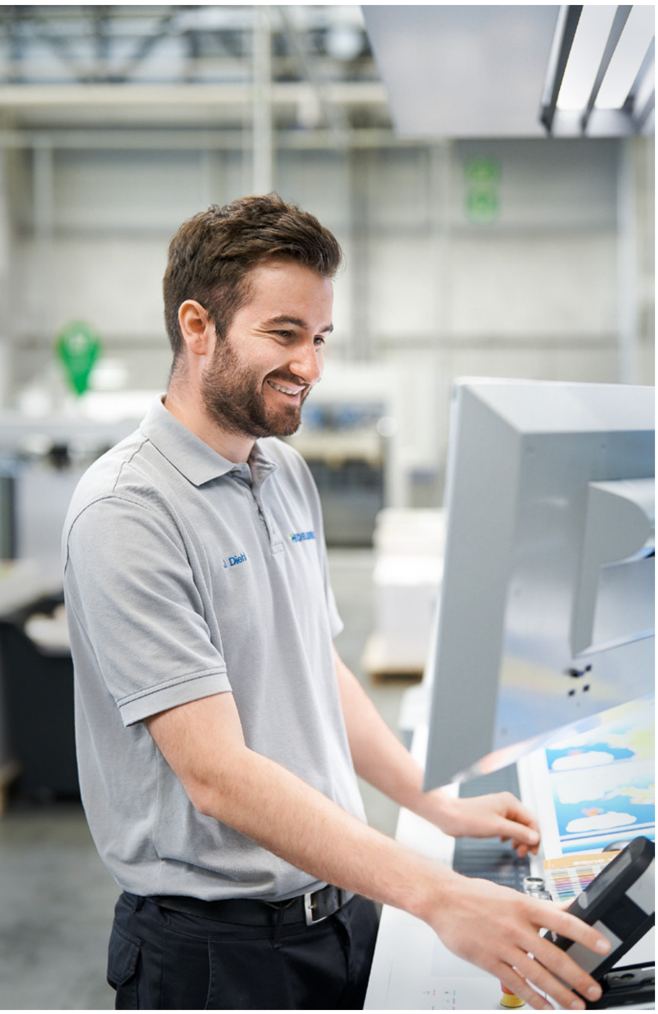
Another driver for the packaging market is digitalization. Online retail sales are expected to more than double by 2029. Our innovative technologies give our customers maximum flexibility and reliability so that they can participate in this growth. In addition, we are available to our customers as a solution provider with more than 170,000 consumables online.

Globalization is also placing ever-increasing demands on performance and efficiency. We use artificial intelligence (AI) in a targeted manner to reduce the workload on staff and to ensure quality. AI is already supporting us successfully in software development. Our goal is to integrate AI into the entire production chain – from ordering to delivery of the printed products. Our solutions help our customers to cope with increased workloads and a shortage of skilled workers. With our highly automated machines, robotics systems and the Prinect software platform, processes become even more efficient and require fewer skilled personnel.

As a solution provider for packaging and its reusability, it is an important goal for us to operate in a circular manner, use raw materials more efficiently, and reduce our environmental impact. One example of this is our environmentally friendly Saphira Eco product range, which is manufactured from renewable raw materials and contributes to the recyclability of the end products.

Pressroom of the *future*

Printing is a craft. But the entire workflow is becoming increasingly digitalized. To remain successful, print shops must also be able to master its digital processes.



For Johannes Gutenberg, printing meant transferring and reproducing information. Today, this is only part of a networked overall process consisting of data handling, software applications and network technology. Hybrid printing, which combines digital and analog processes, is becoming increasingly important. Both processes complement each other perfectly, and HEIDELBERG has the right software solutions for this. Large print runs are produced cost-effectively on offset presses, while small print runs are handled flexibly using digital printing. The Prinect workflow automatically directs jobs to the right output device.

Optimization of offset printing

Today, HEIDELBERG sheetfed offset presses can print at a peak speed of 21,000 sheets per hour. Through automation, mechanical optimizations and AI support, we have reduced job changes, downtime and waste to a minimum. Ultimately, however, speed depends on the performance of the operating personnel, who still have to actively initiate individual work steps in conventional production. In the past, ten jobs per day were the norm. This became ten jobs per shift. Today, industrial commercial printers produce up to ten jobs per hour on a single press, which exceeds the physical limits of a human being.

Relief for staff

Our software solutions put the print data in the optimal sequence for production. They are arranged according to delivery date, paper quality, format, color assignment and various other parameters. In postpress, we support staff with robots such as the StackStar P, which uses innovative gripper technology to remove signature packages from the delivery and stack them fully automatically.

Full automation

Online print shops are already very close to achieving their goal of "unmanned production". They work according to the web-to-print principle: the order placed online is sent directly from the customer portal to production. However, printing highly finished luxury packaging with numerous spot colors and the associated ink changes requires more human expertise. But even these demanding print jobs could be fully automated in the next ten years, so that the printing process would only stop in the event of serious faults.

Predictive maintenance

A printing press is still built using large quantities of metal. Added to this are around 3,000 sensors that record data and pass on thousands of status messages to the servers at HEIDELBERG every day. There, they are evaluated and used for predictive maintenance of the printing presses. The analysis of the data also enables us to identify future needs and develop new products.

The future starts today

Our goal is to further advance operator-independent performance, automation and digital integration in the end-to-end process. Our intelligent process monitoring and maintenance concepts prevent unplanned production downtime. Our AI-driven planning enables us to continuously optimize production – all the way to fully autonomous process chains.

In addition, we are working on innovative business models that go far beyond the automation of presses and processes. One example of this is the subscription model, which includes presses, software, consumables, service, training and consulting.

"Offset and digital complement each other perfectly, and we have the right software solutions for it."

Dr. David Schmedding,
Chief Technology and Sales Officer

From *machine* to

Intelligent assistants for autonomous printing

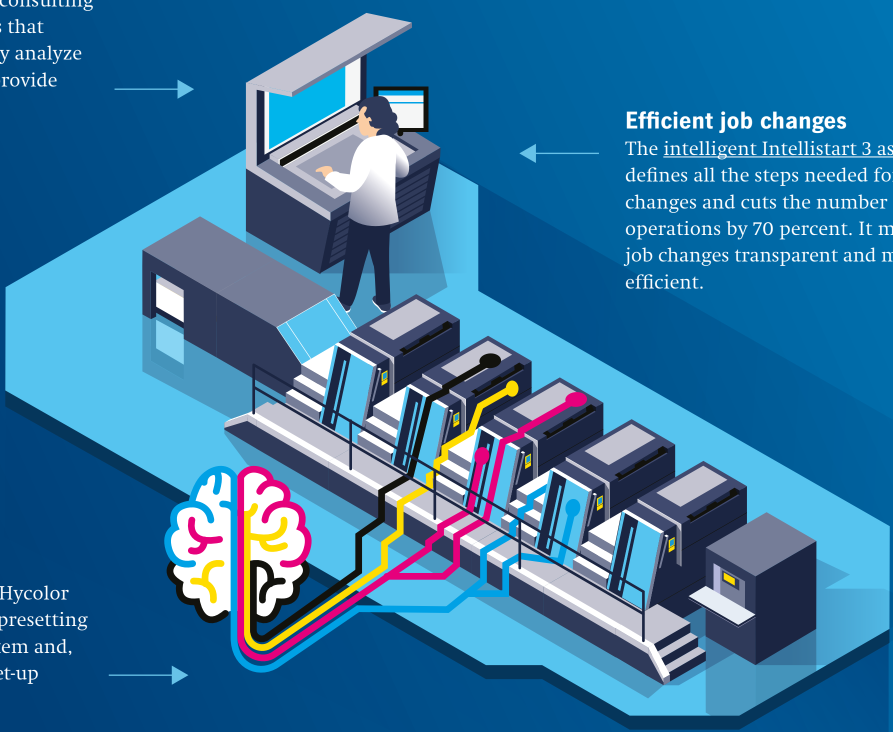
HEIDELBERG presses boast numerous intelligent functions that are based on learning algorithms and can configure complex production parameters automatically.

Over
100,000,000
sheets

per year can be printed by a Speedmaster XL 106 in the label and packaging printing sector.

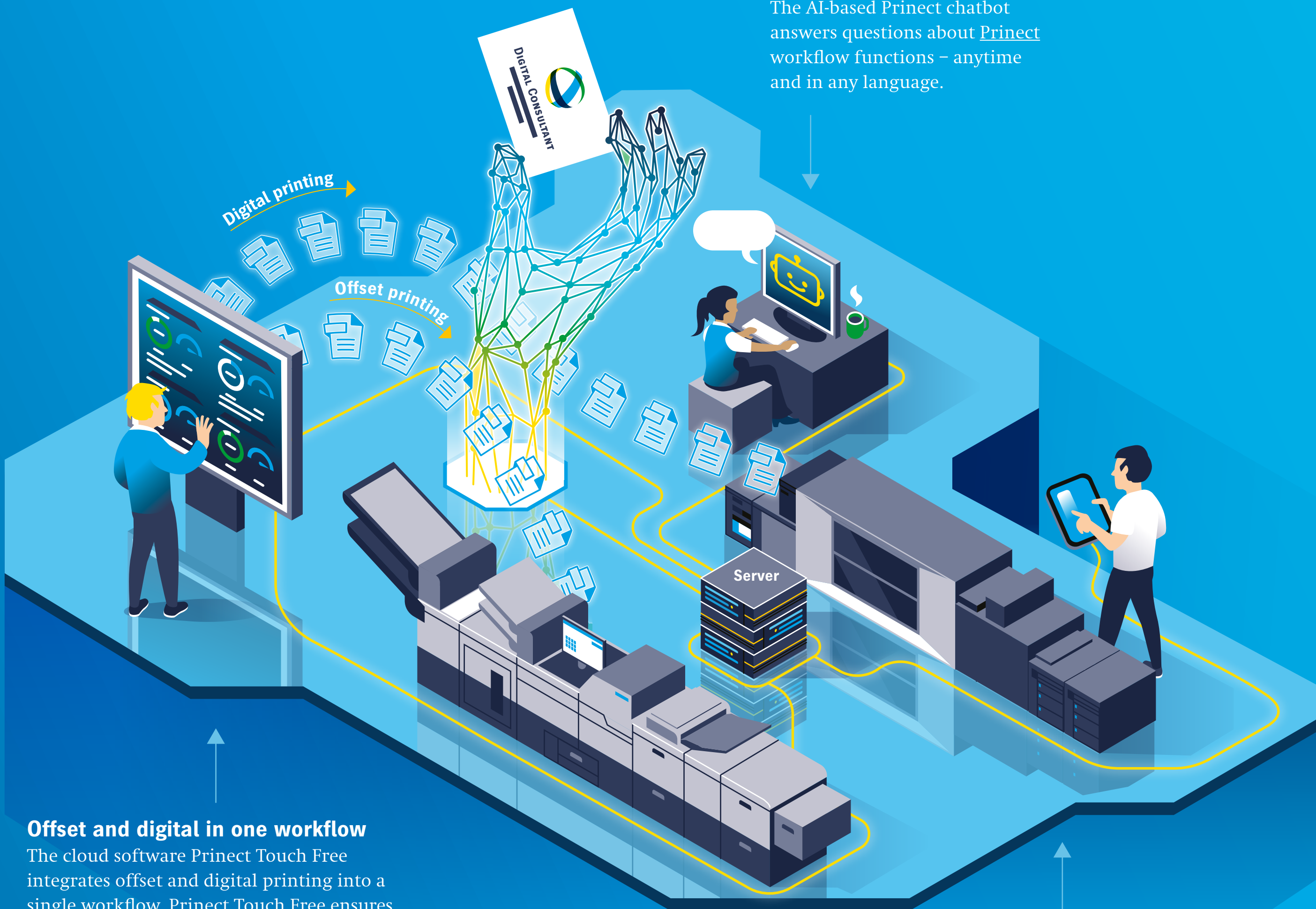
AI gives recommendations for action
Performance Advisor Technology (PAT) is an automated consulting service for print shops that uses AI to continuously analyze production data and provide recommendations.

Efficient job changes
The intelligent Intellistart 3 assistant defines all the steps needed for job changes and cuts the number of operations by 70 percent. It makes job changes transparent and more efficient.



Perfect presettings thanks to AI
The new Speedmaster XL 106 uses the Hycolor Assistant and AI to fully automate the presetting of the inking unit and dampening system and, in combination with Hycolor XL, cuts set-up waste by up to 25 percent.

platform



Answer to every question
The AI-based Prinect chatbot answers questions about Prinect workflow functions – anytime and in any language.

Offset and digital in one workflow
The cloud software Prinect Touch Free integrates offset and digital printing into a single workflow. Prinect Touch Free ensures autonomous print production, calculates potential production paths, and independently selects the most efficient option.

Production control via the Internet
With its Manufacturing Execution System (MES), HEIDELBERG transfers production processes from across its sites to the cloud. Production workflows for making mechanical components can be planned, controlled and monitored.

Track production in real time
Via digital shopfloor management, print shops can track and analyze process and productivity data in real time via the customer portal to resolve problems.

Automation and artificial intelligence

AI applications are helping HEIDELBERG revolutionize the printing industry. Learning algorithms are making life easier for customers, production staff and service engineers.

BIG DATA and cloud solutions

HEIDELBERG has been analyzing data from its installed machine base for over 20 years. Some 11,000 presses worldwide supply information that helps improve service, machine maintenance and performance and save energy, materials and working time. Digitalization also helps to address the skills shortage.

Coexisting robotics

Using robots is a key factor in boosting productivity in the printing industry. They improve efficiency by helping companies automate production processes.

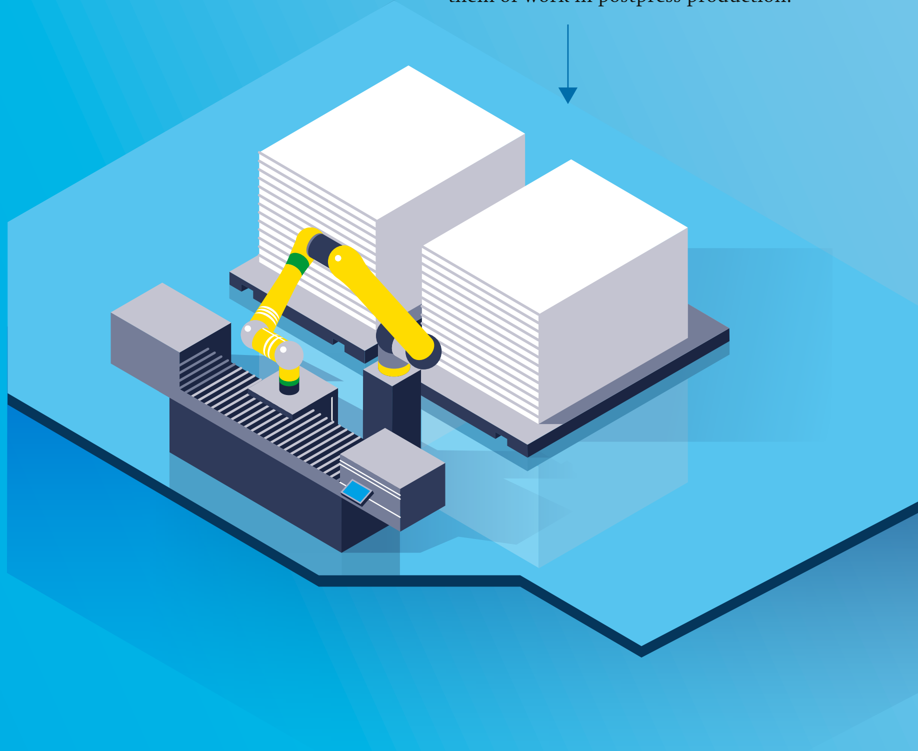
300

packages

per hour can be handled and stacked fully automatically by the StackStar P industrial robot.

The flexible cobot

The mobile stacking robot StackStar C works together with people and relieves them of work in postpress production.



Turning and stacking

Located at the end of a folding machine, this robot turns and stacks folded signatures, moving up to seven metric tons of paper per hour.

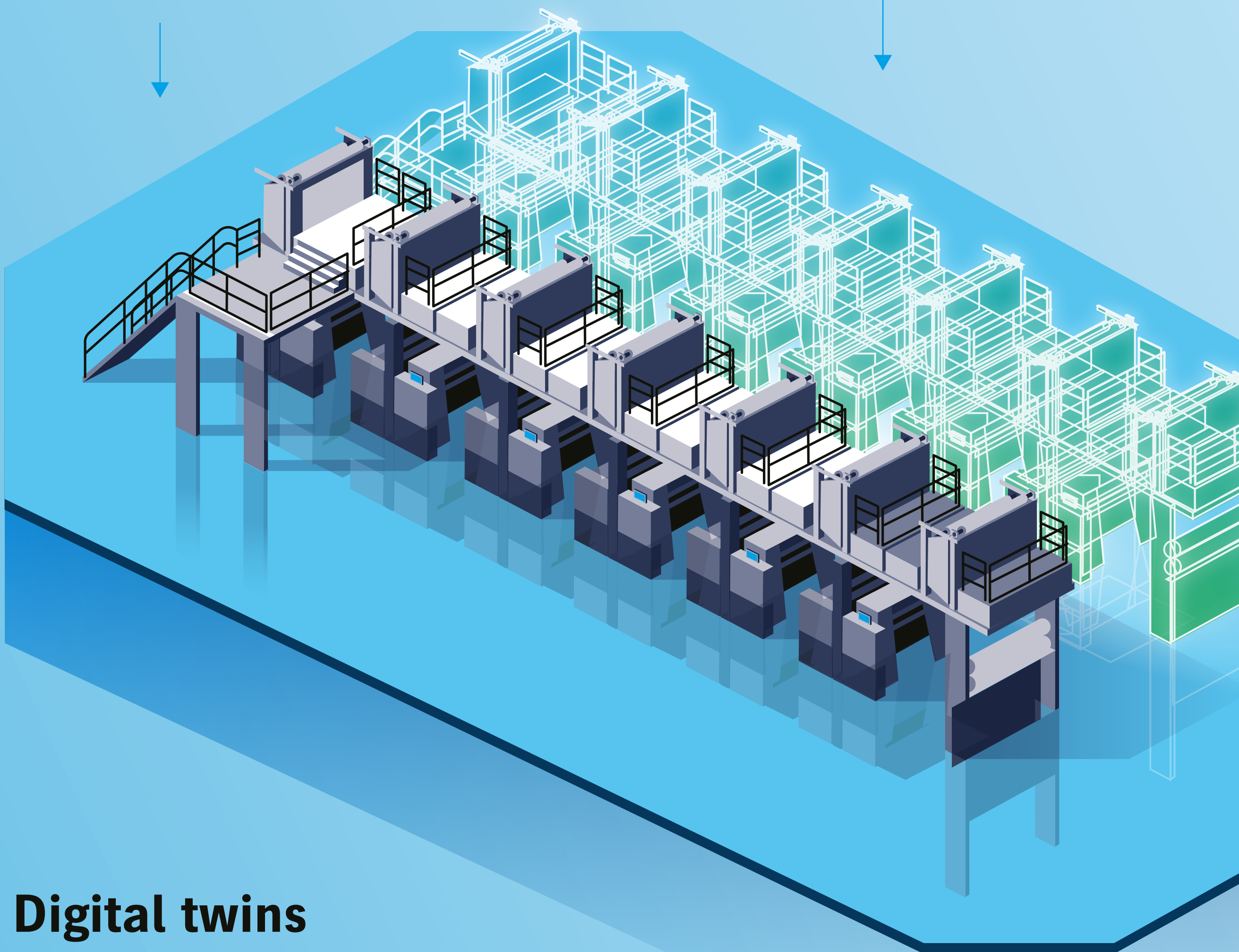
130,000

part numbers

are stocked at the World Logistics Center in Wiesloch-Walldorf, meaning HEIDELBERG can meet over 95 percent of all requests for service parts.

Digital and real
A digital twin is the virtual representation of a physical machine or component. It can be used to design components cost-effectively and with precision, as well as to simulate and check manufacturing steps.

Mapping processes
HEIDELBERG uses simulation models and data from test stands, prototype machines and machines in the field to analyze complex processes in its own products.



Digital twins

Digital twin systems are regarded as a key concept for Industry 4.0. They are designed to carry out analyses and simulations virtually, optimizing processes and physical assets.

01

To our investors

Letter from the Management Board

Ladies and gentlemen,

The last financial year marked the 175th anniversary in the long and proud history of our Company. We were pleased to be able to improve our revenue and operating result from quarter to quarter, despite the ongoing recession in Germany and the still challenging geopolitical environment. In particular, the clearly positive free cash flow shows that HEIDELBERG has improved and solidified its profitability over the course of the financial year. We owe this success in part to the implementation of our plan for the future. Our rigorous focus on costs and margins and the resulting improvements in efficiency are now already having a positive impact on our performance. At the same time, our success at drupa demonstrated that HEIDELBERG continues to take a leading role in our sector. One important factor in this success is our strong commitment to the packaging sector, which is still proving itself to be a growth market. Over the coming years, we will continue on this path so that HEIDELBERG will have a sustainable footing for the future. We will focus on megatrends in the packaging sector and also challenge established ways of thinking along the entire value chain so that we can benefit from any associated growth to an above-average extent. In the new Digital Solutions & Lifecycle segment, we will not only participate in

Jürgen Otto
CEO Heidelberger
Druckmaschinen AG

Dr. David Schmedding
CFO Heidelberger
Druckmaschinen AG

the digital printing business via our collaboration with Canon but also enjoy a decisive competitive advantage through the unique combination of offset and digital printing within one single software workflow. We have already delivered the first machines and systems and have further orders on the books for the next financial year. Furthermore, we plan to expand our lifecycle business. Our services, spare parts and consumables business already generates € 900 million and accounts for around 40 percent of our revenue. It will enable us to increase our recurring revenue outside of machine sales. Naturally, we also intend to expand our technology business even further: We will utilize our capacities in Germany and our expertise in the areas of software, automation and robotics, power electronics and high-precision manufacturing both for charging infrastructure and for other new business fields such as the defense sector. Aside from the opportunities that these new markets will open up with respect to revenue and earnings, this step will also create added value for our shareholders. These accomplished skills are held in much higher regard in sectors outside of mechanical engineering so they could be used to sustainably improve HEIDELBERG's value. While exploiting these opportunities, we will continue to face difficult economic conditions to which we must adapt over the next few years. However, we showed resilience this year and were able to keep our margin stable. This is something that we will increase in the coming financial year. We will combat rising costs through strict cost discipline, especially when it comes to personnel costs. Our plan for the future presented in November includes savings of more than € 100 million over the next three years by suspending the next tariff increases, intensifying productivity and cutting 450 positions in Wiesloch-Walldorf with potentially around 150 more at the other German sites.

In view of all of these measures, we are certain that HEIDELBERG will be able to successfully navigate this anniversary year and the coming growth phase. We would like to take this opportunity to thank all of our committed employees: It is their hard work and expertise that pushes HEIDELBERG forward. Their ideas enable us to develop innovative products, it is their skills that help us create highly complex and unique products, and their dedication and loyalty that helps us maintain strong bonds with our partners and customers over the years. And it is their willingness to participate and contribute that will enable us to place our Company on a more stable footing for the future.

Dear shareholders, as you can see we have taken a new direction over the last financial year. Our new strategy – our plan for the future – that focuses on current challenges and future opportunities means that we can enter our 176th financial year with optimism and on a secure footing as the global market leader.

We thank you for the trust you have placed in us and would be delighted if you will remain shareholders and step into this future together with us.

Yours sincerely,

Jürgen Otto Dr. David Schmedding

Strategic orientation

The print sector has been undergoing a period of profound change for many years. In our core business, it is critical for the success of the Company that HEIDELBERG addresses the right market segments and the challenges faced by its customers appropriately.

Our market position as the global market leader together with our corresponding production capacities in Germany and China, the largest sales and service network in the industry and the experience and expertise of our employees provide the foundations for HEIDELBERG's growth strategy that is built on five central pillars.

1. In the growing packaging market, our focus will be on expanding our activities along the entire value chain so that we can position ourselves successfully as a system integrator for packaging solutions. Aside from the traditional machine business, this also includes software and robot solutions. The aim is to offer the best end-to-end, integrated, networked and automated workflow for the most attractive packaging segments to provide a greater level of automation for customers, helping them to improve their productivity and combat the lack of skilled workers. In addition, HEIDELBERG is working on innovative solutions to push forward the "paperization" of packaging, or in other words replacing plastic with paper packaging. As a result, the Company is actively working to protect the environment, while opening up new and profitable opportunities on the market.

2. In the commercial sector, HEIDELBERG addresses the challenges faced by print shops with a portfolio that not only includes our renowned sheetfed offset presses but also an ecosystem of solutions for the growing digital printing sector that is tailored to optimally meet the needs of our customers. These AI-based digital systems enable customers to efficiently plan and manage increasingly specialized, intricate and complex print jobs. At the same time, they give HEIDELBERG the opportunity to generate regular income across the entire lifespan of the system. Alongside the machines themselves, this includes income from workflow software, services and spare parts, consumables, training and consulting services. In cooperation with strong partners in both the inkjet and toner sectors, HEIDELBERG can offer commercial customers a hybrid solution that integrates offset and digital printing within an AI-supported workflow software. In the commercial sector, the fact we can offer an end-to-end solution including postpress processing is also a key factor in our success.

In the Technology segment, the Company's main focus is on becoming a comprehensive technology company. By entering into attractive growth markets, HEIDELBERG aims to establish and expand a lucrative and robust business area to exist alongside its core business.

3. As a contractor, service provider or partner, HEIDELBERG can provide services for companies that have synergies with existing skills and resources. HEIDELBERG is able to offer its expertise and capacities in areas such as casting, production, assembly, development and software to third-party companies as an industrial system supplier.

4. Furthermore, HEIDELBERG plans to develop its own products and IP (intellectual property) to position itself in attractive growth segments. A first step in this direction was entering the market for e-mobility charging solutions with Amperfied GmbH. The next steps are currently in preparation, such as in the green technologies growth market.

The fifth pillar focuses on the entire product lifecycle.

5. The traditional, transactional machine business will thus act as the basis for new business models. By expanding its lifecycle business model, the Company aims to increase its recurring revenue to, on the one hand, strengthen its financial resilience and, on the other, improve customer loyalty even further. The services, spare parts and consumables business is one area that will play a particularly important role, whereby HEIDELBERG will be able to benefit from its already existing global sales and service network.

Alongside the previously described strategic focal points, we will also strive to improve the Company's competitiveness. To do this, the Company plans to sustainably reduce personnel costs while at the same time generating growth, above all through improvements in internal efficiency.

Our strategy not only points the way towards sustainable growth but will also guide HEIDELBERG's transformation into a technology company that is broadly diversified in attractive business fields with a simultaneous focus on improving profitability.

Sustainability firmly integrated into the strategic agenda
HEIDELBERG defines sustainability as combining economic success with environmental and social responsibility. This is why we view sustainability as the basis for our strategic alignment. Sustainability aspects and how they impact our corporate culture, products, production processes, supply chain

and our interactions with our partners are taken into account in the Group's environmental standards and code of conduct.

The Company was able to make further progress in the area of sustainability management in the 2024/2025 financial year. HEIDELBERG's aim is to have the smallest ecological footprint in its industry along the whole value chain.

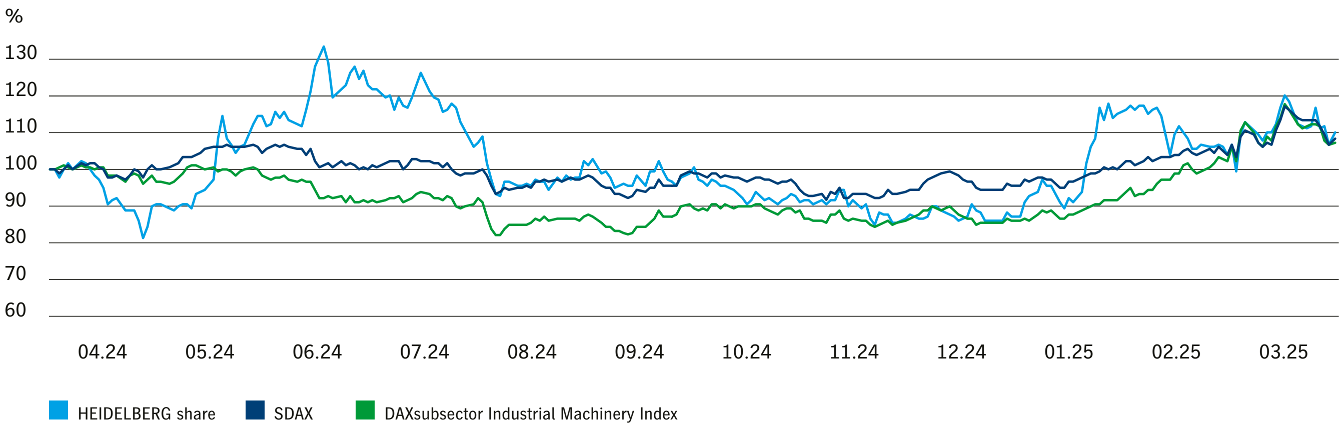
In HEIDELBERG's target markets, such as packaging printing, sustainability has a regulatory aspect and is also an important sales argument. Trends and requirements such as recyclability, the use of mono material/paper instead of plastic and the use of environmentally friendly and food-grade materials and coatings are becoming more and more important.

Further information on our sustainability initiatives can be found in the combined Group Sustainability Report 2024/2025, which is published in the Investor Relations section of our website under "Reports and presentations".

HEIDELBERG on the Capital Markets

Performance of the HEIDELBERG share

Compared to the SDAX and DAXsubsector Industrial Machinery Index (Index: April 1, 2024 = 100 percent)



The HEIDELBERG share

Capital market environment

In the 2024/2025 financial year (April 1, 2024 to March 31, 2025), the monetary policy pursued by the major central banks in Europe and North America played a key role in capital market performance: Interest rate cuts from June 2024 onwards and the expectation of further interest rate cuts meant that share and bond prices performed positively overall in 2024 despite continued (geo-) political and economic uncertainties. The US election also initially led to a noticeably cheerful mood on the capital markets. Overall, US indices made the biggest gains, whereas the indices in the Asian region were more subdued. Almost all of the major indices ended 2024 higher than in the previous year. In the first quarter of 2025, this positive trend continued until the uncertainty associated with the tariff policy introduced by the US government started placing a growing strain on capital markets, at the same time significantly increasing volatility.

German indices

The DAX grew in 2024 by almost 19 percent compared to the previous year to 19,909 points despite another year of recession in Germany, whereby it exceeded the 20,000-point mark on several occasions during the course of the year. This was mainly due to the performance of large international companies who generate most of their sales abroad and were thus less impacted by the development of the German economy. In contrast, the SDAX – which mainly comprises small and medium-sized companies who have weaker trading liquidity and pose a greater risk for investors – fell by around 0.8 percent during 2024. The DAXsubsector Industrial Machinery closed 2024 at the same level as at the beginning of the year. In the first quarter of 2025, all three of the indices mentioned above made significant gains and the DAX reached a new all-time high of more than 23,000 points on March 3, 2025.

The HEIDELBERG share

The HEIDELBERG share started the 2024/2025 financial year at a price of € 1.04 and rose considerably during the first quarter – due in part to the successful sector trade fair drupa in May/June 2024 at which HEIDELBERG was able to generate a high level of incoming orders and announced a cooperation with Canon in the area of digital commercial printing. The rise in share price was also due to the results for the 2023/2024 financial year announced in the middle of June, and the price reached its peak for the 2024/2025 financial year on June 17, 2024 at € 1.37. Weak labor market data and the associated fear of recession led to substantial losses on the global capital markets at the beginning of August 2024 and, despite the fact that the business figures for the first quarter of 2024/2025 met expectations, the HEIDELBERG share suffered a considerable drop to below € 1 and was unable to recover again before the end of 2024. In the first three months of 2025, the HEIDELBERG share rose considerably to € 1.24 in response to the Company's growth strategy presented in December 2024 and the overall positive performance of the capital markets. It closed the year on March 31, 2025 at a price of € 1.11 and was thus around 10 percent higher than at the start of the financial year.

Capital market communication: In constant dialog with investors, analysts and private shareholders

The aim of our investor and creditor relations activities is to present the Company's financial performance and prospects transparently on the capital markets in order to achieve an appropriate valuation for the HEIDELBERG share. We remain in constant dialog with investors, analysts and other capital market participants at numerous international capital market conferences and (virtual) road shows. The Heidelberger Druckmaschinen AG share is covered by several financial analysts. We are currently in contact with five analysts. As of March 31, 2025 the average target price was € 1.54.

With the exception of the conference on the figures for the fourth quarter, the analysts' conferences on the financial year and quarterly figures were all held virtually in the form of Web conferences. Over the past year, the Investor Relations (IR) team also took part in numerous conferences and road shows. The Company held events with management for both institutional investors and private investors, which were organized via investor associations. The IR team is also available for investor inquiries by telephone on +49-6222-82 67121 and offers an online contact form for submitting questions about the Company and the share. Our IR website contains extensive information on the share, recordings of telephone conferences, up-to-date presentations and Company news and publication dates.

Annual General Meeting 2024 approves all proposed resolutions

The Annual General Meeting for the 2023/2024 financial year was held on July 25, 2024 as an in-person event at the Congress Center Rosengarten in Mannheim. During the meeting, the Management Board explained the Company's strategy and the balance sheet figures for the past financial year (April 1, 2023 to March 31, 2024). Around 26 percent of HEIDELBERG's share capital was represented in the votes taken on the agenda items. The Company's shareholders voted on nine of the ten agenda items, including the reelection of Li Li and the first-time election of Karin Dohm and Jeppe Frandsen as shareholder representatives on the Supervisory Board. In the vote to elect the Supervisory Board members, a clear majority of those entitled to vote accepted the candidates proposed.

Shareholder structure: Free float at around 84 percent

Pursuant to the voting rights notifications received by the Company, the proportion of Heidelberger Druckmaschinen shares in free float on March 31, 2025 – in accordance with the Deutsche Börse definition – was around 84 percent of the share capital of 304,479,253 shares. The voting right notifications received by the Company are published in the Investor Relations section of our website.

Key performance indicators for the HEIDELBERG share

Figures in € ISIN: DE 0007314007	2023/2024	**2024/2025**
Basic earnings per share[1]	0.13	0.02
High	1.87	1.37
Low	0.93	0.85
Share price at the beginning of the financial year[2]	1.67	1.04
Share price at the end of the financial year[2]	1.04	1.11
Market capitalization – financial year-end in € millions	317	338
Outstanding shares in thousands (reporting date)	304,479	304,479

1) Determined based on the weighted number of outstanding shares
2) Xetra closing price, source: Bloomberg

02

Combined Management Report

Combined Management Report*

Basic Information on the Group

Business model of the Group

Company profile

The HEIDELBERG Group (HEIDELBERG) is a technology company with a worldwide leading position in the printing industry. For 175 years, we have stood for quality and sustainability as a highly innovative and reliable partner, while, with the aspirations of a system integrator, we want to shape future trends in the printing and packaging industry using state-of-the-art technology. We also use our expertise to successfully position ourselves as an incubator in new business areas such as e-mobility and other green technologies. To achieve this, the Company is developing new business fields in the industrial sector, such as the construction of high-precision plants with integrated control systems, power electronics, automation technology and robotics. Carrying out our business activities responsibly and sustainably is also a central principle of our strategy (see also the "Strategic orientation" section for further information).

In our core business, we focus on customer requirements in our target markets of packaging and label printing, as well as in commercial and advertising printing. Our emphasis is on increasing the productivity of the entire value chain by digitizing and automating key process steps, particularly using solutions in the areas of robotics and software-based workflow management. HEIDELBERG is the leading supplier of sheetfed offset presses – a technology used in the production of high-quality, high-volume print products – and has the largest market share in this sector. It also offers its customers additional integrated solutions for hybrid, computer-controlled print production processes in the form of digital printing systems based on toner and inkjet technologies. Furthermore, the Company has expanded its position in recent years in flexographic printing for the industrial packaging market and in digital printing for the label market. At the last count, a total of around 9,500 employees were working with our sales partners at about 250 production sites in 170 countries to reliably meet the requirements of our customers.

Sites and production

— Global sales and service network
— Production network with sites in Germany and China
— Production and technological expertise, also for partners outside of the printing industry

With foreign sales of around 88 percent, a global sales and service organization is crucial for HEIDELBERG. The Company is present worldwide and offers customers high machine availability and a ready supply of consumables and spare parts via its broad service coverage. The Company's production sites are located in Germany and China.

Global sales and service network

The global availability of HEIDELBERG's services is an important unique selling point and is essential for a successful and long-lasting customer relationship. Maintaining the productivity of our customers is crucial for their economic success, which in turn means that the quick availability of spare parts is important. Our aim is to process incoming orders immediately on the day they are received and ship the goods within 24 hours all over the world. It is also important that our services are digitized. The basis for these digital services is the HEIDELBERG Cloud, which provides all of our customers with access to an extensive pool of data. Our cloud-based applications help customers to effectively plan and control maintenance tasks and optimize the use of their machines.

Production network with sites in Germany and China

The HEIDELBERG production network is organized according to component family and product. Our sheetfed offset machines are built at two production sites: In Wiesloch-Walldorf, Germany, we assemble a wide variety of highly automated machines specially configured to the customer's requirements in almost all of our format classes. The digital units for the Gallus Labelfire and Gallus ONE are also assembled in Wiesloch-Walldorf. In Shanghai, China, we produce high-quality models that are mostly preconfigured for sale primarily on the Asian market. In addition, we operate a parts manufacturing plant in Tianjin, China, as a production joint venture in cooperation with our partner Masterwork Group Co. Ltd.

* The cross-references to the company's website contained in the combined management report that are not required by law and the information to which the cross-references refer were not subject to a content audit by the auditor KPMG

In Weiden (Upper Palatinate region of Germany), we develop and assemble innovative inline flexographic printing presses and die-cutters. Our customers around the world use these systems to produce all kinds of cardboard packaging, from cosmetics and beverage packaging through to pharmaceutical and food packaging. Langgöns is the primary production site for label printing systems. At the Ludwigsburg site, we build machines for print processing (postpress).

The foundry at the Amstetten site supplies finished castings and large parts for our production sites. It also supplies products to many industrial customers. The electronics production at our site in Wiesloch-Walldorf specializes in the production of power electronics and the assembly of control cabinets for all offset printing, label printing and inline flexographic printing presses. Furthermore, this site also builds charging systems for our subsidiary Amperfied, which is active in the area of e-mobility, and for other partners in various industrial sectors. Our production specialists for complex, mechanical components and systems located in Wiesloch-Walldorf and Brandenburg round off our production network for internal and external customers.

Production and technological expertise, also for partners outside of the printing industry

The HEIDELBERG Industry business area offers production solutions that range from engineering, model and prototype construction, and series production through to service provision and spare parts management. The portfolio covers foundry products, mechanical parts processing, industrial electronics and the assembly of modules and systems, with particular strengths in the mechanical and vehicle engineering sectors, especially in the areas of commercial vehicles, construction machines and agricultural technology, robotics, automation technology and energy provision.

We utilize our production and assembly expertise in complex applications, such as the assembly of 3D printers. In the electronics sector, our services include the development and production of control and power electronics and control cabinets.

HEIDELBERG plans to apply its combination of production know-how, available capacity and expertise in technological systems in future by becoming a partner for those sectors that have high standards with respect to safety, precision and performance, including the defense sector.

Markets and customers

- The market for print products remains an important business segment
- Packaging and label printing is continuously increasing its share of the overall market
- HEIDELBERG addresses packaging printing with the new Boardmaster

The market for print products remains a relevant business segment even in the age of increasing digitization. According to a market study carried out by Smithers, the value of the global print volume produced in 2023 was $ 910.8 billion (equivalent to € 865.3 billion). HEIDELBERG addresses more than half of this defined market with its products.

This market is expected to grow by almost 1.7 percent per year up to 2028, driven by growth in the packaging and label printing sector. In addition, the demand for print media is growing in countries with a continuously growing proportion of the population with a high level of literacy.

Ongoing structural change in the printing industry

The global market for print products has been undergoing a period of profound change for almost two decades, characterized in particular by the increasing digitization of society. As a result, commercial and advertising printing and especially the publishing printing sector has been in decline for years. In particular, categories such as newspaper, magazine and catalog printing have become much less important, while the print volume in the business printing sector has also decreased. According to Smithers, commercial and advertising printing and the publishing printing sector still accounts, however, for around 40 percent of the global printing volume and thus remains relevant. On the other hand, there has been strong growth in the packaging and label printing industry. According to Smithers, the Packaging and Labels segment** increased its share of the overall market from 52 percent in 2018 to 60 percent in 2023. Further growth is expected in this segment over the coming years.

** Smithers defines this sector much more broadly than HEIDELBERG and includes the following in the packaging category: corrugated cardboard boxes, trays and pallet sleeves, folding boxes, liquid packaging boards and sleeves, flexible packaging, rigid plastics, metal cans and boxes. And the following in the labels category: wet glue, self-adhesive (pressure-sensitive), in-mold and wrap-around labels, labels with shrink and stretch sleeves. This category also includes multipart logistics and tracking labels, as well as some permanent information labels used in the automotive and mechanical engineering industries.

In terms of print technologies, sheetfed offset printing is still the most widely used printing process for graphical applications and accounted for 21 percent of the global print volume in 2023. Flexographic printing, the most important printing process in the packaging sector, accounted for around 28 percent of the printing market in 2023. Digital printing increased its share of the global print volume to 16 percent by 2023.

Packaging market

The packaging and label market is the fastest-growing sector in the printing market and accounts for around 60 percent of the global print volume. The reasons for this include the basic needs of growing populations and rising incomes combined with the demand for additional packaged goods. Demand is particularly high in emerging and developing countries, where economic development and urbanization has led to greater consumption of packaging. However, the packaging solutions required by low-income regions differ from those in industrialized countries. In developing regions, the main focus is placed on affordable, durable packaging that help meet the basic needs of people, while the focus for packaging solutions in industrialized countries lies more on luxury and sustainability.

HEIDELBERG addresses the market for packaging printing with both its highly automated sheetfed offset presses in the Speedmaster series and also its Boardmaster flexographic printing system, which satisfies the main requirements and issues faced by customers in the packaging market: cost pressure, productivity, lack of skilled workers, exclusivity and sustainability.

HEIDELBERG generates more than 50 percent of its Group sales in the packaging sector.

Label market

Although the label market is still relatively small, it is one of the growth areas in the printing industry. Alongside sheetfed offset printing, flexographic printing and digital printing processes are used in this sector.

According to Smithers, there is still potential for growth in the digital label printing sector. HEIDELBERG addresses demand for digital printing with its Labelfire and Gallus One systems. In the Labelfire system, digital technology is supplemented with conventional printing and finishing processes, which means that finished labels can be produced from a single file using just one printing press. HEIDELBERG also launched its Gallus One system in the middle of 2022. It has become a well-established product on the market and sales of ink for this system have increased the proportion of recurring revenue. This fully digital label printing machine is a highly automated and cloud-connected system that uses UV inkjet printing technology.

Commercial and advertising and advertising printing market

The market for print products such as flyers, brochures, business cards, postcards, advertising banners, annual reports and calendars is referred to as commercial and advertising printing. The commercial and advertising printing market remains a major segment and accounted for around 30 percent of the global print volume in 2023.

Alongside offset printing presses, HEIDELBERG also offers digital printing presses such as the Versafire and Jetfire and combined – so-called hybrid – solutions for print shops in this market. Our Prinect production software can be used to operate both sheetfed offset and digital printing presses using the same software. Print shops providing commercial printing services will need these kinds of automated and flexible production systems in order to remain competitive in future in a changing market. Our high performance, digitally connected printing presses work according to the “Push-to-Stop” philosophy, meaning that the printing process is fully automatic and only stops when the operator presses a button. For the postpress processing of printed sheets, we already offer automated solutions and robots for the packing process (“end-to-end”). We plan to further expand this area so that we can offer our customers a solution to the problem of a growing shortage of skilled workers.

E-mobility

E-mobility remains a growth market that HEIDELBERG and its subsidiary Amperfied are addressing with corresponding products and services. While market dynamics are changing, there is still a long-term trend towards the electrification of vehicle fleets and an increasing demand for charging infrastructure. In 2024, the global market for electric vehicles and plug-in hybrid vehicles grew by 25 percent to 17.1 million vehicles – despite the falling market in Germany. However, sales are also growing again in Germany, and a total of 35,949 purely battery-powered electric vehicles were newly registered in February 2025 – which represented a market share of 18 percent and an increase of 31 percent compared to the same month of the previous year.

Amperfied is also adapting to changes on the market and is not only providing the hardware but also increasingly focusing on services associated with charging infrastructure. Its portfolio now also includes management, billing and service solutions. To reduce barriers to investment for commercial customers and to make the operating costs more predictable, Amperfied also offers a flexible leasing model. This transition is resulting in a growing number of charging points that Amperfied manages via a cloud-based backend.

Sources: Smithers: The Future of Global Print to 2026, VDMA 2023 and 2024, Rho Motion, Federal Motor Transport Authority.

Management and control

Heidelberger Druckmaschinen Aktiengesellschaft is a stock corporation under German law with a dual management structure consisting of the Management Board and Supervisory Board. In the 2024/2025 financial year, the Management Board had two members as of June 30, 2024: Dr. Ludwin Monz (Chief Executive Officer and Labor Director) and Tania von der Goltz (Chief Financial Officer), and three members as of July 1, 2024: Jürgen Otto (Chief Executive Officer and Labor Director), Tania von der Goltz (Chief Financial Officer) and Dr. David Schmedding (Chief Technology and Sales Officer).

The business allocation plan below illustrates how the functional responsibilities are allocated within the Management Board as of March 31, 2025. Jürgen Otto is Chief Executive Officer and responsible for the functional areas of Corporate Strategy, Production and Assembly, Human Resources (Labor Director), Purchasing, Information Technology, Information Security, Site Management and Occupational Health and Safety, Environmental and Energy Management, Quality Management, Communication, Internal Auditing and the Technology Solutions segment.

In her role as Chief Financial Officer, Tania von der Goltz is responsible for Controlling, Finance/Treasury, Investor Relations, Mergers & Acquisitions, Accounting, Legal, Patents, Compliance and Data Protection, Risk Management and Internal Control System, Taxation and Insurance.

Tania von der Goltz stepped down from the Management Board of Heidelberger Druckmaschinen AG with effect from the end of March 31, 2025. Mit Wirkung zum 1. April 2025 hat Jürgen Otto bis auf weiteres im Vorstand zusätzlich die Leitung des Finanzressorts übernommen.

As the Chief Technology and Sales Officer, Dr. David Schmedding is responsible for Global Sales and Service Organization, Segment and Product Management, Research and Development, Product Safety, Marketing, Sales and Services. He is also responsible for the Print Solutions and Packaging Solutions segments.

The Supervisory Board consists of 12 members. According to the German Stock Corporation Act (Aktiengesetz – AktG), its most important tasks include appointing and dismissing members of the Management Board, monitoring and advising the Management Board, approving the annual financial statements and consolidated financial statements, and approving or advising on important corporate decisions and planning. Further information on the cooperation between the Management Board and Supervisory Board and on corporate governance at HEIDELBERG can be found in the Annual Report in the Report of the Supervisory Board and the “Corporate Governance Declaration” section.

Business allocation plan as of March 31, 2025

Dr. David Schmedding Chief Technology and Sales Officer	**Jürgen Otto** Chief Executive Officer and labor director	**Tania von der Goltz** Chief Financial Officer
	Markets	
Global Sales and Service Organization		
	Functional Responsibilities	
Segment and Product Management	Corporate Strategy	Controlling
Research & Development	Manufacturing and Assembly	Finance/Treasury
Product Safet	Human Resources	Investor Relations
Marketing	Procurement	Mergers & Acquisitions
Sales	Information Technology	Accounting
Service	Information Security	Legal, IP, Compliance and Privacy
	Site Management and Health & Safety	Risk Management and Internal Control System
	Environmental and Energy Management	Taxes
	Quality Management	Insurance
	Communications	
	Internal Audit	
	Segments	
Print Solutions (Digital, Commercial, Industrial, Print Other)	**Technology Solutions** (Amperfied, Technology Other)	
Packaging Solutions (Folding Carton, Label, Packaging Other)		

Organization and segment structure

Heidelberger Druckmaschinen Aktiengesellschaft is the parent company of the HEIDELBERG Group. While it has central management responsibilities for the entire Group, it is also involved in the operating business itself.

With respect to operating activities, the internal reporting structure of the HEIDELBERG Group was divided into the following segments in the 2024/2025 financial year: Print Solutions, Packaging Solutions and Technology Solutions.

Print Solutions comprises the customer categories Digital, Commercial, Industrial and Print Other. The customer categories Folding Carton, Label and Packaging Other make up the Packaging Solutions segment. The business fields of Amperfied and Technology Other are bundled in the Technology Solutions segment. In the 2024/2025 financial year, these segments were also the reportable segments pursuant to IFRS.

HEIDELBERG amended its management model including its reporting to the Management Board and thus also the segment structure on April 1, 2025 and will report on the following segments in future: Print & Packaging Equipment, Digital Solutions & Lifecycle and HEIDELBERG Technology.

The Print & Packaging Equipment segment includes offset, flexographic and postpress solutions for the packaging and commercial printing sectors. The Digital Solutions & Lifecycle segment covers products and activities dealing with software, services, consumables and digital printing. The HEIDELBERG Technology segment mainly comprises activities outside of the core business. This includes e-mobility (Amperfied) and industry solutions (production and technology solutions for third-party companies).

This new management model will place greater focus on product-oriented management in line with market requirements and customer needs, as well as on consistent accountability for results. At the same time, the new management model at HEIDELBERG will make the progress achieved in the implementation of strategic growth projects more transparent.

Management system

In its management of the HEIDELBERG Group, the Management Board primarily bases its decisions on key financial figures. These key performance indicators are the main basis for the overall assessment of all matters and developments that are to be considered within the Group.

The most important performance indicators relevant to management

Our planning and management are based primarily on the Group's sales and earnings performance. When assessing the financial performance of the operating business, sales revenues and the adjusted operating earnings before interest, taxes, depreciation and amortization in relation to sales revenues (adjusted EBITDA margin) are the most important performance indicators relevant to management. HEIDELBERG reports the EBITDA margin adjusted for special items as a performance indicator in order to improve transparency with respect to the Company's operating performance. The adjustments include, for example, individual material issues related to changes in legal regulations, such as significant changes to IFRS accounting standards, extraordinary impairments, results from legal disputes and from acquisitions and divestments (M&A), external events (e.g. geopolitical conflicts or comparable extraordinary situations) and restructuring measures.

More detailed information on the development of these financial performance indicators can be found in the individual sections of the "Economic Report" and in the "Future Prospects" section.

Other financial and non-financial performance indicators

The other most important key performance indicators used to measure the financial performance of the operating business are operating earnings before interest and taxes in relation to sales revenues (EBIT margin), net working capital in relation to sales revenues and free cash flow. The free cash flow includes the cash inflow from operating activities (operating cash flow) and the cash outflow from investing activities. The Management Board also tracks non-financial performance indicators. These include, in particular, key performance indicators on quality assurance and performance indicators from the environment, social and governance (ESG) area.

Partnerships

- Partnerships and collaborations speed up the expansion of new business areas
- Partners in the area of digital printing: Canon and Ricoh
- Collaborations in the field of postpress processing

HEIDELBERG believes that collaborations and partnerships are a useful way of potentiating its own innovative strength by combining it with that of its partners. At the same time, integrating mutual expertise ensures optimized resource management on both sides. Alongside sales partnerships, these projects especially focus on supplementing our product portfolio so that we can cover our customer's entire value chain or tap into new markets.

Partners in the area of digital printing: Canon and Ricoh

HEIDELBERG has been collaborating with the company Canon Production Printing Holding B.V. (Venlo, the Netherlands) in the area of sheetfed inkjet printing since May 2024. The agreement with Canon means that their associated range of products in the area of industrial inkjet digital printing closes the gap for HEIDELBERG between the Versafire for small print runs and its highly productive offset presses for large print runs. HEIDELBERG can now offer its customers a complete ecosystem for hybrid and AI-controlled print production processes.

In collaboration with our partner Ricoh, we have been offering toner-based digital printing solutions for the cost-effective production of small print runs in the commercial printing market since 2011. Customers benefit from the seamless integration of the machines into our Prinect software ecosystem. To ensure our customers' success, HEIDELBERG is continuously enhancing the Prinect Digital Frontend and expanding the Prinect functions. In this way, the capabilities of the devices can be flexibly deployed for a growing range of printing applications while the systems can still be efficiently and completely integrated into the print shop workflow at the same time. This makes it possible to manage both digital and offset printing systems within a common workflow. HEIDELBERG benefits here from steady, recurring revenues arising from the volume-based billing of these systems.

Collaboration with Masterwork on the postpress packaging market

In order to further expand our market position in the growth area of packaging printing, we have a sales partnership with China's largest manufacturer of postpress packaging solutions, Masterwork (Tianjin). HEIDELBERG sells die-cutters, hot-foil embossing machines and inspection machines made by Masterwork in China, and Diana folding carton gluing machines from Masterwork's European production site in Nove Mesto, Slovakia, around the world. The Masterwork Group is also currently HEIDELBERG's largest single shareholder.

Long-standing collaboration with Polar Mohr on cutting systems

In the area of cutting and die-cutting systems, HEIDELBERG and Polar Mohr can look back on a long-standing partnership since the 1950s. While Polar Mohr develops and manufactures the systems, HEIDELBERG is responsible for sales and service provision. We offer the postpress processing machines produced by our partner as an integral part of our range of solutions. Our focus here is on automation, digitization and workflow integration with the aim of increasing the productivity of our customers' value chains in commercial printing and label production.

Collaboration with universities, associations and research partners

To supplement our internal research projects, we also work with institutes and universities. This includes collaborations with the Technical University of Darmstadt, the Karlsruhe Institute of Technology (KIT), the Mannheim University of Applied Sciences, the University of Wuppertal and the Fraunhofer Society. These activities are rounded off by our partnerships and memberships in associations such as the VDMA, FVA, Fogra and on DIN/ISO committees. To open up new business areas, we also collaborate with InnovationLab GmbH (iL), in which HEIDELBERG holds 20 percent of the shares. iL acts as a platform for knowledge transfer, research and development at the interface between science and industry and gives us access to a broad base of expertise from various sectors.

Research and development

- New XL 106 machine generation presented and launched onto the market
- A focus on the digital ecosystem – Jetfire for industrial digital printing
- AI-supported hybrid production offers new economic perspectives for print shops
- Pushing forward autonomous printing processes using robotics
- Flexible paper: Expanding the range of applications for Boardmaster
- HEIDELBERG strengthens its development activities for the industrial customer business

Over the last financial year, HEIDELBERG in its role as a provider of complete solutions for its defined growth fields pushed forward the development of its core business areas of packaging and digital printing, software solutions and the lifecycle business with services and consumables. In addition, it focused on further developing its industrial customer business. Some milestones were the launch of the new peak performance generation of the Speedmaster XL 106, the announcement of the collaboration with Canon in the digital print sector and the associated launch of the Jetfire 50 industrial digital printing system. The Prinect Touch Free workflow for hybrid print production was also introduced. HEIDELBERG's technological edge and how it has differentiated itself from the competition, both of which form the basis for its success, are attributable to, among other things, its continuous research and development work.

A focus on the digital ecosystem – Jetfire for industrial digital printing

A special highlight of the last financial year was the announcement of a collaboration with Canon at drupa 2024 and the associated presentation of the Jetfire family to serve the growing market for industrial digital printing using inkjet technology. The development work in this area focused on the seamless integration of the Jetfire into the Prinect workflow via the Digital Frontend and into HEIDELBERG's Remote Service Portal so that it can also offer these customers the expected level of service provision. This was a prerequisite for the scheduled delivery of the first Jetfire systems in the final quarter of the financial year. Due to the growing importance of digital printing in the commercial printing sector and also in digital label printing, HEIDELBERG's activities in this area continued to focus on expanding and further developing its digital ecosystem for printing presses and postpress processing machines, software, consumables and service provision.

AI-supported hybrid production environment offers new economic perspectives for print shops

Around 65 percent of all commercial print runs carried out around the world on a Speedmaster machine consist of less than 2,000 printed sheets. This figure is based on an analysis of the relevant data from the machines. Small and very small print runs are usually produced digitally, which means that offset and digital printing processes are often carried out side by side and complement each other. To handle these types of runs efficiently and economically, print shops combine both technologies. Therefore, they require hybrid solutions that offer them the greatest level of flexibility and enable them to carry out the print jobs cost-effectively even when the delivery time is extremely short. It is precisely these situations that HEIDELBERG is addressing with its AI-based Prinect Touch Free workflow that offers customers a fully integrated hybrid production environment across all technologies. Prinect Touch Free utilizes AI to analyze data from the print shop and decide independently without any manual interventions which output system – offset or digital – it should use to carry out a print run efficiently and economically. This is another milestone on the path to fully automated printing processes.

Pushing forward autonomous printing processes using robotics

Alongside the automation and digitization of the printing process itself, the development and application of robots at the interfaces between production technologies is a key factor in increasing productivity in the printing industry. For this reason, HEIDELBERG expanded its robotics range in time for the drupa trade fair to include the new, fully automatic StackStar-C. It is considered to be a cobot – a robot that coexists with and works alongside people to further automate the interface between the printing press and postpress processing machine.

Expanding the range of applications for Boardmaster

The roller-fed flexographic printing press Boardmaster for high volume folding box printing was presented in 2023 and is a key product for tapping into the lucrative growth potential in the core business of packaging solutions. HEIDELBERG is thus now collaborating with Solenis LLC (USA) to expand the range of applications for Boardmaster in the area of flexible paper. The cost-effective application of barrier coatings is hugely important for the quality and safety of flexible paper packaging. The partnership with Solenis focuses on achieving optimal compatibility between the individual components of the Boardmaster press, the chemical composition of the barrier coating from Solenis and the entire process technology and making this technology available to packaging producers.

HEIDELBERG strengthens its development activities for the industrial customer business

Alongside its core business, HEIDELBERG is also working on its industrial customer business for new markets such as the construction of high precision plants with integrated control systems, automation technology and robotics, the defense sector and the growing field of green technologies. The development department at HEIDELBERG is working to complete the first prototype of a hydrogen electrolyzer by the summer of 2025, which will be used within the Company and serve as a showcase. The aim is to work together with customers, application and technology partners and suppliers on the further development of a market-ready system for the industrial production of hydrogen and then industrialize it. HEIDELBERG now has a complete service provider for smart charging technology in the area of e-mobility in its subsidiary Amperfied and aims to establish Amperfied as one of the leading system providers for charging solutions for companies and public sectors in Europe in the medium term. The main focus is being placed on the operation of charging infrastructure.

HEIDELBERG's core competencies are mechanical engineering, electronics and software development, and the ability to take ideas from concept through to series production. The area of mechanical engineering itself is undergoing a period of profound change, in which electronics and software will continue to grow in importance. There are 767 employees working in research and development at the HEIDELBERG sites to help shape this transition.

European development network with unique industry expertise

The IVZ – our innovation and testing center in Wiesloch-Walldorf – lies at the heart of our development network, which also covers other production sites in Kiel, Ludwigsburg, Weiden, Langgöns and St. Gallen (Switzerland) as well as the Chinese production site in Qingpu. Our developers work across the entire network in the areas of printing technology (including prepress and postpress processing), control systems, drive systems and software (including user interfaces and consumables). They not only have expertise in traditional mechanical engineering but also in the areas of digitization and image processing, electronics and software development, and process engineering and chemistry.

Research and development in figures

Around 8.2 percent of our workforce is currently employed in the area of research and development. We invested around 4.7 percent of our sales in research and development in the reporting year. In the 2024/2025 financial year, HEIDELBERG registered 45 (previous year: 60) new patents. This means that HEIDELBERG's innovations and unique selling points are now protected by 2,419 active patents and patent applications worldwide.

Five-year overview: Research and development

	2020/2021	2021/2022	2022/2023	2023/2024	**2024/2025**
R&D costs in € millions	87	98	96	104	108
thereof depreciation of capitalized development costs	6	7	8	8	7
Capitalization of development costs	8	9	21	17	10
Capitalization ratio in percent	9.4	9.3	19.6	15.3	9.6
R&D costs in percent of sales	4.5	4.5	3.9	4.3	4.7
R&D employees	870	726	731	781	767
Patent applications	47	40	48	60	45

Macroeconomic and industry-specific conditions

The global economy experienced moderate growth of 2.8 percent in the 2024 calendar year. While growth in the advanced economies slowed to 1.8 percent during 2024, growth in emerging and developing countries increased to 4 percent.

The US economy remained robust and experienced significantly stronger growth than most other industrial countries with real gross domestic product rising by 2.8 percent. In contrast, the euro zone continued to experience weak growth with economic output only increasing by 0.8 percent. Gross domestic product in Japan has been on an upwards trend since early 2024, mainly due to a strong increase in exports that have benefited from the significant depreciation of the yen.

The economies in emerging countries have gained momentum, especially in response to an upturn in the previously weak Chinese economy, which experienced growth of 5 percent. This development was mainly driven by exports, while the persistent crisis in the real estate sector, subdued private consumption and a lack of momentum in private investment have had a dampening effect.

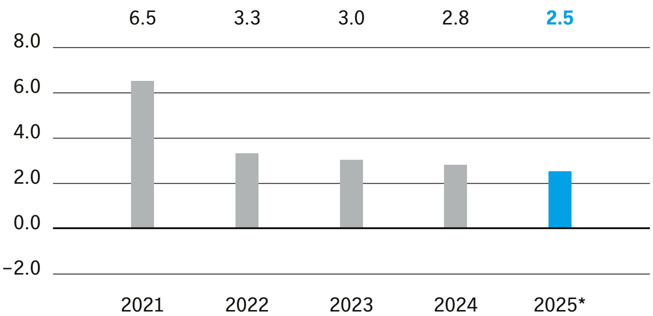
India was the fastest growing G20 economy with growth of 6.4 percent, while the rate of growth in Brazil and Mexico – the two biggest economies in Latin America – slowed considerably to 2.9 percent and 1.2 percent, respectively. One bright spot in the region is currently the Argentinian economy, where the economic crisis has come to an end and been replaced by strong growth.

Demand for capital goods also fell in 2024 against a backdrop of continued local crises, geopolitical uncertainty and risks. Furthermore, the machinery industry was also negatively impacted by profound structural changes and overcapacities in some customer sectors. According to preliminary calculations by the Federal Statistical Office, production in the German mechanical engineering and plant construction sector fell by 7.2 percent in real terms in 2024 in comparison to the previous year. Adjusted for inflation, incoming orders decreased by 8 percent compared to the level in the previous year. Incoming orders from Germany were particularly disappointing and experienced a double-digit decline of 13 percent. According to official statistics, sales decreased in nominal terms by 3.2 percent. In the paper and printing technology industries (Germany), orders for printing presses rose by 8 percent in real terms, while sales fell by 15 percent.

Sources: S&P Global Market Intelligence 2025; VDMA 2025

Change in global GDP

Figures in percent

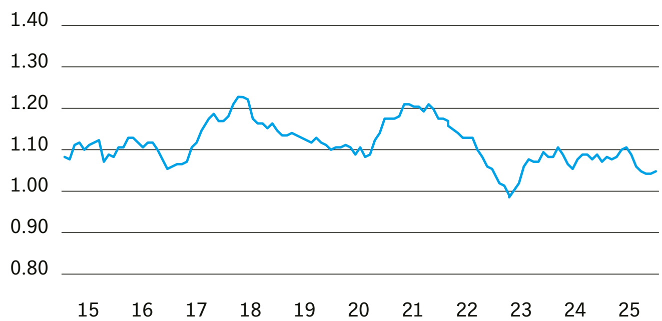


* Forecast

Source: S&P Global Market Intelligence; calendar year; as of March 2024

Development of EUR/USD

March 2015 to March 2025



Source: S&P Global Market Intelligence (March 2025)

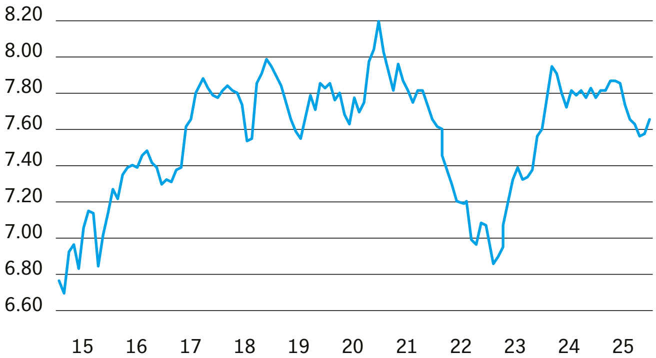
Development of EUR/JPY

March 2015 to March 2025

Source: S&P Global Market Intelligence (March 2025)

Development of EUR/CNY

March 2015 to March 2025



Source: S&P Global Market Intelligence (March 2025)

Business development and results of operations

- Incoming orders* increase by around 6 percent compared to previous year
- Sales around 5 percent down on the previous year
- Adjusted EBITDA margin nevertheless at same level as previous year, with higher wages within collective bargaining agreements and expenses for drupa already offset

Overall assessment of business development

The Company once again faced difficult economic and geopolitical conditions in the 2024/2025 financial year. Furthermore, incoming orders and sales fluctuated dramatically as expected – primarily due to the sector trade fair drupa in May/June 2024. These fluctuations were also reflected accordingly in the results for each quarter. Nevertheless, HEIDELBERG managed to achieve its target of an adjusted EBITDA margin of 7.1 percent for the 2024/2025 financial year (April 1, 2024 to March 31, 2025) despite the challenging conditions and was thus able to conclude the financial year successfully with sales of € 2,280 million, which were only slightly below the previous year (€ 2,395 million).

Incoming orders around 6 percent higher than in the previous year

Incoming orders fluctuated significantly during the course of the year as expected, mainly due to the sector trade fair drupa that was held in May/June 2024, which resulted in a particularly high level of incoming orders in the first quarter of 2024/2025 of € 701 million. Following this strong start to the year, incoming orders in the second and third quarters were more restrained but increased again in the fourth quarter compared both to the preceding quarters and the previous year. Overall, HEIDELBERG generated incoming orders of around € 2,433 million in the 2024/2025 financial year, which was 6 percent higher than in the previous year (€ 2,288 million). As of March 31, 2025, the order backlog* had also increased sharply compared to the reporting date in the previous year and stood at around € 722 million (previous year: € 652 million).

The Packaging Solutions and Print Solutions segments both benefited from the product innovations presented at drupa and their incoming orders increased in the 2024/2025 financial year: by around 7 percent to € 1,272 million in the Packaging Solutions segment and around 6 percent to € 1,155 million in the Print Solutions segment. While there was a strong increase in incoming orders compared to the previous year in the EMEA region and a clear increase in the Americas region, incoming orders in the Asia-Pacific region remained solid at the same level as in the previous year.

Sales around 5 percent down on the previous year

In the reporting year, sales stood at € 2,280 million (previous year: € 2,395 million). The change compared to the previous year was primarily attributable to a weak first quarter/half of the year. The forecast for the 2024/2025 financial year was for sales at the same level as in the previous year, whereby it was assumed that there would be no substantial change in the exchange rates relevant to business activities. In the 2024/2025 financial year, exchange rate effects had a negative impact

* All of the disclosures on incoming orders and the order backlog in this report are not covered by the audit conducted by the auditor KPMG.

of around € 6 million. Adjusted for these negative exchange rate effects, sales were 4.6 percent lower than the level in the previous year.

In line with Group sales and contrary to our forecast, sales in the Print Solutions and Packaging Solutions segments were also below the previous year, whereby sales decreased in the Print Solutions by around 4 percent and in the Packaging Solutions segment by around 5 percent. The forecast for a significant percentage increase in sales in the Technology Solutions segment was not achieved and sales actually decreased.

The share of Group sales accounted for by the Packaging Solutions segment in the 2024/2025 financial year was around 52 percent, as in the previous year. The Print Solutions segment accounted for around 48 percent and the Technology Solutions segment for less than one percent of Group sales.

The Group's total operating performance of € 2,320 million, which includes sales, changes in inventories and own work capitalized, was around the level in the previous year (€ 2,336 million).

Adjusted EBITDA margin remains stable despite high negative effects

The adjusted EBITDA margin in the 2024/2025 financial year was 7.1 percent and thus reached the forecast, which was based on the previous year's figure (7.2 percent). Lower sales volumes compared to the previous year, increasing wage costs and expenditure for the drupa trade fair were successfully offset by the implementation of cost reduction and efficiency measures.

As forecast, the adjusted EBITDA margin increased noticeably in the Packaging Solutions segment in the reporting period, while the adjusted EBITDA margin in the Print Solutions segment was appreciably below the level in the previous year. The adjusted EBITDA margin in the Technology Solutions improved significantly, as forecast.

The EBITDA for the Group adjusted for special items was € 162 million in the 2024/2025 financial year and was lower than in the previous year (€ 172 million). In relation to sales, the adjusted EBITDA margin was 7.1 percent (previous year: 7.2 percent). In the reporting period, the EBITDA was adjusted for special items with a net negative balance of around € 25 million, which were due to expenses for the structural reduction of staff costs in the third quarter. The aim of this measure is to cut 450 jobs at the Wiesloch-Walldorf site. Including special items, the EBITDA margin was 6 percent. In the previous 2023/2024 financial year, there were expenses of € 11 million in the fourth quarter in connection with a legal dispute in the USA and income from a legal dispute with a customer in the printed electronics sector of € 7 million. This resulted in a net negative impact on EBITDA of € 4 million. Including special items, the EBITDA margin in the previous year was 7 percent.

It was possible to keep the operating staff costs (excluding restructuring expenses) at the same level as in the previous year despite noticeable increases in wages in the reporting period within the collective bargaining agreements. In particular, the implementation of measures to make working hours more flexible and exchange rate effects had a positive impact on staff costs.

The cost of materials in relation to total operating performance increased compared to the previous year. The cost-of-materials ratio was around 45 percent (previous year: 44 percent). This development was primarily due to higher external production costs.

In the reporting year, net other operating income and expenses of around € 314 million was below the level in the previous year (previous year: € 341 million). In particular, cost discipline had a noticeable positive effect on this item. Further information can be found in notes 9 and 13 of the notes to the consolidated financial statements in this Annual Report. Depreciation and amortization of € 76 million was the same as in the previous year (€ 76 million).

Interest expenses for pensions negatively impact financial result

The financial result in the reporting period was € −34 million (previous year: € −36 million) and was primarily impacted by non-cash interest expenses for pensions.

Taxes on income stood at € 22 million in the 2024/2025 financial year and were thus lower than in the previous year (€ 16 million). In the previous year, the reversal of income tax liabilities in connection with transfer price risks of around € 22 million had a positive effect, the reversal of income tax liabilities in the current year was around € 7 million.

Overall, the net result after taxes fell to € 5 million in the reporting period compared to € 39 million in the previous year.

Five-year overview: Business development and results of operations

Figures in € millions	2020/2021	2021/2022	2022/2023	2023/2024	**2024/2025**
Incoming orders	2,000	2,454	2,433	2,288	2,433
Order backlog as of March 31	636	901	848	652	722
Sales	1,913	2,183	2,435	2,395	2,280
EBITDA[1)]	95	160	209	168	137
Adjusted EBITDA[1),2)]	n/a	n/a	175	172	162
in percent of sales	n/a	n/a	7.2	7.2	7.1
Result of operating activities	18	81	131	91	61
Financial result	– 41	– 30	– 19	– 36	– 34
Net result after taxes	– 43	33	91	39	5
in percent of sales	– 2.2	1.5	3.7	1.6	0.2

1) Result of operating activities before interest, taxes, depreciation and amortization
2) Adjustment is reported as of FY 2023/2024; previous year adjusted; FY 2020/2021 and 2021/2022 not reportable

Income statement

Figures in € millions	2023/2024	**2024/2025**
Net sales	**2,395**	**2,280**
Change in inventories/other own work capitalized	– 59	39
Total operating performance	**2,336**	**2,320**
Other operating income and expenses	341	314
Cost of materials	1,028	1,052
Staff costs	799	818
EBITDA[1)]	**168**	**137**
Adjustments	– 34	4
Adjusted EBITDA[1)]	172	162
in % of sales	7.2	7.1
Depreciation and amortization	76	76
Result of operating activities (EBIT)	91	61
Financial result	– 36	– 34
Net result before taxes	**55**	**27**
Taxes on income	16	22
Net result after taxes	**39**	**5**

1) Result of operating activities before interest, taxes, depreciation and amortization

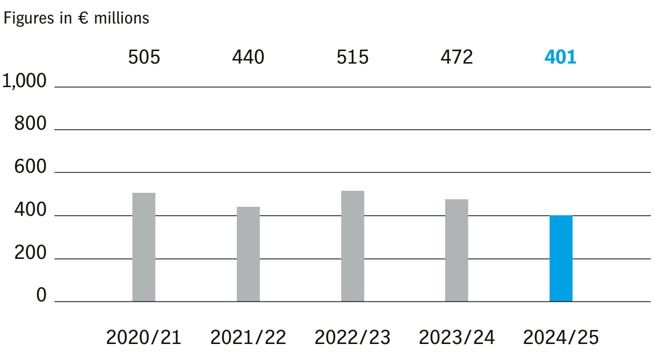
Net assets

- Further optimization of net working capital
- Current assets increase due to a rise in inventories and cash and cash equivalents
- Equity slightly higher, equity ratio at 25 percent

Further optimization of net working capital

As of March 31, 2025, net working capital (NWC) fell to € 401 million (March 31, 2024: € 472 million). The NWC in relation to sales on the reporting date was 17.6 percent (March 31, 2024: 19.7 percent), which meant this ratio was at its lowest level for over ten years. Measures for the continuous optimization of inventories and a strict management policy with respect to receivables were the main reasons for this development.

Development of net working capital



Assets

Figures in € millions	31-Mar-24	31-Mar-25
Non-current assets	902	912
Inventories	588	608
Trade receivables	252	254
Receivables from sales financing	43	51
Cash and cash equivalents	153	171
Other assets	177	178
	2,114	**2,174**

Current assets increase due to a rise in inventories and cash and cash equivalents

As of the reporting date on March 31, 2025, total assets were slightly higher than on the reporting date in the previous year. Assets increased in particular due to a rise in inventories, which was attributable to an increase in sales related to individual orders that were still not recognized on the reporting date. Despite the high sales volume at the end of the financial year, receivables remained at a stable level compared to the reporting date in the previous year due to a reduction in overdue receivables.

The positive free cash flow was mainly used to repay financial liabilities and regularly service leasing obligations. The remaining amount was reflected in the increase in cash and cash equivalents.

Equity and liabilities

Figures in € millions	31-Mar-24	31-Mar-25
Equity	527	546
Provisions	896	845
of which: pension provisions	688	650
Financial liabilities	76	80
Trade payables	227	243
Other equity and liabilities	387	461
	2,114	**2,174**

Equity slightly higher, equity ratio at 25 percent

At € 546 million, the HEIDELBERG Group's equity at the end of the 2024/2025 financial year was higher than in the previous year. This development was due to the net result after taxes and especially the decrease in the cash value of the pension obligations because of a rise in the actuarial interest rate for pensions in Germany from 3.5 percent on the reporting date in the previous year to 3.8 percent as of the reporting date of March 31, 2025. The equity ratio stood at 25 percent, as in the previous year.

The pension provisions fell due to a rise in the interest rate for pensions, while provisions overall decreased accordingly.

As of the reporting date of March 31, 2025, financial liabilities remained at a low level of € 80 million, compared to € 76 million on March 31, 2024.

Trade payables increased slightly in the 2024/2025 financial year compared to the previous year. Other liabilities increased above all due to higher advance payments and the application of working capital management tools in the area of supplier liabilities.

Five-year overview: Net assets

Figures in € millions	2020/2021	2021/2022	2022/2023	2023/2024	**2024/2025**
Total assets	2,169	2,183	2,221	2,114	2,174
Total operating performance	1,845	2,233	2,435	2,336	2,320
Ratio of total assets to total operating performance (in percent)	117.6	97.8	91.2	90.5	93.7
Net working capital (NWC)[1]	505	440	515	472	401
in percent of sales[2]	26.4	20.2	21.2	19.7	17.6
Equity	109	242	514	527	546
in percent of total equity and liabilities	5.0	11.1	23.1	24.9	25.1
Net financial position[3]	– 67	11	51	77	91

1) The total of inventories and trade receivables less trade payables and advance payments
2) Net working capital in relation to sales for the last four quarters
3) Net total of cash and cash equivalents and current securities less financial liabilities

Financial position

- Further improvement in operating cash flow – free cash flow once again clearly positive
- Net financial position positive and significantly expanded – refinancing secured in the long term

Further improvement in operating cash flow – free cash flow once again clearly positive

In the 2024/2025 financial year, HEIDELBERG was once again able to report a clearly positive free cash flow of € 51 million (previous year: € 56 million). In particular, the operating cash flow improved again in the 2024/2025 financial year to € 113 million, compared to € 90 million in the previous year. The basis for this improvement in the reporting year compared to the previous year was the stable EBITDA margin adjusted for special items of 7.1 percent. The net result after taxes includes expenses for the structural reduction of staff costs in the third quarter of around € 25 million, which were reported as non-cash expenses in the reporting year. Higher advance payments and the application of working capital management tools in the area of supplier liabilities had a particularly positive impact on the operating cash flow.

The cash used in investing activities stood at € –62 million in the reporting period (previous year: € –34 million). It increased in comparison to the previous year mainly as a result of a higher outflow of cash for equipping the demonstration centers with the new generations of machines exhibited at drupa.

Net financial position positive and significantly expanded – refinancing secured in the long term

The net financial position, i.e. the balance of cash and cash equivalents and financial liabilities, expanded significantly in the reporting period. At the end of the financial year, cash and cash equivalents (€ 171 million) exceeded financial liabilities (€ 80 million) by € 91 million. The positive free cash flow was offset to some extent by the increase in lease liabilities, which had a negative impact on the net financial position.

HEIDELBERG's financing structure currently mainly consists of a syndicated credit line (€ 370 million) and a few small loans, providing a solid foundation for the Company's further strategic development. At the end of June 2024, the term of the syndicated credit line was extended by the bank consortium by a further year until July 2028. In the reporting year, another bank joined the bank consortium. As of the end of the reporting period on March 31, 2025, around € 57 million of the credit line had been utilized, mainly for guarantees in connection with export transactions. This meant that € 313 million, or 84 percent, of the credit line had not been utilized at the end of the reporting period.

Five-year overview: Financial position

Figures in € millions	2020/2021	2021/2022	2022/2023	2023/2024	**2024/2025**
Cash generated by operating activities	0	51	33	90	113
of which: net result after taxes	– 43	33	91	39	5
of which: net working capital	125	71	– 79	40	69
of which: other operating changes	– 126	– 22	110	53	38
Cash generated by/used in investing activities	40	36	39	– 34	– 62
Free cash flow	40	88	72	56	51
in percent of sales	2.1	4.0	3.0	2.3	2.2

Segment report

- Print Solutions and Packaging Solutions experience increase in incoming orders and decrease in sales
- Technology Solutions: improvement in earnings despite falling volumes

Print Solutions segment

In the Print Solutions segment, incoming orders in the 2024/2025 financial year were around 6 percent higher than the previous year's figure. Sales in this segment fell slightly by 4 percent. Adjusted EBITDA stood at € 74 million (previous year: € 88 million). Including special items, EBITDA was € 62 million (previous year: € 86 million). Expenses for staff cost reduction measures in the Print Solutions segment were around € 12 million (previous year: net expenses of € 2 million due to legal disputes).

Print Solutions

Figures in € millions	2023/2024	**2024/2025**
Incoming orders	1,087	1,155
Order backlog	276	297
Sales	1,146	1,099
Adjusted EBITDA[1)]	88	74
EBITDA[1)]	86	62

1) Result of operating activities before interest, taxes, depreciation and amortization

Packaging Solutions segment

In the Packaging Solutions segment, incoming orders increased by 7 percent compared to the previous year, while sales were 5 percent below the previous year's figure. Adjusted EBITDA for the 2024/2025 financial year of € 100 million was at the same level as in the previous year. Expenses for staff cost reduction measures in the Packaging Solutions segment were around € 13 million (previous year: net expenses of € 2 million due to legal disputes).

Packaging Solutions

Figures in € millions	2023/2024	**2024/2025**
Incoming orders	1,192	1,272
Order backlog	368	424
Sales	1,239	1,175
Adjusted EBITDA[1)]	102	100
EBITDA[1)]	100	87

1) Result of operating activities before interest, taxes, depreciation and amortization

Technology Solutions segment

In the Technology Solutions segment, incoming orders and sales fell by 30 percent compared to the previous year. EBITDA improved considerably compared to the previous year but remained negative. Among other things, this was due to the fact that the loss contributions from Heidelberg Printed Electronics GmbH were eliminated after it was sold in the previous year and those from Zaikio GmbH were eliminated following its liquidation at the beginning of this financial year. The expenses for staff cost reduction measures in the Technology Solutions segment were around € 1 million (previous year: no special items because they originated in the Print Solutions and Packaging Solutions segments).

Technology Solutions

Figures in € millions	2023/2024	**2024/2025**
Incoming orders	10	7
Order backlog	8	1
Sales	10	7
Adjusted EBITDA[1)]	– 18	– 11
EBITDA[1)]	– 18	– 12

1) Result of operating activities before interest, taxes, depreciation and amortization

Report on the regions

- EMEA region: largest increase in incoming orders, lower sales than previous year, improved yearly business development
- Asia-Pacific region: incoming orders stable, increase in sales
- Americas region: growth in incoming orders, political uncertainty negatively impacts sales

Europe, Middle East and Africa (EMEA)

In the 2024/2025 financial year, incoming orders in the EMEA region increased by around 10 percent. The main drivers of this development were drupa at the beginning of the financial year, the resumption of a state-funded investment program in Italy and a high level of incoming orders from Eastern Europe. Sales in the region fell over 12 months by around 6 percent in comparison to the previous year. The positive development in Eastern Europe was not able to fully offset falling sales in major markets such as Germany, France and Italy.

Asia-Pacific

Incoming orders in the Asia-Pacific region in the 2024/2025 financial year were at the same level as in the previous year. A drop in incoming orders in the Chinese market was offset by higher incoming orders in other markets, such as Australia, Indonesia, India and Singapore. Despite negative exchange rate effects, incoming orders in Japan also reached the same level as in the previous year. Sales in this region increased by 7 percent. There was growth in almost all markets, although sales in China grew only moderately by 2 percent. The China Print trade fair will be held in the country in May 2025.

Americas

In the reporting year, the Americas region was characterized by politically influenced uncertainty in the main market of the USA. Nevertheless, incoming orders increased by 5 percent in this region. Incoming orders developed positively in Mexico and the USA with increases of 23 percent and 8 percent, respectively. In contrast, sales fell in this region and were 14 percent lower than in the previous year. Business in the USA fell by 21 percent, which was due to some extent to some large orders in the previous year, whereas sales increased in Brazil by 29 percent.

Incoming orders by region

Figures in € millions	2023/2024	**2024/2025**
EMEA	1,131	1,247
Asia-Pacific	642	643
Americas	515	543
HEIDELBERG Group	**2,288**	**2,433**

Sales by region

Figures in € millions	2023/2024	**2024/2025**
EMEA	1,215	1,136
Asia-Pacific	593	637
Americas	588	507
HEIDELBERG Group	**2,395**	**2,280**

Information on Heidelberger Druckmaschinen Aktiengesellschaft

Heidelberger Druckmaschinen Aktiengesellschaft, Heidelberg, is the parent company of the HEIDELBERG Group. Due to the size of Heidelberger Druckmaschinen Aktiengesellschaft relative to the Group, the above disclosures on the HEIDELBERG Group also apply to Heidelberger Druckmaschinen Aktiengesellschaft unless stated otherwise below.

The annual financial statements of Heidelberger Druckmaschinen Aktiengesellschaft are prepared in accordance with the German Commercial Code (HGB) and the German Stock Corporation Act (AktG). The consolidated financial statements of Heidelberger Druckmaschinen Aktiengesellschaft were prepared in accordance with the International Financial Reporting Standards (IFRS) as applicable in the European Union and in accordance with the supplemental provisions of section 315e (1) of the Handelsgesetzbuch (HGB – German Commercial Code) that were mandatory as of the reporting date.

In addition to being the largest operating company, the business activities of Heidelberger Druckmaschinen Aktiengesellschaft include its function as the holding company and parent of the HEIDELBERG Group. Since the 2024/2025 financial year, the business of Heidelberger Druckmaschinen Aktiengesellschaft has been managed using the two key performance indicators sales and net result after taxes.

Results of operations

Income statement

Figures in € millions	2023/2024	**2024/2025**
Sales	1,097	1,093
Total operating performance	1,081	1,112
EBITDA[1]	79	347
in percent of sales	7.2	31.7
EBIT[2]	41	311
in percent of sales	3.7	28.5
Financial result	29	8
Taxes on income	3	7
Net result after taxes	67	311
in percent of sales	6.1	28.5

1) Result of operating activities before interest, taxes, depreciation and amortization
2) Result of operating activities

In the reporting year, sales of € 1,093 million were at the same level as in the previous year (previous year: € 1,097 million). Contrary to the forecast made last year, in which Heidelberger Druckmaschinen Aktiengesellschaft expected a sharp decline in sales in comparison to the 2023/2024 financial year, it was possible to again achieve the same level of sales as in the previous year thanks to strong sales in the final two quarters of the reporting year and thus exceed the forecast.

The net result after taxes in the reporting year of € 311 million was significantly higher than in the previous year (€67 million) as forecast. This was mainly attributable to the transfer of shares in associated companies of Heidelberger Druckmaschinen Aktiengesellschaft (primarily sales companies) into the Group's internal sales and service holding company Heidelberger Druckmaschinen Sales & Service Management GmbH, Walldorf, as part of the new alignment of the sales and service areas envisaged in the comprehensive growth strategy announced in the 2024/2025 financial year. The transfer of shares at fair value to Heidelberger Druckmaschinen Sales & Service Management GmbH resulted in income of € 377 million. Heidelberger Druckmaschinen Aktiengesellschaft holds 100 percent of the shares in the equity of this subsidiary.

Other operating income increased compared to the previous year by € 309 million to € 435 million (previous year: € 126 million). This increase was primarily as a result of the above-mentioned transfer of sales companies into Heidelberger Druckmaschinen Sales & Service Management GmbH at fair value. The reversal of a restructuring provision in the reporting year also led to income of € 17 million. In the previous year, this item included the one-time effect of reversals of impairments totaling € 83 million at seven subsidiaries.

The cost of materials increased by € 49 million to € 553 million (previous year: € 504 million). This increase was mainly attributable to a slight increase in total operating performance combined with lower vertical integration, which resulted in a higher cost-of-materials ratio.

In the reporting year, the personnel expenses of € 381 million were at the same level as in the previous year (previous year: € 381 million).

Other operating expenses rose by € 24 million to € 266 million (previous year: € 242 million). This was mainly due to reduced expenses for external services of € 24 million and the formation of restructuring provisions of € 38 million in connection with the structural reduction of staff costs. The aim of this measure is to cut 450 jobs at the Wiesloch-Walldorf site.

In comparison to the previous year, the financial result fell by € 21 million to € 8 million (previous year: € 29 million). This decrease was mainly due to two major opposing effects. There was lower income from profit and loss transfer agreements and dividends of € 37 million (previous year: € 153 million), which was offset to some extent by a reduction of € 90 million in the impairment losses made on subsidiaries in comparison to the previous year to € 10 million in the reporting year.

Net assets and financial position

In the reporting year, total assets increased by around 21 percent, or € 409 million, to € 2,369 million. Non-current assets rose sharply by € 391 million compared to the previous year to € 1,913 million. At € 456 million, current assets including prepaid expenses were € 18 million higher than in the previous year. On the liabilities side, equity increased by € 311 million to € 918 million. Provisions decreased by € 52 million to € 862 million (previous year: € 914 million). Liabilities including deferred income increased by € 149 million compared to the previous year to € 578 million.

Within the non-current assets, intangible assets increased by € 3 million to € 80 million (previous year: € 77 million), which was mainly attributable to capitalized development costs. Property, plant and equipment rose by € 6 million compared to the previous year to € 395 million (previous year: € 389 million). Financial assets increased by € 382 million to € 1,438 million (previous year: € 1,056 million), mainly due to the transfer of associated companies into the Group's new internal sales and service holding company Heidelberger Druckmaschinen Sales & Service Management GmbH, Walldorf, at fair value.

In the current assets, inventories decreased by € 11 million to € 284 million (previous year: € 295 million). Receivables and other assets fell by € 18 million to € 115 million (previous year: 133 million), which was primarily due to a decrease of € 23 million in receivables from associated companies. As of the reporting date, cash and cash equivalents were € 50 million (previous year: € 4 million). Overall, current assets including prepaid expenses were slightly higher than the level in the previous year.

Balance sheet structure

Figures in € millions	31-Mar-24	in % of balance sheet total	**31-Mar-25**	in % of balance sheet total
Non-current assets	1,522	77.7	1,913	80.8
Current assets[1]	438	22.3	456	19.2
Balance sheet total	**1,960**	**100.0**	**2,369**	**100.0**
Equity	607	31	918	38.8
Special items	10	0.5	11	0.5
Provisions	914	46.6	862	36.3
Liabilities[1]	429	21.9	578	24.4
Balance sheet total	**1,960**	**100.0**	**2,369.0**	**100.0**

1) Including deferred income/prepaid expenses

The increase in equity by € 311 million to € 918 million (previous year: € 607 million) was solely due to the net result after taxes (€ 311 million). The equity ratio stood at 39 percent as of the reporting date (previous year: 31 percent).

In the reporting year, provisions fell overall by € 52 million to € 862 million (previous year: € 914 million). This fall was primarily attributable to the decrease in pension obligations by € 30 million and a reduction in other provisions by € 11 million.

Liabilities including deferred income increased in the reporting year by € 149 million to € 578 million (previous year: € 429 million). Alongside an increase in liabilities to associated companies by € 115 million, other liabilities mainly associated with a new purchasing financing facility (see note 31) with longer payment deadlines introduced in the 2024/2025 financial year also increased by € 23 million.

Research and development

The research and development activities within the HEIDELBERG Group largely correspond to those of Heidelberger Druckmaschinen Aktiengesellschaft, whose Innovation Center at the Wiesloch-Walldorf site is the headquarters of a European development network. A total of 647 employees – around 15 percent of our workforce – work in the area of research and development. We invested € 89 million, which corresponds to around 8 percent of our sales, in research and development in the reporting year.

Employees

As of the reporting date, there were a total of 4,178 employees, excluding trainees, at the four Heidelberger Druckmaschinen Aktiengesellschaft sites, which was 181 fewer than on the reporting date of the previous year.

Number of employees per site

	31-Mar-24	31-Mar-25
Wiesloch-Walldorf	3,794	3,621
Brandenburg	359	352
Kiel	191	191
Neuss	15	14
	4,359	**4,178**
Trainees	275	275
	4,634	**4,453**

Risks and opportunities

The risks and opportunities of Heidelberger Druckmaschinen Aktiengesellschaft are broadly the same as for the HEIDELBERG Group. Therefore, please refer to the information provided in the “Risks and Opportunities” section. In addition, the annual financial statements of Heidelberger Druckmaschinen Aktiengesellschaft are generally subject to risks and opportunities arising from the valuation of investments and fluctuations in dividend income from subsidiaries.

Heidelberger Druckmaschinen Aktiengesellschaft is integrated into the Group-wide risk management system and the internal control system of the HEIDELBERG Group. Further information can be found in the “Internal control and risk management system for the Group accounting process in accordance with section 289 (4) and section 315 (4) HGB” section of the combined management report.

Forecast

Heidelberger Druckmaschinen Aktiengesellschaft expects a significant drop in sales in the 2025/2026 financial year compared to the reporting year (2024/2025: € 1,093 million). Nevertheless, Heidelberger Druckmaschinen Aktiengesellschaft still anticipates a positive net result after taxes overall in the 2025/2026 financial year, even if it will be substantially lower than in the reporting year (2024/2025: € 311 million). The decrease in the net result after taxes will mainly be due to positive effects in the reporting year associated with the transfer of sales companies into the Group’s internal sales and service holding company Heidelberger Druckmaschinen Sales & Service Management GmbH, Walldorf, at fair value.

Employees

The number of people working for the HEIDELBERG Group around the world decreased by 281 as of March 31, 2025 and stood at 9,309 employees excluding trainees (previous year: 9,591). As of the reporting date, there were 5,792 employees in Germany and 3,517 outside of Germany.

A main focus of HR management over the last financial year was the implementation of measures within the Company's plan for the future as part of the growth strategy in the medium-term plans. An important aspect was to reduce personnel costs, especially at the main German sites, as a vital element of the strategic alignment of HEIDELBERG.

Vocational training at HEIDELBERG aims to meet the demand for skilled workers in those fields that will be strategically important in the future. In this context, the Company offers apprenticeships in 16 training professions and 14 dual degree courses, and has a current target of attracting 75 trainees and students to the Wiesloch-Walldorf site every financial year.

Another main element of the HR work was the design and implementation of a holistic, international talent management system that aims to establish a talent pool focused on key functional areas for developing and filling strategically relevant positions for the Company's future agenda. The talent management system is being implemented as part of the HR road map and is closely interlinked with the HR projects Job Architecture and Performance Management.

Another element of the HR strategy is designing and planning a leadership development program, which will be implemented in the 2025/2026 financial year. The international leadership development program will support current and future leaders and managers in their development and accompany them in line with the Company's strategic and operational requirements.

Please refer to the combined Group Sustainability Report for further information on our activities in relation to our own workforce. This report can be found on our website www.heidelberg.com under Investor relations > Reports and presentations.

Employees by region[1)]

	2023/2024	**2024/2025**
EMEA	7,297	7,036
Asia-Pacific	1,573	1,567
Americas	721	706
HEIDELBERG Group	**9,591**	**9,309**

1) Excluding trainees

Sustainability

HEIDELBERG defines sustainability as combining economic success with environmental and social responsibility. This is why we view sustainability as the basis for our strategic alignment. Sustainability aspects and how they are considered in relation to the Company's products, production processes, supply chain and its interactions internally and with its partners are taken into account in the HEIDELBERG Group's mission statement, sustainability policy and code of conduct.

HEIDELBERG's commitment to sustainability does not end at its own value creation stage. Our corporate management is based around responsible business practices.

We are striving to have the smallest environmental footprint in our industry within our value chain. This will be achieved by offering products and services that cover the entire print shop value chain and through durable products and services. As a system integrator and provider of complete solutions, we offer solutions that make a positive contribution to the circular economy and also support our customers with a diverse range of advisory services.

To live up to its responsibility, HEIDELBERG has committed itself to a net zero CO_2e emissions target by the 2050/2051 financial year, in line with the Paris Agreement.

Alongside the emissions generated at its own production and sales sites, the Company is also focusing on the emissions generated in the supply chain and by its customers during a product's entire lifecycle.

The majority of HEIDELBERG's emissions are generated within its value chain, especially in relation to purchased goods and services, logistics and the use of its products. We are already addressing Scope 3 emissions today through projects aimed at lowering the energy consumption of our printing presses even further and improving their energy efficiency. Reducing these emissions will ultimately also generate economic benefits for our customers. At the sector trade fair drupa, HEIDELBERG presented the energy-efficient DryStar Combi dryer for its XL 106 machines, which consumes up to 30 percent less energy than a current dryer. With the help of further optimization measures for machines and processes, energy efficiency can be increased even further while maintaining the same level of productivity.

The climate targets are taken into account in, among other things, the variable remuneration for the Management Board and reflect the importance of sustainability management.

In HEIDELBERG's target markets, such as packaging printing, sustainability has a regulatory aspect and is also an important sales argument. Trends and requirements such as recyclability, the use of mono-material/paper instead of plastic and the use of environmentally friendly and food-grade materials and coatings are becoming more and more important and HEIDELEBERG intends to address these issues and develop solutions for them.

Further information on our sustainability initiatives can be found in the combined Group Sustainability Report for the 2024/2025 financial year, which is published in the Investor Relations section of our website www.heidelberg.com under Investor relations > Reports and presentations.

Risks and Opportunities

As a globally oriented company with international operations, HEIDELBERG is exposed to macroeconomic, industry-specific and Company-specific opportunities and risks. Opportunities may arise externally as a result of new customer requirements or regulatory changes, as well as internally from new products, innovations and improvements in quality.

Opportunities and risks are defined as possible future developments or events that can lead to a negative or positive deviation from targets. The early recognition, management and monitoring of opportunities and risks is enshrined in HEIDELBERG's business processes. Risks are only accepted when the associated opportunities are expected to make an appropriate positive contribution to the Company's enterprise value, while any developments that could jeopardize the Company's existence as a going concern can be ruled out at all times.

The level of risk to the Company's existence as a going concern is determined through risk aggregation (Monte Carlo simulation), which is based on corporate planning and expressed using suitable key figures (risk-bearing capacity concept). The impact of opportunities and risks on covenants and future ratings is also taken into account.

The Supervisory Board has defined the level of threat to the Company's continued existence as a going concern at which "appropriate countermeasures" to prevent a crisis must be initiated in accordance with section 1 German Act on the Stabilization and Restructuring Framework for Companies (StaRUG) and the Supervisory Board itself must be informed without delay.

A critical level of threat to the Company's continued existence as a going concern was not reached in the last financial year. Based on a regular analysis and aggregation of risks, it can be concluded that a "development that could jeopardize the Company's existence as a going concern" is also unlikely in the new financial year, both for the Group and for Heidelberger Druckmaschinen AG as an individual company. Continuous monitoring ensures that potential critical developments can be identified in good time.

HEIDELBERG's risk management system (RMS) is regularly reviewed and adapted to new requirements where necessary. The workflow for recording, evaluating and reporting opportunities and risks has been digitalized using GRC (governance, risk and compliance) software.

In line with its audit planning, the Internal Audit department examines the appropriateness and effectiveness of the risk management system (RMS) and internal control system (ICS).

HEIDELBERG's risk management system has the following objectives:

- Compliance with legal and regulatory requirements
- Safeguarding HEIDELBERG's continued existence as a going concern by ensuring that the overall risk situation is appropriately covered by the available financial resources (risk coverage potential)
- Securing and increasing HEIDELBERG's enterprise value through end-to-end risk management in order to support the achievement of financial targets
- Creating economic value added by ensuring that the impact of business decisions on the overall risk position is taken into account to an adequate extent (business judgment rule)

Risk management

Risk management organization

The Management Board of HEIDELBERG has overall responsibility for the RMS. However, the Management Board has transferred operational responsibility for the monitoring, coordination and further development of the risk management process to the Risk Management department (RM).

The Group is managed by the Management Board and management based on clear values, principles and guidelines. The Group policy on risk management defines a structured process that helps to reliably ensure that opportunities and risks are systematically identified, assessed, controlled and documented in the GRC system in an audit-proof manner. The fundamental aspects of the organizational structure, workflows, responsibilities and methods are documented in a risk management manual.

HEIDELBERG has set up a Risk Committee, which comprises the Management Board, the RM and managers of key areas of the Company. This committee discusses the current risk situation and the latest risk inventory several times a year and validates the completeness and relevance of identified risks.

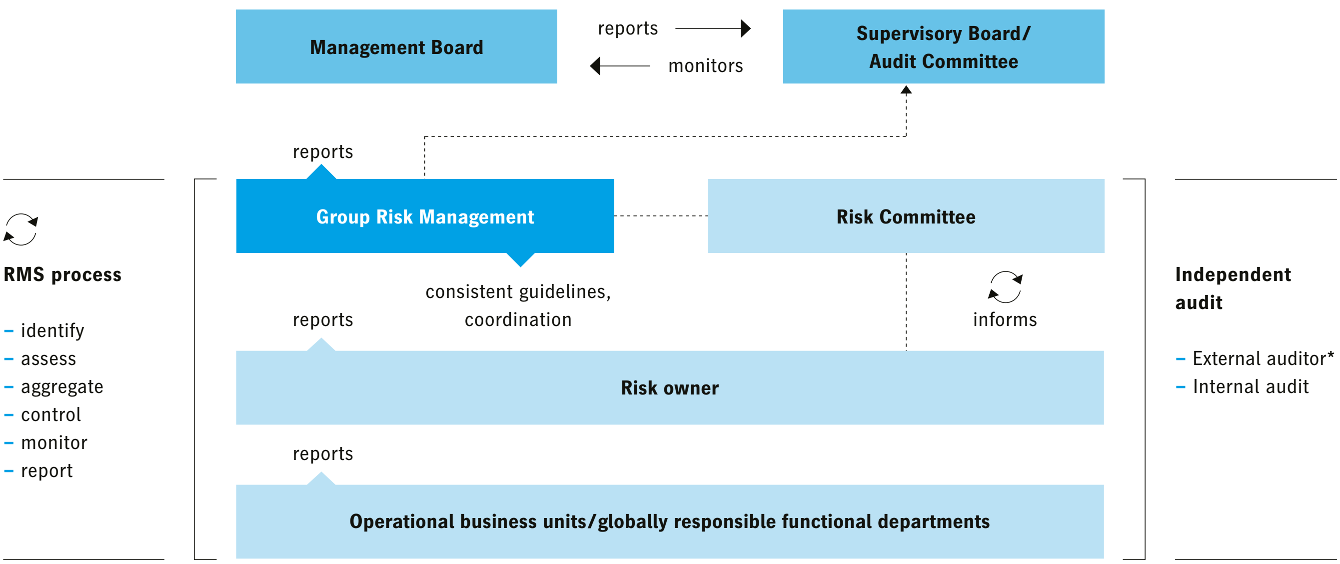
The Head of Risk Management informs the Management Board about current developments with respect to opportunities and risks at regular meetings. This information is also provided to the Audit Committee of the Supervisory Board. In addition to standard reporting processes, there is an obligation to report to the Management Board and Supervisory Board on an ad hoc basis in the event of material changes to existing risks or if new risks arise (when defined thresholds are exceeded). This ensures that any countermeasures can be initiated at an early stage where necessary in accordance with legal requirements. The Head of RM also engages separately in bilateral discussions with representatives of the Supervisory Board.

Risk owners – usually managers with budget responsibility – are accountable for the operational implementation of risk management. They are primarily responsible for identifying, assessing, controlling and monitoring opportunities and risks. Their responsibilities also include taking suitable measures to prevent/mitigate risk at an early stage and reporting on risks as part of the planning, management and controlling process. The RM department is responsible for maintaining an overview of all risks and supports risk owners in a uniform interpretation of the guidelines.

The Audit Committee of the Supervisory Board regularly discusses the appropriateness and effectiveness of the RMS and the ICS. Furthermore, the Head of RM also directly reports to the executive bodies (in accordance with section 107 (4) sentence 4 AktG) as the responsible manager. The risk early warning system is part of the RMS. The appropriateness of the risk early warning system in accordance with section 317 (4) HGB is assessed by the auditor. The Internal Audit department reviews the appropriateness and effectiveness of the RMS on a regular basis.

HEIDELBERG has established a multi-level risk management system that covers all significant investments. The following diagram illustrates how risk management is organized at HEIDELBERG.

Organization of risk management at HEIDELBERG



* The independent audit finally encompasses the risk early warning system

Risk culture

All business activities are generally associated with some form of risk. Risks may be entered into deliberately or by way of omission. To the extent that it can influence such risks, HEIDELBERG only deliberately enters into risks if they have been carefully investigated and documented and also serve the objectives of the Company as defined in the Articles of Association. Risks are entered into only when the associated opportunities are expected to make an appropriate positive contribution to the Company's enterprise value and do not threaten to exceed the Company's risk-bearing capacity. This risk policy is designed to excluded the possibility of a development that could jeopardize the Company's existence as a going concern. The Management Board of HEIDELBERG takes various measures to set a “clear tone from the top”, including the Code of Conduct, the HEIDELBERG mission statement and periodic statements.

A risk-aware mindset is a prerequisite for compliance with laws and regulations, as well as with the internal guidelines flanked by the ICS. Non-compliance entails risks such as fines, compensation for damage or reputational damage. All HEIDELBERG employees are expected to act in accordance with this risk culture.

Identification of opportunities and risks

Constantly changing conditions (e.g. legislation, market conditions) and internal changes affecting the organizational structure and workflows require a process of continuous analysis so that it is possible to identify existing and potential future risks. The priority is to identify opportunities and risks as early as possible so that corresponding (counter-)measures can be taken in good time. Therefore, risk owners are obligated to regularly review the risks (financial and non-financial) in their respective areas – with the support of RM – to ensure that they are up to date and complete and to update the risk inventory (including planning and sustainability risks) where necessary.

This process is supported by checklists of potential risks and supplemented by review meetings where these risks are discussed with risk owners in order to produce the most complete and transparent overview possible of the risks and any potential opportunities facing HEIDELBERG.

Assessment of opportunities and risks

Each of the opportunities and risks are assessed individually using the uniform assessment techniques set out in the risk management manual. All individual risks recorded are assessed after taking risk mitigation activities into account (net assessment). Appraisals and estimates by experts are also used where necessary. Individual risks and opportunities that exceed thresholds defined by the Company are recorded and reported, whereby the opportunities and risks are not offset against one another but assessed individually.

Opportunities and risks are assessed based on assumptions about their loss distribution (e.g. using a three-point estimate), and, where applicable, their probability of occurrence. How the opportunities and risks could impact the Group's net assets, financial position and results of operations is also assessed.

As part of the ongoing review of the risk management system and the reporting process, the risk classification process was revised in the 2024/2025 financial year. Each individual risk is allocated to a risk class based on a defined percentile of its worst-case scenario. The value limits for classifying risks have now been adapted to a new relevance scale with higher limits.

The risk value not only takes into account the expected value of any loss event but also the costs of any equity that must be held to cover the worst-case scenario.

Due to the amended value limits, it is possible that some individual risks now have a lower classification (low, medium, high) compared to the previous year. This is appropriate in HEIDELBERG's view because it makes it easier for the Company to focus on material risks (if they exist).

The highest value limit in the relevance scale has been derived using the value of a loss event that would threaten the Company's ability to comply with a covenant for the financing of HEIDELBERG.

The relevance scale and the revised value limits are shown in the following table:

Relevance scale	Threshold in € millions
[1] Low	≤5
[2] Medium	>5 to ≤15
[3]	>15 to ≤30
[4] High	>30 to ≤70
[5]	>70

Extreme risks are analyzed separately according to their relevance so that both their expected impact and a realistic extreme impact can be taken into account.

As previously, only risks that are classified as high are described in the Annual Report. Exceptions to this rule may arise if, for example, risks from the previous year are still included to ensure consistent reporting.

Aggregation of opportunities and risks and risk-bearing capacity

Developments that could jeopardize the Company's existence as a going concern mostly do not arise due to an (isolated) individual risk but rather a combination of risks.

The Company assesses individual risks and opportunities quantitatively and aggregates them using a Monte Carlo simulation. A large number of possible scenarios (various combinations of loss events and loss amounts) are taken into account.

The results act as the basis for an analysis of the risk-bearing capacity and are used on the one hand to determine the overall risk potential and on the other to evaluate business decisions (→ business judgment rule).

A Monte Carlo simulation is carried out to assess the risk-bearing capacity, i.e. to check whether the Company's equity requirements and liquidity are covered and whether the probability of a threat to the Company's continued existence as a going concern is at the level accepted by the Supervisory Board.

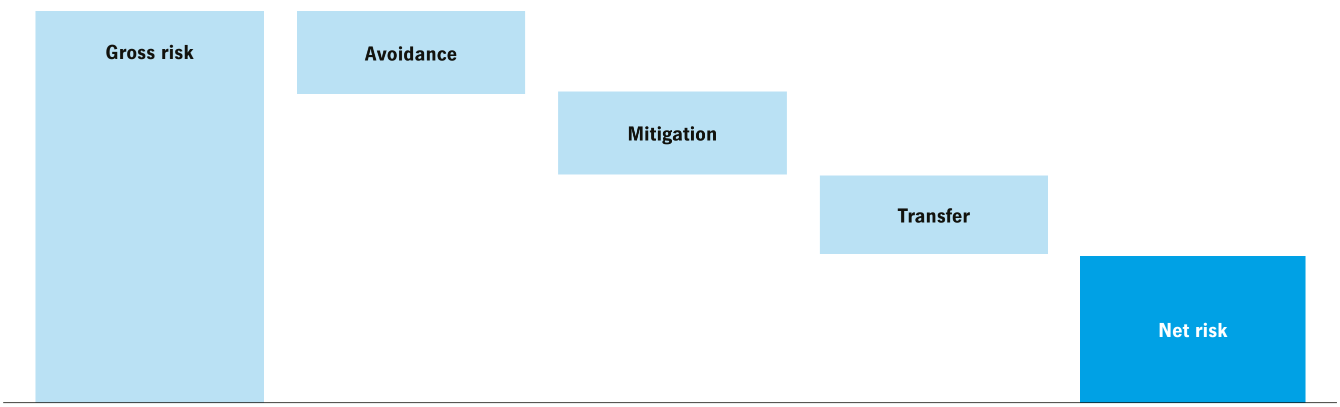
Controlling opportunities and risks

Risk owners must define appropriate measures to control the risks that may depend on the kind of risk in each case and also track the implementation of the measures and evaluate their effectiveness. Appropriate measures for minimizing risk may include:

- Avoidance (not going ahead with an originally planned activity)
- Mitigation (measures to reduce the probability of occurrence and/or the loss potential)
- Transfer (reducing the consequences if the risk occurs)

The Head of Risk Management ensures that the Management Board and Supervisory Board are informed directly in the event of a potential threat to the Company's continued existence as a going concern so that the Management Board and Supervisory Board can initiate appropriate countermeasures.

Risk-mitigating activities (illustration)



Monitoring of risks and opportunities

Regular monitoring allows the Company to detect any changes in individual risks and make adjustments to the risk management process to initiate any necessary measures. Each risk owner is responsible for reporting all known opportunities and risks within their own area of responsibility to the Risk Management department after taking the materiality thresholds into account.

Risks and the processes within the primary risk management system are also monitored by the Risk Management department and the Internal Audit department, as described above in the “Risk management organization” section.

Risks relating to material non-financial matters

In accordance with section 289c HGB, HEIDELBERG’s risk management system takes into account the following aspects: environmental, employee and social issues, human rights, combating corruption and bribery, and risks relating to the supply chain. These could result from the Company’s business activities in general or from the products and services it offers that could have an impact on non-financial matters.

In compliance with the requirements of the Corporate Sustainability Reporting Directive (CSRD) and the European Sustainability Reporting Standards (ESRS), HEIDELBERG carried out a double materiality assessment to evaluate the impact that the actions of HEIDELBERG have on sustainability matters (inside-out) and also the impact that sustainability matters have on HEIDELBERG (outside-in). Further disclosures and a detailed presentation of non-financial matters can be found in the Sustainability Report.

In the view of Group Risk Management, no material non-financial risks were identified in the reporting year.

Risk and opportunity report

Corporate risks are divided into the categories “National economy”, “Strategy and industry”, “Operational”, “Financial markets” and “Legal and compliance”. The following table provides an overview of the risk categories, their overall risk assessment and any change compared to the previous year:

Risk category	Classification	Change as against previous year
National economy	Low	↓
Strategy and industry	Low	↓
Operational	High	
Information security	High	→
Production/Procurement	High	↗
Financial markets	High	↗
Legal and compliance	High	↗

The table above shows HEIDELBERG’s current risk assessment. The time horizon used for classifying risks is one year, which is the same horizon used for the forecast.

National economy opportunities and risks

Economic conditions have a direct impact on HEIDELBERG’s business activities and its net assets, financial position and results of operations. They are influenced by social developments, political changes and environmental events (e.g. natural disasters), which may be reflected in changes to the prevailing legal and macroeconomic conditions. Unexpected disruptions to global economic relations could have consequences that are difficult to predict.

HEIDELBERG addresses these challenges through the geographical diversification of its sales markets and the development of alternative scenarios in the case of serious events.

Many regions of the world are currently engaged in military, political and economic conflicts. There are various reasons for these conflicts and they are having an impact on national economies during a difficult economic period.

They include – with no claim to completeness – the military conflicts in Ukraine, the Middle East and also other parts of the world. All of these conflicts have the potential to expand into protracted regional conflicts, which could then impact more than just isolated or regional economic concerns. As a manufacturer of high-quality investment goods, there are manifold interdependencies for HEIDELBERG with the potential to positively or negatively influence economic activity. Our statement in the previous year that it is not possible at present to predict the development of geopolitical and economic conditions and when an easing of tensions could be expected still applies. The other statements made about the fact that HEIDELBERG is only indirectly affected by the consequences of these conflicts and that a decoupling of commodity markets and price developments is only possible to a limited extent remain valid.

Despite HEIDELBERG's high degree of vertical integration, maintaining production in the event of raw materials availability falling again (such as it did during the COVID-19 pandemic), on the one hand, and problems in global supply chains, on the other, would constitute an operational challenge. It is for this reason that HEIDELBERG continuously analyzes political, economic and legal conditions, and works in close cooperation with its suppliers and logistics partners so that it can respond to changes in the supply chain with appropriate countermeasures at an early stage and reinforce the supply chain where necessary.

Since the 45th US President took office, his polices of causing confusion and fueling uncertainty and his demonstrations of power, to both existing partners and opponents alike, have become commonly described as "Trumpism"[1] and have led to an erosion of trust in notions such as reliability and predictability. The economy remained resilient initially but the markets have been plagued with increasing uncertainty. Whether the prospect of deregulation, a reduction in bureaucracy and tax cuts will fuel growth is questionable.

1) See https://de.wikipedia.org/wiki/Trumpismus and https://www.handelsblatt.com/meinung/kommentare/usa-trumps-agenda-ist-ein-leitfaden-zum-niedergang-der-eigenen-wirtschaft/100116575.html

According to a study conducted by the Peterson Institute for International Economics, the planned protective tariffs could cost a typical US household up to $ 2,600[2] per year. Therefore, it is difficult to reliably quantify the opportunity and risk potential in the current global conditions. The range of potential impacts is relatively broad. Customs tariffs have such an impact on the sales prospects, especially on the US market, of goods and services produced in affected countries that they are de facto unsalable. This opens up both risks and opportunities for HEIDELBERG's product portfolio.

2) See https://www.handelsblatt.com/meinung/kommentare/usa-trumps-agenda-ist-ein-leitfaden-zum-niedergang-der-eigenen-wirtschaft/100116575.html

Political instability in some countries in South America, Eastern Europe or Asia could also have a negative impact on economic conditions. Furthermore, customs tariffs and other barriers to trade make imported goods more expensive, which once again fuels inflation and will cause the international central banks to continue with their restrictive monetary policies for longer. In turn, this will make investment more expensive and make investors reluctant to invest, especially during a time of huge uncertainty. When faced with such a situation, many customers and suppliers will no longer be able to service their debts as normal. A recent forecast published by the IFO Institute under the title "Geopolitical Upheaval Exacerbates Crisis" estimates that GDP will only rise by 0.1 percent in Germany this year, which represents a significant downward revision of its fall forecast by 0.7 percentage points.[3]

3) See https://www.ifo.de/fakten/2025-04-10/gemeinschaftsdiagnose-fruehjahr-2025-geopolitischer-umbruch-verschaerft-krise

The planning HEIDELBERG uses as a basis for its forecast and risk report makes the assumption that there will be no material change to the framework conditions in future.

If the economic framework conditions were to improve significantly on initial expectations, there could be an opportunity for improvement in the Group's net assets, financial position and results of operations. However, lead times in production and the sensitivity of demand mean that there would be a certain delay in the positive impact for HEIDELBERG of any improvements in economic framework conditions.

No economic opportunities that would be categorized as "high" have been identified at this time.

Strategic and industry-specific opportunities and risks

The situation in the printing industry continues to be characterized by a challenging competitive environment. Innovation cycles and the associated investment costs/risks mean that many print companies rely above all on size and rationalization to safeguard their future in a changing market environment. In this environment, the increasing automation and digital connectivity of HEIDELBERG's printing presses ("end-to-end") offer advantages to customers in the form of, for example, a significant rise in productivity and efficiency. This typically makes HEIDELBERG's product portfolio more attractive and improves customer retention.

In view of the changes happening in the printing industry (in terms of customers and also areas of application), the risk that planned sales and margin targets will not be achieved is taken into account in our assessment of sector risk.

2025 will once again be a challenging year for mechanical engineering in Germany. Economists at the VDMA anticipate a decline in real production of 2 percent. This forecast is subject to a high degree of uncertainty. Forecast uncertainties are taken into account appropriately in our risk assessment.[4)]

4) See https://www.lebensmittelverarbeitung-online.de/branchennews/vdma-erwartet-produktionsrueckgang-maschinen-anlagenbau-acht-prozent-diesem-jahr

If the global economy were to develop contrary to expectations or if key markets were to suffer a more severe economic downturn than anticipated, there is a risk that the planned sales and earnings performance would not be achieved, particularly in new machinery business. The services and consumables business, which benefits to a considerable extent from the number of installed printing presses and their print volume, is less dependent on economic trends but would be unable to fully compensate for the downturn in new machinery business.

In its planning, HEIDELBERG assumes that inflation will continue to move towards the target levels set by the central banks and that HEIDELBERG will be able to implement the planned price increases for its products and services on the market. There is a risk that only partial price enforcement and/or higher procurement prices than planned will have a negative impact on margins. Conversely, a positive economic environment would present the opportunity of improved price quality and margins.

No strategic and industry-specific opportunities that would be categorized as "high" have been identified at this time.

Operational opportunities and risks

Operational opportunities and risks arise in the operational areas of the Company and could be triggered by internal systems, processes, persons or also external events. In particular, risks can arise in the areas of information security and IT, purchasing and production, and can have a significant impact on HEIDELBERG. No operational opportunities that would be categorized as "high" have been identified at this time.

INFORMATION SECURITY AND IT

This year's Allianz Risk Barometer 2025 lists "cyber incidents" as the number 1 business risk in 38 percent of the responses.[5)] In the area of information security and IT, HEIDELBERG also assesses this risk cluster as one of the most important operational risks. A loss event could result in the partial or full shutdown of information technology systems and an interruption to business operations. As HEIDELBERG relies on networks and services based on cloud computing, its provision of services could be fully impaired in the worst-case scenario.

There are diverse causes of these risks which could be due to, among other things, cyberattacks (e.g. hacking, virus attacks), misconduct by employees or a lack of resources, and which could have significant impacts. Legal and regulatory requirements are becoming stricter around the world, such as the NIS-2 Directive or the Cyber Resilience Act (CRA), and are not only increasing the regulatory requirements but also the risks of potentially violating these rules in the area of information security and the protection of personal data and business secrets.

5) See https://www.allianz-trade.de/wissen/wirtschafts-news/allianz-risk-barometer-2025-die-wichtigsten-unternehmensrisiken.html

Although systematic risk analyses and a combination of organizational, preventive, reactive and investigative protection measures – such as:

- entry and access controls
- state-of-the-art endpoint detection and response (EDR) systems
- secure access service edge (SASE) systems
- data backups and data encryption in the cloud

and investments in reinforcing the IT landscape – can mitigate risks they cannot eliminate them completely. Regular communication measures, training and awareness measures (e.g. anti-phishing training courses) serve to strengthen risk awareness and the understanding of security within the Company. External IT service providers and their IT security management systems are expected to meet the same high standards placed on the Company's own information security and IT.

PRODUCTION

There is the risk of disruptions to production or downtimes due to elemental loss events (e.g. a fire at the foundry or a natural disaster), as well as disruptions to operations (e.g. machinery/tool failure), transport and logistics. Due to the high level of integration in production, a loss event at one production site could also have a negative impact on production, electronics production, assembly and the supply chain at other sites. As a consequence of a loss event impacting property, plant and equipment, HEIDELBERG could suffer consequential damage due to lost margins and sales.

HEIDELBERG counters these risks by implementing high technical and safety standards to mitigate the amount of any damage incurred and its probability of occurrence. Any residual risks are transferred to insurance companies with appropriate coverage and indemnification periods.

PURCHASING

Purchasing has implemented organizational measures (e.g. supplier management, cooperation with key/system suppliers) to mitigate procurement risks because HEIDELBERG relies on a needs-based supply of raw materials, preliminary materials, energy and services. Nevertheless, there is a risk of additional cost burdens as a result of price fluctuations on the procurement markets that could be caused by global conflicts. There is also a risk of additional expenses in production or, in the worst case, production downtimes due to a partial or complete loss of individual suppliers, supply routes or transport capacities.

Financial opportunities and risks

Financial opportunities and risks can arise for HEIDELBERG from the valuation of assets (especially goodwill) and liabilities (especially pension obligations) and this can have a corresponding impact on the Company's net assets, financial position and results of operations.

Pension obligations under defined benefit pension plans are calculated on the basis of externally produced actuarial reports. In particular, the size of the pension obligations is dependent on the interest rate used to discount future pension obligations. As this is based on the returns from corporate bonds with good credit ratings, market fluctuations in these therefore influence the amount of pension obligations. Changes in other parameters, such as the rate of inflation and life expectancy, also have an influence on the size of the pension and/or payment obligations. Risks or opportunities can arise here depending on the change in these parameters. Corresponding expert reports, including an evaluation of the relevant parameters, are available.

HEIDELBERG's pension obligations are covered – in part, completely or on a pro rata basis – by plan assets managed in trust and are reported net on the statement of financial position. The plan assets consist of interest-bearing securities, shares, real estate and other investment classes. Diversifying these assets helps to mitigate risk. Remeasurement effects from pension obligations and plan assets are recognized directly in equity, taking deferred taxes into account. The occurrence of these revaluation effects (especially due to a reduction in the discount rate, but also unexpected developments on the capital market) could have a negative impact on equity and the equity ratio.

In addition, HEIDELBERG is exposed to foreign currency and interest risks due to exchange rate fluctuations on the purchasing and sales sides and to changes in the interest rate on variable-rate liabilities. To counteract these risks, the Company monitors and manages foreign currency risks centrally and mitigates interest rate risks where necessary by concluding appropriate interest rate swaps.

HEIDELBERG conducts business around the world and is subject to the local tax laws and regulations applicable in the respective country, as well as to multilateral and bilateral tax agreements. Changes to underlying legal provisions or the application of law, or any violations of these legal provisions, could have negative consequences. Therefore, HEIDELBERG has taken organizational precautions to ensure compliance with all tax regulations and also to be able to respond promptly to changes in the fiscal environment. To mitigate transfer price risks due to close business relationships between HEIDELBERG companies, HEIDELBERG has implemented a transfer price system with the approval of the financial authorities.

HEIDELBERG offers sales financing to support the sale of machinery. In this case, HEIDELBERG either brokers financing with one of our financing partners or provides customer financing itself. If financing partners were not available as expected, there is a risk that HEIDELBERG will have to expand its own financial commitments and this could increase the risk profile (liquidity and valuation risks) of sales financing.

HEIDELBERG's financing commitments require it to comply with financial covenants. If the Company's net assets, financial position and results of operations were to deteriorate to such a degree that it could no longer guarantee compliance with the financial covenants, it would have a significant negative impact on HEIDELBERG's liquidity and refinancing capacity.

HEIDELBERG continuously monitors its liquidity and its compliance with financial covenants for this reason so that it can identify funding requirements at an early stage and respond accordingly. The financing commitments from banks have a maturity profile up to 2028.

No financial opportunities that would be categorized as "high" have been identified at this time.

Legal and compliance opportunities and risks

The international nature of HEIDELBERG's business activities means it is subject to legal and compliance risks. These risks may arise, for example, from legal disputes with business partners or other third parties, infringements of industrial property rights or breaches of statutory requirements. The existing legal disputes mainly relate to product liability and warranty cases in connection with sales of machinery. Appropriate provisions are formed to cover for risks resulting from legal disputes if the claim is likely to be upheld and the probable amount can be reliably estimated. Wherever possible, standardized framework agreements are utilized in order to limit the legal risks associated with individual agreements. Antitrust risks arise due to the market structure and HEIDELBERG's market position. HEIDELBERG counteracts these risks by establishing policies and providing relevant groups of people with training.

HEIDELBERG has a compliance management system (CMS) that has the aim of ensuring that HEIDELBERG's executive bodies, managers and employees act in accordance with the law. Effective prevention and early identification help to prevent compliance violations and mitigate or avoid any liability or reputational damage. This is supported by a risk analysis that is carried out at periodic intervals. This process analyzes and assesses the identified risks associated particularly with violations of antitrust, corruption and money laundering law, allowing countermeasures to be initiated as necessary. In this context, the Company also continuously reviews its binding compliance principles, guidelines, regulations and work instructions, updating them on a regular basis as required.

The Business Partner Code of Conduct aims to mitigate and avoid potential compliance risks that may arise in the supply and production chains. HEIDELBERG reserves the right to carry out reviews of its business partners to ensure they are complying with the Business Partner Code of Conduct.

In addition, HEIDELBERG has established various channels for reporting potential compliance violations, including an external ombudsman and the SpeakUp electronic reporting system. These channels are available to HEIDELBERG's executive bodies, managers and employees, as well as to all customers, suppliers and other business partners, for reporting potential compliance violations.

No legal and compliance opportunities that would be categorized as "high" have been identified at this time.

General statement on opportunities and risks

The Company uses a risk-bearing capacity concept to assess the overall risk situation. This concept includes a Monte Carlo simulation to assess whether the Company could absorb the financial impact various risk scenarios might have on its key financial indicators, especially with regard to compliance with the financial covenants. According to this assessment, HEIDELBERG is unlikely to experience a "development that could jeopardize the Company's existence as a going concern" in the new financial year.

The Management Board is not currently aware of any risks that – independently or in combination with other risks – could jeopardize the continued existence of the Group and Heidelberger Druckmaschinen AG as a going concern. However, it is not possible to fully exclude the possibility that some determining factors that are currently unknown or considered to be immaterial will negatively influence the continued existence of the Group, Heidelberger Druckmaschinen AG or individual consolidated companies as a going concern in the future.

Opportunities may also arise for HEIDELBERG if economic developments in the print media industry are more positive than expected. A shift in exchange rates in HEIDELBERG's favor would also have a positive impact on sales and earnings performance.

The Management Board and Supervisory Board consider the risks to be manageable as they currently stand.

Internal control and risk management system for the Group accounting process in accordance with section 289 (4) and section 315 (4) HGB

The principles, procedures and measures that form HEIDELBERG's internal control system (ICS), and which are intended to ensure proper and reliable external financial and non-financial reporting, are based on the COSO (Committee of Sponsoring Organizations of the Treadway Commission) framework model. As part of the second line of the "three lines of defense" model, the ICS acts as a link between the operational areas (first line), Internal Audit department (third line) and the external auditor.

HEIDELBERG's ICS encompasses the following measures:

- Uniform accounting principles
- Integrated controls in processes and systems
- Functional separation/principle of dual control
- Process-independent monitoring measures

The operational financial accounting processes are performed at the Group companies, in some cases with the support of outsourcing partners. The central Group Accounting department is responsible for preparing the consolidated financial statements. It formulates uniform, binding requirements for the technical content, formal structure and timing of financial accounting.

HEIDELBERG's internal accounting rules, which set out uniform accounting and valuation policies for all Group companies, are regularly reviewed and revised at least once a year.

The Group companies transfer their financial data to the Group Accounting department for consolidation. The systems used for this process include extensive technical controls and plausibility checks of the content in order to ensure proper financial reporting. This includes, for example, checking whether the data for the financial statements is complete and whether tax positions are correctly recorded and calculated in the financial statements. In the event of any discrepancies, the data is tagged and blocked for further processing until it has been corrected.

Alongside consolidating the financial data, the Group Accounting department also tests the recoverability of goodwill reported in the statement of financial position for impairment.

The Management Board is responsible for establishing and regularly reviewing an appropriate and effective internal control and risk management system for the consolidated financial statements and the disclosures in the combined management report. This control and risk management system is designed to ensure proper and reliable internal and external accounting, the presentation and accuracy of the consolidated financial statements and the combined management report and the disclosures made therein.

Operational responsibility for the effectiveness of the ICS with respect to the accounting processes, including their further development, lies with the responsible managers and process owners. The Internal Audit department also reviews the effectiveness of the ICS across the Group by carrying out random tests in individual areas and Group companies. Furthermore, it examines whether transactions are properly controlled and documented and whether the Company is complying with the principles of functional separation and dual control. Compliance with internal guidelines and instructions that have an impact on accounting processes are also examined. Reports on the ICS are given to the Management Board and Audit Committee on an annual basis.

The Audit Committee of the Supervisory Board meets with the independent auditor, the Management Board and the heads of the Internal Audit, Risk Management and Internal Control System departments on a regular basis to discuss the findings of the internal audits and audits of the financial statements with respect to the internal control and risk management system for the accounting process. The auditor reports to the Audit Committee and, at the accounts meeting, to the Supervisory Board on the results of the audit of the annual financial statements and consolidated financial statements.

Appropriateness and effectiveness of the comprehensive internal control and risk management system in accordance with recommendation A.5 GCGC[1)]

Since publication of the German Corporate Governance Code (GCGC) as amended on April 28, 2022 in the official section of the Federal Gazette on June 27, 2022 ("Code 2022"), there has been a recommendation to describe other key features of the internal control and risk management system – beyond the consolidated financial statement accounting process – and to comment on the appropriateness and effectiveness of this system. Please refer to the Declaration of Conformity from November 28, 2024. The internal control and risk management system also includes a compliance management system (CMS) that focuses on our risk situation.

The governance subsystems implemented at HEIDELBERG have always extended beyond the consolidated financial accounting process and also address operational risks, which include sustainability-related aspects. This applies equally to Heidelberger Druckmaschinen Aktiengesellschaft and to the Group.

To assess the appropriateness and effectiveness of the entire internal control and risk management system, the Management Board relies on the information systems that have been set up and the workflows which form the basis for the data pool and reporting. Independently of this, the Internal Auditing department – as the "third line of defense"– reviews the workflows and reports on the results. The Management Board is not aware of any indications that point against the appropriateness and effectiveness of these systems.

The processes and systems for both the risk management system and the internal control system are monitored on an ongoing basis. HEIDELBERG has taken measures to eliminate any identified weaknesses and to continuously improve processes and systems. The overall assessment of the appropriateness and effectiveness of the internal control system and the risk management system, taking into account the scope of the Company's business activities and its risk situation, did not reveal any indications that these systems are inappropriate or ineffective.

1) The disclosures in this section are not part of the management report and are not covered by the audit conducted by the auditor KPMG

Outlook

Expected conditions

The economists at S&P Global forecast weak growth of 2.5 percent for the global economy in 2025. In particular, tariffs and the threat of tariffs are not only creating uncertainty but also causing considerable disruption to existing supply chains. Modifications made in response to these tariffs are also placing a burden on the economy, while changes to the US's foreign and security policy are causing more uncertainty worldwide. As a result, Europe has started ramping up its armaments programs, which will stimulate the economy on the one hand but also restrict fiscal flexibility on the other.

The economic slowdown in the United States is acting as a brake on growth in the advanced economies. While growth of 1.9 percent and with it a sharp drop in momentum is anticipated in the US economy as a consequence of its trade policy and persistently high interest rates, Europe is predicted to experience economic growth of 1.2 percent due to the relaxing of its monetary policy and due to fiscal stimuli. However, the advanced economies are only expected to experience moderate growth overall of 1.5 percent.

Growth in the emerging economies is anticipated to slow overall to 3.7 percent. The main reason for this loss of momentum in the forecast period is the slowdown in economic expansion in China to 4.2 percent, which is attributable to the trade conflict and ongoing structural problems. In contrast, the Indian economy is expected to continue to grow at a fast rate of 6.4 percent, while production in Southeast Asia should increase slightly overall. Growth in the Latin American economies is expected to vary considerably, with a clear slowdown in Mexico and Brazil on one side and a strong rebound in Argentina on the other.

There are economic risks arising from geopolitical conflicts, especially the escalation of the conflict in the Middle East and the ongoing war in Ukraine, where there is a threat of conflict spreading to other countries. This is exacerbated by the risk of sabotage to infrastructure as part of acts of unconventional warfare. An escalation in trade conflicts, a sustained rise in core inflation and even weather-related shocks could also have a negative impact. Furthermore, a sharp rise in public debt in many countries – especially France, Italy and the United States – poses the risk of a new financial crisis.

Sector developments
2025 will once again be a challenging year for mechanical engineering in Germany. Economists at the VDMA anticipate a decline in real production of 2 percent. A rise in protectionism around the world is anticipated to have a negative impact on global trade, which will hit the export-oriented German mechanical engineering and plant construction sector particularly hard. Expectations for sales prospects in the German mechanical engineering and plant construction sector tend to be subdued for the next six months in many regions.

Sources: S&P Global Market Intelligence 2025; VDMA 2025

Future prospects

The economic and industry-specific conditions presented in this report for those markets relevant to HEIDELBERG form the foundation for the forecast for the 2025/2026 financial year (April 1, 2025 to March 31, 2026). The forecast also assumes that global economic growth will not be weaker than currently predicted by the economic research institutes.

Outlook for 2025/2026: improved margin despite challenging framework conditions
HEIDELBERG aims to further strengthen its financial stability in the 2025/2026 financial year and maintain its position in a challenging macroeconomic environment. Persistently high interest rates, geopolitical tensions and the ambiguous global trade policy being followed by the US government are hindering economic growth.

A lower propensity to invest is also being reflected in a decrease in incoming orders in the mechanical and plant engineering sector. The order backlogs that have had a stabilizing effect over the last few years have fallen considerably industry-wide and can no longer be relied upon to support the sector. Companies will not only face weak economic growth but also the challenge of persistently high operating costs. Although the rate of inflation has fallen over the last few months, it still remains at a high level. There is still a risk of inflation, especially in the USA due to the envisaged tariff policy, which could require further measures in monetary policy. Restrictive financial policies implemented by the central banks could also act as a brake on the global economy and further increase economic pressure on companies.

HEIDELBERG will address these challenges with a clear strategic approach and resolutely follow its objective of strengthening its competitiveness in the long term. The Company's plan for the future – which was presented in December 2024 – aims to deliver profitable growth and improved efficiency. Alongside sales potential of at least € 300 million in the period up to the 2029/2030 financial year thanks to the planned measures – supported by, among other things, the strategic partnership with Canon, which should already stimulate growth noticeably in the coming year – another focus will be on structural cost savings. The Company will implement measures that will reduce its staff costs by more than € 100 million over the next few years. By introducing this comprehensive package of measures, HEIDELBERG will not only address the economic and geopolitical challenges but also create the foundations for sustainable growth.

In view of the macroeconomic outlook and taking into account opportunities and risks, the Company forecasts sales of around € 2,350 million in the 2025/2026 financial year (2024/2025: € 2,280 million), provided that global economic growth is not weaker than predicted by the economic research institutes. This forecast is also based on the assumption that there will be no substantial change in the exchange rates relevant to business activities.

The anticipated improvement in sales in the 2025/2026 financial year should also contribute to an improvement in the EBITDA margin adjusted for special items, while this development will be reinforced by a comprehensive range of efficiency measures and strategic initiatives. A key component of this will be the plan for the future of the Wiesloch-Walldorf site, which was agreed in cooperation with the Works Council and the trade union IG Metall. This strategy will focus on reducing staff costs in the long term by cutting more than 450 full-time jobs over the coming quarters. These measures will already result in noticeable savings of € 20 million in the new financial year. Furthermore, there will be no increases in wages within the collective bargaining agreements over the next two years. As a result, HEIDELBERG forecasts that the EBITDA margin adjusted for special items will improve compared to the previous year and be up to 8 percent (previous year: 7.1 percent).

Legal Disclosures

Takeover-related disclosures pursuant to section 289a of the German Commercial Code (HGB) and section 315a HGB and explanatory notes

In accordance with section 289a sentence 1 nos. 1 to 9 and section 315a sentence 1 nos. 1 to 9 HGB, we address in this combined management report all points that could be relevant in the event of a public takeover bid for HEIDELBERG. The following disclosures reflect the situation as of the reporting date. The following explanation of these disclosures also complies with the requirements of section 176 (1) sentence 1 German Stock Corporation Act (AktG).

As of March 31, 2025, the ISSUED CAPITAL (share capital) of Heidelberger Druckmaschinen Aktiengesellschaft amounted to € 779,466,887.68 and was divided into 304,479,253 no-par value bearer shares that are not subject to any restriction on transferability. As of the reporting date, the Company held 142,919 treasury shares, from which no rights arise for the Company in accordance with section 71b AktG.

The APPOINTMENT AND DISMISSAL OF MEMBERS OF THE MANAGEMENT BOARD is carried out according to sections 84 ff. AktG in conjunction with sections 30 ff. of the German Codetermination Act (MitbestG).

AMENDMENTS TO THE ARTICLES OF ASSOCIATION are made in accordance with the provisions in sections 179 ff. and 133 AktG in conjunction with section 19 (2) of HEIDELBERG's Articles of Association. In accordance with section 19 (2) of the Articles of Association, unless otherwise stipulated by law, resolutions of the Annual General Meeting are passed with a simple majority of the votes cast and, if a capital majority is required by law in addition to a majority of votes, with a simple majority of the share capital present when the resolution is passed. In accordance with article 15 of the Articles of Association, the Supervisory Board is only authorized to make amendments and additions to the Articles of Association that affect their wording.

HEIDELBERG is only permitted to acquire TREASURY SHARES in accordance with section 71 (1) nos. 1 to 6 AktG.

In accordance with section 71 (1) no. 8 AktG, the Annual General Meeting also authorized the Management Board on July 25, 2024 to acquire treasury shares for any lawful purpose up to July 24, 2029, subject to the approval of the Supervisory Board. This acquisition of shares is limited to a maximum of 10 percent of the existing share capital at the time of the resolution or – if lower – the share capital at the time that the Management Board exercises this authorization in each case. The treasury shares can be acquired via the stock exchange or by means of a purchase offer made to all shareholders or an invitation to all shareholders to submit an offer to sell. In all cases, the price paid to acquire the treasury shares as defined more precisely in the authorization issued on July 25, 2024 must not be significantly higher or lower than the current stock market price.

With the approval of the Supervisory Board, the Management Board is authorized to use the treasury shares acquired in accordance with the authorization described above and those held on the reporting date as follows, while disapplying the preemptive subscription rights of the shareholders:

- for disposal, if sold in exchange for cash and at a price not significantly less than the stock market price, as defined more precisely in the authorization resolved by the Annual General Meeting on July 25, 2024; the volume of shares sold in this way together with other shares issued with their preemptive subscription rights disapplied must not exceed 10 percent of the share capital on July 25, 2025 in total or – if lower – 10 percent of the share capital at the time the authorization is exercised;

- for disposal against in-kind contributions for the purpose of mergers, the acquisition of companies, parts of companies, interests in companies (including capital increases) or other assets;

- to fulfill obligations arising from convertible bonds and/or bonds with warrants issued or to be issued by the Company itself or by indirect or direct majority-owned subsidiaries of Heidelberger Druckmaschinen Aktiengesellschaft.

- The aforementioned shares can be used within share participation or other share-based programs and offered for sale to employees of the Company or employees of an associated company or to members of the management board at an associated company or granted or transferred as a remuneration component, whereby the manager must be a member of the management board or the employee must have an employment contract with the Company or one of its associated companies at the time the shares are granted. However, the use of the authorization for this purpose is limited to shares with a volume of 5 percent of the share capital at the time this authorization becomes effective or

– if lower – at the time the authorization is exercised. This limit must also include shares that are issued or sold during the term of this authorization under another authorization to the same group of people while disapplying the preemptive subscription rights of the shareholders.

Furthermore, the Management Board is authorized, with the approval of the Supervisory Board, to withdraw treasury shares without any further resolution by the Annual General Meeting. These shares can also be withdrawn without a capital reduction using the simplified method of adjusting the proportion of the Company's share capital represented by the remaining shares.

The authorizations described above can be exercised in full or in part in each case.

The Annual General Meeting on July 26, 2023 authorized the Management Board, with the approval of the Supervisory Board, to issue warrants, convertible bonds and/or participating bonds as well as profit-sharing rights including combinations of the above instruments (collectively referred to hereinafter as "bonds") up to a total nominal amount of € 200,000,000.00, dated or undated, on one or more occasions by July 25, 2028, and to grant the bearers or creditors of the bonds options or conversion rights to up to 30,447,925 bearer shares of the Company with a pro rata amount of share capital of up to € 77,946,688.00 in total, in accordance with the further conditions of the bonds. The preemptive subscription rights of the shareholders can be disapplied in accordance with the further conditions of this authorization. For this purpose, the share capital of Heidelberger Druckmaschinen Aktiengesellschaft was contingently increased by up to € 77,946,688.00 (CONTINGENT CAPITAL 2023). Further information on the Contingent Capital 2023 can be found in article 3 (3) of the Articles of Association.

In accordance with a resolution of the Annual General Meeting on July 26, 2023, the Management Board was authorized, with the approval of the Supervisory Board, to increase the share capital of the Company by up to € 155,893,376.00 in one full amount or in partial amounts on one or more occasions by issuing up to 60,895,850 new bearer shares against cash and/or non-cash contributions by July 25, 2028 (AUTHORIZED CAPITAL 2023). The preemptive subscription rights of the shareholders can be disapplied in accordance with the further conditions of this authorization. The Management Board was authorized, with the approval of the Supervisory Board, to define the further content of the share rights and the conditions for issuing the shares. Further information on the Authorized Capital 2023 can be found in article 3 (4) of the Articles of Association.

The syndicated revolving credit facility concluded on July 21, 2023 contains standard market CHANGE-OF-CONTROL CLAUSES in the version applicable on the reporting date, which grant the banks additional information and termination rights in the event of a change of control or majority ownership of the Company. Early repayment of the syndicated revolving credit facility due to its termination in this way following a change of control would give rise to the possibility of potential follow-up termination rights under other loans with comparable provisions.

A technology license agreement with a manufacturer and supplier of software products in sectors such as digital media and graphics contains a change-of-control clause; it grants each party a right of termination limited to 90 days if at least 50 percent of the shares or voting rights of the other party are acquired by a third party.

A licensing agreement with a software provider under which the Company is provided with a cloud-based platform for e-commerce and the provision of services to customers also contains a right of termination clause in the event that the Company is acquired by a direct competitor of the provider; in this case, any fees paid in advance would be reimbursed.

An agreement with a manufacturer and supplier of digital production printing systems for the sale of these systems also contains a change-of-control clause. This clause grants each party the right to terminate the agreement with a notice period of three months, starting at the time notification is received from the other party that a change of control has occurred or is possibly imminent or at the time the change of control becomes known. Under the terms of this agreement, a change of control is considered to have occurred if a third party acquires at least 25 percent of the voting rights of the party concerned or acquires the ability to exert decisive influence on the activities of the party concerned on a contractual basis or on the basis of the articles of association or similar provisions that grant the third party corresponding rights.

Group Sustainability Report

The special Group Sustainability Report pursuant to sections 315b and 315c in conjunction with sections 289b to 289e HGB, which was produced for the first time in the 2024/2025 financial year using the European Reporting Standards (ESRS) and in accordance with Regulation (EU) 2020/852 of the European Parliament and of the Council of June 18, 2020 on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088, is permanently available on our website www.heidelberg.com under Investor Relations > Reports and presentations.

Disclosures on treasury shares

The disclosures on treasury shares pursuant to section 160 (1) no. 2 AktG can be found in note 25 of the notes to the consolidated financial statements.

Corporate Governance Declaration

The combined Corporate Governance Declaration for Heidelberger Druckmaschinen Aktiengesellschaft and the HEIDELBERG Group in accordance with section 289f HGB and section 315d HGB can be found in the "Supervisory Board and Corporate Governance" section of this Annual Report. In accordance with section 317 (2) sentence 6 HGB, the audit of the disclosures pursuant to sections 289f (2) and (5) and 315d HGB by the auditor must be limited to establishing whether the disclosures have been made. The Corporate Governance Declaration is also permanently available on our website www.heidelberg.com under Company > About us > Corporate governance.

Important note
This Annual Report contains forward-looking statements based on assumptions and estimates by the management of Heidelberger Druckmaschinen Aktiengesellschaft. Although the management believes that these assumptions and estimates are realistic, actual future developments and results may deviate substantially from these forward-looking statements due to various factors. These factors could, for instance, include changes in the overall economic situation, exchange rates and interest rates, as well as changes within the print media industry. Heidelberger Druckmaschinen Aktiengesellschaft provides no guarantee and assumes no liability for future developments and results deviating from the assumptions and estimates made in this Annual Report. HEIDELBERG neither intends nor assumes any separate obligation to update the assumptions and estimates made in this Annual Report to reflect events or developments occurring after the publication of this Annual Report.

03

Financial section

Consolidated financial statements

Consolidated income statement 2024/2025

Figures in € millions	Note	1-Apr-2023 to 31-Mar-2024	**1-Apr-2024 to 31-Mar-2025**
Net sales	8	2,395	2,280
Change in inventories		– 89	5
Other own work capitalized		30	34
Total operating performance		**2,336**	**2,320**
Other operating income	9	75	63
Cost of materials	10	1,028	1,052
Staff costs	11	799	818
Depreciation and amortization	12	76	76
Other operating expenses	13	416	377
Result of operating activities (EBIT)		**91**	**61**
Financial income	15	7	6
Financial expenses	16	43	40
Financial result	**14**	**– 36**	**– 34**
Net result before taxes		**55**	**27**
Taxes on income	17	16	22
Net result after taxes		**39**	**5**
Basic earnings per share according to IAS 33 (in € per share)	**36**	**0.13**	**0.02**
Diluted earnings per share according to IAS 33 (in € per share)	**36**	**0.13**	**0.02**

Consolidated statement of comprehensive income 2024/2025

Figures in € millions	Note	1-Apr-2023 to 31-Mar-2024	**1-Apr-2024 to 31-Mar-2025**
Net result after taxes		**39**	**5**
Other comprehensive income not reclassified to the income statement			
Remeasurement of defined benefit pension plans and similar obligations		− 17	23
Deferred income taxes	22	0	− 2
		− 17	**21**
Other comprehensive income which may subsequently be reclassified to the income statement			
Currency translation			
Change outside of profit or loss		− 7	− 8
Fair value of other financial assets			
Change outside of profit or loss		0	0
Cash flow hedges			
Change outside of profit or loss		3	− 3
Change in profit or loss		− 5	3
		− 3	0
Deferred income taxes	22	0	0
		− 9	**− 8**
Total other comprehensive income		**− 27**	**14**
Total comprehensive income		**12**	**19**

Consolidated statement of financial position as of March 31, 2025

Assets

Figures in € millions	Note	31-Mar-2024	31-Mar-2025
Non-current assets			
Intangible assets	18	217	218
Property, plant and equipment	19	665	675
Investment property	19	10	10
Financial assets	20	10	9
Receivables from sales financing	21	26	32
Other receivables and other assets[1]	21	20	22
Deferred tax assets	22	61	71
		1,010	**1,038**
Current assets			
Inventories		588	608
Receivables from sales financing	21	16	19
Trade receivables	21	252	254
Other receivables and other assets[2]	21	85	77
Income tax assets		10	8
Cash and cash equivalents	24	153	171
		1,104	**1,136**
Total assets		**2,114**	**2,174**

1) Of which financial assets € 20 million (previous year: € 18 million) and non-financial assets € 2 million (previous year: € 3 million)
2) Of which financial assets € 17 million (previous year: € 26 million) and non-financial assets € 60 million (previous year: € 59 million)

Equity and liabilities

Figures in € millions	Note	31-Mar-2024	31-Mar-2025
Equity	25		
Issued capital		779	779
Capital reserves, retained earnings and other reserves		– 291	– 239
Net result after taxes		39	5
		527	**546**
Non-current liabilities			
Provisions for pensions and similar obligations	26	688	650
Other provisions	27	37	24
Financial liabilities [3]	28	48	43
Contractual liabilities	29	22	19
Income tax liabilities	32	22	15
Other liabilities [4]	31	12	12
Deferred tax liabilities	22	3	11
		831	**775**
Current liabilities			
Other provisions	27	171	171
Financial liabilities [3]	28	28	36
Contractual liabilities	29	185	236
Trade liabilities	30	227	243
Income tax liabilities	32	19	13
Other liabilities [5]	31	125	155
		756	**853**
Total equity and liabilities		**2,114**	**2,174**

3) Adjustment of maturities due to the amendments to IAS 1. The previous year was adjusted accordingly.
4) Of which financial liabilities € 0 million (previous year: € 0 million) and non-financial liabilities € 12 million (previous year: € 11 million)
5) Of which financial liabilities € 48 million (previous year: € 23 million) and non-financial liabilities € 107 million (previous year: € 103 million)

Statement of changes in consolidated equity as of March 31, 2025[1)]

Figures in € millions	Issued capital	Capital reserves	Retained earnings
April 1, 2023	**779**	**33**	**– 424**
Profit carryforward	–	–	91
Total comprehensive income	–	–	– 17
Other changes	–	0	1
March 31, 2024	**779**	**34**	**– 349**
April 1, 2024	**779**	**34**	**– 349**
Profit carryforward	–	–	39
Total comprehensive income	–	–	22
Other changes	–	–	0
March 31, 2025	**779**	**34**	**– 288**

1) For further details please refer to note 25.

			Other retained earnings	Total other retained earnings	Total capital reserves, retained earnings and other retained earnings	Net result after taxes	Total
Revaluation of land	Currency translation	Fair value of other financial assets	Fair value of cash flow hedges				
160	**−128**	**0**	**1**	**33**	**−357**	**91**	**514**
–	–	–	–	–	91	−91	–
0	−7	0	−2	−9	−27	39	12
–	–	–	–	–	1	–	1
160	**−135**	**0**	**−1**	**24**	**−291**	**39**	**527**
160	**−135**	**0**	**−1**	**24**	**−291**	**39**	**527**
–	–	–	–	–	39	−39	–
0	−8	0	0	−8	14	5	19
0	–	–	–	0	0	–	0
160	**−143**	**0**	**−1**	**16**	**−239**	**5**	**546**

Consolidated statement of cash flows 2024/2025[1)]

Figures in € millions	1-Apr-2023 to 31-Mar-2024	**1-Apr-2024 to 31-Mar-2025**
Net result after taxes	39	5
Depreciation and amortization/write-downs/write-ups[1)]	79	77
Change in pension provisions	– 12	– 14
Change in deferred tax assets/deferred tax liabilities	10	– 4
Result from disposals[2)]	0	0
Change in inventories	51	– 23
Change in trade receivables	37	– 5
Change in trade payables	3	18
Change in advance payments	– 51	56
Changes in liabilities from supply financing	–	23
Change in sales financing	– 3	– 3
Change in other provisions	– 40	– 12
Change in other items of the statement of financial position	– 22	– 6
Cash generated by operating activities[3)]	**90**	**113**
Intangible assets/property, plant and equipment/investment property		
Investments	– 65	– 88
Income from disposals	22	26
Financial assets		
Investments	0	0
Income from disposals	3	0
Cash used in investing activities before cash investments	**– 41**	**– 62**
Cash investments	6	–
Cash used in investing activities	**– 34**	**– 62**
Cash generated by operating activities	90	113
Cash used in investing activities	– 34	– 62
Free cash flow	**56**	**51**
Borrowing of financial liabilities	107	200
Repayment of financial liabilities	– 160	– 231
Cash used in financial activities	**– 53**	**– 31**
Net change in cash and cash equivalents	**2**	**20**
Cash and cash equivalents at the beginning of the reporting period	**153**	**153**
Changes in scope of consolidation	0	0
Currency adjustments	– 3	– 2
Net change in cash and cash equivalents	2	20
Cash and cash equivalents at the end of the reporting period	**153**	**171**

1) For further details please refer to note 37.
2) Relates to intangible assets, property, plant and equipment, investment property and financial assets.
3) Includes income taxes paid and refunded of € 36 million (previous year: € 31 million) and € 1 million (previous year: € 1 million) respectively. The interest expenses and interest income amount to € 10 million (previous year: € 10 million) and € 6 million (previous year: € 6 million) respectively.

Financial section

Notes to the consolidated financial statements for the financial year April 1, 2024 to March 31, 2025

Development of intangible assets, property, plant and equipment, and investment property

Figures in € millions								Cost
2023/2024	As of start of financial year	Change in scope of consolidation	Additions	Remeasurement	Reclassifications	Currency adjustments	Disposals	**As of end of financial year**
Intangible assets								
Goodwill	128	0	–	–	–	–1	–	127
Development costs	427	–	17	–	–	0	–	445
Software/other rights	100	0	2	–	0	0	3	99
Advance payments	0	–	0	–	0	–	–	0
	656	**0**	**19**	**–**	**0**	**–1**	**3**	**671**
Property, plant and equipment								
Land and buildings	829	–	9	–	–2	–2	6	829
Technical equipment and machinery	576	–	9	–	9	0	33	560
Other equipment, operating and office equipment	627	0	41	–	5	–1	34	639
Advance payments and assets under construction	18	0	12	–	–14	0	1	16
	2,052	**0**	**71**	**–**	**–2**	**–3**	**73**	**2,044**
Investment property	**12**	**–**	**–**	**–**	**2**	**–**	**–**	**14**
2024/2025								
Intangible assets								
Goodwill	127	–	–	–	–	0	–	127
Development costs	445	–	10	–	–	0	–	455
Software/other rights	99	0	2	–	0	0	5	96
Advance payments	0	–	–	–	0	–	–	–
	671	**0**	**12**	**–**	**–**	**0**	**5**	**678**
Property, plant and equipment								
Land and buildings	829	–	9	–	3	–	7	834
Technical equipment and machinery	560	–	13	–	1	0	18	555
Other equipment, operating and office equipment	639	–	63	–	4	–1	46	660
Advance payments and assets under construction	16	–	17	–	–8	0	0	25
	2,044	**–**	**101**	**–**	**0**	**–1**	**71**	**2,074**
Investment property	**14**	**–**	**–**	**–**	**–**	**–**	**–**	**14**

1) Including write-downs of € 1 million (previous year: € 0 million), see note 12.

Cumulative depreciation and amortization								Carrying amounts
As of start of financial year	Change in scope of consolidation	Depreciation and amortization [1)]	Reclassifi- cations	Currency adjustments	Disposals	Reversals	**As of end of financial year**	**As of end of financial year**
2	–	–	–	–1	–	–	1	127
362	–	8	–	0	–	–	370	75
82	–	4	0	0	2	–	83	16
–	–	–	–	–	–	–	–	0
446	**–**	**12**	**0**	**–1**	**2**	**–**	**454**	**217**
444	–	19	0	–1	5	0	456	372
442	–	17	1	0	20	–	441	119
483	–	29	–1	–1	27	–	482	157
0	–	–	–	–	–	–	0	16
1,368	**–**	**65**	**0**	**–1**	**52**	**0**	**1,379**	**665**
4	**–**	**0**	**0**	**–**	**–**	**0**	**4**	**10**
1	–	–	–	0	–	–	1	127
370	–	7	–	0	–	–	378	77
83	0	3	0	0	4	–	82	14
–	–	–	–	–	–	–	–	–
454	**0**	**10**	**0**	**0**	**4**	**–**	**460**	**218**
456	–	19	0	0	7	–	469	365
441	–	16	–1	0	13	–	443	112
482	–	31	1	–1	26	–	487	173
0	–	–	–	–	–	–	0	25
1,379	**–**	**66**	**0**	**–1**	**46**	**–**	**1,399**	**675**
4	**–**	**0**	**–**	**–**	**–**	**–**	**4**	**10**

General notes

1. Basis for the preparation of the consolidated financial statements

Heidelberger Druckmaschinen Aktiengesellschaft, based in Heidelberg, Germany, Kurfürsten-Anlage 52 – 60, is the parent company of the Group and is entered in the commercial register of the Mannheim Local Court, Germany, under register number HRB 330004. The consolidated financial statements of Heidelberger Druckmaschinen Aktiengesellschaft were prepared in accordance with the International Financial Reporting Standards (IFRS) as applicable in the European Union and in accordance with the supplemental provisions of section 315e (1) of the Handelsgesetzbuch (HGB – German Commercial Code) mandatory as of the balance sheet date. The consolidated financial statements reflect the business activities of Heidelberger Druckmaschinen Aktiengesellschaft and its subsidiaries (hereinafter also referred to as the HEIDELBERG Group or HEIDELBERG). The consolidated financial statements therefore comply with the IFRS in force and applicable in the EU as of the end of the reporting period and have been prepared on a going concern basis.

The HEIDELBERG Group manufactures, sells and deals in printing presses and other print media industry products, and provides consulting and other related services. In addition, its product portfolio comprises other products as well as consulting and other services in the field of mechanical engineering, electronics and electrical engineering and the metal industry. We also use our expertise to position ourselves as an incubator in new business areas, such as electromobility and other green technologies. To this end, the Company is focusing on expanding new business areas in the industrial business such as high-precision plant engineering with integrated control systems, power electronics, automation technology and robotics. In the financial year, the Group is divided into the Print Solutions, Packaging Solutions and Technology Solutions segments.

Certain consolidated income statement and consolidated statement of financial position items have been combined to improve the clarity of presentation. A breakdown of these items is presented in the notes to the consolidated financial statements.

The consolidated income statement has been prepared in line with the nature of expense method.

All amounts are generally stated in millions of euros (€ million). In individual cases, rounding may result in discrepancies concerning the totals. Figures with “0” indicate amounts rounded to zero, while figures with “–” indicate actual zero amounts. For subsidiaries located in countries outside the euro zone, the annual financial statements prepared in local currency are translated into euros (see note 5).

These consolidated financial statements relate to the 2024/2025 financial year (April 1, 2024 to March 31, 2025). They were approved for publication by the Management Board of Heidelberger Druckmaschinen Aktiengesellschaft on June 3, 2025.

2. Adoption of amended or new IFRS standards

The HEIDELBERG Group applied all IFRS-Standards that were mandatory in the reporting year.

The International Accounting Standards Board (IASB) and the IFRS Interpretations Committee (IFRS IC) have approved the following changes to existing standards, which are to be applied for the first time in the 2024/2025 financial year.

Standards	Publication by the IASB/IFRS IC	Date of adoption[1]	Published in the Official Journal of the EU	Effects
Amendments to standards				
Amendments to IAS 1: Classification of Liabilities as Current or Non-Current and Non-Current Liabilities with Ancillary Conditions	31-Oct-2022	1-Jan-2024	20-Dec-2023	Change in presentation with regard to the maturity of financial liabilities
Amendments to IFRS 16: Lease Liabilities from a Sale and Leaseback Transaction	22-Sep-2022	1-Jan-2024	21-Nov-2023	No material effects
Amendments to IAS 7 and IFRS 7: Supplier Financing Arrangements	25-May-2023	1-Jan-2024	16-May-2024	No material effects

1) For financial years beginning on or after this date

As part of the first-time application of the amendments to IAS 1: Classification of liabilities as current or non-current and non-current liabilities with ancillary conditions, the syndicated loan drawn down at the end of the 2023/2024 reporting period in the amount of € 12 million was reclassified from current to non-current financial liabilities in the opening balance sheet as at April 1, 2024. The previous year was adjusted accordingly.

New accounting provisions

The IASB and the IFRS IC approved and amended other standards and interpretations, whose application is not yet compulsory in the 2024/2025 financial year or which have not yet been endorsed by the European Union (EU). HEIDELBERG is not currently planning to apply these standards at an early date.

Standards	Publication by the IASB/IFRS IC	Date of adoption[1)]	Published in the Official Journal of the EU	Content	Effects
Amendments to standards					
Amendments to IAS 21: Lack of Exchangeability	15-Aug-2023	1-Jan-2025	13-Nov-2024	– The amendment relates to the determination of the exchange rate in the event of long-term non-exchangeability and supplements the requirements for determining the exchange rate in these cases and also extends the corresponding disclosure requirements.	None
Amendments to IFRS 9 and IFRS 7: Classification and Measurement of Financial Instruments	30-May-2024	1-Jan-2026	Pending	– The amendments are intended to ensure uniform application of the rules for the classification and measurement of financial assets and financial liabilities and eliminate existing uncertainties in practical implementation and disclosure. – A particular focus is on the more precise handling of interest components in the SPPI test and ESG-related clauses in loan agreements.	No material effects
Amendments to IFRS 9 and IFRS 7: Contracts Relating to Nature-Based Electricity	30-May-2024	1-Jan-2026	Pending	– Amend the requirements for own use in IFRS 9 to include the factors that an entity must consider when applying IFRS 9:2.4 to contracts for the purchase and sale of electricity from renewable energy sources where the source of electricity generation is nature-dependent.	No material effects
Annual Improvements to IFRS Standards – Volume 11	18-Jul-2024	1-Jan-2026	Pending	– As part of the IASB's annual improvements project, minor and non-urgent improvements to IFRS are made. These relate to the standards IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7.	No material effects
New standards					
IFRS 18: Presentation and Disclosures in Financial Statements	9-Apr-2024	1-Jan-2027	Pending	– IFRS 18 replaces the previous standard IAS 1. – The standard is intended to improve the presentation of financial information and make financial statements more transparent and easier to compare.	Currently under review
IFRS 19: Subsidiaries without Public Accountability: Disclosures	9-May-2024	1-Jan-2027	Pending	– If a subsidiary applies the full IFRS in its separate or consolidated financial statements, the optional application of IFRS 19 substantially reduces the scope of the disclosures in the notes compared to the other IFRS standards.	None

1) For financial years beginning on or after this date

3. Scope of consolidation

The consolidated financial statements of Heidelberger Druckmaschinen Aktiengesellschaft include a total of 60 (previous year: 62) domestic and foreign companies controlled by Heidelberger Druckmaschinen Aktiengesellschaft within the meaning of IFRS 10. Of these companies, 45 (previous year: 47) are located outside Germany.

	2023/2024	**2024/2025**
April 1	62	62
Additions	2	0
Disposals (including mergers)	2	2
March 31	62	60

Control within the meaning of IFRS 10 exists when an investor controls the material activities of the investee, has exposure to variable returns from its involvement with the investee and the ability to utilize its control to influence the amount of returns from the investee. Subsidiaries that are of minor significance are not included. These subsidiaries are of minor significance if the total of the equity, total assets, net sales and net profit or loss of the subsidiaries not included amounts to only an insignificant portion of the Group figure. The list of all shareholdings of Heidelberger Druckmaschinen Aktiengesellschaft, which is a component of the notes to the consolidated financial statements, can be found in the annex to these notes.

The scope of consolidation changed as follows as against the previous year:

- Heidelberg Slovensko s.r.o., Bratislava, Slovakia, was liquidated with effect from November 26, 2024.
- Gallus Holding AG, St. Gallen, Switzerland, was merged with Gallus Ferd. Rüesch AG, St. Gallen, Switzerland, with effect from December 31, 2024.

4. Principles of consolidation

In accordance with IFRS 3, all business combinations are recognized using the purchase method in the form of the full revaluation method.

On first-time consolidation of acquired companies, the identifiable assets, liabilities and contingent liabilities are measured at fair value as of the date of acquisition. If the purchase price exceeds the fair value of the identifiable assets less liabilities and contingent liabilities, this is recognized as goodwill. Negative goodwill arising on an acquisition at less than market value is recognized in profit or loss after a repeat assessment of the measurement performed.

Intra-Group sales, expenses and income, receivables, liabilities and contingent liabilities are eliminated. Intra-Group transactions are calculated both on the basis of market prices and on the basis of arm's length transfer prices. Assets from commercial transactions among consolidated companies included in inventories are adjusted to eliminate intercompany profits and losses. In consolidation processes affecting profit or loss, income tax effects are taken into account and the corresponding deferred taxes are recognized in profit or loss. In consolidation processes not affecting profit or loss, deferred taxes are recognized outside profit and loss.

5. Currency translation

In those individual financial statements of consolidated companies which are prepared in local currencies, monetary items in foreign currencies (cash and cash equivalents, receivables, liabilities) are measured at the exchange rate as of the end of the reporting period and exchange rate effects are recognized in profit or loss. Non-monetary items denominated in foreign currencies are posted at their historic exchange rates.

The financial statements of the companies included in consolidation that are prepared in foreign currency are translated on the basis of the functional currency concept (IAS 21) in accordance with the modified closing rate method. As our subsidiaries financially, economically and organizationally effect their transactions on an independent basis, the functional currency is usually the same as each subsidiary's respective local currency. Assets and liabilities are therefore translated at the closing rates, the equity – except income and expenses recognized directly in equity – at the historical rates, and expenses and income at the average exchange rates for the year. The difference resulting from the foreign currency translation is offset against other reserves outside profit and loss. Currency differences arising as against the previous year's translation in the HEIDELBERG Group are also offset against other reserves outside profit and loss.

Accounting in line with IAS 29 was not required as the HEIDELBERG Group does not have any subsidiaries whose functional currency corresponds to the national currency of a hyperinflationary country.

The main exchange rates used in currency translation are as follows:

	Average rates for the year		Reporting date rates	
	2023/2024	**2024/2025**	2023/2024	**2024/2025**
	€ 1 =	**€ 1 =**	€ 1 =	**€ 1 =**
AUD	1.6535	1.6520	1.6607	1.7318
CAD	1.4639	1.4979	1.4672	1.5533
CHF	0.9608	0.9513	0.9766	0.9531
CNY	7.7856	7.7414	7.8144	7.8442
GBP	0.8629	0.8393	0.8551	0.8354
HKD	8.4839	8.3683	8.4594	8.4130
JPY	157.7458	163.6300	163.4500	161.6000
KRW	1,435.9333	1,502.1542	1,458.6700	1,594.7100
USD	1.0841	1.0741	1.0811	1.0815

AUD = Australian dollar
CAD = Canadian dollar
CHF = Swiss franc
CNY = Chinese yuan
GBP = Pound sterling
HKD = Hong Kong dollar
JPY = Japanese yen
KRW = South Korean won
USD = US dollar

6. General accounting policies

The accounting policies applied in the consolidated financial statements are presented below. Further information on the individual items of the consolidated income statement, consolidated statement of financial position and corresponding figures is shown from note 8 onwards.

General principles

In the opinion of the IASB, the consolidated financial statements present a true and fair view and a fair presentation (overriding principle) if the qualitative criteria of the presentation of accounts are met and the individual IFRS guidelines are complied with. Consequently, to achieve fair presentation, preparers cannot deviate from the individual regulations.

Uniform accounting policies

The consolidated financial statements are prepared on the basis of accounting policies that are applied uniformly throughout the Group. The consolidated financial statements are prepared in line with the principle of historical cost, with the exception of certain items of the statement of financial position, which are reported at fair value.

Consistency of accounting policies

With the exception of changes resulting from new or amended standards or interpretations (see note 2), the accounting policies applied in the previous year remain unchanged.

Revenue recognition

Revenue from the **sale of machinery** is recognized when the buyer has obtained control of the machinery sold. This is typically on delivery of the machinery. Neither a continuing managerial involvement nor effective control over the machinery sold remain. In the rare case of bill-and-hold agreements, revenue from the sale of machinery is recognized on invoicing and storage at the agreed storage location if all the other relevant IFRS 15 criteria have been met. When selling machinery, customer payments are typically divided into an advance payment on receipt of order confirmation, an advance payment before delivery and a final payment after invoicing. As a rule, the advance payments cover around 90 percent of the invoice amount when the invoice is issued. Installation revenue is recognized when the installation is completed.

When **selling consumables and spare parts** and when selling charging stations (Wallboxes) in the field of e-mobility, control is typically transferred and sales are recognized on delivery to the customer. Invoicing takes place at the same time. The average payment deadline is around 40 days.

Sales from **services** are recognized when the services are rendered or when the customer has obtained control of the services. Invoicing takes place when the services are rendered. The average payment deadline is around 30 days. Sales from long-term service contracts are generally distributed on a straight-line basis. As expenses are incurred in line with the percentage of completion, the net sales deferred for long-term service contracts are recognized in proportion to the expected development in costs. Given the large number of long-term service contracts that there are, straight-line distribution represents a sufficiently accurate estimate of the expected development in costs. A long-term service contract typically also entails a warranty extension. HEIDELBERG's associated obligation to offer services beyond the statutory warranty period constitutes a separate performance obligation.

Net sales are reported net of discounts. Transaction prices are agreed on a case-by-case basis due to the large number of machinery configurations and equipment variants that customers can select individually. If a contract includes variable consideration, revenue from the sale of machinery is typically estimated at the most probable amount. There is variable consideration for consumables, whereby the volume usually fluctuates depending on the capacity utilization of the machinery.

For multi-component contracts, such as contracts for the sale of new printing presses and services, the transaction price is allocated to the various performance obligations on the basis of relative stand-alone selling prices.

A financing component included in the transaction price is only deferred in application of the simplification provision under IFRS 15 if the period until receipt of the consideration from the customer is longer than one year and the amount to be deferred is material. The disclosure of transaction prices attributable to unfulfilled performance obligations from services billed at a fixed hourly rate or to contracts with an original term of less than one year is waived in accordance with the simplification option under IFRS 15.

Income from **operating and finance leases** is recognized based on the provisions of IFRS 16.

Intangible assets

With the exception of goodwill, all intangible assets have a limited useful life and are therefore amortized on a straight-line basis over their expected useful life. In accordance with the option provided under IAS 38, intangible assets are measured at amortized cost. Goodwill is tested for impairment on initial recognition in accordance with IFRS 3 and then annually and if there is any evidence to suggest a loss of value in accordance with IAS 36. Purchased intangible assets are capitalized at cost. Internally generated intangible assets are capitalized to the extent that the criteria for recognition in IAS 38 are met. Manufacturing costs include all directly attributable costs.

Research and development costs

Development costs for newly developed products are capitalized at cost to the extent that expenses are directly attributable and if both the technical feasibility and the marketing of the newly developed products are assured (IAS 38). There must also be a sufficient degree of probability that the development activity will lead to future inflows of benefits. Capitalized development costs include all direct costs and overheads that are directly attributable to the development process. Capitalized development costs are amortized on the basis of the estimated period during which sales may be expected. The capitalized development costs of projects that have not yet been completed are written down if the projects are cancelled or if the annual impairment test results in an impairment requirement.

In accordance with IAS 38, research costs cannot be capitalized and are therefore recognized in profit or loss directly in the consolidated income statement.

Property, plant and equipment

Exercising the option allowed, developed and undeveloped land recognized in accordance with IAS 16 is measured at the revalued amount, which is the respective fair value on the date of revaluation less subsequent accumulated write-downs; revaluation must be repeated at sufficiently regular intervals. Corresponding increases in the value of this land, after taking deferred taxes into account, are added to a revaluation surplus through other comprehensive income in the consolidated statement of comprehensive income or, if they reverse impairment losses previously recognized in profit or loss, they are recognized in profit or loss.

Impairment losses are recognized in other comprehensive income as long as they do not exceed the revaluation reserve allocated to the respective property. Otherwise, the impairment is recognized in profit or loss.

All other property, plant and equipment, including right-of-use assets under leases recognized in accordance with IFRS 16, are measured at cost less cumulative straight-line depreciation and cumulative write-downs in line with the option provided under IAS 16.

In addition to direct costs, the cost also includes appropriate portions of material and production overheads.

Investment property

Investment property (IAS 40: Investment Property) is recognized at cost less cumulative straight-line depreciation and cumulative write-downs in line with the option provided under IAS 40. The fair value of investment property is disclosed in the notes to the consolidated financial statements. This value is calculated by non-Group, independent experts in line with internationally acknowledged valuation methods at sufficiently regular intervals; otherwise it is derived from the current market price of comparable real estate.

Leases

A lease is an agreement in which the lessor transfers the right to use a specified asset to the lessee for a period of time in return for a fee. If a lease also contains non-lease components, these are not recognized in accordance with IFRS 16.

The leases in which we are the lessee are essentially for buildings, the fleet of vehicles and IT equipment. HEIDELBERG exercises the practical expedient of recognizing expenses for short-term leases or concerning low-value assets on a straight-line basis over the term of the lease. For all other leases, a right-of-use asset and a lease liability are recognized on the provision date of the asset. Right-of-use assets are measured at cost on the provision date. These correspond to the lease liability on the provision date plus initial direct costs, lease payments already made prior to provision and the present value of estimated costs at the end of the term less lease incentives received. The right-of-use assets are generally amortized over the term of the respective lease. If ownership of the leased asset is transferred to HEIDELBERG at the end of the lease term or the costs already take into account the exercise of a purchase option, the right-of-use asset is instead amortized on a straight-line basis over the expected useful life of the leased asset. The right-of-use assets are subject to impairment testing in accordance with IAS 36.

Lease liabilities are measured at the present value of the remaining lease payments, discounted using the corresponding currency and maturity-dependent incremental borrowing rate at the date of initial recognition. Lease payments primarily comprise fixed payments less any lease incentives receivable and variable lease payments that depend on an index or (interest) rate.

Variable lease payments not included in lease liabilities are recognized in profit or loss when the condition triggering those payments occurs. These are immaterial in terms of value.

Lease liabilities are subsequently measured using the effective interest method. If future lease payments change due to an amendment to the lease or a change in the assessment of existing residual value guarantees, purchase or extension options, the carrying amount of the lease liability is adjusted accordingly.

Some of the leases contain termination, prolongation and/or purchase options. The assessment of whether these options are reasonably certain to be exercised is based on judgments as to whether there are economic incentives to exercise the option.

For rented buildings, there is typically an obligation to maintain them in accordance with their use and to return them in their original condition at the end of the rental period. In some cases, the subletting of rented buildings is only permitted with the owner’s consent.

The leases in which the HEIDELBERG Group is the lessor are essentially for printing presses leased to customers. If such leases are operating leases, the underlying asset is capitalized in non-current assets. If customers finance printing presses by way of a finance lease, the corresponding lease receivable from the customer is reported under receivables from sales financing. The risks of leases in which we are the lessor are limited as far as the law allows by corresponding contractual arrangements. In particular, leases contain regulations on risks in connection with the legal ownership of the leased assets that rests with HEIDELBERG, for example regarding the use of the leased asset, relocation and insurance. As part of the secondary realization strategy, the leased assets are either resold or assigned to another leasing business. Market price developments are monitored transparently through active market observation, and any market value risks are identified at an early stage and addressed accordingly. In finance leases HEIDELBERG typically has a contractual put option to sell the leased asset to the customer at its calculated residual value. The residual value risk is thus transferred to the customer in such cases. Moreover, finance leases are subject to risk management for sales financing (see also “Operational risks and opportunities” in the risk and opportunity report in the combined management report).

Depreciation and amortization

Amortization of intangible assets and depreciation of property, plant and equipment, and investment property is calculated primarily on the basis of the following useful lives, which are applied uniformly throughout the Group (in years):

	2023/2024	**2024/2025**
Development costs	5 to 12	5 to 12
Software/other rights	3 to 20	3 to 20
Buildings	25 to 50	25 to 50
Technical equipment and machinery	10 to 31	10 to 31
Other equipment, operating and office equipment	5 to 26	5 to 26
Investment property	33	33

Write-downs on non-financial assets

Intangible assets and items of property, plant and equipment are impaired if the recoverable amount of the asset is less than the carrying amount. The recoverable amount must be estimated for the individual asset if there are indications of impairment, unless the asset generates cash inflows that are not largely independent of the other assets of a cash-generating unit.

Are intangible assets (including capitalized development costs) and items of property, plant and equipment part of a cash-generating unit, impairment is determined on the basis of the recoverable amount of this unit. This is typically the case for intangible assets; the cash-generating units are the Print Solutions and Packaging Solutions segments (see note 38) and the E-Mobility business area.

The recoverable amount is the higher of the fair value less costs to sell and the value in use. If goodwill has been assigned to a cash-generating unit and its carrying amount exceeds the recoverable amount, the goodwill is first impaired by the amount of the difference. Any additional impairment requirements are recognized by way of the pro rata reduction of the carrying amounts of the other assets of the cash-generating unit, if the individual assets are not recoverable.

If the reason for earlier impairment ceases to exist, the impairment on intangible assets and items of property, plant and equipment is reversed. However, the carrying amount increased by reversal may not exceed amortized cost. No impairment on goodwill is reversed.

Inventories

Inventories are carried at the lower of cost and net realizable value. Carrying amounts are calculated using the weighted average cost method.

Costs include production-related full costs determined on the basis of normal capacity utilization.

In particular, the cost of products includes directly attributable direct costs (such as production materials and wages used in construction) and directly attributable fixed and variable production overheads (such as materials and production overheads), including an appropriate depreciation on manufacturing equipment. Particular account is taken of costs that are charged to specific production cost centers.

The risks of holding inventories arising from reduced usability are taken into account by appropriate write-downs. These write-downs are recognized on the basis of the future production program or actual consumption. Individual periods are used for different inventory items, which are monitored and adjusted based on appropriate criteria. Measurement takes into account lower realizable net selling prices at the end of the reporting period. If the reasons for a lower valuation no longer apply to inventories that have formerly been written down and the net selling price has therefore risen, the reversal of the write-down is recognized as a reduction of the cost of materials.

Financial instruments

BASIC INFORMATION

A financial instrument is any contract that gives rise to both a financial asset of one entity and a financial liability or equity instrument of another entity. Financial instruments are recognized when HEIDELBERG becomes party to a contract for the financial instrument. If the trade date and settlement date differ for standard purchases or sales, financial instruments are recognized at the settlement date. First-time measurement of financial assets and liabilities is at fair value, whereby trade receivables without a significant financing component are recognized at the transaction price in accordance with IFRS 15. The carrying amount of financial instruments not measured at fair value through profit or loss includes the directly attributable transaction costs. Subsequent measurement of financial instruments is in line with the measurement categories defined in IFRS 9: Financial Instruments. Under IFRS 9, on first-time recognition financial assets and liabilities can be designated as financial instruments in the fair value through profit and loss category. HEIDELBERG did not exercise this option.

In general, financial assets and liabilities are reported without being offset. They are only offset when there is an enforceable legal right to do so at the end of the reporting period and the entity intends to settle them on a net basis (see note 33). The recognized carrying amount of current and variable interest, non-current financial assets and liabilities is an appropriate estimate of the fair value.

The HEIDELBERG Group is exposed to default risks to the extent that partners do not fulfill their contractual obligations. Default risk essentially relates to receivables from sales financing and trade receivables. Default risks from derivative financial instruments are regularly managed and continuously monitored with regard to deteriorations in creditworthiness. Other default risks for other financial assets and cash and cash equivalents are of minor significance for the Group.

The general approach for determining expected losses is used for receivables from sales financing. For those receivables there are risks of default on receivables due to industry, customer, residual value and country risks. They are monitored and managed very closely by internal receivables management. A significant increase in credit risk is assumed when payments are more than 30 days past due. Receivables from sales financing are considered to be credit-impaired if they are more than 90 days overdue. Receivables from sales financing past due by more than 180 days are generally written down in full as it must be assumed that they will be defaulted on. In the case of receivables from sales financing, a default is also assumed if customer financing is terminated prematurely by HEIDELBERG due to non-payment, with the start of the realization of collateral or in the event of the customer's insolvency.

The simplified approach for determining expected losses is used for trade receivables. For these receivables, a full impairment is generally recognized if they are more than 360 days overdue. A default always exists if the debtor is no longer able to settle its liabilities in full.

Credit security measures are also continued for fully impaired receivables. The amounts received are recognized in profit or loss. A financial asset is derecognized if, according to a reasonable assessment, the agreed cash flows are no longer expected to be realized in full or in part, for example following the conclusion of insolvency proceedings or depending on country-specific and legal circumstances. For outstanding receivables, it is checked on an ongoing basis whether enforcement measures still have a chance of being successful.

Financial assets are measured **at amortized cost** if they are held in a business model with the objective of generating contractual cash flows, and the contractual cash flows are solely payments of principal and interest. In case of financial assets measured at amortized cost, impairments are recognized in profit or loss by using an allowance account. The carrying amount of uncollectible receivables is derecognized. If the amount of impairment is objectively reduced in subsequent reporting periods due to an event occurring after recognition of the impairment, the impairment recognized is reversed accordingly in income.

Financial assets are measured **at fair value through other comprehensive income** if they are held in a business model with the objective of generating contractual cash flows and to sell the financial assets, and if the contractual cash flows are solely payments of principal and interest. In addition, equity instruments that are not held for trading and for which the option to recognize changes in fair value in other comprehensive income was exercised in accordance with IFRS 9 are allocated to this measurement category.

All other financial assets are measured **at fair value through profit or loss.**

In accordance with IFRS 9, the expected credit losses from financial assets measured at amortized cost must be assessed on the basis of the expected loss model. The calculation of the expected loss is dependent on whether there is a significant increase in credit risk. If the credit risk of the financial asset has not increased significantly since initial recognition of the financial asset, the impairment loss is measured on the basis of the 12-month expected credit losses.

Expected credit losses for receivables from sales financing are calculated on the basis of the credit risk assessment for each individual receivable using the general impairment model in accordance with IFRS 9. This calculation takes into account all receivables not already impaired. The key inputs are the internally calculated individual probability of default for the receivable and the expected loss given default. In order to draw conclusions about the customer's future sales and earnings performance, pieces of forward-looking information, including estimates of the expected development of the macroeconomic environment and demand on the relevant market derived from the internal customer risk assessment, are taken into consideration. Impairment is recognized on the receivable if its credit risk has increased significantly since initial recognition. If the value of the collateral held exceeds the amount of the receivable from sales financing in the event of default, the HEIDELBERG Group considers the resulting value adjustments to be of minor significance.

For trade receivables, in line with the simplified approach chosen to calculate write-downs in accordance with IFRS 9, receivables are allocated to level 2 already from initial recognition and the lifetime expected credit losses are recognized. The trade receivables portfolio is clustered by country and number of days past due to calculate the expected credit losses. Historical loss experience is used to calculate a provision matrix which is adjusted by a forward-looking factor that reflects the expected development of country risk. The theoretical maximum remaining risk of default of financial assets, disregarding collateral, is the same as their recognized carrying amounts. As soon as there is objective evidence of an increase in the default risk since initial recognition, the receivable concerned is allocated to level 3 and individually impaired. If the value of the collateral held exceeds the amount of trade receivables in the event of default, the Group considers the resulting value adjustments to be of minor significance.

Financial assets are derecognized when the contractual rights to cash flows end or substantially all the risks and rewards of ownership are transferred to another party. Financial liabilities are derecognized when the contractual obligation is discharged or legally canceled.

The net gains and losses essentially include changes in the fair value and exchange rate effects recognized in net operating income and the financial result and interest income and expense from financial instruments recognized in the financial result. The net result from financial assets at fair value through other comprehensive income in equity instruments includes only dividends recognized in profit or loss.

For information on risk management please refer to note 33 and to the Risk and Opportunity Report in the combined management report.

FINANCIAL ASSETS

Other investments, investments accounted for using the equity method and securities that represent financial assets are reported under Financial assets.

Securities reported under financial assets are predominantly classified as financial assets at fair value through other comprehensive income by exercising the option provided by IFRS 9 for financial investments in equity instruments as they are not primarily for short-term profit maximization. On the basis of IFRS 9, these financial instruments are measured at fair value through other comprehensive income taking deferred taxes into account and are not subsequently reclassified to profit or loss. These securities are measured at their stock market prices.

The appropriate classification of these securities is determined at the time of purchase and is reviewed as of the end of each reporting period.

Other investments are measured at fair value.

Shares in associated companies where the HEIDELBERG Group exercises significant influence and joint ventures are generally recognized using the equity method. Income and expenses in connection with investments accounted for using the equity method are recognized in the financial result.

LOANS

Loans are credit that we extend and are classified as financial assets at amortized cost under IFRS 9. Non-current non-interest-bearing and low-interest-bearing loans are carried at net present value. Measurement in subsequent periods is at amortized cost using the effective interest rate method. After initial recognition, financial assets at fair value through profit or loss are measured at fair value; unrealized gains and losses are recognized through profit or loss.

RECEIVABLES FROM SALES FINANCING

Receivables from sales financing include receivables from our customers arising in connection with the financing of machinery sales and receivables under finance leases.

Finance leases include leased installations considered as sales under non-current financing. In line with IFRS 16, these receivables are carried at the net investment value, i.e. discounted future minimum lease payments plus any unguaranteed residual values. Lease payments are broken down into repayments and interest income, and interest income is recognized in the consolidated income statement over the term of the leases reflecting a constant periodic rate of return.

Receivables from sales financing are assigned to the IFRS 9 category “measured at amortized cost” and carried at fair value. Measurement in subsequent periods is at amortized cost using the effective interest rate method.

TRADE RECEIVABLES

Trade receivables do not contain any significant financing components and hence are carried at their transaction price on initial recognition. In subsequent periods they are measured at amortized cost using the effective interest rate method.

RECEIVABLES AND OTHER ASSETS

The receivables and other assets item includes both non-financial assets and financial assets including derivative financial instruments. With the exception of derivative financial instruments, financial assets are assigned to the “measured at amortized cost” and “measured at fair value through profit or loss” categories under IFRS 9. Non-financial assets are measured in line with the respective applicable standard.

CASH AND CASH EQUIVALENTS

Cash on hand and bank balances are carried at amortized cost. Bank balances have a remaining term of up to three months.

FINANCIAL LIABILITIES

Primary financial instruments include financial liabilities, trade payables and non-derivative other financial liabilities. Trade payables and non-derivative other financial liabilities include accruals for outstanding invoices and accruals for personnel-related liabilities.

In the past financial year, HEIDELBERG made use of two programs for structured purchase financing.

In the course of classic reverse factoring agreements, the character of the trade payables remains fundamentally unchanged, as only a change of creditor takes place as part of the assignments made. Therefore, from the debtor's perspective, recognition under trade payables still appears appropriate.

If, on the other hand, the financing partner makes a debt-discharging payment to the supplier on behalf of HEIDELBERG, the original trade payables are derecognized. Instead, the obligations to offset the financing partner's expenses, which have conditions that are customary in the industry and are settled in the regular business cycle in accordance with their economic nature, are allocated as other liabilities from purchase financing to other current financial liabilities.

Primary financial liabilities are recognized at fair value in accordance with IFRS 9. In the case of financial liabilities not recognized at fair value through profit or loss, directly attributable transaction costs are taken into account. In subsequent periods, they are measured at amortized cost using the effective interest method. For information on the recognition of lease liabilities, see the "Leases" section in this note. Financial guarantees are recognized at the higher of the amount to be determined in accordance with IFRS 9 or the amount originally recognized as a liability less any amortization. They are reported under other provisions.

DERIVATIVE FINANCIAL INSTRUMENTS

Derivative financial instruments in the HEIDELBERG Group comprise hedging instruments used to manage exchange rate fluctuations. These instruments serve to reduce income volatility. The Group does not enter into trading positions, i.e. derivatives without an underlying hedged item. We currently use over-the-counter (OTC) instruments. These currently comprise forward exchange transactions.

The scope of hedging by financial derivatives comprises recognized, onerous and highly probable hedged items.

In accordance with IFRS 9, derivatives meet the recognition criteria for assets and liabilities, as a result of which they must be capitalized (other assets) or expensed (other liabilities) at fair value. First-time recognition is as of the trade date.

Under IFRS 9, the distinction between a fair value hedge and a cash flow hedge is of fundamental importance for hedge accounting.

The aim of a fair value hedge is to offset the changes in fair value of assets and liabilities with opposing changes in the fair value of the designated hedging instrument. Any profit or loss resulting from the change in fair value of the designated hedging instrument is recognized directly in the consolidated income statement. From the inception of the hedge, changes in the fair value of the hedged item attributable to the hedged risk are also recognized in profit or loss. A cash flow hedge serves to hedge the changes in cash flows that typically arise in connection with floating rate assets or liabilities recognized in the consolidated statement of financial position, foreign currency onerous contracts or planned future transactions. The gains and losses on the effective portion of derivatives designated as a hedging instrument are recognized outside profit or loss until the respective hedged item becomes effective.

Hedges that do not satisfy the documentation requirements of IFRS 9 for hedge accounting or whose underlying hedged items no longer exist are classified as at fair value through profit or loss.

Assets and liabilities held for sale

Non-current assets and liabilities are classified as held for sale when disposal is highly likely and the asset is available for immediate sale in its present condition. In addition, the owner must have resolved to sell the individual asset or disposal group within one year.

Assets held for sale are carried at the lower of the carrying amount and fair value less costs to sell. Assets held for sale are no longer subject to scheduled depreciation or amortization.

Deferred tax assets and deferred tax liabilities

Deferred tax assets and deferred tax liabilities are calculated in accordance with the liability method (IAS 12). Under this method, deferred taxes are recognized for all temporary differences between IFRS carrying amounts and the tax carrying amounts of the individual companies or Group companies and on corresponding consolidation adjustments. In addition, deferred tax assets for future benefits from tax loss carryforwards are also taken into account. Deferred tax assets for accounting differences and for tax loss carryforwards are recognized in the amount for which it is probable that taxable income will be available, i.e. for which utilization seems reasonably assured. Deferred taxes are measured on the basis of the income tax rates of the respective countries. A tax rate of 28.00 percent (previous year: 28.00 percent) is used to calculate domestic deferred taxes. In addition to the corporation tax of 15 percent and the solidarity surcharge of 5.5 percent, the average trade tax rate was also taken into account.

In accordance with the provisions of IAS 12, deferred tax assets and deferred tax liabilities are not discounted. Deferred tax assets are offset against deferred tax liabilities in cases where this is required by IAS 12. Accordingly, offsetting must be carried out if there is a legally enforceable right to offset current taxes and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority and arise at the same company or in the same tax group. The HEIDELBERG Group has made use of the temporary, mandatory exemption with regard to the recognition of deferred taxes in accordance with IAS 12.4A from the introduction of global minimum taxation.

Provisions for pensions and similar obligations

The pensions and similar obligations comprise the obligations of the Group to establish provisions under both defined benefit plans and defined contribution plans.

For defined benefit plans, the pension obligations are calculated using the projected unit credit method (IAS 19). Under this method, expert actuarial reports are commissioned each year. The discount rate used for the present values of defined benefit obligations is based on the yields of high-quality corporate bonds with matching maturities and currencies and ratings of AA on the basis of the information provided by Bloomberg. This discount rate is also used to determine the net interest on the net liability/asset from defined benefit plans. Mortality and retirement rates are calculated in Germany according to the 2018 G Heubeck mortality tables and, outside Germany, according to comparable foreign mortality tables. Plan assets carried at fair value are offset against defined benefit obligations. The cash and cash equivalents of Heidelberg Pension-Trust e. V. are held in trust by the latter and serve to secure pension obligations as well as pension payments in case of delay. They do not qualify as plan assets in accordance with IAS 19.8. Current service cost and any past service cost is recognized immediately and reported under staff costs; the net interest expense, as the net total of interest expenses on benefit obligations and interest income on plan assets, is reported in the financial result. Gains or losses resulting from changed expectations with regard to life expectancy, future pension and salary increases, and the discount rate from the actual developments during the period are recognized outside profit or loss directly in other comprehensive income in the statement of comprehensive income. Recognition of the gains or losses from remeasurements reported in other comprehensive income in profit or loss in later periods is not permitted.

The difference between the (interest) income on plan assets calculated at the start of the period and the actual return on plan assets determined at the end of the period is also recognized outside profit or loss in other comprehensive income.

For defined contribution plans, compulsory contributions are offset directly as an expense. No provisions for pension obligations are recognized, as in these cases the Company does not have any obligation beyond that to pay premiums.

Other provisions

Other provisions are recognized when a past event gives rise to a current obligation, utilization is more likely than not and its amount can be reliably estimated. This means that the probability must exceed 50 percent. They are measured either at the most likely settlement amount or, if probabilities are equal, at the expected settlement amount. Provisions are only recognized for legal or constructive obligations in respect of third parties. Provisions are measured at full production cost, taking into consideration possible cost increases. Provisions for restructuring measures are recognized to the extent that the criteria of IAS 37 or IAS 19 respectively are met.

Non-current provisions with a remaining term of more than one year are carried at the discounted settlement amount at the end of the reporting period on the basis of appropriate interest rates. The underlying interest rates depend on the term of the obligation.

Income tax liabilities

Income tax liabilities are recognized in the amount which is expected to be paid to the tax authorities. If income tax liabilities include uncertain income tax items because they are probable, these are typically measured at the most probable amount. In some cases the determination of income tax liabilities requires discretionary decisions.

Share-based payment

From the 2017/2018 financial year, in the context of the multi-year variable remuneration of the Management Board, share-based, cash-settled payment has been granted on the basis of the total shareholder return performance indicator. This is then paid out at the end of the respective three-year performance period.

In the 2022/2023 financial year, multi-year variable remuneration was awarded for the first time, which is based on the issue of virtual shares in Heidelberger Druckmaschinen Aktiengesellschaft (HEIDELBERG shares), is earned over a one-year period and is settled half in cash and half in HEIDELBERG shares at the end of the three-year performance period.

The multi-year variable remuneration awarded on the basis of the current 2023+ remuneration system in the 2023/2024 and 2024/2025 financial years continues to be based on the issue of virtual HEIDELBERG shares and is also earned over a one-year period. The performance period within this tranche now extends over four financial years, with fulfillment taking place in full by way of cash settlement.

The valuation of these components is measured in accordance with IFRS 2 on the basis of their fair value using a Monte Carlo simulation.

The fair values of the cash-settled remuneration components are remeasured at each reporting date and at the settlement date and recognized proportionately in personnel expense. Multi-year variable remuneration to be settled in equity instruments is measured once at fair value on the grant date and recognized as personnel expense in the capital reserve.

Contract liabilities
Contract liabilities typically arise in connection with the sale of sheetfed offset presses on account of the advance payment usually required and, for service and maintenance work, on account of the one-time payment when the contract is signed.

Government grants
Government grants are recognized as soon as there is reasonable assurance that all funding conditions can be met and the grant will be awarded in full.

For taxable government investment subsidies and tax-free investment allowances, which are recognized accordingly in the cash inflow from investments, there is an option to recognize these as deferred income or deduct them when determining the carrying amount of the asset. HEIDELBERG reports these subsidies as deferred income that is reversed and recognized as income in line with the expected pattern of economic benefits from the asset over its useful life.

Grants related to income are allocated to the cash inflow from operating activities and are recognized directly in profit or loss separately under the main item “other operating income”.

Contingent liabilities
Contingent liabilities are potential obligations that relate to past events and whose existence will not be confirmed until one or more uncertain future events occur. These future events, however, lie outside the sphere of influence of the HEIDELBERG Group. Furthermore, current obligations can represent contingent liabilities if the outflow of resources is not sufficiently probable to recognize a respective provision or if the amount of the obligation cannot be reliably estimated. The carrying amount of contingent liabilities is equal to the best possible estimate of the settlement amount resulting from the liability.

7. Estimates and judgments

When preparing consolidated financial statements, certain assumptions and estimates are made that have an effect on the amount and reporting of assets and liabilities, information on contingent assets and liabilities at the end of the reporting period and on income and expense reported in the period under review. Climate-related aspects can also lead to additional uncertainties and thus to estimates and discretionary decisions. The risks and opportunities associated with climate change are analyzed as part of the risk management process and evaluated in terms of their potential financial and accounting impact. Overall, there were no material effects on accounting in connection with climate change.

The following are the key issues affected by assumptions and estimates:

- assessing the recoverability of goodwill,
- determination of the expected useful lives of intangible assets and property, plant and equipment,
- the assessment of the recoverability of loss carryforwards,
- the determination of fair values as part of the IAS-16 revaluation,
- the measurement of provisions for pensions and similar obligations.

In the impairment test for goodwill, the recoverable amount of the cash-generating unit is determined as the higher of its fair value less the cost to sell and its value in use. The fair value here reflects the best estimate of the price independent market participants would receive under standard market conditions for the sale of the cash-generating units at the end of the reporting period. The value in use is the present value of the estimated future cash flows expected from the cash-generating unit. A change in determining factors can change the fair value or the value in use, and could result in the recognition of write-downs. Goodwill impairment testing is mainly based on the parameters listed in note 18.

If the growth factor used to determine the perpetual annuity were reduced by one percentage point in each case or if the result from operating activities were reduced by 5 percent, there would be no need to recognize impairment losses for the cash-generating units Print Solutions, Packaging Solutions and E-Mobility – as in the previous year.

The current macroeconomic development was factored into the corporate planning with a rather conservative business performance, and the expected revenue was risk-adjusted accordingly. Higher material and personnel costs were assumed in the coming financial years. These cost increases were taken into account in the planning by means of corresponding price increases.

As in the previous year, a one percentage point increase in the pre-tax discount rate for the Print Solutions cash-generating unit to 11.0 percent (previous year: 11.3 percent), for the Packaging Solutions cash-generating unit to 11.0 percent (previous year: 11.3 percent) and for the E-Mobility cash-generating unit to 16.9 percent (previous year: 16.1 percent) would not have resulted in any impairment losses.

The useful lives used throughout the Group for intangible assets – with the exception of goodwill – and for items of property, plant and equipment are subject to management assessments. In the case of internally generated intangible assets, the expected useful life is based on the lifecycle planned at the time of marketability, taking appropriate account of future market developments.

The recoverability of loss carryforwards is subject to increased estimation uncertainty, as a tax effect from a loss carryforward existing on the balance sheet date can only be capitalized if there is sufficient probability that a corresponding taxable profit will be available to offset losses in the future on the balance sheet date and any restrictions on loss offsetting or expiry do not prevent the use of losses. The existence of a loss history in the recent past constitutes regularly negative evidence with regard to the future realizability of the loss carryforward. Existing loss carryforwards are therefore only considered to be recoverable if, according to a corresponding planning calculation, sufficient profits are expected in the future to offset losses and there is no history of losses.

The fair values to be recognized as part of the IAS-16 revaluation of land are generally derived primarily according to nationally standardized valuation methods and determined by an external appraiser due to the lack of international methodological standards for determining fair value or market value. In Germany, the basis of the valuation in the comparative value procedure is generally the standard land value published by the relevant expert committee. Value-forming input factors of the land valuation, in particular the quality of the location, the state of development and the land use and development plan, are first consolidated in a general valuation approach when applying the comparative value method and then adjusted by property-specific value factors. These include, in particular, the individual development status of the property and any legal encumbrances or restrictions on use.

The calculation of the provision for pensions and similar obligations and the associated pension expenses is based on actuarial models. The valuations are based on various assumptions such as current actuarially developed probabilities (including discount factor and mortality), assumptions about future fluctuation depending on age and years of service or experience-based assumptions about the probability of pension and installment payments. Sensitivity analyses are used to determine any financial effects that occur in the event of deviations within key input factors. Further information can be found in note 26.

The assumptions and estimates are based on the information and data currently available. Actual developments can deviate from the estimates. The carrying amounts of the relevant assets and liabilities are adjusted accordingly if actual amounts deviate from estimated values.

Notes to the consolidated income statement

8. Net sales

In addition to income from the sale of machinery of € 1,340 million (previous year: € 1,451 million), income from the sale of consumables and spare parts of € 590 million (previous year: € 596 million), income from the sale of charging stations (Wallboxes) in the e-mobility area of € 6 million (previous year: € 8 million) and income from services of € 332 million (previous year: € 325 million), net sales also include income from commissions, finance and operating leases of € 8 million (previous year: € 12 million) and interest income from sales financing and finance leases calculated using the effective interest method of € 3 million (previous year: € 2 million). The gain on disposal and the financial income on the net investment in the lease are immaterial to income from finance leases, as in the previous year. Income from operating leases amounted to € 6 million (previous year: € 9 million). HEIDELBERG's business activities are divided into the Print Solutions segment with the customer categories Digital, Commercial and Industrial, the Packaging Solutions segment, which essentially bundles the Folding Cartons and Label divisions, and the Technology Solutions segment with the E-Mobility business. Sales of machinery essentially comprise the sheetfed offset, label printing, postpress and digital printing business.

Net sales of € 2,280 million (previous year: € 2,395 million) comprise revenue from contracts with customers in accordance with IFRS 15 of € 2,269 million (previous year: € 2,380 million) and other net sales of € 12 million (previous year: € 15 million).

Of the performance obligations not yet fulfilled as of the end of the reporting period (see note 29), € 195 million (previous year: € 140 million) relates to machinery not yet delivered and € 59 million (previous year: € 67 million) to maintenance and services not yet performed.

Fulfillment of the former performance obligations is essentially expected within the next 12 months while fulfillment of the latter performance obligations is essentially expected within a short to medium-term period.

The breakdown of net sales by segment and by region is shown in note 38.

9. Other operating income

	2023/2024	**2024/2025**
Income from disposals of intangible assets, property, plant and equipment and investment property	1	1
Reversal of other provisions and accruals	31	33
Hedging/exchange rate gains	5	6
Recoveries on loans and other assets previously written down	4	4
Income from operating facilities	3	3
Other income	31	15
	75	**63**

In the previous year, other income included income from the termination of legal disputes in the amount of € 7 million.

10. Cost of materials

	2023/2024	**2024/2025**
Cost of raw materials, consumables and supplies, and of goods purchased and held for resale	925	949
Cost of purchased services	103	103
	1,028	**1,052**

The ratio of the cost of materials to total operating performance is 45.3 percent (previous year: 44.0 percent).

11. Staff costs and number of employees

	2023/2024	2024/2025
Wages and salaries	657	673
Cost of pension scheme	15	14
Other social security contributions and expenses	126	130
	799	**818**

The item “Wages and salaries” also includes net expenses for restructuring provisions in connection with the structural reduction in personnel costs in the amount of € 25 million. The aim of this measure is to cut 450 jobs at the Wiesloch-Walldorf site, which was decided in December 2024.

The number of **employees**[1)] was:

		Average		**As of**
	2023/2024	**2024/2025**	31-Mar-2024	**31-Mar-2025**
EMEA	7,248	7,130	7,297	7,036
Asia-Pacific	1,582	1,566	1,573	1,567
Americas	713	710	721	706
	9,543	**9,405**	9,591	**9,309**
Trainees	441	450	417	413
	9,984	**9,855**	10,008	**9,722**

1) Not including interns, graduating students, dormant employees and employees in the exemption phase of partial retirement

12. Depreciation and amortization

Depreciation and amortization including write-downs of € 76 million (previous year: € 76 million) relate to intangible assets of € 10 million (previous year: € 12 million) and property, plant and equipment of € 66 million (previous year: € 65 million). Depreciation and write-downs of € 20 million (previous year: € 17 million) relate to right-of-use assets from leases reported under property, plant and equipment. In turn, these relate to land and buildings of € 9 million (previous year: € 9 million) and other equipment, operating and office equipment of € 10 million (previous year: € 8 million).

Impairment losses of € 1 million were incurred (previous year: € 0 million).

13. Other operating expenses

	2023/2024	2024/2025
Other deliveries and services not included in the cost of materials	160	135
Special direct selling expenses including freight charges	78	80
Travel expenses	38	36
Insurance expense	13	12
Rents and leases	15	14
Bad debt allowances and impairment on other assets	6	5
Hedging/exchange rate losses	8	10
Additions to provisions and accruals relating to several types of expense	7	5
Costs of car fleet (excluding leases)	5	4
Power Purchase Agreement	5	1
Other overheads	82	75
	416	**377**

Other operating expenses include € 7 million (previous year: € 11 million) for legal disputes in connection with product liability cases for machines whose production has already been discontinued and which were produced and sold by the former Linotype-Hell Aktiengesellschaft and its legal successors.

In addition to ancillary costs and services, the “Rents and leases” item recognizes the following amounts for leases in which the HEIDELBERG Group is the lessee:

	2023/2024	2024/2025
Expenses for short-term leases	0	0
Expenses for leases for low-value assets (not including short-term leases)	0	2
Expenses for variable lease payments	0	0
Total	**1**	**2**

14. Financial result

	2023/2024	2024/2025
Financial income	7	6
Financial expenses	43	40
Financial result	**– 36**	**– 34**

15. Financial income

	2023/2024	2024/2025
Interest and similar income	5	5
Income from financial assets/loans/ securities	2	1
Financial income	**7**	**6**

16. Financial expenses

	2023/2024	2024/2025
Interest and similar expenses	39	37
of which: net interest cost of pensions	23	23
Expenses for financial assets/loans/ securities	2	2
Expenses from investments using the equity method	3	1
Financial expenses	**43**	**40**

In addition to the net interest cost of pensions, interest and similar expenses includes expenses in connection with the credit facility (see note 28). The net interest expense for pensions is the net total of interest expenses on defined benefit obligations (DBO) and (interest) income on plan assets.

Interest and similar expenses include interest expenses from leases in the amount of € 3 million (previous year: € 2 million).

17. Taxes on income

Taxes on income are broken down as follows:

	2023/2024	2024/2025
Current taxes	**6**	**26**
of which Germany	– 14	1
of which abroad	20	25
Deferred taxes	**10**	**– 4**
of which Germany	6	7
of which abroad	4	– 11
	16	**22**

The adoption of amended tax rates or new taxes resulted in € 0 million tax income (previous year: € 0 million).

Taxes on income comprise German corporate tax (15 percent) plus the solidarity surcharge (5.5 percent), trade tax (12.17 percent; previous year: 12.17 percent) and comparable taxes of the foreign subsidiaries. The nominal total German tax rate is 28.00 percent for the financial year (previous year: 28.00 percent).

No deferred tax liabilities were recognized for temporary differences on shares in subsidiaries of € 12 million (previous year: € 15 million) as it is unlikely that these differences will reverse in the foreseeable future. Deferred tax liabilities of € 2 million (previous year: € 3 million) were recognized on the basis of the respective applicable tax rates in line with local taxation on planned dividends.

Deferred tax expense from the impairment of deferred tax assets or its reversal of an earlier write-down of deferred tax assets on temporary differences amounted to a total of € 6 million in the reporting year (previous year: tax income of € 1 million). In the reporting year, the deferred tax expense due to the write-down of deferred tax assets on temporary differences amounted to € 1 million (previous year: € 3 million).

The amount of tax loss carryforwards and temporary differences for which no deferred tax assets were recognized total € 2,134 million (previous year: € 1,999 million). Of these, € - million can be used by 2026 (previous year: € 0 million by 2025), € 0 million by 2027 (previous year: € - million by 2026), € 0 million by 2028 (previous year: € - million by 2027), € - million by 2029 (previous year: € - million by 2028), € - million by 2030 (previous year: € - million by 2029) and € 2,134 million by 2031 and later (previous year: € 1,998 million by 2030 and later). The previous year was adjusted.

No deferred tax assets were recognized for interest carryforwards amounting to € 112 million (previous year: € 101 million).

Deferred tax assets are only recognized for tax loss and interest carryforwards if their realization is guaranteed in the near future. Deferred tax assets on tax loss carryforwards recognized in previous years were written down by € 3 million in the reporting year (previous year: € 1 million). Deferred tax assets of € 6 million (previous year: € 2 million) were recognized in the reporting year on tax loss carryforwards not yet recognized.

The write-up of deferred tax assets on temporary differences and on previously unrecognized tax loss carryforwards relates to three foreign companies. The write-up is mainly due to the economic recovery of the companies.

Deferred tax assets of € 1 million (previous year: € 6 million) were capitalized at companies that generated a tax loss in the reporting year or in the prior financial year, as on the basis of tax plannings it is assumed that taxable positive income will be available in the foreseeable future.

No income from carryback was recognized in the reporting year (previous year: none).

In accordance with the newly introduced statutory regulations, the HEIDELBERG Group falls within the scope of application for global minimum taxation under the MinStG ("Pillar Two"). In the 2024/2025 financial year, the supplementary tax for jurisdictions that do not meet the temporarily waived safe harbor criteria and have an effective tax rate of less than 15 percent amounts to a total of € 0 million.

Current taxes were reduced in the reporting year by € 0 million (previous year: € 2 million) as a result of deferred tax assets for tax loss carryforwards that had not previously been taken into account. Current income taxes include net prior period income of € 7 million (previous year: € 20 million).

Taxes on income can be derived from the net result before taxes as follows:

	2023/2024	**2024/2025**
Net result before taxes	55	27
Theoretical tax rate in percent	28.00	28.00
Theoretical tax income/expense	**15**	**8**
Change in theoretical tax income/expense due to:		
Differing tax rate	– 2	– 4
Tax loss carryforwards[1)]	6	14
Reduction due to tax-free income	– 4	– 7
Tax increase due to non-deductible expenses	21	12
Change in income tax liabilities for reassessment risks	– 22	– 7
Impairment/reversal of deferred tax assets on temporary differences	3	5
Global minimum taxation (Pillar Two)	–	0
Other (incl. taxes on previous years)	0	0
Taxes on income	**16**	**22**
Tax rate in percent	**29.05**	**80.03**

1) Write-downs and reversals of tax loss carryforwards, utilization of non-recognized tax loss carryforwards and non-recognition of current losses and interest income

Notes to the consolidated statement of financial position

18. Intangible assets

Goodwill includes amounts arising from the takeover of businesses (asset and share deals). In order to carry out impairment tests, the assets are allocated to the segments or cash-generating units (CGUs) in accordance with IAS 36.80. These are the Print Solutions and Packaging Solutions segments (see note 38) and the E-Mobility business area. The carrying amounts of the goodwill allocated to the Print Solutions, Packaging Solutions and E-Mobility cash-generating units amounted to € 47 million (previous year: € 47 million), € 77 million (previous year: € 77 million) and € 2 million (previous year: € 2 million) respectively.

When determining the carrying amounts of the segments or CGUs for the purposes of the impairment test for goodwill, the operating assets and operating liabilities are allocated, directly or indirectly, to a segment or a cash-generating unit on an appropriate and consistent basis. An appropriate and consistent basis for the Print Solutions and Packaging Solutions segments is a key based on sales revenue for the current financial year.

In accordance with IAS 36, the recoverable amount of the cash-generating units is determined as part of the impairment test by the higher of fair value less costs to sell and value in use. The fair value reflects the best possible estimate of the price that independent market participants would receive under normal market conditions if the cash-generating units were sold on the balance sheet date. The value in use is the present value of the estimated future cash flows expected from the cash-generating unit. The calculation of the value in use used by HEIDELBERG on the basis of the discounted cash flow method is based on the plans adopted by the Management Board and approved by the Supervisory Board, which are based on the medium-term planning of the result of operating activities for a period of five (previous year: five) financial years. These plans are based on past experience, corporate strategy, external sources of information and expectations of future market developments. The key assumptions on which the management's determination of the value in use is based are forecasts regarding the development of sales and costs in the planning period, taking into account the effects of company-wide earnings improvement measures, the cost of capital and the growth rate.

In the detailed planning period, revenue growth averages around 1.2 percent (previous year: revenue decline of around 1.9 percent) per year for the cash-generating unit Print Solutions, revenue growth averages around 6.5 percent (previous year: around 4.9 percent) for the cash-generating unit Packaging Solutions and around 61.3 percent (previous year: around 104.3 percent) for the cash-generating unit E-Mobility. The sales trend is mainly based on the assumption of a further decline in demand for printing presses for conventional use, which will be offset by the business from the cooperation with Canon and by forecast sales price increases in line with assumed inflation. It also results from sales growth for new products and business models launched on the market up to the reporting year, for which increased demand and market growth are forecast based on the current trend in incoming orders and our own expectations. Adjusted for expected cost developments, this results in EBIT growth by the end of the planning period of a mid-single-digit percentage of revenue for the cash-generating unit Print Solutions, a mid-single-digit percentage for the cash-generating unit Packaging Solutions and a low double-digit percentage for the cash-generating unit E-Mobility. The cash outflows from Company-related investing activities relate to investments based on measures already initiated in the reporting year and planned maintenance investments based on current and forecast wear and tear. No additional income from expansion investments is taken into account in the value in use model. With regard to EBIT, the transition to perpetuity is made by taking into account a uniform growth rate for all segments/CGUs of 1 percent (previous year: 1 percent) for EBITDA based on the last planning year and long-term depreciation and amortization.

The calculated cash flows were discounted on the basis of market data using weighted average costs of capital (WACC) before taxes of 10.0 percent (previous year: 10.3 percent) for the Print Solutions cash-generating unit, 10.0 percent (previous year: 10.3 percent) for the Packaging Solutions cash-generating unit and 15.9 percent (previous year: 15.1 percent) for the E-Mobility cash-generating unit.

As a result, as in the previous year, there were no impairment requirements for the Print Solutions, Packaging Solutions or E-Mobility cash-generating units.

Sensitivity analyses were conducted as part of the impairment test in accordance with the requirements of IAS 36.134; no impairment requirements were identified.

The capitalized development costs mainly relate to sheetfed offset printing presses and workflow software. The non-capitalized development costs from all segments in the reporting year – including research costs – amounted to € 100 million (previous year: € 96 million).

19. Property, plant and equipment and investment property

The land reported under property, plant and equipment is recognized in accordance with the IAS 16 revaluation model. The last revaluation was carried out in the 2022/2023 financial year (first-time revaluation in the 2019/2020 financial year).

The revaluation surplus totaled € 160 million as of March 31, 2025 (previous year: € 160 million). If this land had still been measured in accordance with the cost model as of March 31, 2025, its carrying amount would have been € 18 million as of the end of the reporting period (previous year: € 18 million).

Most recently as of the measurement date of March 31, 2023, the fair value of land recognized in accordance with the IAS 16 revaluation model was nearly completely calculated by third-party, independent experts in line with internationally acknowledged measurement methods. No revaluations were carried out in the reporting year.

The carrying amounts of right-of-use assets from leases in which we are the lessee reported under property, plant and equipment developed as follows:

	As of 1-Apr-2023	Additions	Depreciation and amortization	Disposals	Other changes	**As of 31-Mar-2024**
Land and buildings	25	7	9	1	0	23
Technical equipment and machinery	4	2	0	–	–	6
Other equipment, operating and office equipment	15	15	8	0	0	22
	44	**25**	**17**	**1**	**0**	**50**
	As of 1-Apr-2024	Additions	Depreciation and amortization	Disposals	Other changes	**As of 31-Mar-2025**
Land and buildings	23	8	9	0	0	22
Technical equipment and machinery	6	3	1	–	0	8
Other equipment, operating and office equipment	22	14	10	0	0	26
	50	**25**	**20**	**0**	**0**	**55**

Please refer to note 28 for further information on the lease liabilities offsetting the right-of-use assets.

The carrying amounts of assets capitalized in non-current assets from operating leases in which we are the lessor are € 17 million (previous year: € 19 million). These assets are reported under technical equipment and machinery. These assets are printing presses leased to customers. The gross carrying amounts were € 32 million (previous year: € 38 million) and cumulative depreciation amounted to € 15 million (previous year: € 19 million). Depreciation of € 4 million (previous year: € 5 million) was recognized in the reporting year. Future lease income of € 7 million (previous year: € 8 million) is anticipated from operating leases. These undiscounted lease payments are due as follows:

	31-Mar-2024	**31-Mar-2025**
Up to 1 year	3	3
Between 1 and 2 years	2	2
Between 2 and 3 years	2	1
Between 3 and 4 years	0	1
Between 4 and 5 years	0	0
More than 5 years	–	–
	8	**7**

In connection with the refinancing of the HEIDELBERG Group (see note 28), property, plant and equipment was pledged as collateral in the form of a general land charge. The carrying amounts of this collateral amounted to € 148 million as at the balance sheet date (previous year: € 148 million).

For property, plant and equipment leased to customers of the HEIDELBERG Group in finance leases, corresponding receivables have been capitalized in the amount of the discounted future minimum lease payments. Leased items are therefore not reported under non-current assets.

The fair value of investment property (IAS 40: Investment Property) corresponds to the second level in the measurement hierarchy according to IFRS 13 and is € 12 million (previous year: € 12 million). Investment property with a fair value of € 6 million (previous year: € 6 million) was measured by non-Group independent experts in line with internationally acknowledged valuation methods. The other fair values were derived from current market prices of comparable real estate.

As in the previous year, only immaterial current income or expenses were incurred in connection with investment property in the reporting year.

20. Financial assets

Financial assets include other investments of € 0 million (previous year: € 0 million), investments using the equity method of € 8 million (previous year: € 9 million) and securities of € 0 million (previous year: € 0 million).

21. Receivables and other assets

			31-Mar-2024			31-Mar-2025
	Current	Non-current	Total	Current	Non-current	**Total**
Receivables from sales financing	**16**	**26**	**43**	**19**	**32**	**51**
Trade receivables	**252**	**–**	**252**	**254**	**–**	**254**
Other receivables and other assets						
Other tax assets	12	–	12	11	0	11
Cash and cash equivalents of Heidelberg Pension-Trust e. V.	–	16	16	–	16	16
Loans	0	0	0	0	0	0
Derivative financial instruments	1	–	1	1	–	1
Contract assets	1	0	1	1	0	1
Prepaid expenses	11	0	12	11	0	12
Purchase price receivable for property in Wiesloch-Walldorf, Germany	5	–	5	3	–	3
Funding application	3	1	4	1	3	4
Litigation	4	–	4	–	–	–
Creditors with debit balances	7	–	7	5	–	5
Other assets	41	3	45	43	2	45
	85	**20**	**105**	**77**	**22**	**99**

Receivables from sales financing (not including lease receivables from finance leases) and trade receivables result from contracts with customers and amounted to € 299 million as of March 31, 2025 and € 294 million as of March 31, 2024.

In the reporting year, plan assets of € 1 million (previous year: € 2 million) are included in current other assets (see note 26).

As part of the refinancing of the HEIDELBERG Group, no collateral was issued in the form of undisclosed assignments in the reporting year.

Receivables from sales financing

The fair value of receivables from sales financing essentially corresponds to the reported carrying amount. This fair value is based on expected cash flows and interest rates with matching maturities taking into account the customer-specific credit rating.

The derived market value of the collateral held for receivables from sales financing was € 50 million as of the end of the reporting period (previous year: € 42 million). This collateral is essentially reservations of title, with the amount of security varying from region to region.

Impairment on receivables from sales financing developed as follows in the reporting year:

	2023/2024			**2024/2025**		
	Stage 1 – 12-month expected credit losses	Stage 2 – lifetime expected credit losses	Stage 3 – lifetime expected credit losses	Stage 1 – 12-month expected credit losses	Stage 2 – lifetime expected credit losses	Stage 3 – lifetime expected credit losses
As of the start of the financial year (IFRS 9)	1	1	1	1	0	2
Additions	0	0	1	0	–	0
Utilization	0	0	0	–	–	0
Reversals	0	0	0	0	0	–1
Stage transfer	–	0	0	0	–	0
Change in scope of consolidation, currency adjustments, other changes	0	–	0	0	–	0
As of the end of the financial year	**1**	**0**	**2**	**1**	**0**	**1**

There were no significant modifications to receivables from sales financing in the reporting year.

In the reporting year, receivables from sales financing in the amount of € 1 million were written off (previous year: none), which are still subject to enforcement measures.

As of the end of the reporting period, the gross carrying amounts are allocated to the credit risk classes as follows:

	2023/2024			**2024/2025**		
Gross carrying amounts	Stage 1 – 12-month expected credit losses	Stage 2 – lifetime expected credit losses	Stage 3 – lifetime expected credit losses	Stage 1 – 12-month expected credit losses	Stage 2 – lifetime expected credit losses	Stage 3 – lifetime expected credit losses
Low risk	10	–	–	13	–	–
Medium risk	25	1	–	36	0	–
High risk	4	–	6	2	–	2
Total	**39**	**1**	**6**	**51**	**0**	**2**

Receivables from sales financing include lease receivables from finance leases in the amount of € 6 million (previous year: € 0 million). These mainly relate to sale-and-lease-back transactions in the 2024/2025 financial year, in which our sales branches act as lessors. The outstanding lease installments total € 7 million and include interest payments of € 1 million. Most of the payments are due within the next three years.

Credit risks arising from receivables from sales financing are concentrated within the print media industry on account of the sector in which we operate. A significant proportion of receivables from sales financing is due from customers located in emerging nations. In terms of value, the risk concentration attributable to Brazil in the reporting year was 68 percent (previous year: 64 percent) of the emerging markets. With a total amount of € 26 million (previous year: € 24 million), Brazil thus accounts for 50 percent (previous year: 45 percent) of total receivables from sales financing.

Trade receivables

In accordance with the simplified approach for calculating write-downs on trade receivables, the following provision matrix was used to calculate the expected loss on receivables with impaired creditworthiness as of March 31, 2025:

			2023/2024			**2024/2025**
	Default ratio	Gross carrying amounts	Expected loss	Default ratio	Gross carrying amounts	Expected loss
Receivables not past due	0.31%	166	1	0.20%	194	0
Receivables past due						
less than 30 days	1.03%	40	0	0.85%	35	0
between 30 and 60 days	2.96%	12	0	7.16%	7	1
between 60 and 90 days	4.97%	6	0	11.40%	3	0
between 90 and 180 days	5.93%	12	1	14.53%	3	0
more than 180 days	8.81%	8	1	20.58%	2	0
Total		**244**	**3**		**245**	**2**

The carrying amount of the trade receivables is primarily to be taken as an appropriate estimate of the fair value.

The expected credit losses on trade receivables with a gross carrying amount of € 245 million (previous year: € 244 million) as of the end of the reporting period are calculated on a collective basis.

The derived market value of the collateral held for receivables from machinery sales was € 137 million (previous year: € 114 million) as of the end of the reporting period. This collateral is essentially reservations of title, with the amount of security varying from region to region.

Total write-downs on trade receivables amounted to € 4 million (previous year: € 5 million). Of this, write-downs booked to allowance accounts developed as follows in the reporting year:

	2023/2024		**2024/2025**	
	Expected losses	Impairment	Expected losses	Impairment
As of the start of the financial year	2	16	3	15
Additions	2	2	1	2
Utilization	–	–1	–	–1
Reversals	–1	–2	–1	–1
Change in scope of consolidation, currency adjustments, other changes	0	0	0	–1
As of the end of the financial year	**3**	**15**	**2**	**13**

There were no significant modifications to trade receivables in the year under review.

There were no significant concentrations of risk in trade receivables in the reporting year.

Other receivables and other assets

The carrying amount of the other receivables and other financial assets (not including derivative financial instruments) is primarily to be taken as an appropriate estimate of the fair value.

The cash and cash equivalents of Heidelberg Pension-Trust e. V. in the amount of € 16 million (previous year: € 16 million) are held in trust by the latter (see note 26). These instruments serve to secure all pension obligations. They are currently sufficient to satisfy in full the pension obligations not already covered by the Pensions-Sicherungs-Verein (pension guarantee association) in the event of a corresponding claim while also providing a liquidity buffer for any delayed pension payments.

Loans (gross carrying amount: € 2 million; previous year: € 2 million) and other financial assets (gross carrying amount: € 20 million; previous year: € 28 million) are subject to value adjustments of € 1 million (previous year: € 1 million) and € 2 million (previous year: € 2 million). Further expected 12-month and lifetime credit losses on other financial assets are of minor significance for the Group.

Derivative financial instruments include asset cash flow hedges of € 1 million (previous year: € 0 million) and asset fair value hedges of € 0 million (previous year: € 1 million).

22. Deferred tax assets and deferred tax liabilities

Deferred tax assets and deferred tax liabilities break down as follows:

	31-Mar-2024		**31-Mar-2025**	
	Assets	Liabilities	Assets	Liabilities
Tax loss[1] carryforwards	54	–	67	–
Assets:				
Intangible assets/ property, plant and equipment/ investment property/ financial assets[1]	3	101	3	103
Inventories, receivables and other assets	9	1	8	1
Liabilities:				
Provisions	76	0	67	0
Liabilities	18	0	20	0
Gross amount	161	103	165	104
Offsetting[1]	100	100	93	93
Carrying amount	**61**	**3**	**71**	**11**

1) The previous year was adjusted.

The income taxes recognized in the consolidated statement of comprehensive income break down as follows:

	2023/2024			**2024/2025**		
	Before income taxes	Income taxes	After income taxes	Before income taxes	Income taxes	After income taxes
Remeasurement of defined benefit pension plans and similar obligations	− 17	0	− 17	23	− 2	22
Revaluation of land	–	0	0	–	0	0
Currency translation	− 7	–	− 7	− 8	–	− 8
Fair value of other financial assets	0	0	0	0	0	0
Cash flow hedges	− 3	0	− 2	0	0	0
Total other comprehensive income	**− 26**	**0**	**− 27**	**15**	**− 2**	**14**

23. Inventories

	31-Mar-2024	**31-Mar-2025**
Raw materials and supplies	143	142
Work and services in progress	224	231
Finished goods and goods for resale	215	224
Advance payments	7	10
	588	**608**

In order to adjust inventories to the net realizable value, write-downs of € 5 million were recognized in the year under review (previous year: € 8 million). This essentially relates to inventories with a reduced likelihood of marketability.

24. Cash and cash equivalents

Cash and cash equivalents consist of cash on hand and bank balances; their carrying amount is to be taken as an appropriate estimate of the fair value. Restrictions on the disposal of cash and cash equivalents due to foreign exchange restrictions amount to € 55 million (previous year: € 42 million). Bank balances are exclusively held for short-term cash management purposes. Cash and cash equivalents are held largely with banks with a high creditworthiness and an external investment-grade credit rating. Therefore, cash and cash equivalents are not subjected to any significant default risks.

25. Equity

Share capital/number of shares outstanding/treasury shares

The share capital of Heidelberger Druckmaschinen Aktiengesellschaft amounts to € 779,466,887.68 and is divided into 304,479,253 shares.

The shares are bearer shares and grant a pro rata amount of € 2.56 in the fully paid-in share capital of Heidelberger Druckmaschinen Aktiengesellschaft.

On July 25, 2024, the Annual General Meeting authorized the Management Board, with the approval of the Supervisory Board, to acquire treasury shares for any permissible purpose until July 24, 2029 in accordance with Section 71 (1) no. 8 AktG. The acquisition is limited to a maximum of 10 percent of the share capital existing at the time of the resolution or – if lower – at the time of the respective exercise of the authorization. The shares may be acquired via the stock exchange, by means of a purchase offer addressed to all shareholders or by means of an invitation to all shareholders to submit offers to sell.

The Management Board is authorized, with the approval of the Supervisory Board, to use treasury shares for all legally permitted purposes. Shareholders' subscription rights are excluded or can be excluded in accordance with the authorization. The authorization for use includes, among other things, the redemption of treasury shares, whereby the redemption can also take place without reducing the share capital by adjusting the proportionate arithmetical amount of the remaining shares in the share capital; in this case, the Management Board is authorized to adjust the number of shares in the Articles of Association. Furthermore, treasury shares may be sold, excluding shareholders' subscription rights, against non-cash contributions as part of business combinations or acquisition transactions or sold to third parties against cash payment at a price that is not significantly lower than the market price at the time of sale. Treasury shares may also be used to service convertible bonds and/or bonds with warrants and to issue shares to employees of the Company or employees or members of the management of companies affiliated with the Company.

As of March 31, 2025, the Company holds 142,919 shares, as in the previous year. The amount of these shares allocated to share capital is € 366 thousand, as in the previous year, with a notional share of share capital of 0.05 percent as of March 31, 2025 (previous year: 0.05 percent).

The shares were acquired in March 2007. The pro rata cost of the acquisition was € 4,848 thousand. Additional pro rata transaction fees amounted to € 5 thousand. The pro rata cost of the acquisition was therefore € 4,853 thousand. These shares were acquired at the time for cancellation or for use in employee share participation programs.

The nominal amount of the treasury shares acquired reduces the reported share capital as a deduction item, whereas any additional acquisition costs of the treasury shares are offset against the freely available reserves.

Contingent capital

CONTINGENT CAPITAL 2023

The Annual General Meeting on July 26, 2023 authorized the Management Board, with the approval of the Supervisory Board, to issue warrants, convertible bonds and/or participating bonds including combinations of the above instruments (collectively referred to as "bonds") up to a total nominal amount of € 200,000,000.00, dated or undated, on one or several occasions by July 25, 2028 and to grant or impose on the bearers or creditors of the bonds options or conversion rights or conversion obligations for up to 30,447,925 bearer shares of the Company with a pro rata amount of share capital of up to € 77,946,688.00 in total, in accordance with the further conditions of the bonds. The bonds can also be issued against contributions in kind.

Shareholders' preemption rights can be disapplied in accordance with the further conditions of this authorization.

To this end, the share capital of Heidelberger Druckmaschinen Aktiengesellschaft is contingently increased by up to € 77,946,688.00 by issuing up to 30,447,925 new no-par value bearer shares (Contingent Capital 2023); details of Contingent Capital 2023 can be found in Article 3 (3) of the Articles of Association.

In addition, the Annual General Meeting on July 26, 2023 resolved to cancel the authorization to issue bonds and the Contingent Capital 2019 resolved by the Annual General Meeting on July 25, 2019.

The resolutions became effective upon entry of the amendment of the Articles of Association in the commercial register of the Mannheim Local Court on August 23, 2023.

Authorized capital

AUTHORIZED CAPITAL 2023

In accordance with the resolution of the Annual General Meeting on July 26, 2023 the Management Board is authorized, with the approval of the Supervisory Board, to increase the share capital of the Company by up to € 155,893,376.00 on one or more occasions by issuing up to 60,895,850 new shares against cash or non-cash contributions by July 25, 2028 (Authorized Capital 2023).

Shareholders' preemption rights can be disapplied in accordance with the further conditions of this authorization.

The Management Board is authorized, with the approval of the Supervisory Board, to determine the further content of share rights and the conditions for issuing shares.

In addition, the Annual General Meeting on July 26, 2023 cancelled the authorization granted to the Management Board on July 25, 2019 to increase the Company's share capital by July 24, 2024 with the approval of the Supervisory Board, by issuing new no-par value shares against cash and/or non-cash contributions on one or more occasions by up to a total of € 185,609,612.80 (AUTHORIZED CAPITAL 2019) when the amendment to the Articles of Association regarding Authorized Capital 2023 came into effect, insofar as this had not yet been utilized.

The resolutions became effective on entry of the amendment of the Articles of Association in the commercial register of the Mannheim Local Court on August 23, 2023. Details on Authorized Capital 2023 can be found in Article 3 (4) of the Articles of Association.

Capital reserves

The capital reserves essentially include amounts from the capital increases in accordance with section 272 (2) no. 1 and no. 2 HGB, from the non-cash capital increase in the context of the Gallus transaction in the 2014/2015 financial year, from the cash capital increase that took effect in March 2019, from simplified capital reductions in accordance with section 237 (5) of the Aktiengesetz (AktG – German Stock Corporation Act), expenses from the issuance of option rights to employees and virtual shares to Management Board members in line with IFRS 2: Share-based Payment, and the difference between the issue proceeds and the fair value of the liability component from convertible bonds (see “Contingent capital”).

Retained earnings

The retained earnings include the profits carried forward generated by consolidated subsidiaries in previous years and the effects of the remeasurement of net liabilities (assets) under defined benefit pension plans and the legal reserve in accordance with Section 150 AktG.

Other retained earnings

The other retained earnings include exchange rate effects, fair value changes outside profit or loss of financial instruments according to IFRS 9 and the revaluation of land recognized in accordance with IAS 16.

26. Provisions for pensions and similar obligations

The HEIDELBERG Group operates pension schemes – either directly or through premium payments to schemes financed by private institutions – for the majority of employees for the time after their retirement. The amount of benefit payments depends on the conditions in the respective countries. The amounts are generally based on the term of employment and the salary of the employees. Liabilities include both those arising from current pensions and vested pension rights for pensions payable in the future. Financing of pension payments expected following the start of benefit payments is distributed over the employee’s full period of employment.

Notes on significant pension commitments

Heidelberger Druckmaschinen Aktiengesellschaft (based in Heidelberg, Germany), Heidelberger Druckmaschinen Vertrieb Deutschland GmbH, Heidelberg Postpress Deutschland GmbH and Heidelberg Manufacturing Deutschland GmbH (each based in Wiesloch, Germany) accounted for € 659 million (previous year: € 695 million) of the present value of the defined benefit obligation (DBO) and € 30 million (previous year: € 30 million) of plan assets.

In Germany there are no legal or regulatory minimum allocation obligations.

Until the 2014/2015 financial year, benefit commitments essentially comprised retirement, disability and surviving dependents benefits (widows’, widowers’ and orphans’ pension) plus an age bonus and death benefits.

The funded, defined benefit plans financed at Heidelberger Druckmaschinen Aktiengesellschaft and Heidelberger Druckmaschinen Vertrieb Deutschland GmbH were closed to new entrants on February 28, 2006 and switched to employer-financed direct insurance (defined contribution) with an insurer.

A defined contribution plan was introduced for senior executives on March 1, 2006, which provides for interest to be paid on the contributions determined on the basis of salary and EBIT at interest rates based on the highest permissible actuarial interest rate for life insurance companies in Germany. A lump-sum benefit is promised, with the option of conversion into a lifelong pension. This group of people also has the option of deferred remuneration to increase the employer-financed direct commitment.

The employees of Heidelberger Druckmaschinen Aktiengesellschaft and Heidelberger Druckmaschinen Vertrieb Deutschland GmbH who joined the Company after March 1, 2006 were assigned to an employer-financed defined contribution policy offered by an insurance provider.

By way of agreement with the Group Works Council of February 27, 2015 Heidelberger Druckmaschinen Aktiengesellschaft and Heidelberger Druckmaschinen Vertrieb Deutschland GmbH introduced a new pension system effective from January 1, 2015 with greater incentives for private retirement provision. This agreement changed the defined benefit plan to a defined contribution plan, which also still includes retirement, disability and surviving dependents benefits (widows', widowers' and orphans' benefits). The new collective agreement on Company pension plans dated June 30, 2020 applies to all current and future pension beneficiaries of Heidelberger Druckmaschinen Aktiengesellschaft, Heidelberger Druckmaschinen Vertrieb Deutschland GmbH and Heidelberg Manufacturing Deutschland GmbH, which was spun off effective April 1, 2015. The pension components vested in accordance with the old system were transferred in the form that a corresponding initial component was credited to the pension account of the respective employee as of April 1, 2015 for the pension commitments as of March 31, 2015 (transfer date). The amount of this initial component is based on the monthly pension achieved as at 31 March 2015, multiplied by a flat-rate capitalization factor. The annual pension contribution is determined based on the employee's completed years of service on the basis of the respective eligible remuneration. In addition, for each active employee with a deferred compensation plan, the employer will provide a further annual contribution to the employee's pension account based on his/her supplementary benefit contribution and amounting to a quarter of the cumulative deferred compensation amount of the employee per financial year and capped at a maximum amount. The pension credit is paid out in three, five or 12 annual installments, or optionally the employee can choose 14 annual installments with an increased initial installment. Below a certain threshold, the payout takes the form of a one-time capital payment. Alternatively, the beneficiary can access their pension credit as a pension for life. The beneficiaries are divided into two groups and treated differently in the valuation. For beneficiaries without an initial component an installment factor of 100 percent is assumed. For beneficiaries with an initial component, the installment payment is assumed to be 45 percent and the pension option 55 percent.

As part of a CTA at Heidelberger Druckmaschinen Aktiengesellschaft and Heidelberger Druckmaschinen Vertrieb Deutschland GmbH set up in March 2006, assets were transferred to a trustee, Heidelberg Pension-Trust e. V., Heidelberg, which is legally independent from the Company. The trust assets previously qualified as plan assets.

Heidelberger Druckmaschinen Aktiengesellschaft and Heidelberger Druckmaschinen Vertrieb Deutschland GmbH amended the trust agreement by way of an agreement with the trustee, Heidelberg Pension-Trust e. V., Heidelberg, dated March 17, 2020. Since then assets can be retransferred to the companies providing they do not fall below the minimum level of € 15.0 million as newly defined in the trust agreement (see note 21). Since then this retransfer is also possible if the corresponding pension obligations are not yet overfunded. The trust assets affected by the amendment to the agreement are no longer classified as plan assets ex nunc/prospectively from the time the amendment came into force on March 17, 2020.

With regard to the remaining trust assets, please refer to note 21. The retransferred funds may only be used for contractually defined measures to reduce financial liabilities and realign HEIDELBERG; if certain events occur, including breaches of these conditions on the use of funds, there is a contractual obligation to return part of the retransferred funds to the trustee.

The pension plans for Company employees in Germany were reorganized in the 2020/2021 financial year. This entails merging the previous pension plans of Heidelberger Druckmaschinen Aktiengesellschaft, Heidelberger Druckmaschinen Vertrieb Deutschland GmbH, Heidelberg Manufacturing Deutschland GmbH and Heidelberg Postpress Deutschland GmbH, as well as a uniform dynamization of company pensions. The new regulations result in a reduction of expected future pension increases.

For details on the pension commitments for members of the Management Board of Heidelberger Druckmaschinen Aktiengesellschaft, see the information in the remuneration report.

The **HEIDELBERG Group pension scheme** in the UK is a defined benefit plan. The HEIDELBERG Group pension scheme accounts for € 153 million (previous year: € 176 million) of the present value of the defined benefit obligation (DBO) and € 162 million (previous year: € 176 million) of plan assets. The defined benefit portion is based on final salary with a guaranteed pension level. The pension level is dependent on the length of employment and the respective salary before retiring. Pension payments are adjusted based on the development of the retail price index. This plan is subject to the statutory funding objective under the UK Pension Act 2004. The necessary financing is performed at least every three years by way of so-called technical assessments. These determine whether the statutory funding objective has been complied with. The defined benefit plan is managed by a trustee, the board of which is elected partly by the Company and partly by the members of the plan. The trustee is responsible for obtaining the assessment, the pension payments and investing the plan assets; if necessary, these functions are transferred to professional advisors. Following a payment of GBP 7 million in December 2022, a new Schedule of Contributions was agreed between the employer and the scheme stating that no more deficit reduction contributions were required by the employer. This is subject to review as part of the March 31, 2027 triennial assessment. The scheme's exceptional performance in navigating prevailing economic, geopolitical and market challenges has prompted the trustee to revise its long-term investment de-risking objectives and journey plan. The trustee aims to fully secure members' Scheme benefits with an insurance company within a revised approximately four-year timescale.

The **pension funds of the Swiss companies**, which manage pension assets as foundations independent of the Company and are subject to Swiss legislation on occupational pensions, accounted for € 134 million (previous year: € 136 million) of the present value of the defined benefit obligation (DBO) and € 144 million (previous year: € 143 million) of plan assets. These obligations are based on retirement, disability and surviving dependents benefits. The retirement benefits are usually a pension. This is determined based on the individual pension credit saved by the employee by the time of retirement and the regulatory conversion rates. However, at the discretion of the employee, pension credit can also be drawn in the form of a lump sum payment. Disability and surviving dependents benefits are calculated from the pension credit projected at regulatory retirement age or are defined as a percentage of the pay insured. For each insured employee, the Swiss companies pay an annual employer's contribution to the respective pension fund. The amount of this is determined in the respective pension regulations as a percentage of the pay insured and can be adjusted by the pension fund board of trustees, which consists of equal numbers of employer and employee representatives. In the event of a severe deficit the pension fund board of trustees can resolve to impose recapitalization contributions, if there are no other measures to remedy the deficit. In such an event, the Swiss companies would be legally required to pay at least as much as the respective employee contributions.

Notes on risks

In addition to the standard actuarial risks, the defined benefit obligations are exposed in particular to financial risks in connection with plan assets, which above all can comprise counterparty and market price risks.

The plan assets serve exclusively to satisfy defined benefit obligations. The funding of these defined benefit obligations with assets constitutes a reserve for future cash outflows in the form of pension payments, which is based on the statutory regulations in place in some countries and is voluntary in others, such as Germany.

The ratio of the fair value of plan assets and the present value of the defined benefit obligations is referred to as the funding ratio of the respective pension plan. If the defined benefit obligations (DBO) exceed the plan assets, this is a plan deficit; the reverse is an excess.

However, it should be noted that both the defined benefit obligations and the plan assets fluctuate over time. This gives rise to the risk of a growing plan deficit. Depending on the statutory regulations in the respective countries, there is a legal obligation to reduce this deficit by contributing additional funding. Fluctuations can arise in the measurement of defined benefit obligations in that the underlying actuarial assumptions, such as discounting rates, the development of pensions and salaries or life expectancy, are subject to adjustments that can materially influence the amount of defined benefit obligations. The return on plan assets is assumed in the amount of discounting rates, which are also used in determining the defined benefit obligations and are based on corporate bonds rated AA. If the actual return on plan assets is less than the discounting rates applied the net liability under defined benefit plans increases. However, given the equity backing ratio it is assumed that the actual return can contribute to greater volatility in the fair value of plan assets in the medium and long term. Possible inflation risks, which could lead to a rise in defined benefit obligations, exist to the extent that some plans are based on final salary.

The material German and international pension plans in the HEIDELBERG Group are subject to actuarial risks such as investment risk, interest rate risk, longevity risk and risks of pay increases. The Swiss pension funds are also exposed to the risk that, in the event of a severe deficit, the effectiveness of recapitalization would be limited to the extent that this would have to be covered by future pension beneficiaries and the employer as it is legally prohibited to include current pensioners in the recapitalization.

The information on pensions is structured as follows:

1) Composition and development of the net carrying amounts
2) Development of net liability from defined benefit plans
3) Composition of plan assets
4) Cost of defined contribution plans
5) Sensitivity analysis
6) Forecast contributions to plan assets, future forecast pension payments and duration

1) The net carrying amounts broke down as follows at the end of the financial year:

	31-Mar-2024	**31-Mar-2025**
Provisions for pensions and similar obligations	688	650
Assets from defined benefit pension plans	2	1
Net carrying amounts at the end of the financial year	**686**	**649**

The assets from defined benefit pension plans are reported under non-current other assets.

2) The net liability under defined benefit plans developed as follows:

	Funded benefit obligations	Unfunded benefit obligations	Present value of the defined benefit obligations	Fair value of plan assets	Total
As of April 1, 2023	**429**	**606**	**1,035**	**– 353**	**682**
Current service cost	2	3	5	–	5
Interest expense (+)/income (–)	15	22	36	– 13	23
Past service cost/gains (–)/losses (+) from settlements and curtailments	0	0	0	–	0
Remeasurements:	16	14	30	– 13	17
Gains (–)/losses (+) from changes in demographic assumptions	– 2	0	– 2	–	– 2
Gains (–)/losses (+) from changes in financial assumptions	– 2	14	12	–	12
Gains (–)/losses (+) from experience-based adjustments	20	0	20	–	20
Difference between interest income recognized in profit or loss and actual income from plan assets[1]	–	–	–	– 13	– 13
Currency translation differences	7	– 1	6	– 7	– 1
Contributions:	2	2	4	– 5	0
Employers	–	–	–	– 3	– 3
Pension plan participants	2	2	4	– 2	2
Payments made	– 42	– 33	– 75	36	– 39
Changes in the scope of consolidation, other changes	–	–	–	–	–
As of March 31, 2024	**428**	**613**	**1,041**	**– 355**	**686**

1) This includes the effects of the asset ceiling of € 5 million, which are taken into account by deducting them from the fair value of the plan assets.

	Funded benefit obligations	Unfunded benefit obligations	Present value of the defined benefit obligations	Fair value of plan assets	Total
As of April 1, 2024	**428**	**613**	**1,041**	**– 355**	**686**
Current service cost	2	3	5	–	5
Interest expense (+)/income (–)	14	21	35	– 11	23
Past service cost/gains (–)/losses (+) from settlements and curtailments	–	0	0	–	0
Remeasurements:	– 13	– 21	– 33	10	– 23
Gains (–)/losses (+) from changes in demographic assumptions	3	0	4	–	4
Gains (–)/losses (+) from changes in financial assumptions	– 15	– 20	– 35	–	– 35
Gains (–)/losses (+) from experience-based adjustments	– 1	– 1	– 2	–	– 2
Difference between interest income recognized in profit or loss and actual income from plan assets[1)]	–	–	–	10	10
Currency translation differences	7	0	8	– 7	0
Contributions:	2	2	4	– 4	0
Employers	–	–	–	– 2	– 2
Pension plan participants	2	2	4	– 2	2
Payments made	– 34	– 36	– 70	28	– 42
Changes in the scope of consolidation, other changes	– 12	0	– 12	12	0
As of March 31, 2025	**394**	**582**	**977**	**– 327**	**649**

1) This includes the effects of the asset ceiling of € 18 million, which are taken into account by deducting them from the fair value of the plan assets.

The discount rate is the relevant actuarial assumption for calculating the present value of the defined benefit obligations:

	2023/2024		**2024/2025**	
In percent	Domestic	Foreign	Domestic	Foreign
Discount rate	3.50	3.46	3.80	3.68

The figures for international companies are average values weighted with the present value of the respective defined benefit obligation.

Both salary and pension trends have no significant influence on the calculation.

3) The fair value of plan assets breaks down by the following asset classes as follows:

	2023/2024		of which:	**2024/2025**		of which:
		with a market price quoted on an active market	without a market price quoted on an active market		with a market price quoted on an active market	without a market price quoted on an active market
Cash and cash equivalents	18	17	0	10	10	0
Equity instruments	44	43	0	48	47	0
Debt instruments	161	152	9	155	147	8
Securities funds	96	60	37	91	53	39
Qualifying insurance policies	30	–	30	30	–	30
Other	11	9	2	12	9	3
	360	**282**	**78**	**346**	**266**	**80**

As in the previous year, the plan assets contain no financial instruments of companies of the HEIDELBERG Group or real estate or other assets used by companies of the HEIDELBERG Group.

4) The cost of defined contribution plans amounted to € 47 million in the reporting year (previous year: € 48 million) and essentially included contributions to statutory pension insurance.

5) The following table shows how the present value of material defined benefit obligations in Germany and abroad would have been affected by changes in the main actuarial assumptions:

	31-Mar-2024	Change in %	**31-Mar-2025**	Change in %
Present value of the material defined benefit obligations[1]	1,008		946	
Present value of the material defined benefit obligations assuming that				
the discount rate were				
0.50 percentage points higher	954	–5.4%	897	–5.2%
0.50 percentage points lower	1,068	6.0%	1,000	5.7%
Increase in life expectancy per entitled beneficiary[2]	1,045	3.7%	981	3.7%

1) Present value of defined benefit obligations calculated on the basis of the “Actuarial assumptions” table
2) To simulate this increased life expectancy, the biometric probabilities for “age x” in the generation and periodic tables were replaced by the corresponding figures for “age x-1” in each case (age shift)

In the sensitivity analysis, one actuarial assumption was changed at a time while the other actuarial assumptions remained constant. In actual fact, there are dependencies between actuarial assumptions, particularly between the discount rate and forecast pay increases, as both are based to a certain degree on the forecast inflation rate. The sensitivity analysis does not take these dependencies into account. The sensitivity analysis is performed on the basis of the projected unit credit method, which was also used to calculate the defined benefit obligations.

6) The expected contributions to plan assets in the 2025/2026 financial year are expected to amount to € 4 million (previous year: € 5 million). With regard to the material defined benefit obligations, undiscounted pension payments amounting to € 46 million (previous year: € 44 million) are anticipated for the 2025/2026 financial year. The weighted average duration of the material defined benefit obligations is 11 years (previous year: 12 years).

27. Other provisions

			31-Mar-2024			**31-Mar-2025**
	Current	Non-current	Total	Current	Non-current	**Total**
Staff obligations	64	8	73	51	8	58
Sales obligations	56	4	61	46	3	49
Other	51	24	75	74	13	87
	171	**37**	**209**	**171**	**24**	**195**

	As of 1-Apr-2024	Change in scope of consolidation, currency adjustments, reclassification	Utilization	Reversal	Addition	**As of 31-Mar-2025**
Staff obligations	73	– 2	49	2	38	58
Sales obligations	61	– 1	29	20	38	49
Other	75	1	24	16	51	87
	209	**– 2**	**102**	**37**	**128**	**195**

Additions include accrued interest and the effects of the change in discount rates of € 2 million (previous year: € 2 million). These relate to expenses of € 1 million (previous year: € 1 million) for staff obligations, € 0 million (previous year: € 0 million) for sales obligations, and € 1 million (previous year: € 1 million) for miscellaneous other provisions.

Staff provisions essentially relate to bonuses (€ 25 million; previous year: € 24 million) and the cost of early retirement payments and partial retirement programs (€ 10 million; previous year: € 21 million).

Sales provisions mainly relate to warranties, reciprocal liability and buyback obligations (€ 35 million; previous year: € 40 million). Utilization of these provisions in Germany is predominantly expected over a short- to medium-term horizon. The provisions for reinsurance and buyback obligations of € 0 million (previous year: € 0 million) relate entirely to financial guarantees generally issued to finance partners of our customers for sales financing. The maximum risk of default of these financial guarantees that can result in cash outflows in the subsequent financial year is € 5 million (previous year: € 8 million). Utilization of the provisions for reciprocal liability and buyback obligations is predominantly expected over a short-term horizon. In connection with the finance guarantees for sales financing, there are claims against third parties for the transfer of machinery.

Miscellaneous other provisions mainly include provisions for our restructuring programs (mainly for partial retirement programs) in the amount of € 50 million (previous year: € 39 million). This includes the allocation of € 36 million for measures to structurally reduce personnel costs while simultaneously dissolving former restructuring programs amounting to € 11 million for the reduction of 450 jobs at the Wiesloch-Walldorf site. Furthermore, the other provisions include provisions for onerous contracts amounting to € 3 million (previous year: € 1 million) as well as provisions for legal disputes amounting to € 21 million (previous year: € 21 million). These provisions are mainly expected to be utilized within a short period of time.

As part of general business operations, HEIDELBERG is involved in judicial and extra-judicial legal disputes in different jurisdictions whose outcome cannot be predicted with certainty. For example, legal disputes may arise in connection with product liability cases and warranties. Provisions are recognized for risks resulting from legal disputes that are not already covered by insurance, provided utilization is likely and the probable amount of the provision required can be reliably estimated. The assumptions required for this mean that the recognition and measurement of provisions for legal disputes is subject to uncertainty.

The provisions recognized as of the end of the reporting period for legal disputes predominantly relate to the categories described below:

The major legal disputes relate to product liability cases in connection with machinery whose production has already been discontinued and that were produced and sold by the former Linotype-Hell Aktiengesellschaft and its legal successors. In addition, there are legal disputes regarding warranty cases in connection with sales of machinery that could also lead to rescission. Provisions have been recognized at an appropriate amount for these; their amount is monitored on an ongoing basis and adjusted as necessary.

28. Financial liabilities

	31-Mar-2024				**31-Mar-2025**			
	Up to 1 year	Between 1 and 5 years	More than 5 years	Total	Up to 1 year	Between 1 and 5 years	More than 5 years	Total
Amounts due to banks[1)2)]	3	14	–	17	7	1	–	9
Lease liabilities	21	30	5	55	26	39	3	67
Other	4	0	–	4	4	–	–	4
	28	**44**	**5**	**76**	**36**	**40**	**3**	**80**

1) Adjustment of maturities due to the amendments to IAS 1. The previous year was adjusted accordingly.
2) Including deferred interest

Financial liabilities developed as follows:

	As of 1-Apr-2023	Cash changes		Non-cash changes			**As of 31-Mar-2024**
		Free cash flow[1)]	From financing activities	Change in scope of consolidation	Currency adjustments	Other	
Amounts due to banks	43	– 2	– 28	–	0	5	17
Lease liabilities	53	– 2	– 23	0	0	27	55
Other	6	–	– 2	–	0	0	4
	102	**– 5**	**– 53**	**0**	**0**	**32**	**76**

1) Interest paid amounts to € 5 million

	As of 1-Apr-2024	Cash changes		Non-cash changes			**As of 31-Mar-2025**
		Free cash flow[1)]	From financing activities	Change in scope of consolidation	Currency adjustments	Other	
Amounts due to banks	17	– 5	– 8	–	0	4	9
Lease liabilities	55	– 3	– 23	–	0	37	67
Other	4	–	– 1	–	0	–	4
	76	**– 8**	**– 31**	**–**	**1**	**42**	**80**

1) Interest paid amounts to € — million

Amounts due to banks

Amounts due to banks are shown in the table below:

Type	Contract currency	Carrying amount as of 31-Mar-2024 in € millions	Remaining term in years	Effective interest rate in %	**Carrying amount as of 31-Mar-2025 in € millions**	Remaining term in years	Effective interest rate in %
Loans	€	12	up to 2	up to 5.85	2	up to 1	up to 0.60
Loans	Various	1	up to 1	up to 5.39	4	up to 1	up to 5.76
Other	Various	4	up to 1	up to 5.13	2	up to 1	up to 1.50
		17			**9**		

The stated effective interest rates largely match the agreed nominal interest rates.

The stated carrying amounts essentially correspond to the respective nominal values.

The HEIDELBERG Group was able to meet its financial obligations due at all times in the reporting year. The credit facilities not yet utilized in our Group of € 313 million (previous year: € 277 million) can be used as financing for general business purposes.

The new revolving credit facility in place since the end of July 2023 with a term until 2028 and a volume of € 350 million was increased to € 370 million.

An amortizing loan supported by the Italian state guarantee fund for small and medium-sized enterprises of € 5 million maturing in August 2026 was taken out in August 2020. The fair value of this loan is € 2 million (previous year: € 3 million) compared to its carrying amount of € 2 million (previous year: € 3 million).

The financing agreement for the revolving credit facility contains standard financial covenants regarding the financial situation of the HEIDELBERG Group. One of the key performance indicators relates to the HEIDELBERG Group's equity adjusted for the changes from the revaluation of defined benefit pension commitments and similar obligations, the revaluation of land and currency translation effects. Two further key figures relate to the ratio of EBITDA to the net financial position and EBITDA to interest paid, each according to contract-specific definitions. All external minimum capital requirements to which the HEIDELBERG Group is subject were met in the year under review.

In connection with the refinancing of the HEIDELBERG Group, land charges exist on certain properties reported under property, plant and equipment at the Wiesloch-Walldorf site (see note 19).

The carrying amount of the other amounts due to banks and other financial liabilities is primarily to be taken as an appropriate estimate of the fair value.

Lease liabilities

Lease liabilities as per the statement of financial position are as follows:

	31-Mar-2024	**31-Mar-2025**
Current	21	26
Non-current	35	42
Lease liabilities	**55**	**67**

The maturity structure of the lease liabilities based on cash flows is as follows:

	31-Mar-2024	**31-Mar-2025**
Up to 1 year	21	27
Between 1 and 5 years	31	40
More than 5 years	8	7
Total	**60**	**74**

Some of the building leases contain prolongation and cancellation options. This guarantees the HEIDELBERG Group's flexibility in terms of the necessary volume of space and rent price structure. Possible future payments for optional rental periods that are not reasonably certain amount to € 11 million. Furthermore, there are future payments from residual value guarantees and leases that have been contractually agreed but that have not yet begun. However, these are immaterial in the view of the HEIDELBERG Group.

As of March 31, 2025 there were lease obligations from short-term leases of € 0 million (previous year: € 0 million).

29. Contract liabilities

Contract liabilities essentially comprise advance payments on orders and prepayments for future maintenance and services and amounted to € 254 million (previous year: € 207 million). These amounts are reversed to profit or loss over the term of the agreement. The contract liabilities in place as of April 1, 2024 resulted in net sales of € 185 million (previous year: € 244 million).

30. Trade payables

Trade payables are generally secured by simple retention of title until they are paid in full and mainly comprise unpaid invoices for the purchase of goods and services. The carrying amount of trade payables is to be assumed as a reasonable estimate of the fair value.

To optimize working capital and free cash flow, HEIDELBERG has initiated a supply chain finance program (SCF program), which is offered by Taulia GmbH, Düsseldorf. Suppliers can participate in the program on a voluntary basis without additional fees in order to receive early payment of their receivables. If a supplier decides to make use of early payment, the supplier's receivable is purchased and the receivable amount, reduced by a discount, is paid directly to the supplier ("genuine" factoring). HEIDELBERG in turn settles the original invoice on the due date without having to bear any additional costs as part of the transaction.

As of March 31, 2025 the SCF program was offered exclusively by Heidelberger Druckmaschinen AG. Seven suppliers were registered on the platform as at the reporting date. The outstanding trade payables prefinanced via the platform amounted to € 6 million as at March 31, 2025 (previous year: none).

Payment terms and, in particular, payment periods of participating suppliers do not differ significantly from the payment terms of suppliers who do not participate in the program. The payment terms in the SCF program range from 60 to 90 days, with the average payment term weighted by purchase volume being 89 days. In contrast, the average payment term for comparable invoices outside the SCF program, weighted by purchasing volume, is 38 days. The absolute payment terms range from 0 to 90 days.

The nature of trade payables is therefore not changed by participation in the SCF program. As the sale of receivables merely results in a change of creditor from the debtor's perspective, the disclosure within trade payables remains unchanged. Accordingly, the cash flows from these liabilities continue to be allocated to the change in trade payables in the cash flow statement.

31. Other liabilities

	31-Mar-2024				31-Mar-2025			
	Up to 1 year	Between 1 and 5 years	More than 5 years	Total	Up to 1 year	Between 1 and 5 years	More than 5 years	**Total**
Accruals (staff)	62	–	–	62	59	–	–	59
From derivative financial instruments	6	–	–	6	3	–	–	3
From other taxes	23	–	–	23	28	–	–	28
For social security contributions	6	–	–	6	5	–	–	5
Prepaid expenses	4	2	10	15	4	3	10	16
Debtors with credit balances	9	–	–	9	13	–	–	13
Liabilities from supply financing	–	–	–	–	23	–	–	23
Other	17	0	–	17	20	0	–	20
	125	**2**	10	**137**	**155**	**3**	**10**	**167**

Derivative financial instruments
Derivative financial instruments include negative fair values from cash flow hedges of € 1 million (previous year: € 1 million) and from fair value hedges of € 1 million (previous year: € 0 million). In addition, derivatives from agreements to purchase electricity amounting to € 1 million (previous year: € 5 million) are included in the reporting year.

Prepaid expenses
Deferred income includes taxable investment subsidies of € 12 million (previous year: € 12 million), tax-free investment allowances of € 1 million (previous year: € 0 million) and other deferred income of € 3 million (previous year: € 3 million).

Purchase financing
In addition to the SCF program already described in note 30, HEIDELBERG has set up another SCF program together with cflox GmbH, Hamburg. This program makes it possible to extend payment terms by up to 60 days without the need to actively approach and involve suppliers. The financing partner makes a debt-discharging payment to the respective suppliers in the name and on behalf of HEIDELBERG on the due date. In the course of this, he acquires a claim for reimbursement of expenses against HEIDELBERG, which in turn has a payment term of 58 days. With the fulfillment of the original supplier liabilities, the original trade payables are consequently derecognized. Instead, the obligation to compensate the financing partner's expenses is allocated to other current financial liabilities.

As the liabilities have conditions that are customary in the industry and are settled in the regular business cycle in accordance with their economic nature, the cash flow is still reported in the cash flow statement under cash flows from operating activities in the item "Change in liabilities from purchase financing".

As at March 31, 2025, this program was used exclusively by Heidelberger Druckmaschinen AG. As at the reporting date, there were current financial liabilities of € 23 million (previous year: none) in this context.

Miscellaneous other liabilities
Recognized liabilities essentially comprise the undiscounted contractual cash flows. The carrying amount of the remaining miscellaneous other financial liabilities is primarily to be taken as an appropriate estimate of the fair value.

32. Income tax liabilities

Income tax liabilities include uncertain tax positions of € 15 million (previous year: € 22 million). As in previous years, these mainly relate to the risks of reassessment.

33. Disclosures on financial instruments

Carrying amounts of financial instruments

The carrying amounts of financial instruments can be transitioned to the measurement categories of IFRS 9:

Assets

Items in statement of financial position	IFRS 9 Measurement category[1)]	Carrying amounts 31-Mar-2024 Current	Non-current	Total	Carrying amounts 31-Mar-2025 Current	Non-current	Total
Financial assets							
Other investments	FVTPL	–	0	0	–	0	0
Investments using the equity method	n.a.	–	9	9	–	8	8
Securities	FVOCI	–	0	0	–	0	0
		–	10	10	–	9	9
Receivables from sales financing							
Receivables from sales financing not including finance leases	AC	16	26	42	17	28	45
Receivables from finance leases	n.a.	0	0	0	2	5	6
		16	26	43	19	32	51
Trade receivables	AC	252	–	252	254	–	254
Other receivables and other assets							
Derivative financial instruments hedge-accounting	n.a.	1	–	1	1	–	1
Miscellaneous financial assets	FVTPL	–	16	16	–	16	16
Miscellaneous financial assets	AC	25	2	27	15	4	19
		26	18	43	17	20	36
Miscellaneous other assets		59	3	62	60	2	63
		85	20	105	77	22	99
Cash and cash equivalents	AC	153	–	153	171	–	171

1) Notes on abbreviations for IFRS 9 measurement categories:
FVOCI: financial assets at fair value through other comprehensive income
AC: financial assets/liabilities at amortized cost
FVTPL: financial assets at fair value through profit or loss
n.a.: no IFRS 9 measurement category

Equity and liabilities

Items in statement of financial position	IFRS 9 Measure-ment category[1]	Carrying amounts			Carrying amounts		
		31-Mar-2024			31-Mar-2025		
		Current	Non-current	Total	Current	Non-current	Total
Financial liabilities							
Amounts due to banks[2]	FLaC	3	14	17	7	1	9
Lease liabilities	n.a.	21	35	55	26	42	67
Other financial liabilities	FLaC	4	0	4	4	–	4
		28	48	76	36	43	80
Trade payables	FLaC	227	–	227	243	–	243
Other liabilities							
Derivative financial instruments hedge-accounting	n.a.	1	–	1	2	–	2
Derivative financial instruments without hedge-accounting	FVTPL	5	–	5	1	–	1
Miscellaneous financial liabilities	FLaC	17	0	17	45	0	45
		23	0	23	48	0	48
Miscellaneous other liabilities		103	12	114	107	12	119
		125	12	137	155	12	167

1) Explanations of the abbreviations for the IFRS 9 measurement categories:
FLaC: financial liabilities at amortized cost
FVTPL: financial assets measured at fair value through profit or loss
n.a.: no IFRS 9 measurement category
2) Adjustment of maturities due to the amendments to IAS 1. The previous year was adjusted accordingly.

Please refer to the combined management report for a description of the methods, processes, responsibilities and objectives of the risk management system.

Liquidity risk from non-derivative financial liabilities

The following table shows the contractually agreed, undiscounted cash flows of non-derivative financial liabilities. Where necessary, foreign currencies were translated at closing rates. Financial liabilities repayable on demand are always assigned to the earliest time band. Utilization of the syndicated credit facility is on a short-term basis. The period of utilization is normally not more than three months. These loans have therefore been assigned to the “Up to 1 year” column, although the agreements on which they are based run until the end of July 2028.

	31-Mar-2024	**31-Mar-2025**
Up to 1 year	284	326
Between 1 and 5 years	33	41
More than 5 years	8	7
	326	**374**

Net gains and losses

The net gains and losses are assigned to the IFRS 9 measurement categories as follows:

	2023/2024	**2024/2025**
Financial liabilities at amortized cost	– 2	0
Financial assets and liabilities at fair value through profit or loss	– 5	5
Financial investments in equity instruments at fair value through other comprehensive income	0	0
Financial assets at amortized cost	– 3	1

Net gains and losses include € 3 million (previous year: € 4 million) of interest income and € 9 million (previous year: € 11 million) of interest expenses for financial assets and financial liabilities measured at amortized cost.

In the year under review, the derecognition of financial assets measured at amortized cost gave rise to no gains (previous year: none) and to losses of € 1 million (previous year: € 1 million).

No securities were sold in the reporting year (previous year: sale with a fair value of € 3 million). In the previous year, the sale resulted in a gain of € 1 million, which was reclassified to retained earnings with no effect on income.

Currency derivative financial instruments

The Corporate Treasury department of Heidelberger Druckmaschinen Aktiengesellschaft is responsible for all hedging and financing activities of Heidelberger Druckmaschinen Aktiengesellschaft and our subsidiaries. In this connection, it is also responsible for the cash pooling operations of our Group as a whole. Within the Corporate Treasury department, we ensure that there is a functional separation of the trading, processing and risk control activities, and that this is regularly reviewed by our Internal Audit department.

The prerequisite for an adequate risk management system is a well-founded basis of data. The Corporate Treasury department of Heidelberger Druckmaschinen Aktiengesellschaft operates a Group-wide financial reporting system – the Treasury Information System. This system is used to identify interest rate, currency and liquidity risks within the Group and to derive appropriate action plans and strategies with which to manage these risks on a central basis in line with guidelines issued by the Management Board. HEIDELBERG operates a monthly, annualized consolidated liquidity planning system on a rollover basis, which makes it possible to manage current and future liquidity needs in a timely manner.

The HEIDELBERG Group is exposed to market price risks in the form of exchange rate fluctuations. In general, derivative financial instruments are used to limit these risks. Corresponding contracts with third-party banks are mainly concluded through Heidelberger Druckmaschinen Aktiengesellschaft. The credit ratings of these business partners are reviewed regularly. The risk control activities include an ongoing market evaluation of contracted transactions.

The derivative financial instruments designated as hedges for hedge accounting purposes to hedge these currency risks have the following structure:

	Nominal volumes		Fair values	
Currency hedging	31-Mar-2024	**31-Mar-2025**	31-Mar-2024	**31-Mar-2025**
Cash flow hedge				
Forward exchange transactions	73	75	0	0
of which: assets	25	41	0	1
of which: liabilities	49	34	–1	–1
Fair value hedge				
Forward exchange transactions	122	158	0	–1
of which: assets	73	83	1	0
of which: liabilities	49	75	0	–1

The derivative financial instruments designated as hedges are reported in the statement of financial position under other receivables and other assets/other liabilities.

The nominal volumes result from the total of all the purchase and sale amounts of the underlying hedged items. For information on the calculation of fair values, see the "Fair values of securities and derivative financial instruments" section of this note.

The positive and negative fair values of the derivative financial instruments designated as hedging instruments are offset by opposing value developments in the hedged items. All derivative financial instruments are carried as assets or liabilities at their corresponding fair values.

The following table shows the contractually agreed, undiscounted incoming and outgoing payments for derivative financial instruments. Where necessary, foreign currencies were translated at closing rates.

	31-Mar-2024				**31-Mar-2025**			
	Up to 1 year	Between 1 and 5 years	More than 5 years	Total undis-counted cash flows	Up to 1 year	Between 1 and 5 years	More than 5 years	Total undis-counted cash flows
Derivative financial liabilities								
Outgoing payments	–97	–	–	–97	–110	–	–	–110
Associated incoming payments	95	–	–	95	108	–	–	108
Derivative financial assets								
Outgoing payments	–97	–	–	–97	–123	–	–	–123
Associated incoming payments	99	–	–	99	125	–	–	125

Currency hedging

HEDGING STRATEGY

Currency risks arise as a result of exchange rate fluctuations in connection with net risk positions in foreign currency. These occur for receivables and liabilities, anticipated cash flows and onerous contracts. The highly probable underlying transactions to be hedged are always fully designated. The extent of the risk hedged is equal to the nominal volume shown in the table in the previous section. Only forward exchange transactions are used as hedging instruments at this time. Hedge effectiveness is calculated using the critical terms match method. Only the spot component of the hedging transaction is designated. Only discontinued hedged items can lead to ineffectiveness in this respect.

The forward exchange contracts with a nominal volume of € 233 million (previous year: € 195 million) open on the balance sheet date mainly hedge intra-Group financial receivables and liabilities in foreign currencies with a maturity date within the next 12 months. Accordingly, the remaining term of these derivatives at the end of the reporting period was up to one year. As of the end of the reporting period, a net volume of € 15 million from hedges relates to the Swiss franc and a net volume of € 28 million relates to the British pound. The average hedging rate for these transactions was CHF 0.96/EUR and GBP 0.83/EUR.

CASH FLOW HEDGES

The underlying transactions hedged against currency risks as part of cash flow hedges and recognized in the cash flow hedge reserve relate exclusively to active hedges amounting to € 0 million (previous year: € 0 million) as of the end of the reporting period.

In connection with the hedging of currency risks, the non-designated portion of cash flow hedges resulted in an income of € 1 million (previous year: € 0 million) in the reporting year, which was reported in the financial result.

As of the end of the reporting period, hedges resulted in total assets of € 1 million (previous year: € 0 million) and liabilities of € 1 million (previous year: € 1 million). The change in value of the designated portion of the hedge was recognized outside profit and loss and will be offset against the acquisition costs of the hedged non-financial assets in the following 12 months and recognized in profit or loss in the result from operating activities as soon as the hedged underlying transaction is recognized in profit or loss. No cash flow hedges were terminated early and no expenses were transferred from the hedge reserve to the financial result because the forecast purchasing volumes of our subsidiaries were no longer considered highly likely (previous year: none).

The reserve for cash flow hedges developed as follows in relation to the hedging of currency risks:

	2023/2024	**2024/2025**
As of April 1	1	–1
Effective portion of changes in value	3	–3
Offsetting with acquisition costs of non-financial assets and reclassification to the income statement due to the recognition of the hedged item	–5	3
Tax effect from the change in reserves	0	0
As of March 31	–1	–1

FAIR VALUE HEDGE

This is essentially the exchange rate hedge for loan receivables and liabilities in foreign currencies within the Group. The net results on the fair value of hedges of € 1 million (previous year: € 2 million) and the translation of hedged items at closing rates of € 1 million (previous year: € 2 million) are reported in the consolidated income statement.

In connection with the hedging of currency risks, the non-designated portion of fair value hedges resulted in income of € 1 million (previous year: € 1 million) in the reporting year, which was reported in the financial result.

Sensitivity analysis

In order to clearly show the effects of currency risks on the consolidated income statement and the equity, the impact of hypothetical changes in exchange rates is shown below in the form of sensitivity analyses. It is assumed here that the position at the end of the reporting period is representative for the financial year.

Recognized **currency risks** as defined by IFRS 7 are caused by monetary financial instruments not in the functional currency. The portfolio of primary monetary financial instruments is mainly held directly in the functional currency or transferred to the functional currency through the use of derivatives. It is therefore assumed in this analysis that changes in exchange rates have no influence on income or equity with regard to this portfolio.

The impact of the translation of the subsidiaries' financial statements into the Group currency (translation risk) is not taken into account either. Accordingly, the analysis includes those derivative financial instruments that were concluded in order to hedge highly probable future cash flows in a foreign currency (cash flow hedge). Assuming a 10 percent increase in the value of the euro against all currencies in which hedges are held, the hedge reserve would have been € 3 million lower (previous year: € 1 million higher) as of the end of the reporting period and the financial result would have been € 0 million lower (previous year: € 0 million higher). Assuming a 10 percent decrease in the value of the euro, the hedge reserve would have been € 2 million higher (previous year: € 1 million lower) and the financial result would have been € 0 million higher (previous year: € 0 million lower).

Risk of default

The HEIDELBERG Group is exposed to default risks to the extent that counterparties do not fulfill their contractual obligations arising from derivative financial instruments. In order to control this risk, default risks and changes in credit ratings are continually monitored. There is a theoretical risk of default (credit risk) for the existing derivative financial instruments in the amount of the asset fair values as of the end of the respective reporting period. However, no actual default of payments from these derivatives is expected at present.

Energy derivative financial instruments

Energy derivative financial instruments include price and supply agreements for electricity purchases for which the own-use exception does not apply. These are not part of a hedging relationship and are allocated to the "at fair value through profit or loss" measurement category as a derivative in accordance with IFRS 9.

A sensitivity analysis was used to simulate the fluctuation in the electricity price as at March 31, 2025. If the electricity price had been 30 percent higher (lower), earnings before income taxes would have been around € 2 million higher (lower) (previous year: € 1 million). There is no effect on other comprehensive income.

Fair values of securities, cash and cash equivalents of Heidelberg Pension-Trust e. V. and derivative financial instruments

Financial assets and financial liabilities are allocated to the three levels of the fair value hierarchy as set out in IFRS 13 depending on the availability of observable market data.

The individual levels are defined as follows:

- **Level 1:** Financial instruments traded on active markets whose quoted prices can be used to measure fair value without adjustment.
- **Level 2:** Measurement on the basis of measurement procedures whose inputs are derived from observable market data, either directly or indirectly.
- **Level 3:** Measurement on the basis of measurement procedures whose inputs are not derived from observable market data.

Securities are classified as financial assets at fair value through other comprehensive income in the amount of € 0 million (previous year: € 0 million) and are recognized at fair value as a matter of principle. This classification was chosen in accordance with the strategic orientation of these financial investments. The underlying quoted prices for the measurement of securities correspond to level 1 of the fair value hierarchy set out in IFRS 13, as only quoted prices observed on active markets are used in measurement.

Cash and cash equivalents of Heidelberg Pension-Trust e. V. measured at fair value through profit and loss are mainly allocated to the second level of the fair value hierarchy according to IFRS 13 and mainly include shares in a cash market fund. Their valuation is derived from observable market data, as the shares are not traded on an active market.

The fair values of derivative financial instruments used to hedge currency risks correspond to changes in value arising from a notional revaluation taking into consideration market parameters applicable at the end of the reporting period. The fair values are calculated using standardized measurement procedures (discounted cash flow and option pricing models). This corresponds to level 2 of the fair value hierarchy set out in IFRS 13, as only input data observable on the market, such as exchange rates, exchange rate volatilities and interest rates, is used.

The fair value of derivatives not designated as hedging instruments for electricity procurement is determined on the basis of directly or indirectly derived market data, in particular expected electricity prices. They are therefore classified in Level 2 of the fair value hierarchy in accordance with IFRS 13.

The financial assets and financial liabilities recognized at fair value were assigned to the IFRS 13 fair value hierarchy as follows as of March 31, 2025:

				31-Mar-2024				**31-Mar-2025**
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	**Total**
Other investments	–	–	0	0	–	–	0	0
Securities	0	–	–	0	0	–	–	0
Cash and cash equivalents of Heidelberg Pension-Trust e.V.	0	15	–	16	0	16	–	16
Derivative financial assets	–	1	–	1	–	1	–	1
Assets carried at fair value	**1**	**16**	**0**	**18**	**1**	**17**	**0**	**18**
Derivative financial liabilities	–	6	–	6	–	2	–	2
Liabilities carried at fair value	**–**	**6**	**–**	**6**	**–**	**2**	**–**	**2**

In the reporting year, there were no reclassifications between the first and second level of the fair value hierarchy.

Offsetting financial assets and financial liabilities

The following table shows the carrying amounts of the derivative financial instruments recognized that are subject to master netting agreements, as well as the offsetting between trade receivables and trade payables (please refer to the “Financial instruments” section in note 6 for information on offsetting financial assets and financial liabilities):

31-Mar-2024	Gross amount	Offsetting implemented	Reported net amount	Amounts not offset	Net amount
Derivative financial instruments (assets)	1	–	1	–1	–
Trade receivables	255	–3	252	–	252
Derivative financial instruments (liabilities)	6	–	6	–1	5
Trade payables	230	–3	227	–	227
31-Mar-2025					
Derivative financial instruments (assets)	1	–	1	–1	–
Trade receivables	255	–1	254	–	254
Derivative financial instruments (liabilities)	2	–	2	–1	1
Trade payables	243	–1	243	–	243

34. Guarantees and contingent liabilities

Contingent liabilities from sureties and guarantees amounted to € 9 million as of March 31, 2025 (previous year: € 8 million).

The contingent liabilities in connection with legal disputes are immaterial.

35. Other financial liabilities

Other financial liabilities break down as follows:

	31-Mar-2024				31-Mar-2025			
	Up to 1 year	Between 1 and 5 years	More than 5 years	Total	Up to 1 year	Between 1 and 5 years	More than 5 years	Total
Investments and other purchasing commitments	19	31	–	50	26	6	–	32

The figures shown are nominal values.

In the reporting year, other financial liabilities relate to investments and other purchasing commitments. These include financial liabilities in connection with orders of property, plant and equipment totaling € 20 million (previous year: € 19 million), orders for intangible assets in the amount of € 0 million (previous year: € 1 million) and liabilities for the purchase of raw materials, consumables and supplies amounting to € 12 million (previous year: € 29 million).

Additional information

36. Earnings per share in accordance with IAS 33

	2023/2024	2024/2025
Net result after taxes (€ million)	39	5
Number of shares in thousands (weighted average)	304,336	304,336
Basic earnings per share (€)	0.13	0.02
Diluted earnings per share (€)	0.13	0.02

The basic earnings per share are calculated by dividing the net result after taxes by the weighted average number of the shares outstanding in the reporting year of 304,336 thousand (previous year: 304,336 thousand). The weighted number of shares outstanding was influenced by the holdings of treasury shares. As in the previous year, there were still 142,919 treasury shares as of March 31, 2025.

As in the previous year, there was no dilution of earnings per share in the reporting year.

37. Information on the consolidated statement of cash flows

The consolidated statement of cash flows shows the changes in the cash and cash equivalents of the HEIDELBERG Group during the financial year as a result of cash inflows and outflows. Cash flows are broken down into operating, investing and financing activities (IAS 7). The changes in statement of financial position items shown in the consolidated statement of cash flows cannot be derived directly from the consolidated statement of financial position as the effects of currency translation and changes in the scope of consolidation do not affect cash and have therefore been eliminated.

€ 12 million (previous year: € 19 million) of investments in intangible assets, property, plant and equipment and investment property relate to intangible assets, € 76 million (previous year: € 46 million) to property, plant and equipment. Investments do not include additions from leases of € 25 million (previous year: € 25 million).

Income of € 0 million (previous year: € 0 million) from the disposal of intangible assets, property, plant and equipment and investment property relates to intangible assets and € 25 million (previous year: € 22 million) to property, plant and equipment.

The cash outflows for leases in which HEIDELBERG is the lessee amounted to € 23 million (previous year: € 23 million). Payments from leases for short-term or low-value assets are shown entirely under operating activities. The payments from all other leases in which Heidelberg is the lessee are divided into the principal component and the interest component in the consolidated statement of cash flows. The principal portion of lease installments is reported under financing activities. The interest portion of lease installments is shown under operating activities. Payments received from operating and finance leases in which HEIDELBERG is the lessor are reported under changes in cash from operating activities.

Cash and cash equivalents include cash and cash equivalents only (€ 171 million; previous year: € 153 million). For foreign exchange restrictions please see note 24.

38. Information on segment reporting

	Print Solutions		Packaging Solutions		Technology Solutions		**HEIDELBERG Group**	
	1-Apr-2023 to 31-Mar-2024	**1-Apr-2024 to 31-Mar-2025**	1-Apr-2023 to 31-Mar-2024	**1-Apr-2024 to 31-Mar-2025**	1-Apr-2023 to 31-Mar-2024	**1-Apr-2024 to 31-Mar-2025**	1-Apr-2023 to 31-Mar-2024	**1-Apr-2024 to 31-Mar-2025**
External sales	1,146	1,099	1,239	1,175	10	7	2,395	2,280
EBITDA	86	62	100	87	– 18	– 12	168	137
Adjusted EBITDA[1)] (segment result)	88	74	102	100	– 18	– 11	172	162

1) Adjusted result of operating activities before interest, taxes, depreciation and amortization

In the HEIDELBERG Group, the segments are defined in accordance with the business management of our target markets and their respective customer requirements. The segments are based on internal reporting in line with the **management approach**, whereby the Management Board of Heidelberger Druckmaschinen Aktiengesellschaft is deemed to be the chief operating decision makers in accordance with IFRS 8.

The HEIDELBERG Group's structure is broken down in line with the internal organizational and reporting structure into the segments Print Solutions, Packaging Solutions and Technology Solutions. Print Solutions comprises the client categories Digital, Commercial, Industrial and Print Others. The client categories Folding Carton, Label and Packaging Others together form the Packaging Solutions client segment. The Technology Solutions segment includes the e-mobility business.

Geographically, we distinguish between EMEA, Asia-Pacific and Americas.

Transfer prices for internal Group sales are determined using a market-driven approach, based on the principle of dealing at arm's length.

Notes on segment data

Segment earnings are measured on the basis of adjusted EBITDA – earnings before interest, taxes, depreciation and amortization – adjusted for positive and negative special items. Adjustments include changes to legal regulations, such as significant changes to IFRS accounting standards, extraordinary impairments, results from legal disputes and from acquisitions and divestments (M&A), external events (e.g. geopolitical conflicts or comparable special situations) and restructuring measures.

In the year under review and the previous year, the HEIDELBERG Group did not generate more than 10 percent of (net) sales with any one customer.

Inter-segment sales are non-existent.

The segment result is transitioned to the net result before taxes as follows:

	1-Apr-2023 to 31-Mar-2024	**1-Apr-2024 to 31-Mar-2025**
Adjusted EBITDA (segment result)	172	162
EBITDA adjustments	– 4	– 25
EBITDA	168	137
Depreciation and amortization	76	76
EBIT (result of operating activities)	**91**	**61**
Financial income	7	6
Financial expenses	43	40
Financial result	**– 36**	**– 34**
Net result before taxes	**55**	**27**

INFORMATION BY REGION

Net sales by region according to the domicile of the customer were as follows:

	Print Solutions		Packaging Solutions		Technology Solutions		**HEIDELBERG Group**	
	1-Apr-2023 to 31-Mar-2024	**1-Apr-2024 to 31-Mar-2025**	1-Apr-2023 to 31-Mar-2024	**1-Apr-2024 to 31-Mar-2025**	1-Apr-2023 to 31-Mar-2024	**1-Apr-2024 to 31-Mar-2025**	1-Apr-2023 to 31-Mar-2024	**1-Apr-2024 to 31-Mar-2025**
EMEA								
Germany	179	157	123	112	8	6	310	275
Other EMEA region	468	461	435	399	1	1	904	861
	646	618	559	511	10	7	1,215	1,136
Asia-Pacific								
China	75	73	222	228	0	0	296	301
Other Asia-Pacific region	129	134	167	201	0	0	296	336
	204	207	388	430	0	0	593	637
Americas								
United States	185	164	198	137	0	0	383	301
Other Americas region	111	109	94	97	0	0	205	206
	296	273	292	234	0	0	588	507
	1,146	**1,099**	**1,239**	**1,175**	**10**	**7**	**2,395**	**2,280**

Of the non-current assets, which comprise intangible assets, property, plant and equipment and investment property, € 680 million (previous year: € 670 million) relate to Germany and € 223 million (previous year: € 221 million) to other countries.

39. Capital management

In the context of implementing the holistic management approach, it is the task of capital management to provide the best possible support in the attainment of the HEIDELBERG Group's goals. The focus here is on securing the liquidity and creditworthiness of the HEIDELBERG Group, reducing the capital commitment on the assets side and strengthening equity. In the year under review, the equity of the HEIDELBERG Group increased from € 527 million to € 546 million. In relation to total assets, the equity ratio is higher than the previous year's level at 25.1 percent (previous year: 24.9 percent).

As a result of the positive free cash flow in the year under review, the net financial position was up year-on-year at € 91 million (previous year: € 77 million). The net financial position is calculated as the net amount of cash and cash equivalents less financial liabilities.

HEIDELBERG is not subject to any capital requirements arising from its Articles of Association.

As of March 31, 2025, the HEIDELBERG Group's financing mainly consisted of a revolving credit facility from a banking syndicate of around € 370 million with a term until July 2028 and a loan of € 5 million taken out in August 2020 with a term until August 2026 and supported by the Italian state guarantee fund for small and medium-sized enterprises.

The financing agreement for the revolving credit facility contains standard financial covenants regarding the financial situation of the HEIDELBERG Group.

The present financing structure with a maturity profile up to 2028 provides HEIDELBERG with a stable financing base. For further details regarding the financing instruments, please refer to note 28.

40. Declaration of compliance in accordance with section 161 AktG

The Management Board and the Supervisory Board of Heidelberger Druckmaschinen Aktiengesellschaft issued the declaration of compliance in accordance with section 161 AktG and made it permanently accessible to the shareholders on the website **WWW.HEIDELBERG.COM** under About us > Company > Corporate Governance. Earlier declarations of compliance are also permanently available here.

41. Executive bodies of the Company

The basic characteristics of the remuneration system and amounts of remuneration for the members of the Management Board and Supervisory Board are presented below.

Additional and further information on the structure and design of the remuneration system can also be found in the remuneration report in the “Supervisory Board and corporate governance” section of this annual report.

The individual members of the Supervisory Board and the Management Board are listed in the separate overview at the end of the financial section under “Further information”.

Members of the Management Board: The overall structure and amount of remuneration of the Management Board are determined at the recommendation of the Personnel Matters Committee by the Supervisory Board of Heidelberger Druckmaschinen Aktiengesellschaft and reviewed at regular intervals.

The remuneration of the Management Board consists of fixed annual remuneration paid in equal installments at the end of each month, one-year variable remuneration and multi-year variable remuneration, which is calculated on the achievement of certain multi-year goals using defined parameters.

Total remuneration in accordance with HGB amounted to € 5,246 thousand (previous year: € 4,269 thousand); of this, € 2,424 thousand (previous year: € 1,934 thousand) comprises the basic salary including fringe benefits and pension contributions, € 1,085 thousand (previous year: € 935 thousand) the annual variable remuneration and € 1,738 thousand (previous year: € 1,400 thousand) the multi-year variable remuneration, all of which was granted on a share-based basis in the reporting year.

The total remuneration in accordance with IFRS of € 8,248 thousand (previous year: € 3,592 thousand) relates to short-term benefits of € 3,509 thousand (previous year: € 2,869 thousand), termination benefits of € 3,029 thousand (previous year: € 0 thousand) and share-based payments of € 1,843 thousand (previous year: € 605 thousand), which are settled exclusively in cash.

The multi-year variable remuneration is allocated in annual tranches.

Starting with the **2023/2024 financial year,** the annual award of the LTI (LTI target) amounts to 100 percent of fixed remuneration and takes the form of virtual shares in Heidelberger Druckmaschinen Aktiengesellschaft (HEIDELBERG shares) awarded to plan participants at the award date. These are referred to as performance share units (PSUs) and, subject to the fulfillment of certain conditions, establish a claim to cash payment. The number of PSUs as of the award date, rounded to two decimal places in line with commercial practice, is calculated by dividing the LTI target by the share price as of the award date. The share price to be used is the arithmetic average of closing prices for HEIDELBERG shares in XETRA trading on the Frankfurt Stock Exchange over the last 60 trading days immediately preceding the award date.

The LTI is granted for one LTI financial year, which corresponds to the financial year of Heidelberger Druckmaschinen AG. The entitlements from the LTI are earned pro rata temporis over the term of the one-year LTI financial year, while the performance period, within which the plan participant’s performance is measured, is four years.

At the end of the four-year performance period, the number of virtual shares is calculated based on the target achievement of four key performance indicators (KPIs). The targets for the benchmarks for multi-year variable remuneration as well as the respective thresholds of the multi-year variable remuneration and the maximum overfulfillment are all defined at the beginning of the relevant four-year period.

In conjunction with the LTI allocation in the 2023/2024 financial year and the2024/2025 fiscal year , the Supervisory Board defined the performance targets of EBT margin with a weighting of 30 percent, the ratio of net working capital (NWC) to sales revenue with a weighting of 25 percent, relative total shareholder return (RTSR) with a weighting of 25 percent and sustainability targets (ESG) with a weighting of 20 percent. Thresholds and caps have also been defined for all KPIs. The threshold must be achieved for each KPI, otherwise the target achievement for this KPI is 0 percent. In the event of overfulfillment of the target, the maximum target achievement is 200 percent; achievement between values is determined by linear interpolation.

The RTSR target criterion is derived from the ratio of the performance of HEIDELBERG shares to the performance of the two equally weighted benchmark indices, the DAXsubsector Industrial Machinery index and the MSCI Europe Capital Goods index.

The starting values for measuring performance are the arithmetic mean of the closing prices of Heidelberg's shares and the two benchmark indices during the 60 trading days immediately prior to the award date. The final values for the performance measurement in turn are the arithmetic average closing prices of the HEIDELBERG shares and the two benchmark indices during the 60 trading days immediately prior to the allocation date. If the Company distributes gross dividends during the performance period, it is assumed that all dividends distributed during the performance period are reinvested.

On the allocation date after the end of the performance period, the target achievement of the KPIs is ascertained, weighted accordingly and then summarized to produce the overall degree of target achievement. The provisional number of PSUs as of the allocation date, rounded to two decimal places in line with commercial practice, is calculated by multiplying the number of PSUs on the award date by the overall degree of target achievement. Subject to any adjustments on the basis of members joining or leaving during the year or LTI maximum remuneration being exceeded, the value of the LTI is calculated by multiplying the number of PSUs as of the allocation date by the share price as of the allocation date. In turn, the share price as of the allocation date is the arithmetic average of closing prices for HEIDELBERG shares in XETRA trading on the Frankfurt Stock Exchange over the last 60 trading days immediately preceding the allocation date.

If the requirements of the Share Ownership Guideline are met, the calculated value of the LTI is paid out in full in cash (cash-settled share-based remuneration). The multi-year variable remuneration is paid out at the end of the month in which the Annual General Meeting – after the end of the last financial year of the four-year period – passes a resolution on the appropriation of earnings.

In the event of a member joining or leaving within an ongoing LTI financial year, that member has a pro rata temporis claim to any multi-year variable remuneration determined after the end of the performance period.

Preemption rights are measured using a Monte Carlo simulation. Furthermore, in determining the average share prices at the end of the performance period, the dividends are taken into account in conjunction with the total shareholder return and the cap on the total amount.

The fair value as at March 31, 2025 for the LTI of the financial year 2023/2024 (performance period 2024 to 2027) for those virtual shares attributable to the "EBIT margin, NWC ratio and ESG" metrics is € 1.078. The virtual shares allocated to the RTSR performance indicator are valued at € 0.178. The intrinsic value of the LTI share for the 2023/2024 financial year amounted to € 874 thousand as at March 31, 2025.

For the LTI for the 2024/2025 financial year (performance period 2025 to 2028), the fair value of the virtual shares allocated to the "EBIT margin, NWC ratio and ESG" metrics is € 0.854 as at March 31, 2025 while the virtual shares allocated to the RTSR metric are valued at € 0.704. The intrinsic value of the LTI share for FY 2024/2025 amounts to € 1,711 thousand as at March 31, 2025.

The underlying measurement parameters used to calculate the fair values as of March 31, 2025 are as follows:

Evaluation parameters	**LTI-tranche FY 23/24**	**LTI-tranche GJ 24/25**
Initial value of HEIDELBERG-share	1.7423 €	1.0584 €
Initial value DAX IM	750.7718	743.4633
Initial value MSCI CG	587.4943	725.1312
Closing price HEIDELBERG share	1.108 €	1.108 €
Closing price DAX IM	887.67	887.67
Closing price MSCI CG	880.55	880.55
Conversion factor HEIDELBERG share	1.00	1.00
End of performance period	31-Mar-2027	31-Mar-2028
Payment date	31-Jul-2027	31-Jul-2028
Interest rate at the end of the performance period	2.00 %	2.08 %
Interest rate payment date	2.02 %	2.12 %
Volatility HEIDELBERG share	38.44 %	43.69 %
Volatility DAX IM	19.50 %	23.75 %
Volatility MSCI CG	18.46 %	22.59 %
Correlation HEIDELBERG share / DAX IM	0.5013	0.5873
Correlation HEIDELBERG share / MSCI CG	0.4239	0.5197
Correlation DAX IM / MSCI CG	0.7677	0,8023

The LTI awarded in the **2022/2023 financial year**, which was based on the 2021 remuneration system, also corresponded to 100 percent of the fixed remuneration, was also based on the allocation of virtual shares in Heidelberger Druckmaschinen AG (HEIDELBERG shares), the so-called performance share units (PSUs), and was recognized as share-based payment in accordance with IFRS 2. At the end of the performance period on March 31, 2025 the corresponding target achievement of the LTI was determined, which is why it is no longer measured at fair value.

As part of the share investment obligation of the active members of the Management Board, the Company is entitled to invest 20 percent of the annual variable remuneration in HEIDELBERG shares until the portfolio corresponds to the value of a current fixed remuneration (minimum value). The Company has so far paid out the relevant remuneration components in full in cash and therefore recognizes them as a liability or provision. The expense for variable remuneration recognized for this in the 2024/2025 financial year, which is included in expenses for short-term employee benefits, amounts to € 126 thousand (previous year: € 67 thousand).

As of March 31, 2025 Heidelberger Druckmaschinen Aktiengesellschaft recognized provisions and liabilities for remuneration of the members of the Management Board from short-term employee benefits of € 1,477 thousand (previous year: € 1,425 thousand), from termination benefits of € 1,036 thousand (previous year: € 0 thousand) and from share-based payments of € 2,623 thousand (previous year: € 779 thousand).

Former members of the Management Board and their surviving dependents

The total cash remuneration (= total remuneration) amounted to € 4,729 thousand (previous year: € 2,573 thousand); of this figure, € 556 thousand (previous year: € 579 thousand) related to obligations to former members of the Management Board and their surviving dependents of Linotype-Hell Aktiengesellschaft, which were assumed in the 1997/1998 financial year under the provisions of universal succession. As in the previous year, no share options were held as of the end of the reporting period. The pension obligations (defined benefit obligations in accordance with IFRS) amounted to € 41,600 thousand (previous year: € 43,831 thousand); € 4,252 thousand (previous year: € 4,757 thousand) of which relating to pension obligations of the former Linotype-Hell Aktiengesellschaft which were assumed in the 1997/1998 financial year under the provisions of universal succession.

Members of the Supervisory Board:

Each member of the Supervisory Board receives fixed annual remuneration of € 40,000. The Chair of the Supervisory Board receives three times this amount, the Deputy Chair twice this amount. The members of the Management Committee, the Audit Committee and the Committee on Arranging Personnel Matters of the Management Board receive additional remuneration for work on these committees. Each committee member receives remuneration of € 1,500 per meeting for participation in a meeting of one of these committees. The Chair of the Audit Committee receives remuneration of € 4,500 per meeting; the Chair of the Management Committee and the Chair of the Committee on Arranging Personnel Matters of the Management Board receive remuneration of € 2,500 per meeting. The members of the Supervisory Board also receive an attendance fee of € 500 per meeting for attending a meeting of the Supervisory Board or of one of its committees. Furthermore, the expenses incurred by members of the Supervisory Board and VAT payable on them are reimbursed. In order to reinforce the Supervisory Board's role as a controlling body, remuneration does not include a variable, performance-based component. The members of the union and the Works Council have declared that they will transfer their Supervisory Board remuneration to the Hans Böckler Foundation in accordance with the guidelines of IG Metall.

For the year under review, fixed annual remuneration plus an attendance fee of € 500 per meeting day and remuneration for sitting on the Management Committee, the Audit Committee and the Committee on Arranging Personnel Matters were granted to the members of the Supervisory Board, totaling € 863 thousand (previous year: € 800 thousand). This compensation does not include VAT. No loans or advances were granted to members of the Supervisory Board in the reporting period; the HEIDELBERG Group has not undertaken any contingent liabilities for Supervisory Board members.

42. Related party transactions

Business relations exist between numerous companies and Heidelberger Druckmaschinen Aktiengesellschaft and its subsidiaries in the course of ordinary business. This comprises the affiliated companies not included in the consolidated financial statements, one joint venture and three associated companies, which are regarded as related companies of the HEIDELBERG Group. Related parties include members of the Management Board and the Supervisory Board.

Transactions were performed with these related parties, which impacted as follows:

Figures in € thousands	2023/2024	**2024/2025**
Liabilities	**2,935**	**3,803**
Non-consolidated subsidiaries	2,932	3,565
Joint ventures	–	–
Associated companies	3	238
Receivables	**598**	**1,003**
Non-consolidated subsidiaries	453	1,000
Joint ventures	–	–
Associated companies	145	3
Expenses	**5,296**	**6,420**
Non-consolidated subsidiaries	5,262	5,138
Joint ventures	–	2
Associated companies	34	1,280
Income	**9,856**	**7,631**
Non-consolidated subsidiaries	9,380	7,556
Joint ventures	32	34
Associated companies	444	41

Write-downs of € 0 thousand (previous year: € 0 thousand) were recognized on receivables from these related companies in the reporting year. The expenses mainly include losses from profit transfers. The income of the non-consolidated subsidiaries mainly include revenues from the sale of goods.

With companies controlled by a member of the Supervisory Board (Mrs. Li Li, Chief Executive Officer of Masterwork Group Co. Ltd., Tianjin, China) there were trade relationships which impacted as follows:

Figures in € thousands	2023/2024	**2024/2025**
Liabilities	1,148	5,750
Receivables	196	45
Expenses	29,308	33,712
Net sales	1,064	8,076

No write-downs (previous year: none) were recognized on receivables from these companies in the reporting year.

All transactions were concluded at standard market terms and did not differ from trade relationships with other companies.

43. Exemption under sections 264 (3) and 264b of the German Commercial Code

The following subsidiaries exercised the exemption provisions of sections 264 (3) and 264b of the German Commercial Code (Handelsgesetzbuch – HGB) with regard to the preparation and disclosure of financial statements in the period under review:

- Amperfied GmbH, Walldorf
- Gallus Druckmaschinen GmbH, Langgöns-Oberkleen
- Heidelberg Boxmeer Beteiligungs-GmbH, Wiesloch
- Heidelberg China-Holding GmbH, Wiesloch
- Heidelberg Consumables Holding GmbH, Wiesloch
- Heidelberger Druckmaschinen Intellectual Property AG & Co. KG, Wiesloch
- Heidelberger Druckmaschinen Vertrieb Deutschland GmbH, Wiesloch
- Heidelberg Manufacturing Deutschland GmbH, Wiesloch
- Heidelberg Postpress Deutschland GmbH, Wiesloch
- Heidelberg Web Carton Converting GmbH, Weiden in der Oberpfalz
- Heidelberger Druckmaschinen Subscription GmbH, Wiesloch
- Heidelberger Druckmaschinen Sales & Service Management GmbH, Wiesloch
- Heidelberger Druckmaschinen 2. Verwaltungs-GmbH, Wiesloch

44. Auditor's fees

In the reporting year, the following expenses were incurred for services by the auditor KPMG:

Figures in € thousands **Fees for**	2023/2024	**2024/2025**
Audits of financial statements	1,038	1,257
Other assurance services	138	286
Other services	47	51
	1,223	**1,594**

The fee for auditing services provided by KPMG AG Wirtschaftsprüfungsgesellschaft related to the audit of the annual and consolidated financial statements of Heidelberger Druckmaschinen AG together with the combined management report and various audits of the annual financial statements of its German subsidiaries. Other assurance services related to the audit of non-financial reporting and other statutory or contractually agreed assurance services.

The other services related to quality assurance measures of non-accounting-relevant projects.

45. Events after the end of the reporting period

Starting April 1, 2025 HEIDELBERG will change its management model, including reporting to the Management Board, and thus also the segment structure. In the future, it will report in the segments Print & Packaging Equipment, Digital Solutions & Lifecycle and HEIDELBERG Technology.

The Print & Packaging Equipment segment will include offset and flexo as well as postpress solutions for packaging and commercial printing. The Digital Solutions & Lifecycle segment will bundle products and activities related to software, service, consumables and digital printing. The HEIDELBERG Technology segment will essentially subsume activities outside the core business. This includes electromobility (Amperfied) and industry (production and technology solutions for third-party companies).

The new management approach aims to focus more on product-oriented management based on market and customer needs, as well as consistent accountability for results. At the same time, the new management approach allows HEIDELBERG to make the progress in implementing strategic growth projects more visible.

Heidelberg, June 3, 2025

Heidelberger Druckmaschinen Aktiengesellschaft

The Management Board

Jürgen Otto Dr. David Schmedding

Responsibility statement

To the best of our knowledge, and in accordance with the applicable reporting principles, the consolidated financial statements give a true and fair view of the net assets, financial position and results of operations of the Group, and the Group management report, which has been combined with the management report of Heidelberger Druckmaschinen Aktiengesellschaft, includes a fair review 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.

Heidelberg, June 3, 2025

Heidelberger Druckmaschinen Aktiengesellschaft

The Management Board

Jürgen Otto

Dr. David Schmedding

Independent Auditor’s Report

To Heidelberger Druckmaschinen Aktiengesellschaft, Heidelberg

Report on the Audit of the Consolidated Financial Statements and of the Combined Management Report

Opinions

We have audited the consolidated financial statements of Heidelberger Druckmaschinen Aktiengesellschaft, Heidelberg, and its subsidiaries (the Group), which comprise the consolidated statement of financial position as of March 31, 2025, and the consolidated income statement, consolidated statement of comprehensive income, statement of changes in consolidated equity and consolidated statement of cash flows for the financial year from April 1, 2024, to March 31, 2025, and notes to the consolidated financial statements, including a summary of significant information on the accounting policies. In addition, we have audited the management report of Heidelberger Druckmaschinen Aktiengesellschaft and the Group (combined management report) for the financial year from April 1, 2024, to March 31, 2025.

In accordance with German legal requirements, we have not audited the content of those components of the combined management report specified in the "Other Information" section of our auditor's report.

The combined management report contains cross-references that are not provided for by law and which are marked as unaudited. In accordance with German legal requirements, we have not audited the cross-references and the information to which the cross-references refer.

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) (hereinafter referred to as "IFRS Accounting Standards") as adopted by the EU, and the additional requirements of German commercial law pursuant to Section 315e (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 of March 31 2025, and of its financial performance for the financial year from April 1, 2024, to March 31, 2025, and
- the accompanying combined management report as a whole provides an appropriate view of the Group's position. In all material respects, this combined management report is consistent with the consolidated financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development. Our opinion on the combined management report does not cover the content of those components of the combined management report specified in the "Other Information" section of the auditor's report. The combined management report contains cross-references that are not provided for by law and which are marked as unaudited. Our audit opinion does not extend to the cross-references and the information to which the cross-references refer.

Pursuant to Section 322 (3) 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 combined management report.

Basis for the Opinions

We conducted our audit of the consolidated financial statements and of the combined management report in accordance with Section 317 HGB and the EU Audit Regulation No 537/2014 (referred to subsequently as "EU Audit Regulation") and 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 Combined 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)(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 evidence we have obtained is sufficient and appropriate to provide a basis for our opinions on the consolidated financial statements and on the combined 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 April 1, 2024, to March 31, 2025. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, we do not provide a separate opinion on these matters.

Recoverability of goodwill in the Print Solutions and Packaging Solutions segments

Please refer to Note 6 in the notes to the consolidated financial statements for information on the accounting policies applied and the assumptions made, and Note 7 for information on the estimates and accounting judgments associated with the measurement of goodwill. Disclosures on the amount of goodwill can be found in Note 18 in the notes to the consolidated financial statements and disclosures on the economic development of the Print Solutions and Packaging Solutions segments in the combined management report under “Segment reporting”.

THE FINANCIAL STATEMENT RISK

Goodwill amounted to EUR 127 million as of March 31, 2025, and, at 24% of group equity, has a significant impact on the net assets. Of the EUR 127 million, EUR 47 million is attributable to the cash-generating unit Print Solutions and EUR 77 million to the cash-generating unit Packaging Solutions, which correspond to the Print Solutions and Packaging Solutions segments, respectively.

The recoverability of goodwill is tested annually at the level of the Print Solutions and Packaging Solutions segments, irrespective of any indication of impairment. If any indications (impairment triggers) arise during the year, an event-driven impairment test (goodwill impairment test) is also carried out during the year. For goodwill impairment testing, the carrying amount is compared with the recoverable amount of the respective operating segment. If the carrying amount exceeds the recoverable amount, an impairment loss is recognized. The recoverable amount is the higher of fair value less costs to sell and value in use of the operating segment. The Company generally determines the recoverable amount using the value in use based on the discounted cash flow method. The reporting date for impairment testing is March 31, 2025.

Impairment testing of goodwill is complex and based on a number of assumptions requiring judgment. This includes forecasts relating to revenue development as well as costs, taking into account the effects of company-wide measures to improve earnings for the next five years, the assumed long-term growth rate and the discount rates applied.

As of the reporting date, the carrying amount of the Group's equity was higher than the market price of the Company. In the course of annual impairment testing as of March 31, 2025, there was no requirement to recognize an impairment loss. The Company's sensitivity analyses showed that a possible change in key underlying assumptions would not lead to impairment.

There is the risk for the consolidated financial statements that an existing need to recognize impairment losses is not identified. There is also the risk that the related disclosures in the notes are not appropriate.

OUR AUDIT APPROACH

First, we gained an understanding of the Company's process for assessing the recoverability of goodwill through explanations from the investment controlling and an appraisal of the documentation. In doing so, we intensively examined the Company's procedure for determining the recoverable amount of the cash-generating units.

With the involvement of our valuation specialists, we assessed (among other things) the appropriateness of the key assumptions and the calculation method of the Print Solutions and Packaging Solutions segments for the impairment testing. To this end, we discussed the expected business and earnings performance as well as the assumed long-term growth rates with the staff responsible for planning. We also reconciled this information with the detailed planning for financial year 2025/2026 prepared by management and presented to the Supervisory Board as well as the multi-year planning for financial years 2026/2027 to 2029/2030. In addition, we evaluated the consistency of assumptions with external market assessments.

We also confirmed the accuracy of the Company's previous forecasts by comparing the budgets of previous financial years with actual results and by analyzing deviations. We compared the assumptions and data underlying the discount rate with our own assumptions and publicly available data.

To assess the methodically and mathematically correct implementation of the valuation method, we verified the Company's valuation using our own calculations and analyzed deviations.

In order to take forecast uncertainty into account, we examined the impact of potential changes in the discount rate, long-term revenue growth, the sustainable EBITDA margin and sustainable reinvestment on the recoverable amount by calculating alternative scenarios and comparing these with the values stated by the Company (sensitivity analysis).

In addition, we critically reviewed the Company's reasoning for the total recoverable amount significantly exceeding the market value of the Company.

Finally, we assessed whether the disclosures in the notes regarding recoverability of goodwill are appropriate.

OUR OBSERVATIONS

The calculation method used for the impairment testing of goodwill in the Print Solutions and Packaging Solutions segments as of March 31, 2025, is appropriate and in line with the accounting policies to be applied.

The Company's assumptions and data used for measurement are appropriate.

The related disclosures in the notes are appropriate.

Other information

The Management Board and/or the Supervisory Board are/is responsible for the other information. The other information comprises the following components of the combined management report, whose content was not audited:

- the Company's and Group's separate combined non-financial report referred to in the combined management report,
- the combined corporate governance statement for the Company and the Group referred to in the combined management report, and
- information extraneous to combined management reports and marked as unaudited.

The other information also includes the remaining parts of the annual report. The other information does not include the consolidated financial statements, the combined management report information audited for content and our auditor's report thereon.

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

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

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

Responsibilities of the Management Board and the Supervisory Board for the Consolidated Financial Statements and the Combined Management Report

The Management Board is responsible for the preparation of 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 Section 315e (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 Management Board is 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 Management Board is 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 Management Board is responsible for the preparation of the combined 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 Management Board is responsible for such arrangements and measures (systems) as they have considered necessary to enable the preparation of a combined 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 combined 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 combined management report.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements and of the Combined 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 combined 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 opinions on the consolidated financial statements and on the combined management report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Section 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 combined 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 combined 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 opinions. 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, 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 relevant to the audit of the combined management report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control or of these arrangements and measures.

- Evaluate the appropriateness of accounting policies made by the Management Board and the reasonableness of estimates made by management and related disclosures.

- Conclude on the appropriateness of the Management Board's 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 combined management report or, if such disclosures are inadequate, to modify our respective 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 Section 315e (1) HGB.

- Plan and perform the audit of the consolidated financial statements to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business segments within the Group to provide a basis for our opinions on the consolidated financial statements and on the combined management report. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our opinions.

- Evaluate the consistency of the combined 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 Management Board in the combined management report. On the basis of sufficient appropriate audit evidence we evaluate, in particular, the significant assumptions used by the Management Board 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 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, the actions taken or safeguards applied to eliminate independence threats.

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 Combined Management Report Prepared for Publication Purposes in Accordance with Section 317 (3a) HGB

We have performed assurance work in accordance with Section 317 (3a) HGB to obtain reasonable assurance about whether the rendering of the consolidated financial statements and the combined management report (hereinafter the “ESEF documents”) contained in the electronic file “hdm-2025-03-31-de.zip” (SHA256-hash value: bcdf399cf1d59ff4aac3ad5deeebd52e846eb d66afc281dbbf2ee250ad4e1708) made available and prepared for publication purposes complies in all material respects with the requirements of Section 328 (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 combined management report into the ESEF format and therefore relates neither to the information contained in these renderings nor to any other information contained in the file identified above.

In our opinion, the rendering of the consolidated financial statements and the combined management report contained in the electronic file made available, identified above and prepared for publication purposes complies in all material respects with the requirements of Section 328 (1) HGB for the electronic reporting format. Beyond this assurance opinion and our audit opinion on the accompanying consolidated financial statements and the accompanying combined management report for the financial year from April 1, 2024, to March 31, 2025, contained in the "Report on the Audit of the Consolidated Financial Statements and the Combined 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 file identified above.

We conducted our assurance work on the rendering of the consolidated financial statements and the combined management report contained in the file made available and identified above in accordance with Section 317 (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 Section 317 (3a) HGB (IDW AsS 410 (06.2022)). Our responsibility in accordance therewith is further described below. Our audit firm applies the IDW Standard on Quality Management 1: Requirements for Quality Management in Audit Firms (IDW QMS 1 (09.2022)).

The Company's Management Board is responsible for the preparation of the ESEF documents including the electronic rendering of the consolidated financial statements and the combined management report in accordance with Section 328 (1) sentence 4 item 1 HGB and for the tagging of the consolidated financial statements in accordance with Section 328 (1) sentence 4 item 2 HGB.

In addition, the Company's Management Board is responsible for such internal control as they have considered necessary to enable the preparation of ESEF documents that are free from material intentional or unintentional non-compliance with the requirements of Section 328 (1) HGB for the electronic reporting format.

The Supervisory Board is responsible for overseeing the process of preparing the ESEF documents as part of the financial reporting process.

Our objective is to obtain reasonable assurance about whether the ESEF documents are free from material intentional or unintentional non-compliance with the requirements of Section 328 (1) HGB. We exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material intentional or unintentional non-compliance with the requirements of Section 328 (1) HGB, 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 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 file made available, containing the ESEF documents meets the requirements of the Commission Delegated Regulation (EU) 2019/815, as amended as of the reporting date, 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 the audited combined 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 Commission Delegated Regulation (EU) 2019/815, as amended as of the reporting date, 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 auditor of the consolidated financial statements at the Annual General Meeting on July 25, 2024. We were engaged by the Supervisory Board on July 25, 2024. We have been the auditor of the consolidated financial statements of Heidelberger Druckmaschinen Aktiengesellschaft without interruption since financial year 2024.

We declare that the 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).

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 combined management report as well as the examined ESEF documents. The consolidated financial statements and combined management report converted to the ESEF format – including the versions to be entered in the German Company Register [Unternehmensregister] – are merely electronic renderings of the audited consolidated financial statements and the audited combined management report and do not take their place. In particular, the ESEF report and our assurance opinion contained therein are to be used solely together with the examined ESEF documents made available in electronic form.

German Public Auditor Responsible for the Engagement

The German Public Auditor responsible for the engagement is Michael Mokler.

Mannheim, June 3, 2025

KPMG AG
Wirtschaftsprüfungsgesellschaft

[signature] Mokler	[signature] Prof. Schütte-Biastoch
Wirtschaftsprüfer	Wirtschaftsprüferin
[German Public Auditor]	[German Public Auditor]

Financial section

List of shareholdings

List of shareholdings as per section 285 no. 11 and no. 11a and b and section 313 (2) in conjunction with section 315 a (1) HGB

Figures in € millions					
Name	Country / Domicile		Shareholding in percent	Equity	Net result after taxes
Affiliated companies included in the consolidated financial statements					
Germany					
Amperfied GmbH[1)]	GER	Walldorf	100.00	0	– 57
Gallus Druckmaschinen GmbH[2)]	GER	Langgöns-Oberkleen	100.00	2	– 3
Heidelberg Boxmeer Beteiligungs-GmbH[2)]	GER	Wiesloch	100.00	127	0
Heidelberg China-Holding GmbH[2)]	GER	Wiesloch	100.00	135	22
Heidelberg Consumables Holding GmbH[2)]	GER	Wiesloch	100.00	0	0
Heidelberg Manufacturing Deutschland GmbH[2)]	GER	Wiesloch	100.00	43	– 5
Heidelberg Postpress Deutschland GmbH[2)]	GER	Wiesloch	100.00	10	– 1
Heidelberg Print Finance International GmbH[2)]	GER	Wiesloch	100.00	35	1
Heidelberg Web Carton Converting GmbH	GER	Weiden	100.00	0	– 7
Heidelberger Druckmaschinen 2. Verwaltungs-GmbH[2)]	GER	Walldorf	100.00	0	0
Heidelberger Druckmaschinen Intellectual Property AG & Co. KG	GER	Wiesloch	100.00	106	6
Heidelberger Druckmaschinen Sales & Service Management GmbH[2) 3)]	GER	Walldorf	100.00	630	0
Heidelberger Druckmaschinen Subscription GmbH[2)]	GER	Wiesloch	100.00	0	0
Heidelberger Druckmaschinen Vertrieb Deutschland GmbH[2)]	GER	Wiesloch	100.00	11	15
Zaikio GmbH[4)]	GER	Mainz	100.00	0	– 2
Outside Germany[5)]					
Baumfolder Corporation	USA	Sidney, Ohio	100.00	– 1	0
Gallus Ferd. Rüesch AG	SUI	St. Gallen	100.00	21	– 3
Heidelberg Americas, Inc.	USA	Kennesaw, Georgia	100.00	138	10
Heidelberg Asia Pte. Ltd.	SGP	Singapore	100.00	3	1
Heidelberg Baltic Finland OÜ	EST	Tallinn	100.00	7	1
Heidelberg Benelux BV	NED	Haarlem	100.00	59	6
Heidelberg Benelux NV	BEL	Brussels	100.00	11	1
Heidelberg Boxmeer B.V.	NED	Boxmeer	100.00	33	1
Heidelberg Canada Graphic Equipment Ltd.	CAN	Mississauga	100.00	14	1
Heidelberg China Ltd.	CHN	Hong Kong	100.00	10	2
Heidelberg CZ & SK s.r.o.	CZE	Prague	100.00	3	1
Heidelberg do Brasil Sistemas Graficos e Servicos Ltda.	BRA	São Paulo	100.00	11	5
Heidelberg France S.A.S.	FRA	Roissy-en-France	100.00	21	2
Heidelberg Grafik Ticaret Servis Limited Sirketi	TUR	Istanbul	100.00	7	2
Heidelberg Graphic Equipment (Shanghai) Co. Ltd.	CHN	Shanghai	100.00	204	41
Heidelberg Graphic Equipment Ireland Ltd.	IRL	Dublin	100.00	3	1
Heidelberg Graphic Equipment Ltd. – Heidelberg Australia –	AUS	Mulgrave, Melbourne	100.00	10	1
Heidelberg Graphic Equipment Ltd. – Heidelberg New Zealand –	NZL	Auckland	100.00	2	0

Figures in € millions					
Name	Country / Domicile		Shareholding in percent	Equity	Net result after taxes
Heidelberg Graphic Equipment Ltd. – Heidelberg UK –	GBR	Uxbridge	100.00	38	6
Heidelberg Graphic Systems Southern Africa (Pty) Ltd.	RSA	Johannesburg	100.00	1	0
Heidelberg Graphics (Beijing) Co. Ltd.	CHN	Beijing	100.00	23	7
Heidelberg Graphics (Thailand) Ltd.	THA	Bangkok	100.00	6	1
Heidelberg Graphics (Tianjin) Co. Ltd.	CHN	Tianjin	100.00	5	0
Heidelberg Graphics Taiwan Ltd.	TPE	New Taipei City	100.00	2	–1
Heidelberg Group Trustees Ltd.	GBR	Uxbridge	100.00	0	0
Heidelberg Hong Kong Ltd.	CHN	Hong Kong	100.00	11	1
Heidelberg India Private Ltd.	IND	Chennai	100.00	3	1
Heidelberg International Ltd. A / S	DEN	Hvidovre	100.00	58	4
Heidelberg International Trading (Shanghai) Co. Ltd.	CHN	Shanghai	100.00	0	0
Heidelberg Italia S.r.L.	ITA	Bollate	100.00	25	3
Heidelberg Japan K.K.	JPN	Tokyo	100.00	15	3
Heidelberg Korea Ltd.	KOR	Seoul	100.00	4	1
Heidelberg Magyarország Kft.	HUN	Kalasch	100.00	6	1
Heidelberg Malaysia Sdn Bhd	MAS	Petaling Jaya	100.00	–6	1
Heidelberg Mexico, S. de R.L. de C.V.	MEX	Mexico City	100.00	21	3
Heidelberg Philippines, Inc.	PHI	Makati City	100.00	4	0
Heidelberg Polska Sp z.o.o.	POL	Warsaw	100.00	15	2
Heidelberg Print Finance Korea Ltd.	KOR	Seoul	100.00	15	0
Heidelberg Schweiz AG	SUI	Bern	100.00	10	3
Heidelberg Spain S.L.U.	ESP	Cornella de Llobregat	100.00	14	4
Heidelberg Sverige AB	SWE	Limhamn	100.00	3	1
Heidelberg USA, Inc.	USA	Kennesaw, Georgia	100.00	87	15
Heidelberger Druckmaschinen Austria Vertriebs-GmbH	AUT	Vienna	100.00	19	7
P.T. Heidelberg Indonesia	INA	Jakarta	100.00	9	2
Press Parts Outlet GmbH	AUT	Vienna	100.00	2	0

1) Prior-year figures
2) Before profit transfer
3) Formerly “Heidelberger Druckmaschinen 1. Verwaltungs-GmbH”
4) In liquidation
5) Disclosure in accordance to IFRS
6) Figures from the year before last
7) In insolvency proceedings
8) Chinese name “Haidebao Changrong (Heidelberg & Masterwork) Technology (Tianjin)Co., Ltd..”

Figures in € millions					
Name	Country / Domicile		Shareholding in percent	Equity	Net result after taxes
Affiliated companies not included in the consolidated financial statements owing to immateriality for the net assets, financial positions and result of operations					
Germany					
Heidelberg Catering Services GmbH [2]	GER	Wiesloch	100.00	0	– 2
Heidelberger Druckmaschinen Vermögensverwaltungsgesellschaft mbH	GER	Walldorf	100.00	0	0
Menschick Trockensysteme GmbH	GER	Renningen	100.00	0	0
Outside Germany [5]					
Heidelberg Druckmaschinen Ukraine GmbH	UKR	Kyiv	100.00	0	0
Heidelberg Hellas A.E.E.	GRE	Metamorfosis	100.00	5	0
Joint ventures accounted for using the equity method					
Outside Germany [5]					
Heidelberg Middle East FZ Co.	UAE	Dubai	50.00	1	0
Associated companies accounted for using the equity method					
Germany					
Flotteladen GmbH [6] [7]	GER	Allensbach	25.10	1	0
Outside Germany [5]					
HeiMaster Technology (Tianjin) Co., Ltd. [8]	CHN	Tianjin	40.00	19	– 3
Associated companies not accounted for using the equity method owing to immateriality for the net assets, financial position and results of operations					
Germany					
InnovationLab GmbH [1]	GER	Heidelberg	20.00	0	– 1

1) Prior-year figures
2) Before profit transfer
3) Formerly “Heidelberger Druckmaschinen 1. Verwaltungs-GmbH”
4) In liquidation
5) Disclosure in accordance to IFRS
6) Figures from the year before last
7) In insolvency proceedings
8) Chinese name “Haidebao Changrong (Heidelberg & Masterwork) Technology (Tianjin)Co., Ltd..”

The Supervisory Board

Dr. Martin Sonnenschein
Independent consultant, Berlin
Chair of the Supervisory Board
a) SupplyOn AG
b) Futurice Oy, Helsinki, Finland

Ralph Arns*
Chair of the Central Works Council,
Heidelberg/Wiesloch-Walldorf
Deputy Chair of the Supervisory Board

Karin Dohm (since July 25, 2024)
Member of the Management Board of HORNBACH Baumarkt AG and HORNBACH Management AG, Bornheim
a) HORNBACH Immobilien AG
b) Danfoss A/S, Denmark
(Chair of the Audit Committee)

Gerald Dörr*
Deputy Chair of the Central Works Council,
Heidelberg/Wiesloch-Walldorf

Jeppe Frandsen (since July 25, 2024)
Chair/Deputy Chair (non-executive) of the Board of Directors of several companies, Holte, Denmark
b) Deputy Chair of the Board of Directors (non-executive) of Milestone Systems A/S, Broendby, Denmark
Chair of the Board of Directors (non-executive) of Zolutions A/S, Nykoebing Falster, Denmark
Chair of the Board of Directors (non-executive) of Shape Robotics A/S, Herlev, Denmark

Mirko Geiger*
Trade union secretary of IG Metall,
Heidelberg

Dipl.-Ing. Dr. h.c. Oliver Jung
Independent consultant, Fürth
a) Leistritz AG
b) Voith Management GmbH (Shareholders' committee)
J&J Marquardt KG (Advisory Board)

Li Li
Chair of Masterwork Group Co., Ltd.,
Tianjin, People's Republic of China

Heiko Maßfeller* (since September 1, 2024)
First Senior Representative of IG Metall, Heidelberg
a) Läpple AG

Dr. Fritz Oesterle (until July 25, 2024)
Consultant for private equity companies and family offices, Stuttgart
a) Volksbank am Württemberg eG (Chair)
LBBW Landesbank Baden-Württemberg
b) CEPD N.V., Amsterdam, the Netherlands
(Chair of the Board of Directors (non-executive))

Petra Otte* (until August 31, 2024)
Trade union secretary of IG Metall,
Baden-Württemberg district, Stuttgart
a) Audi AG

Ferdinand Rüesch (until July 25, 2024)
Entrepreneur and Vice President Global Key Accounts of Gallus Ferd. Rüesch AG, St. Gallen, Switzerland
b) Ferd. Rüesch AG, Switzerland (Chair of the Administration Board)

Ina Schlie
Diplom-Volkswirtin (degree in economics) and supervisory board member, Heidelberg
a) q.beyond AG
CMBlu Energy AG

Beate Schmitt*
Full-time member of the Works Council,
Heidelberg/Wiesloch-Walldorf

Holger Steuerwald*
Head of Supply Chain Management,
Spokesperson for senior executives,
Heidelberg/Wiesloch-Walldorf

* Employee representative
a) Membership in other statutory supervisory boards
b) Membership in comparable German and foreign control bodies of business enterprises

Committees of the Supervisory Board

Management Committee
Dr. Martin Sonnenschein (Chair)
Ralph Arns
Gerald Dörr
Jeppe Frandsen (since July 25, 2024)
Mirko Geiger
Oliver Jung
Ferdinand Rüesch (until July 25, 2024)

Mediation committee under article 27 paragraph 3 of the Codetermination Act
Dr. Martin Sonnenschein (Chair)
Ralph Arns
Gerald Dörr
Oliver Jung (since July 25, 2024)
Ferdinand Rüesch (until July 25, 2024)

Personnel Matters Committee
Dr. Martin Sonnenschein (Chair)
Ralph Arns
Gerald Dörr
Jeppe Frandsen (since July 25, 2024)
Oliver Jung (since July 25, 2024)
Dr. Fritz Oesterle (until July 25, 2024)
Ferdinand Rüesch (until July 25, 2024)
Beate Schmitt

Audit Committee
Ina Schlie (Chair)
Ralph Arns
Karin Dohm (since July 25, 2024)
Mirko Geiger
Oliver Jung (until July 25, 2024)
Beate Schmitt
Dr. Martin Sonnenschein

Nomination Committee
Dr. Martin Sonnenschein (Chair)
Oliver Jung
Li Li (since July 25, 2024)
Ferdinand Rüesch (until July 25, 2024)

Strategy Committee
Dr. Martin Sonnenschein (Chair)
Ralph Arns
Karin Dohm (since July 25, 2024)
Jeppe Frandsen (since July 25, 2024)
Mirko Geiger
Oliver Jung
Li Li
Dr. Fritz Oesterle (until July 25, 2024)
Ferdinand Rüesch (until July 25, 2024)
Ina Schlie

The Management Board

Jürgen Otto (since July 1, 2024)
Chief Executive Officer and labor director

Dr. David Schmedding (since July 1, 2024)
Chief Technology and Sales Officer

*** Heidelberg Americas Inc., USA*
(Chairman of the Board of Directors)
Heidelberg USA Inc., USA
(Chairman of the Board of Directors)
Heidelberg Schweiz AG, Switzerland
(Vice President of the Administration Board)
Gallus Ferd. Rüesch AG, Switzerland
(Member of the Administration Board)

Dr. Ludwin Monz (until June 30, 2024)
Chief Executive Officer and labor director

*** Heidelberg Americas, Inc., USA*
(Chairman of the Board of Directors)
Heidelberg USA, Inc., USA
(Chairman of the Board of Directors)

Tania von der Goltz (until March 31, 2025)
Chief Financial Officer

** Heidelberg Americas, Inc., USA
Heidelberg USA, Inc., USA
Veonet Vision GmbH (Member of the Advisory Board)

* Membership in statutory supervisory boards
** Membership in comparable German and foreign control bodies of business enterprises

04

Supervisory Board and Corporate Governance

Report of the Supervisory Board

DR. MARTIN SONNENSCHEIN
Chair of the Supervisory Board

Dear Shareholders,

Before I describe the work the Supervisory Board and its committees carried out in the 2024/2025 financial year, please allow me to briefly discuss those issues that were important during the past financial year.

Overall, growth dynamics in regions of the world have varied considerably. While economic development – especially in Europe – was influenced by the ongoing war in Ukraine and its economic consequences, the economies in the USA and Asia remained robust. However, there was a noticeable level of uncertainty due to the presidential election in the USA. The inscrutable US trade policy caused huge disruptions on the capital markets and its ultimate impact on the global economy is still to be determined. The imposition of US tariffs on our products would necessitate a corresponding price adjustment in the US market – in a market environment in which none of our competitors has any relevant local production in the United States.

A special highlight for Heidelberger Druckmaschinen AG in the financial year was the largest global sector trade fair drupa in June 2024. The fact that the products and innovations presented at drupa satisfy market requirements and customer needs was reflected by the high level of incoming orders in the financial year.

In view of the economic framework conditions, we are pleased overall with the results of the 2024/2025 financial year. Despite a slight decline in sales the adjusted EBITDA margin remained at the same level as in the previous year. Improvements in the operative performance of the Company are also measurable beyond this. In particular, the Company was once again able to generate a clearly positive free cash flow. This figure is especially important because it is an indicator of the financial strength of a company. The consistent implementation of our strategic initiatives, the efficiency gains achieved, and targeted measures to optimize our product portfolio have contributed significantly to this improvement in the Company's situation.

We would like to express our appreciation and thanks to the Management Board and employees for this result.

Close cooperation between the Management Board and Supervisory Board

The Supervisory Board of Heidelberger Druckmaschinen Aktiengesellschaft once again performed its duties in accordance with the law, the Articles of Association and its Rules of Procedure in full in the 2024/2025 financial year. It continuously supervised the work of the Management Board and provided advice on strategically important issues and significant individual measures. In the process, the Supervisory Board ensured it was satisfied that the work of the Management Board was at all times compliant with the law, expedient and proper.

The Management Board kept the Supervisory Board regularly, promptly and comprehensively informed, either verbally or in writing, about all matters relevant to the Company and the Group, thereby fulfilling its duty to provide information. In particular, the Management Board informed the Supervisory Board on an ongoing basis and in detail about the Company's business development and financial position, including with information on relevant risks and opportunities. It also informed the Supervisory Board about its plans and any deviations from these plans during the course of business and the reasons for them. Furthermore, the Supervisory Board received regular reports on topics such as corporate strategy, sustainability strategy, risk management and compliance. The Chair of the Supervisory Board and the Chair of the Audit Committee also remained in contact with the Management Board outside of their meetings and discussed material current issues and developments at the Company with them. Any important findings were then reported at the latest at the next Supervisory Board or committee meeting.

The Supervisory Board discussed and dealt with all the above topics in depth. The members of the Supervisory Board had sufficient opportunity to scrutinize the information and proposed resolutions they received from the Management Board and to make and discuss suggestions with them at meetings of the full Supervisory Board or its committees. The Supervisory Board granted its approval for individual transactions, where this is required by law, the Articles of Association or the Rules of Procedure. In the 2024/2025 financial year, this included above all two decisions about HEIDELBERG's syndicated revolving credit facility: The Supervisory Board approved an amendment to the Group's internal circle of guarantors and the inclusion of another bank as a creditor, which meant the credit line could be increased from €350 million to €370 million.

Meetings of the Supervisory Board, participation and key topics

Meetings of the Supervisory Board and its committees are generally held in person, although members are given the option of participating via video conference in justified cases (hybrid in-person meetings). These meetings are only held purely as a video conference in isolated cases when, for example, the meetings are short or convened at short notice.

The average attendance rate at the meetings of the Supervisory Board and its committees was around 91.22 percent in the 2024/2025 financial year. The following tables show the number of meetings of the Supervisory Board and its committees in which each member participated:

	Meeting participation
Full Supervisory Board	
Dr. Martin Sonnenschein (Chair)	7/7
Ralph Arns*	7/7
Karin Dohm (since July 25, 2024)	3/4
Gerald Dörr*	7/7
Jeppe Frandsen (since July 25, 2024)	4/4
Mirko Geiger*	7/7
Oliver Jung	7/7
Li Li	7/7
Heiko Maßfeller (since September 1, 2024)	3/3
Dr. Fritz Oesterle (until July 25, 2024)	2/3
Petra Otte* (until August 31, 2024)	4/4
Ferdinand Rüesch (until July 25, 2024)	3/3
Ina Schlie	7/7
Beate Schmitt*	7/7
Holger Steuerwald*	6/7

	Meeting participation
Audit Committee	
Ina Schlie (Chair)	4/4
Ralph Arns*	4/4
Karin Dohm (since July 25, 2024)	3/3
Mirko Geiger*	4/4
Oliver Jung (until July 25, 2024)	1/1
Beate Schmitt*	4/4
Dr. Martin Sonnenschein	4/4

	Meeting participation
Personnel Matters Committee	
Dr. Martin Sonnenschein (Chair)	10/10
Ralph Arns*	10/10
Gerald Dörr*	10/10
Jeppe Frandsen (since July 25, 2024)	4/4
Oliver Jung (since July 25, 2024)	4/4
Dr. Fritz Oesterle (until July 25, 2024)	4/6
Ferdinand Rüesch (until July 25, 2024)	5/6
Beate Schmitt*	7/10

	Meeting participation
Nomination Committee	
Dr. Martin Sonnenschein (Chair)	3/3
Oliver Jung	3/3
Li Li (since July 25, 2024)	1/2
Ferdinand Rüesch (until July 25, 2024)	1/1

	Meeting participation
Strategy Committee	
Dr. Martin Sonnenschein (Chair)	2/2
Ralph Arns*	2/2
Karin Dohm (since July 25, 2024)	0/2
Jeppe Frandsen (since July 25, 2024)	2/2
Mirko Geiger*	2/2
Oliver Jung	1/2
Li Li	1/2
Dr. Fritz Oesterle	2/2

	Meeting participation
Management Committee	
Dr. Martin Sonnenschein (Chair)	2/2
Ralph Arns*	2/2
Gerald Dörr*	2/2
Jeppe Frandsen (since July 25, 2024)	1/1
Mirko Geiger	2/2
Oliver Jung	2/2
Ferdinand Rüesch (until July 25, 2024)	1/1

* Employee representatives

Members of the Management Board regularly participated in meetings of the Supervisory Board. However, the Supervisory Board also regularly held parts of their meetings without the Management Board.

The Supervisory Board met on seven occasions in the reporting year. Three of these meetings were in-person meetings and four were hybrid in-person meetings.

The Supervisory Board's deliberations focused on the business activities, development and strategy of Heidelberger Druckmaschinen Aktiengesellschaft and the HEIDELBERG Group. Every ordinary meeting of the Supervisory Board in the reporting year addressed the business and financial situation of the Company, including developments and trends with respect to orders, sales, earnings and employment, financing and liquidity planning and the equity situation. Another regular component of the ordinary meetings were reports given by the committees, the contents of which are presented in more detail below, and subsequent discussions on these topics.

Alongside a focus on these recurring themes, the following important topics were also discussed in the reporting year:

In an extraordinary meeting on April 19, 2024, the Supervisory Board approved, on the recommendation of the Personnel Matters Committee, the departure by mutual consent of Chief Executive Officer Dr. Ludwin Monz from the Management Board with effect from June 30, 2024 and the appointment of Jürgen Otto as the new Chief Executive Officer with effect from July 1, 2024. At the same time, the Supervisory Board also resolved, again on the recommendation of the Personnel Matters Committee, to expand the Management Board and appointed Dr. David Schmedding as a new member of the Management Board with effect from July 1, 2024. Dr. Schmedding has been responsible for the Management Board remit of Technology & Sales since July 1, 2024.

At the accounts meeting on June 5, 2024, the Supervisory Board examined and discussed the annual financial statements of Heidelberger Druckmaschinen Aktiengesellschaft and the HEIDELBERG Group as of March 31, 2024, the Combined Management Report, the Non-Financial Report and the corresponding audit reports submitted by the auditor. Furthermore, the Supervisory Board approved the Report of the Supervisory Board and the Corporate Governance Declaration, as well as the Remuneration Report for the 2023/2024 financial year. At the recommendation of the Personnel Matters Committee, the Supervisory Board determined the remuneration of the members of the Management Board for the 2023/2024 financial year based on their achievement of the defined targets and discussed the performance criteria for the following performance period. In addition, the Supervisory Board approved the agenda and proposed resolutions for the Annual General Meeting 2024, including the nominations for election to the Supervisory Board. The Supervisory Board reviewed the value enhancement program and received a report on how the initiatives are being transferred to those responsible at a specialist level. The Supervisory Board was given a presentation on the global sales and service collaboration with Canon in the inkjet printing sector, as well as a report on developments in the e-mobility sector. Furthermore, the Supervisory Board was also given an impression of HEIDELBERG's participation in the sector trade fair drupa, which was being held at the same time as the meeting.

The Supervisory Board met on July 25, 2024 to prepare for the Annual General Meeting and discussed important topics from the now concluded 2023/2024 financial year in detail. Following the conclusion of the Annual General Meeting, the Supervisory Board convened a second meeting to appoint the members of its committees. Following a vote on the election of the auditor by the Annual General Meeting, the Supervisory Board approved the appointment of KPMG AG Wirtschaftsprüfungsgesellschaft as auditor of the annual financial statements and consolidated financial statements for the 2024/2025 financial year and issued the corresponding audit assignment. The Management Board, which on this day participated in a meeting of the Supervisory Board in its new composition for the first time, reported on the current state of business and provided a review of the sector trade fair drupa. In addition, it reported to the Supervisory Board on the global software outage at IT service provider Crowdstrike and its impact on HEIDELBERG. The Supervisory Board also discussed a possible amendment to its Rules of Procedure.

As agreed at the meeting on July 25, 2024, the Supervisory Board scheduled a separate meeting for a strategy update on October 31, 2024. The Management Board provided an interim assessment of the first three months of its work in its new composition and gave some insights into the ongoing strategy process.

In the meeting on November 28, 2024, the Supervisory Board heard the report on the current state of business and dealt in detail with the topics covered at the meeting of the Strategy Committee on November 27, 2024. Furthermore, the Management Board reported on the progress of discussions with the Works Council and the trade union IG Metall on staff cuts. The Supervisory Board also discussed governance issues. It amended the Rules of Procedure of the Supervisory Board and approved the annual Declaration of Compliance in accordance with section 161 AktG. This is available to the public at all times on the website of Heidelberger Druckmaschinen Aktiengesellschaft.

The main focus of the final meeting of the Supervisory Board in the reporting year on March 19, 2025 was the Company's plans for the coming 2024/2025 financial year and its multi-year plans. The strategic initiatives presented to the Strategy Committee at its meeting held the day before were also covered by the discussions. The Supervisory Board addressed the issue of Supervisory Board remuneration and updated the Declaration of Compliance in accordance with section 161 AktG due to a recent change. Based on a recommendation by the Personnel Matters Committee, the Supervisory Board approved that by mutual agreement and on amicable terms Tania von der Goltz would step down from her mandate as a member of the Management Board with effect from March 31, 2025.

The Supervisory Board decided that the duties performed by Tania von der Goltz would be transferred on an interim basis to Chief Executive Officer Jürgen Otto and launched a structured process to identify and select a suitable candidate for the position of Chief Financial Officer.

Work in the committees

The Supervisory Board of the Company has set up six permanent committees to support it in its work:

- Mediation Committee
- Audit Committee
- Personnel Matters Committee
- Management Committee
- Nomination Committee
- Strategy Committee

The six committees set up by the Supervisory Board prepare resolutions for the full Supervisory Board and pass resolutions on matters delegated to them for a decision. Further information can be found in the Rules of Procedure of the Supervisory Board on the website www.heidelberg.com under About us > Corporate governance.

The chairs of the respective committees reported to the Supervisory Board on their deliberations regularly and comprehensively at the meetings of the Supervisory Board. The composition of the committees in the 2024/2025 financial year is presented at the end of the financial section of this Annual Report.

The Audit Committee held four ordinary meetings in the reporting year. One of these meetings was held in-person and three as hybrid in-person meetings. Representatives of the auditor and members of the Management Board took part in the meetings. The Audit Committee also spoke to the auditor on a regular basis without the presence of the Management Board and the Chair of the Audit Committee exchanged information with the auditors between meetings on a regular basis. In addition, the heads of the relevant Group functions reported to the Audit Committee and answered questions with respect to individual items on the agenda.

The Audit Committee examined the annual and consolidated financial statements, the Combined Management Report and the Sustainability Report together with the auditor and discussed with the auditor their assessment of the audit risk, audit strategy and audit planning, as well as the results of the audit of the annual and consolidated financial statements. The Audit Committee also examined new regulatory developments and their implementation within the Company, particularly with regard to sustainability reporting.

It supervised the selection, independence, qualifications and efficiency of the auditor, as well as the services performed by the auditor, and reviewed the quality of the audit of the financial statements. The auditor declared to the Audit Committee that there were no circumstances that would call into question the auditor's impartiality. The Audit Committee obtained the necessary declaration of independence from the auditor, reviewed its qualifications and entered into a fee agreement with the auditor.

The Audit Committee discussed the quarterly statements and the half-year financial report with the Management Board prior to their publication. It reviewed the Company's net assets, financial position and results of operations as well as the outlook and risk assessment. The Audit Committee was also presented with information on relevant accounting issues, such as the inherent value of goodwill and other assets, the valuation of investments, and dividends and capital measures at the subsidiaries. It was also provided with information on the mandatory EMIR audit in accordance with section 32 of the German Securities Trading Act (WpHG).

At several meetings, the Audit Committee examined the current state and development of the risk management system, internal control system and the work of the Internal Audit department. The Audit Committee also held discussions on compliance at the Company and was informed about the further development of the compliance management system. The Committee received reports on the implementation of the required measures with respect to the German Supply Chain Due Diligence Act (LkSG) and an overview of the new regulatory requirements.

The Strategy Committee met twice in the reporting year. The meetings were held either in person or as hybrid in-person meetings.

The Strategy Committee took a close look at the strategy process and the strategic growth potential and discussed these topics with the Management Board. It also discussed product strategy and partnerships with Masterwork and Canon as well as measures to reduce costs and improve competitiveness at the site in Wiesloch-Walldorf and at the other German sites with the Management Board in its advisory capacity. Furthermore, this Committee also discussed the new management model, which has been applied since April 1, 2025. The Strategy Committee was provided with information on talent development and succession planning as components of the HR strategy for discussion. It also consulted on the issue of sustainability, such as the action plan for Scope 3 emissions (emissions along the value chain).

The Personnel Matters Committee met ten times during the 2024/2025 reporting year. Seven were held as hybrid in-person meetings, two as video conferences and one as an in-person meeting. The main focus of these meetings were the changes to the Management Board in the 2024/2025 financial year. The Personnel Matters Committee also consulted on and discussed the level of achievement of the targets for the variable remuneration 2023/2024 and proposals for the targets for the variable remuneration of the Management Board in the following performance period, and prepared respective recommended actions for resolutions by the Supervisory Board. It also discussed the appropriateness of the Management Board remuneration, the Remuneration Report for the 2023/2024 financial year and succession planning for the Management Board.

The Nomination Committee held one in-person meeting in the reporting year and met three other times via video conference. The main focus of its work was preparing proposals from the Supervisory Board for the election of shareholder representatives to the Supervisory Board at the Annual General Meetings in 2024 and 2025. For this purpose, the Nomination Committee examined the competency profile of the Supervisory Board and its objectives and used it to define corresponding requirement profiles, while taking into account the implementation matrix. These profiles were then used as the basis for identifying and selecting candidates, in some cases with external assistance. On May 21, 2024, the Nomination Committee resolved to propose Karin Dohm and Jeppe Frandsen to the Supervisory Board as candidates for election as shareholder representatives on the Supervisory Board at the ordinary Annual General Meeting on July 25, 2024, and also to propose that Li Li should be reelected for a further term of office of four years. The Nomination Committee also discussed Supervisory Board remuneration and submitted a proposal to the Supervisory Board.

The Executive Committee met twice in the reporting year at one hybrid in-person meeting and one virtual meeting to discuss the theme of corporate governance and to submit proposals to the full Supervisory Board for an amendment of the Rules of Procedure of the Supervisory Board.

The Mediation Committee in accordance with section 27 (3) of the German Codetermination Act (MitbestG) did not need to convene in the reporting year.

Audit of the annual and consolidated financial statements

On July 25, 2024, the Annual General Meeting elected KPMG AG Wirtschaftsprüfungsgesellschaft, Mannheim, Germany, as auditor of the annual financial statements and consolidated financial statements. KPMG audited the annual financial statements for the 2024/2025 financial year as prepared by the Management Board in accordance with the German Commercial Code (HGB) and the German Stock Corporation Act (AktG), the consolidated financial statements prepared in accordance with IFRSs as applicable in the European Union (EU) and the supplementary provisions of the German Commercial Code (HGB) pursuant to section 315e (1) HGB and the Combined Management Report of Heidelberger Druckmaschinen Aktiengesellschaft and of the HEIDELBERG Group on June 3, 2025, and issued each with an unqualified audit opinion. The auditor responsible for the audit was Michael Mokler, who held this position for the second year. The annual financial statements, the consolidated financial statements, the Combined Management Report of the Company and the HEIDELBERG Group, and the separate combined Non-Financial Report were submitted to all members of the Supervisory Board without delay after their preparation. The reports issued by the auditor were also made available to all members of the Supervisory Board in good time. At the meeting of the Audit Committee on [June 2, 2025], the responsible auditor presented the results of the audit and the Audit Committee discussed the annual financial statements, consolidated financial statements, Combined Management Report for the Company and the HEIDELBERG Group, and the audit documentation in the presence of the auditor in order to prepare for their examination by the full Supervisory Board. The auditor also presented the key audit matters in the annual financial statements and consolidated financial statements in detail, which included the measurement of equity investments and the recoverability of goodwill. The auditor answered all questions in full. The auditor was also represented at the Supervisory Board meeting on June 3, 2025 by the two auditors who signed the audit opinions. During the meeting of the full Supervisory Board, the two auditors reported on the results of their audit and on the fact that no significant weaknesses were identified in the internal control and risk management system with respect to the (Group) accounting process. They were available to answer questions posed by members of the Supervisory Board and answered all of these questions in full. The auditor also informed the Supervisory Board about services provided outside of the audit of the financial statements and confirmed that there were no circumstances that would call into question the auditor's impartiality. The audit report contained no comments or indications of any inaccuracies in the Declaration of Compliance with the German Corporate Governance Code.

The Chair of the Audit Committee reported to the Supervisory Board on the key points and results of the Audit Committee's review and gave the Audit Committee's recommendations for resolutions by the Supervisory Board, including on the approval of the annual financial statements and consolidated financial statements. Based on the Audit Committee's recommendation, the Supervisory Board then approved the audit findings. After carrying out its own examination of the annual financial statements, consolidated financial statements, Combined Management Report of Heidelberger Druckmaschinen Aktiengesellschaft and the HEIDELBERG Group, the Supervisory Board concluded that there were no reservations. The Supervisory Board approved the annual financial statements of Heidelberger Druckmaschinen Aktiengesellschaft for the year ending March 31, 2025 and the consolidated financial statements of the HEIDELBERG Group for the year ending March 31, 2025 as prepared by the Management Board. The annual financial statements have thus been adopted.

The Supervisory Board also examined the separate combined Non-Financial Report for the 2024/2025 financial year. This report was audited by the auditor, KPMG AG Wirtschaftsprüfungsgesellschaft, as part of a voluntary audit with limited assurance resolved by the Supervisory Board. The Supervisory Board discussed the separate combined Non-Financial Report with the auditors and came to the conclusion that it had no reservations. The separate combined Non-Financial Report will be published on June 5, 2025 on the Company's website.

Conflicts of interest

Every Supervisory Board member must disclose potential conflicts of interest in accordance with the German Corporate Governance Code.

The members of the Management Board and the Supervisory Board did not have any conflicts of interest in the reporting period that would have required disclosure in accordance with the German Corporate Governance Code.

Basic and advanced training

The members of the Supervisory Board are responsible for their own training and further education measures necessary for their duties and are supported by the Company as required. In the 2024/2025 financial year, new regulatory developments were regularly presented at the meetings, especially with respect to ESG themes and EU digital law. In June 2024, the Company offered the members of the Supervisory Board a tour of the Print Media Center in Wiesloch so that it could present its newest technological developments. A technology day is planned for the members of the Supervisory Board in fall 2025.

As part of the onboarding process, new members of the Supervisory Board can meet with the members of the Management Board and managers of specialist divisions to discuss fundamental and current issues and thus gain an overview of the relevant themes at the Company.

Corporate governance

The Supervisory Board continuously addressed the standards of good corporate governance during the course of the 2024/2025 financial year. Information on corporate governance at the Company and related activities by the Supervisory Board is also covered in the Corporate Governance Declaration. This can be found on our website www.heidelberg.com under Company > About us > Corporate governance > Corporate Governance Declaration.

Personnel changes on the Supervisory Board and the Management Board

There were two changes to the shareholder representatives on the Supervisory Board in the last year. Following the conclusion of the Annual General Meeting on July 25, 2024, the terms of office of Ferndinand Rüesch and Dr. Fritz Oesterle ended. The Annual General Meeting elected Karin Dohm and Jeppe Frandsen as their successors on the Supervisory Board. In addition, the Annual General Meeting voted to reelect Li Li as a member of the Supervisory Board for another term of four years.

The employee representative Petra Otte stepped down from the Supervisory Board on July 31, 2024 and was succeeded by Heiko Maßfeller for the remainder of her term of office on the Supervisory Board.

The Supervisory Board wishes to express special thanks to the members who have stepped down for their work on the Supervisory Board.

Thank you from the Supervisory Board

The Supervisory Board thanks the members of the Management Board, all employees of the HEIDELBERG Group around the world and their representatives on the Supervisory Board, the members of the Works Councils and the Representative Committee for their commitment in the 2024/2025 financial year and their achievements in a challenging environment.

Finally, the Supervisory Board would like to thank you, the shareholders, for the trust you have placed in the Company and in the shares of Heidelberger Druckmaschinen Aktiengesellschaft.

Heidelberg, June 3, 2025

On behalf of the Supervisory Board

Dr. Martin Sonnenschein
Chair of the Supervisory Board

Remuneration Report – Management Board and Supervisory Board

Remuneration Report – Management Board and Supervisory Board

I. Preamble

The Remuneration Report of Heidelberger Druckmaschinen Aktiengesellschaft (HEIDELBERG) was jointly prepared by the Management Board and Supervisory Board. It summarizes the key elements of the remuneration system for the members of the Management Board and Supervisory Board. The Remuneration Report was prepared in accordance with section 162 of the German Stock Corporation Act (AktG). Alongside these statutory requirements, the Remuneration Report takes into account the recommendations of the German Corporate Governance Code (GCGC) as amended on April 28, 2022.

This Remuneration Report describes the application of the respective remuneration systems for the Management Board and Supervisory Board in the financial year and explains how the remuneration promotes the long-term development of the Company. In addition, it discloses the remuneration paid and owed to each of the current and former members of the Management Board and Supervisory Board of HEIDELBERG in the 2024/2025 financial year. In some cases, rounding may result in values in this report not adding up exactly to the totals given or percentages not adding up exactly to the values shown.

The Remuneration Reports are published on the Company's website under https://www.heidelberg.com/global/en/about_heidelberg/company/executive_bodies/management_board/remuneration/remuneration.jsp. The form and content of the Remuneration Report 2024/2025 has been audited by KPMG AG Wirtschaftsprüfungsgesellschaft and will be presented to the Annual General Meeting on July 24, 2025 for approval in accordance with section 120a (4) AktG.

II. Review of the 2024/2025 financial year

Personnel changes on the Management Board

In the 2024/2025 financial year, there were some personnel changes to the composition of the Management Board: The previous Chief Executive Officer Dr. Ludwin Monz stepped down from the Management Board on June 30, 2024. Jürgen Otto was appointed to succeed him as Chief Executive Officer and Labor Director on July 1, 2024. He will be responsible for, in particular, the future corporate strategy, human resources and production.

The Management Board was also expanded to three members on July 1, 2024 when Dr. David Schmedding was appointed as the new Chief Technology and Sales Officer. Tania von der Goltz continued to serve as Chief Financial Officer in the 2024/2025 financial year but stepped down from the Management Board at the end of the financial year on March 31, 2025.

Say on pay

The Remuneration Report on the remuneration of the Management Board and Supervisory Board prepared in accordance with section 162 AktG was presented to the Annual General Meeting on July 25, 2024 for its approval. The Annual General Meeting approved it by a large majority of 99.42 percent of the votes cast.

Business performance

In a challenging environment, HEIDELBERG achieved its target of an EBITDA margin in the 2024/2025 financial year at the same level as in the previous year despite difficult economic and geopolitical conditions. Sales volumes were around 5 percent below the defined target of matching the figure achieved in the previous year (see the explanations in the combined management report for the 2024/2025 financial year for the Company and the HEIDELBERG Group). Thanks to the cost-cutting and efficiency measures introduced during the financial year and the progress made in the strategic realignment, the Company was able to offset the lower sales volume compared with the previous year, increasing wage costs and expenditure for the drupa trade fair on the earnings side and at the same time generate a clearly positive free cash flow.

The overall target achievement of 124.84 percent for the short-term, one-year variable remuneration reflects the achievement of the defined financial and non-financial performance targets and illustrates the existing pay-for-performance nature of the variable remuneration. The members of the Management Board will also actively participate in the restructuring program to reduce staff costs and strengthen the long-term competitiveness of the Company, which was introduced in the 2024/2025 financial year, by taking a voluntary pay cut of 5 percent of their annual basic remuneration in the next two financial years.

III. An overview of Management Board remuneration in 2024/2025

Executive summary

Current remuneration system 2023+ (applicable since FY 2023/2024)

Fixed remuneration

Monthly base salary plus pension contribution (35% of base salary)

Short-term variable cash remuneration (STI)

One-year performance period (target achievement 0–200%)

STI target amount 50% of gross fixed remuneration x

20%	20%	20%	20%	20%
EBITDA margin	Free cash flow	Sales	Strategic targets	ESG targets

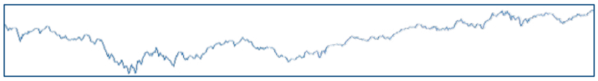
= Payout amount in € (cap: 200% of target value)

Long-term variable cash remuneration (LTI)

Four-year performance period (target achievement 0–200%)

LTI target in € ÷ Initial price (avg. trading days at start) = Provisional number of virtual shares

Performance of HEIDELBERG shares

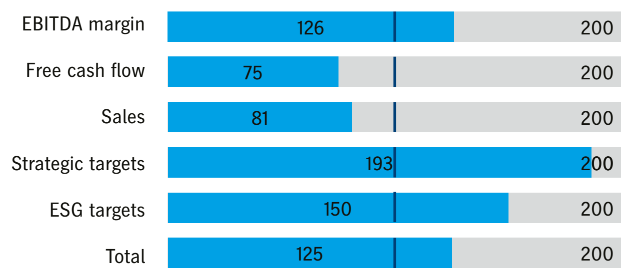


30%	25%	25%	20%
EBIT margin	NWC/sales	Relative total shareholder return	ESG targets

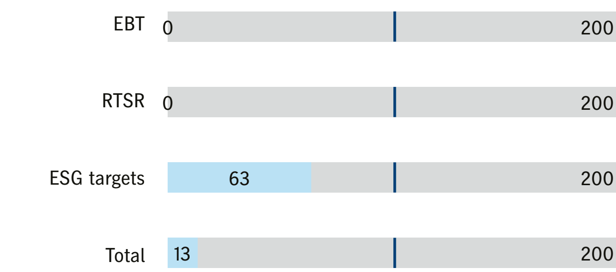
Final number of virtual shares ÷ Closing price (avg. 60 trading days at end) = Payout amount in € (cap: 200% of allocation value)

Actual performance against FY 2024/2025 targets

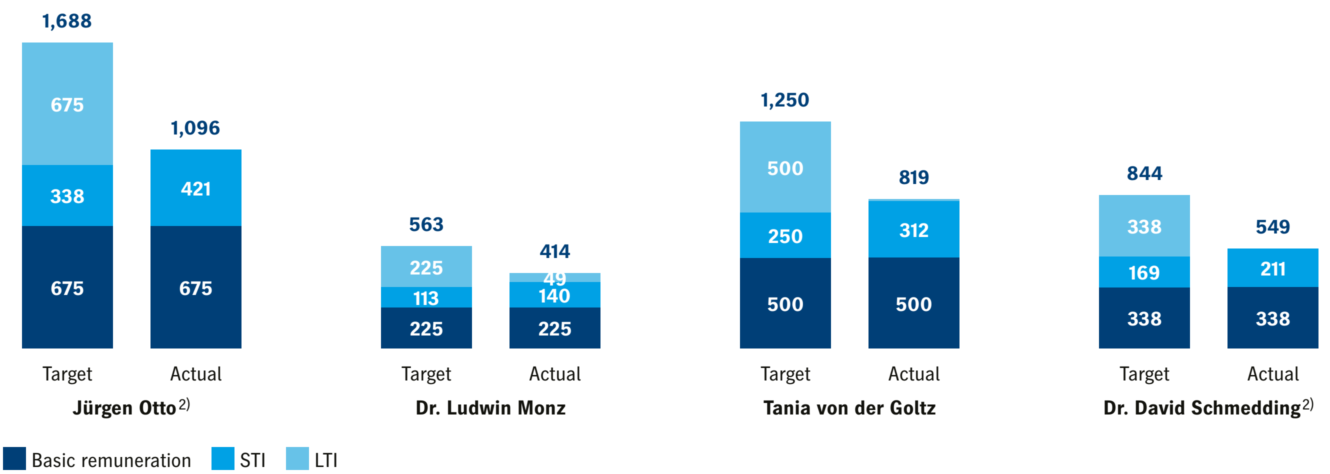
Short-term variable cash remuneration (STI) – FY 2024/2025



Long-term variable cash remuneration (LTI) – FY 2022/2023 – 2024/2025



Regular remuneration of the Management Board members for FY 2024/2025 in € thousands[1]



1) Excluding any one-time payments arising from the termination of an employment contract

2) Due to them joining the Management Board on July 1, 2024, Jürgen Otto and Dr. David Schmedding did not receive any payouts from the LTI program

IV. Management Board remuneration in the 2024/2025 financial year

1. Principles of Management Board remuneration

1.1. Principles for determining Management Board remuneration

The remuneration system for the Management Board in the 2024/2025 financial year makes a significant contribution to the implementation of HEIDELBERG's strategic objectives. It incentivizes the long-term development of the Company and sets effective incentives for its value-adding prosperity.

When designing and defining the structure and level of remuneration for the individual Management Board members, the Supervisory Board applies the following principles in particular:

Corporate strategy	Pay for performance	Suitability and standard conditions
By selecting strategically relevant benchmarks, the remuneration makes a significant contribution to promoting the corporate strategy and thereby supports a long-term and sustainable performance of the Company	The remuneration ensures that outstanding performance by the Management Board is rewarded accordingly and that a failure to meet targets results in a substantial reduction in the remuneration	The amount and structure of the remuneration are consistent with standard market conditions (horizontal proportionality) and reflect the size, complexity and economic position of the Company
Sustainability	**Shareholder interests**	**Vertical proportionality**
Remuneration ensures that environmental, social and governance aspects are appropriately taken into account by integrating ESG criteria into short-term and long-term variable remuneration	The personal investment and long-term variable remuneration components ensure that shareholder interests are taken into account to an appropriate extent	The remuneration takes into account the general remuneration structure within the Company in order to ensure proportionality within the Company (vertical proportionality)

1.2. Appropriateness and customariness of Management Board remuneration

The Supervisory Board ensures that the Management Board remuneration is commensurate with the duties and accomplishments of the Management Board members and the situation of the Company. It also ensures that it does not exceed customary remuneration without good cause.

In addition to taking into account the industry, size, complexity and economic performance of the Company, this review of the appropriateness of Management Board remuneration ensures it is comparable to other companies on the market (horizontal comparability) and proportionate to the remuneration of other employees within the Company itself (vertical comparability).

Horizontal comparability is determined by comparing the remuneration to a peer group. This involves comparing it to the total remuneration at companies that are comparable in terms of their industry, size, character, complexity,

international activity, earnings power and economic performance. As part of the last review of horizontal comparability of the Management Board remuneration carried out in the 2023/2024 financial year, a benchmark comparison was made with the SDAX with regard to the structure and amount of total remuneration entitlements.

In addition to horizontal comparability, the Supervisory Board takes into account the remuneration of management employees one level below the Management Board and also the remuneration of the workforce as a whole when defining Management Board remuneration (vertical comparability). When determining fixed annual remuneration for the Management Board, it ensures that it is appropriate in relation to the average remuneration of management employees one level below the Management Board and to the average remuneration of the workforce as a whole.

1.3. Components of Management Board remuneration

In the 2024/2025 financial year, Management Board remuneration was composed of performance-related and non-performance-related components.

The non-performance-related components consist of fixed annual remuneration, fringe benefits and a pension contribution.

The performance-based remuneration components consist of a short-term variable remuneration component (short-term, one-year variable remuneration or short-term incentive (STI)) and a long-term variable remuneration component (long-term, multi-year variable remuneration or long-term incentive (LTI)).

The following table shows the remuneration components and the contribution they make to promoting the long-term development of the Company and the corporate strategy:

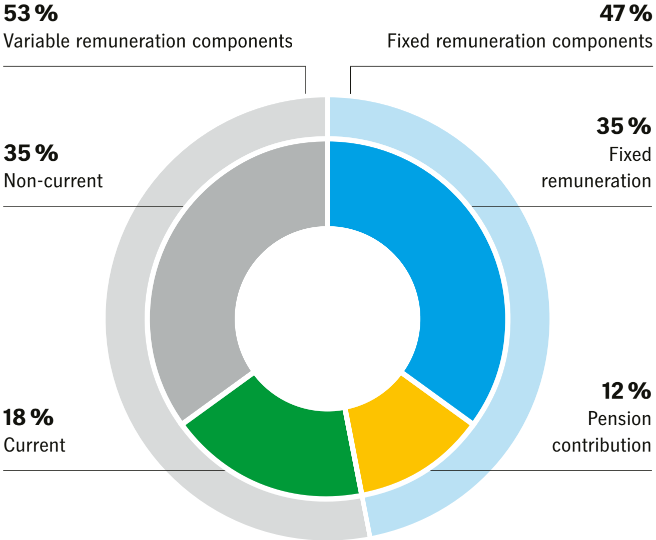
Remuneration component	Structure	Strategic purpose
Non-performance-related remuneration components		
Fixed remuneration	• Fixed annual remuneration • Paid in 12 equal installments	Ensuring competitive capability with attractive, competitive remuneration, thus attracting and retaining qualified Management Board members
Fringe benefits	For example: • Insurance contributions • Company car for professional and private use, expenses for the maintenance of two households	
Pension contribution	Payment of a cash contribution earmarked for private retirement provision in the amount of 35 percent of the fixed remuneration	
Performance-related remuneration components		
Short-term, variable remuneration component – STI		
Plan type	Annual bonus	Incentivizing operational success and annual profitability in line with the business strategy and sustainable management
Performance targets	• 60 percent financial performance criteria • 20 percent strategic milestones • 20 percent sustainability targets	
Cap	Maximum 100 percent of fixed remuneration	
Long-term, variable remuneration component – LTI		
Plan type	Performance share plan	Incentivizing long-term profitable earnings power and a long-term increase in the shareholder return taking into account the sustainable and long-term development of the Company
Performance period	Four years	
Performance targets	• 30 percent EBIT margin • 25 percent net working capital in relation to sales revenues • 25 percent relative total shareholder return • 20 percent sustainability targets	
Payment	• 100 percent in cash after the end of the performance period	
Cap	Limitation to a maximum of 200 percent of the LTI target amount	
Other contractual components		
Share Ownership Guideline	• Investment in shares of the Company in the amount of 100 percent of the current fixed remuneration • Annual increase due to 20 percent of the performance-related variable remuneration	Increased alignment between the interests of the Management Board and shareholders
Malus/clawback mechanisms	Option for the reduction/repayment of variable remuneration components	Incentivizing proper conduct
Maximum remuneration	• € 3.6 million for Chief Executive Officer • € 2.4 million for ordinary members of the Management Board	Maximum remuneration is in line with regulatory provisions

1.4. Determination and structure of target remuneration

The target remuneration is defined by the Supervisory Board based on a recommendation by the Personnel Matters Committee. This includes setting the size of the remuneration components and determining the overall structure and ratio of the individual components to each other. Once defined, the target remuneration is reviewed at regular intervals with the aim of ensuring that the variable remuneration components outweigh the fixed remuneration components. Within the variable remuneration components, the share accounted for by long-term variable target remuneration always outweighs the share accounted for by short-term variable target remuneration.

Assuming a 100 percent target achievement for performance-based remuneration, total target remuneration (excluding fringe benefits but including the pension contribution) is structured as follows:

Structure of target remuneration



The Supervisory Board has defined the following total target remuneration (including fringe benefits and the pension contribution) for the members of the Management Board for the 2024/2025 financial year. The amount shown for the variable remuneration is based on a target achievement of 100 percent.

Target remuneration

Figures in € thousands	**Dr. Ludwin Monz** Chief Executive Officer until June 30, 2024		**Jürgen Otto** Chief Executive Officer since July 1, 2024		**Tania von der Goltz** Chief Financial Officer until March 31, 2025		**Dr. David Schmedding** Chief Technology and Sales Officer since July 1, 2024	
	2024/2025	2023/2024	**2024/2025**	2023/2024	**2024/2025**	2023/2024	**2024/2025**	2023/2024
Fixed remuneration	225	900	675	–	500	500	338	–
Fringe benefits	2	6	29	–	38	38	9	–
Pension contribution	79	315	236	–	175	175	118	–
Total fixed remuneration	**306**	**1,221**	**940**	**–**	**713**	**713**	**465**	**–**
Short-term variable remuneration	113	450	338	–	250	250	169	–
Long-term variable remuneration[1)]	225	900	675	–	500	500	338	–
Total variable remuneration	**338**	**1,350**	**1,013**	**–**	**750**	**750**	**507**	**–**
Total target remuneration	**644**	**2,571**	**1,953**	**–**	**1,463**	**1,463**	**972**	**–**

1) Duration: four years

2. Application of the remuneration system in the 2024/2025 financial year

2.1. Non-performance-related remuneration components

2.1.1. Fixed remuneration

Fixed remuneration is paid in 12 equal monthly installments. The fixed remuneration of the Chief Executive Officer in relation to the remuneration of an ordinary member of the Management Board takes into account the structure, allocation of duties and remit weighting within the Management Board.

2.1.2. Fringe benefits

In general, contractually agreed fringe benefits can include benefits such as insurance contributions, the private use of a Company car as a benefit in kind, expenses for the maintenance of two households, and flights and taxes in accordance with local conditions. In the 2024/2025 financial year, fringe benefits primarily comprised the value of the private use of a Company car according to the fiscal guidelines and the partial reimbursement of expenses for renting an appropriate apartment near to the registered office of the Company due to having to maintain two households.

In addition, the Management Board members are covered by HEIDELBERG's D&O insurance policy with a corresponding deductible in accordance with section 93 (2) AktG that must be paid by the respective Management Board member.

The value of the fringe benefits for ordinary members of the Management Board is limited to 15 percent and for the CEO to 20 percent of the one-year fixed remuneration (based on the relevant amounts in euros when determining the actual remuneration).

2.1.3. Pension contribution

The members of the Management Board receive a taxable pension contribution in cash in the amount of 35 percent of their fixed remuneration (gross) for each financial year. The pension contribution is available for personal use but may only be used for investment in a pension. The pension contribution is paid out once proof of the intended purpose is provided. No further pension contributions are granted once the respective member of the Management Board reaches the statutory standard retirement age. The amount set aside for the pension contributions in the 2024/2025 financial year was € 608 thousand.

2.2. Performance-related remuneration components

2.2.1. Short-term variable remuneration component

The short-term variable remuneration component (short-term, one-year variable remuneration or short-term incentive (STI)) is granted each year in the form of an annual bonus. The STI provides members of the Management Board with uniform incentives that are designed to incentivize, in particular, the operational performance of the Company in the financial year and the achievement of its corporate strategy, also with respect to sustainability targets. The financial targets are derived from the annual budget, which in turn is determined on the basis of multi-year long-term strategic plans. There are also uniform incentives for sustainable action in the form of sustainability targets that do not have a direct financial impact but also serve to promote the achievement of the Company's long-term strategy.

2.2.1.1. The performance-related remuneration system and weighting of the targets

The target amount for the STI constitutes 50 percent of the fixed remuneration (gross). It is paid out in this amount if the overall achievement of the targets for the weighted financial and non-financial performance indicators (key performance indicators (KPIs)) (overall target achievement) is 100 percent. The maximum overall target achievement is 200 percent, which can result in a maximum payout of 100 percent of the fixed remuneration. The assessment period is the respective financial year for which the STI is granted.

In the 2024/2025 financial year, the following variables, each with a weighting of 20 percent, were defined as the financial KPIs for determining overall target achievement:

The financial KPI "EBITDA margin" is determined by taking the "EBITDA margin adjusted for special items" reported in the combined management report of Heidelberger Druckmaschinen AG and of the HEIDELBERG Group, which was approved by the Supervisory Board, for the STI financial year and adjusting it for exchange rate effects, and then dividing it by the Group sales adjusted for exchange rate effects disclosed in the same report.

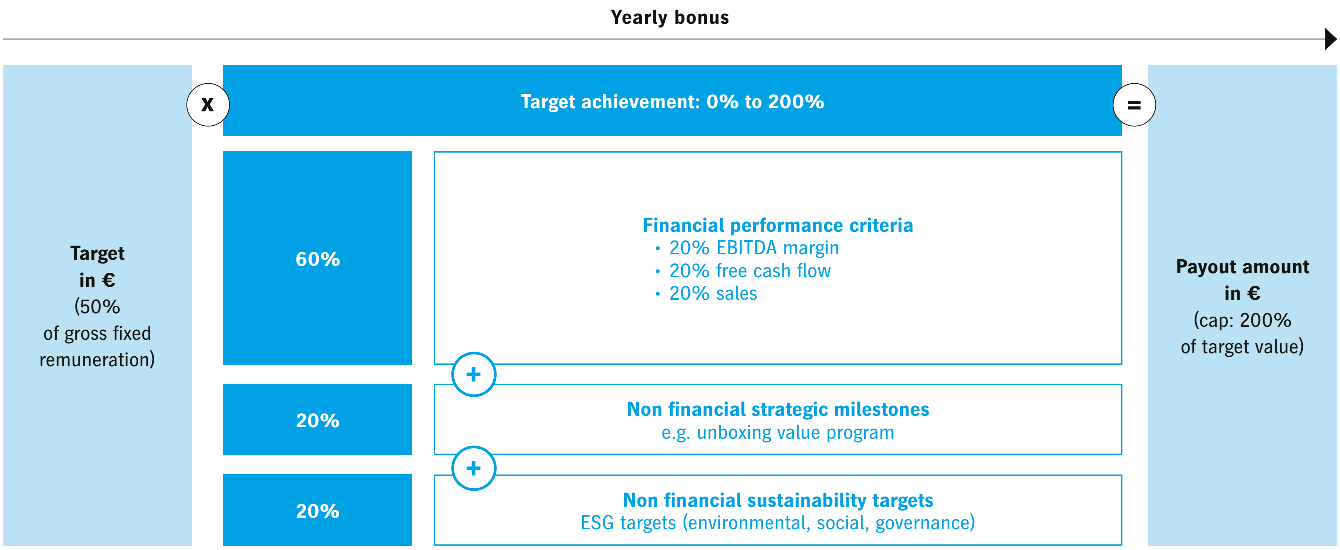
The financial KPI "Free cash flow" refers to the free cash flow calculated in accordance with the International Financial Reporting Standards (IFRS) and reported in the consolidated financial statements of Heidelberger Druckmaschinen AG and of the HEIDELBERG Group, which were approved by the Supervisory Board, for the STI financial year.

The financial KPI “Net sales” refers to the Group sales adjusted for exchange rate effects (using a constant exchange rate compared to the previous year) reported in the combined management report of Heidelberger Druckmaschinen AG and of the HEIDELBERG Group, which was approved by the Supervisory Board, for the STI financial year.

Non-financial strategic business targets with a weighting of 20 percent and non-financial sustainability targets (environmental, social and governance, ESG) with a weighting of 20 percent were also defined in the 2024/2025 financial year.

The Supervisory Board determines the level of achievement of the targets for the financial and non-financial KPIs after the end of the financial year at its accounts meeting. This is based on figures taken from the Audit Committee’s findings.

The variable, short-term remuneration system was as follows for the 2024/2025 financial year:



1) All of the financial KPIs were taken from the consolidated financial statements prepared in accordance with the IFRS, the KPIs “EBITDA margin” and “Net sales” were adjusted for exchange rate effects, while the “EBITDA margin” was also adjusted for the special items described in the combined management report. The Supervisory Board is entitled to exclude unforeseeable special influences when determining individual performance criteria in order to take into account the objective of an undistorted measurement of management performance

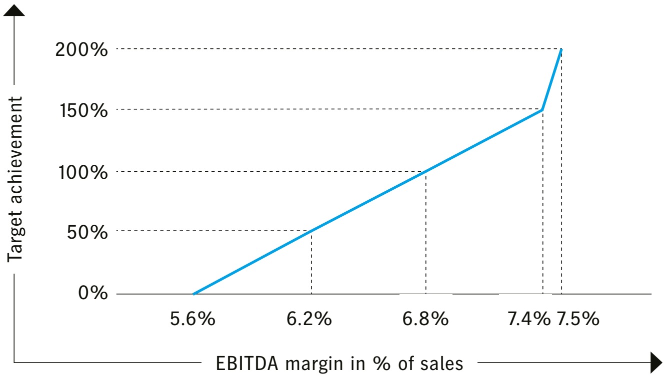
2.2.1.2. The financial KPIs in the 2024/2025 financial year

A target (100 percent target achievement), a lower limit (floor, 0 percent target achievement) and an upper limit (cap, 200 percent target achievement), as well as a lower and upper intermediate target (50 percent and 150 percent), were defined for the financial KPIs “EBITDA margin”, “Free cash flow” and “Net sales”. Failure to achieve the floor results in a target achievement of 0 percent for the respective KPI. Outperforming the targets for the KPIs can result in a capped maximum target achievement of 200 percent. If the actual performance lies between the floor and the target or between the target and the cap, the level of the target achievement is determined by linear interpolation. The values for the targets and floors/caps are resolved by the Supervisory Board for the respective financial year based on a proposal by the Personnel Matters Committee. These targets and the floors/caps may not be subsequently changed.

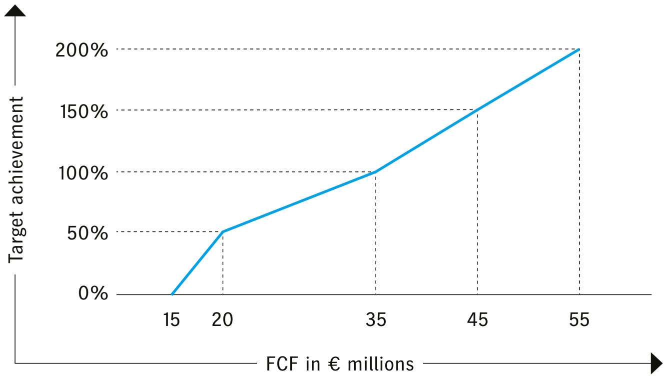
HEIDELBERG initiated a Supply Chain Finance program in the 2024/2025 financial year to optimize the net working capital and free cash flow during the year. It will enable the Company to actively manage liquidity without involving the relevant suppliers by prefinancing due invoiced amounts. The KPI “Free cash flow” is used to measure the Company’s internal financing capability by comparing the funds generated from operations to the investments made in the financial year. The arbitrary application of the Supply Chain Finance program has the potential to negatively impact the measurement of target achievement. For this reason, the Supervisory Board decided to adjust the financial KPI “Free cash flow” by the special effects of the Supply Chain Finance program for the short-term variable remuneration for this financial year. Overall, this resulted in a negative adjustment of € 23,355 thousand to the detriment of the members of the Management Board.

The target achievement curves for the financial KPIs are shown below for the 2024/2025 financial year:

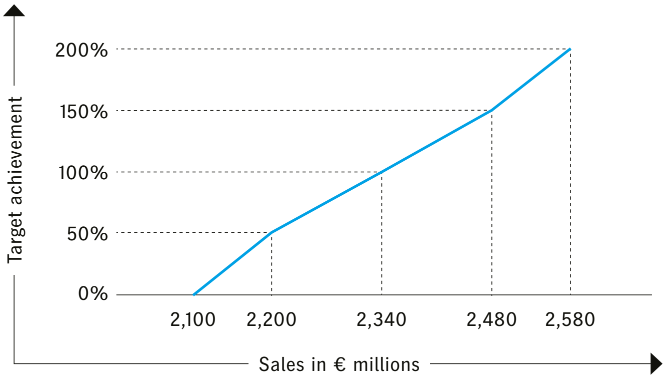
EBITDA margin



Free cash flow



Net sales



The targets and floors/caps defined for the financial KPIs "EBITDA margin", "Free cash flow" and "Net sales" for the 2024/2025 financial year and their target achievements are as follows:

Short-term variable remuneration Achievement of financial performance targets 2024/2025

Figures in € millions	0%	50%	100%	150%	200%	Actual figure[1]	Target achievement
	Target achievement						
EBITDA margin	5.6%	6.2%	6.8%	7.4%	7.5%	7.1%	126.20%
Free cash flow	15	20	35	45	55	27	74.68%
Net sales	2,100	2,200	2,340	2,480	2,580	2,286	80.78%

1) To determine the "EBITDA margin", the EBITDA of the HEIDELBERG Group according to IFRS adjusted by the special effect of expenses for the structural reduction of staff costs of € 25,108 thousand was used. The KPIs "EBITDA margin" and "Net sales" were then adjusted for exchange rate fluctuations. The "Free cash flow" was adjusted to eliminate the special effect arising from the Supply Chain Finance program described above.

2.2.1.3 Non-financial strategic performance targets in the 2024/2025 financial year

The financial targets are supplemented by non-financial strategic performance targets, which are derived from the focal areas of the corporate strategy and defined by the Supervisory Board for each financial year. These focal areas include, in particular, business development and market exploitation, the implementation of portfolio measures and any measures for optimization and value creation.

As with the financial KPIs, measurable targets are also defined for each individually weighted non-financial strategic KPI, which can result in a target achievement from 0 percent (floor) to 200 percent (cap) at defined intervals. These targets are set based on the Company's long-term strategic plans and take the values achieved in the previous year into account. The achievement of strategic milestones is assessed using objective assessment criteria defined ex ante. The resulting target achievement is measured as the degree to which the targets have been successfully achieved. The individual targets and their target achievement are each calculated separately and included in the calculation of the overall target achievement based on their individual weighting.

For competitive reasons, we will not disclose the specific non-financial strategic performance targets defined by the Supervisory Board for the 2024/2025 financial year below, as the concepts developed and submitted to the Supervisory Board will have a significant influence on HEIDELBERG's future business strategy.

The target achievements for the non-financial strategic performance targets were determined as follows in the 2024/2025 financial year:

Short-term variable remuneration
Achievement of non-financial strategic targets 2024/2025

Strategic performance targets	Weighting	Target achievement
Strategic objective I	10%	200%
Strategic objective II	5%	170%
Strategic objective III	5%	200%

2.2.1.4. Non-financial sustainability objectives in the 2024/2025 financial year

The Supervisory Board defines non-financial sustainability targets for each financial year based on ESG targets such as employee targets, customer targets, environmental targets, diversity targets, transformation targets for digitalization and the establishment of new business models or integrity targets. Among other things, the selected ESG targets support HEIDELBERG's climate strategy, which aims to make the sites climate neutral by 2040 as part of the Company's target of reaching net zero emissions by 2050.

As with the financial KPIs, measurable targets are also defined for each non-financial sustainability KPI, which can result in a target achievement from 0 percent (floor) to 200 percent (cap) at defined intervals. These targets are set based on the Company's long-term strategic plans and take the values achieved in the previous year into account. The individual targets and their target achievement are each calculated separately and included in the calculation of the overall target achievement based on their individual weighting.

For the 2024/2025 financial year, the Supervisory Board determined the following target achievements for the non-financial sustainability targets:

Short-term variable remuneration
Achievement of non-financial sustainability objectives 2024/2025

Sustainability targets	Weighting	Target achievement
Elaboration of an action plan and implementation strategy for CO_2 reduction (Scope 3)	10%	150%
Talent development program	10%	150%

2.2.1.5. Overall target achievement in the 2024/2025 financial year

The following target achievements and payouts for each member of the Management Board were calculated based on the reported values for each KPI and the determined target achievements for the financial and non-financial KPIs:

Short-term variable remuneration
Total target achievement 2024/2025

Financial and non-financial targets	Target achievement	Weighting	Weighted target achievement
EBITDA margin	126.20%	20%	25.24%
Free cash flow	74.68%	20%	14.94%
Net sales	80.78%	20%	16.16%
Strategic objective I	200%	10%	20.00%
Strategic objective II	170%	5%	8.50%
Strategic objective III	200%	5%	10.00%
Sustainability target – elaboration of an action plan and implementation strategy for CO_2 reduction (Scope 3)	150%	10%	15.00%
Sustainability target – talent development program	150%	10%	15.00%
	Total target achievement		124.84%

Figures in € thousands	Target amount	Total target achievement	Payment amount
Dr. Ludwin Monz	113	124.84%	140
Jürgen Otto	338	124.84%	421
Tania von der Goltz	250	124.84%	312
Dr. David Schmedding	169	124.84%	211

2.2.2. Long-term, variable remuneration component

The long-term variable remuneration component (long-term, multi-year variable remuneration – LTI) is allocated in annual tranches in the form of virtual shares of Heidelberger Druckmaschinen AG (HEIDELBERG shares). The LTI reflects the long-term strategy and provides the members of the Management Board with uniform incentives for achieving key targets in line with the Company's long-term strategic plans. The LTI also takes into account the development of HEIDELBERG's share price. This ensures that the interests of the members of the Management Board are aligned with those of the shareholders. Due to its multi-year structure, the LTI is designed to incentivize sustainable and long-term corporate development and promote the retention of members of the Management Board within the Company.

2.2.2.1. LTI granted for the 2022/2023 financial year

In the 2024/2025 financial year, the Chief Financial Officer Tania von der Goltz, the Chief Executive Officer Dr. Ludwin Monz (who stepped down from the Management Board during the financial year) and the former Chief Financial Officer Marcus A. Wassenberg (who stepped down from the Management Board in the 2022/2023 financial year) were granted remuneration for the LTI for the 2022/2023 financial year. The granted LTI was based on the now superseded remuneration system 2021+. This system was based on a three-year performance period with the LTI to be paid out half in cash and half in real HEIDELBERG shares. It also included a one-year vesting period for the granted HEIDELBERG shares. The one-year vesting period corresponds to the 2022/2023 financial year (LTI financial year).

On the award date at the beginning of the performance period for the LTI (April 1, 2022), the LTI target (100 percent of the fixed remuneration (gross)) was converted into virtual shares of Heidelberger Druckmaschinen AG and the performance targets for measuring the target achievement were defined. For this purpose, the arithmetic mean of the closing price of the Company's shares over the 60 trading days immediately preceding the start of the performance period was calculated. The LTI target amount divided by the calculated share price, rounded to two decimal places in line with commercial practice, gives the number of virtual shares.

The number of virtual shares granted to the members of the Management Board for the 2022/2023 financial year is presented in the following table.

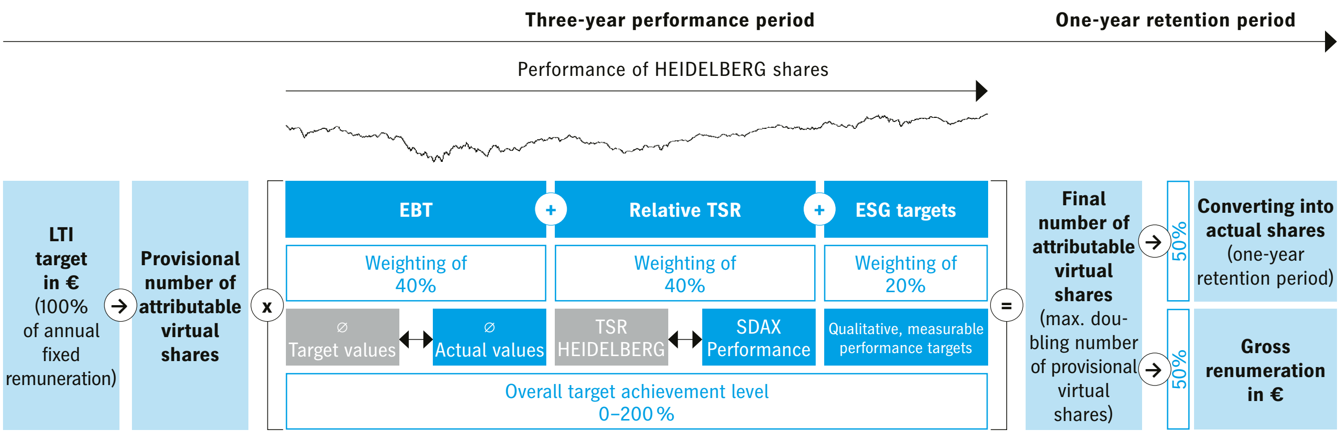
Number of virtual shares allocated in the 2022/2023 fiscal year by Management Board member

Management Board member	LTI target	Number of virtual shares at award date April 1, 2022
Dr. Ludwin Monz	€ 900 thousand	348,000.93
Marcus A. Wassenberg	€ 500 thousand	193,333.85
Tania von der Goltz	€ 500 thousand	193,333.85

Following the conclusion of the three-year performance period, the number of virtual shares on the granting date (April 1, 2025) was determined based on the target achievements for the three performance targets, which are individually weighted and summed.

A target achievement of 100 percent is equivalent to the number of virtual shares allocated at the outset. The maximum target achievement (cap) is 200 percent and can result at most in a doubling of the number of virtual shares allocated. Failure to achieve the targets results in a zero payout. If members joined or left the Management Board during the current LTI financial year, the number of virtual shares granted was reduced on a pro rata basis.

System used for granting the LTI in the 2022/2023 financial year



1) With the exception of the RTSR, all financial performance criteria are taken from the consolidated financial statements prepared in accordance with IFRS regulations; the performance targets "EBIT margin" and "net working capital (NWC) in relation to sales" are also adjusted for exchange rate fluctuations. The Supervisory Board is entitled to exclude unforeseeable special factors when determining individual performance criteria in order to take into account the objective of an undistorted measurement of management performance

The Supervisory Board defined the KPIs "EBT", with a weighting of 40 percent, "relative total shareholder return", with a weighting of 40 percent and "sustainability KPIs", with a weighting of 20 percent, for the LTI for the 2022/2023 financial year. The target achievements for the targets defined for these KPIs were determined as follows (the performance criteria and the defined targets may not be subsequently changed):

The target for **EBT (earnings before tax)** is taken from the planned EBT for the Group in the five-year plans approved by the Supervisory Board. At the end of the three-year performance period, the actual EBT is calculated as the arithmetic mean of the actual earnings before tax (EBT) for the HEIDELBERG Group reported on the Group income statement prepared in accordance with the IFRS for the 2022/2023, 2023/2024 and 2024/2025 financial years.

For the measurement of the target achievement, a target (100 percent target achievement), a lower limit (floor, 0 percent target achievement) and an upper limit (cap, 200 percent target achievement) were defined for this KPI at the beginning of the performance period. Failure to achieve the floor results in a target achievement of 0 percent. Outperforming the targets for the KPIs can result in a capped maximum target achievement of 200 percent. If the actual performance lies between the floor and the target or between the target and the cap, the level of the target achievement is determined by linear interpolation.

The target for the average EBT in the performance period and the resulting target achievement were as follows:

Target achievement EBT

Figures in € millions	EBT	Target achievement
Floor	84	0%
Target	141	100%
Cap	197	200%
Average EBT 2022/2023–2024/2025	66	0%

The KPI **relative total shareholder return (RTSR)** honors the development of the HEIDELBERG share. It compares the share price performance of the HEIDELBERG share, plus theoretically reinvested gross dividends, with the development of the SDAX. To determine the target achievement, the arithmetic mean of the closing prices for the HEIDELBERG share and the SDAX over both the last 60 trading days preceding the start of the performance period and over the last 60 trading days preceding the end of the performance period are compared to measure the performance of the HEIDELBERG share and the SDAX over the course of the performance period. When determining the arithmetic mean of the closing prices at the end of the performance period, theoretically reinvested gross dividends are also taken into account.

The actual RTSR for the performance period is then derived as the ratio of the performance of the HEIDLEBERG share to the performance of the SDAX. For the measurement of the target achievement, a target (100 percent target achievement), a lower limit (floor, 0 percent target achievement) and an upper limit (cap, 200 percent target achievement) were also defined for this KPI. If the target achievement lies between the defined limits, the level of the target achievement is determined by linear interpolation.

The target for the share price performance (RTSR) in the performance period and the resulting target achievement were as follows:

Target achievement RTSR

	RTSR	Target achievement
Floor	75%	0%
Target	100%	100%
Cap	125%	200%
Actual RTSR	43%	0%

For the **Sustainability KPIs** with a weighting of 20 percent, the Supervisory Board defined three test KPIs with measurable targets. The overall target achievement is calculated as the sum of the weighted target achievements divided by the number of test KPIs. The targets reflect a target achievement of 100 percent and the Supervisory Board deliberately decided not to define a lower limit and an upper limit. Accordingly, the Supervisory Board can at its own discretion award a target achievement of 0 percent to 100 percent in the event of underperformance and a target achievement of 100 percent to 200 percent in the event of overperformance.

The first test KPI was an “Environment KPI” with a weighting of 5 percent. The target was to reduce the CO_2 intensity of the corporate carbon footprint by the end of the 2024/2025 financial year by 25 percent, whereby more than 20 percent must be explicitly due to specific reduction measures. To measure the target achievement of this KPI, the value for the key indicator “Metric ton CO_2/sales” at the beginning of the 2022/2023 financial year was compared to the value at the end of the 2024/2025 financial year.

The second test KPI was a “Business performance KPI” with a weighting of 10 percent. It measures the volume of relevant sales generated in sustainable business, especially in the area of e-mobility. In the 2024/2025 financial year, the target for this KPI was set at sales of € 150 million.

The third test KPI was an “Employee KPI” with a weighting of 5 percent. Its aim was to promote responsible business behavior by ensuring that all employees in the Group are trained in the Business Code of Conduct every three years. The target for this KPI was verification of a training quota of at least 98 percent of employees over the three-year performance period.

Target achievement sustainability

ESG test KPIs	Weighting	KPI on granting date	Target achievement
Sustainability target CO_2 reduction	5%	Reduction of CO_2 intensity by 41%	164.76%
Business performance KPI sustainable sales	10%	Sales of € 6 million	0%
Employee KPI Code of Conduct	5%	Training quota of 86%	88%

The preliminary number of virtual shares on the granting date (April 1, 2025) was ultimately calculated by multiplying the number of virtual shares originally awarded on April 1, 2022 by the overall target achievement for the sustainability KPIs (in turn calculated using the target achievements for each of the test KPIs). If any members joined or left the Management Board during the current LTI financial year, the number of virtual shares granted was then reduced on a pro rata basis.

In accordance with the remuneration system 2021+ for the LTI, the Supervisory Board was then entitled to adjust the preliminary number of virtual shares on the granting date upwards or downwards by 20 percent at its own discretion to give consideration to any special, unforeseen events during the performance period and take the corporate interests of Heidelberger Druckmaschinen AG into account. The Supervisory Board did not make use of this option in the 2024/2025 financial year. It also ensured that the number of virtual shares on the granting date did not exceed the maximum number for keeping remuneration within the maximum level of remuneration.

Finally, the LTI was paid out half in cash and half in real HEIDELBERG shares (converted from virtual shares).

The value of the portion to be paid in cash was determined by multiplying half of the virtual shares on the granting date by the share price on the granting date. This share price was determined as the arithmetic mean of the closing prices for the HEIDELBERG share in XETRA trading on the Frankfurt Stock Exchange over the 60 trading days immediately preceding the granting date. This cash amount was paid out as gross remuneration subject to statutory deductions, whereby any obligations to buy shares was taken into account.

The second half of the granted virtual shares was converted into real HEIDELBERG shares. Any fractions were rounded down to full shares. The final number of shares determined in this way were then deposited to the share investment portfolio managed by the Company on behalf of the members of the Management Board. These shares must be held for an additional year until March 31, 2026 in accordance with the Share Ownership Guideline.

The following table summarizes, among other things, the targets and overall target achievement, as well as the cash amounts and HEIDELBERG shares granted for the LTI for the 2022/2023 financial year:

Granted LTI of the 2022/2023 financial year

	Dr. Ludwin Monz	Marcus A. Wassenberg[1)]	Tania von der Goltz[2)]
Target	€ 900 thousand	€ 500 thousand	€ 500 thousand
Share price on the award date (April 1, 2022)	2.5862	2.5862	2.5862
Number of granted virtual shares	348,000.93	193,333.85	193,333.85
Overall target achievement	12.64%	12.64%	12.64%
Preliminary number of virtual shares	43,987.32	24,437.40	24,437.40
Cuts on the basis of joining or leaving during the year	n/a	– 6,025.66	– 18,344.79
Final number of virtual shares	43,987.32	18,411.74	6,092.61
Share price on the granting date (April 1, 2025)	1.124	1.124	1.124
Payout amount in €	24,721	10,347	3,424
Number of granted real HEIDELBERG shares	21,993	9,205	3,046

1) Stepped down on December 31, 2022 within the LTI financial year, which means that the number of virtual shares allocated was reduced on a pro rata basis
2) Joined as of January 3, 2023 within the LTI financial year, which means that the number of virtual shares allocated was reduced on a pro rata basis

2.2.2.2. System used for granting the LTI in the 2024/2025 financial year

The annual allocation for the LTI (LTI target amount) is 100 percent of fixed remuneration (gross). The target achievements for the targets for the financial and non-financial KPIs is measured over a period of four financial years (performance period), which serves as the basis for calculating the LTI payout amount. The payout amount calculated in this way is paid out in full at the end of the performance period or in the following financial year in cash.

At the start of the LTI performance period, the LTI target amount is converted into virtual HEIDELBERG shares and performance targets are defined for measuring target achievement. For this purpose, the arithmetic mean of the closing price of the Company's shares over the 60 trading days immediately preceding the start of the performance period is calculated. The LTI target amount divided by the calculated share price, rounded to two decimal places in line with commercial practice, gives the number of virtual shares.

At the end of the performance period, the final number of virtual shares is calculated based on the target achievements for the respective key performance indicators (KPIs). A target achievement of 100 percent is equivalent to the number of virtual shares allocated at the outset. The maximum target achievement (cap) is 200 percent and can result at most in a doubling of the number of virtual shares allocated. Failure to achieve the targets results in a zero payout.

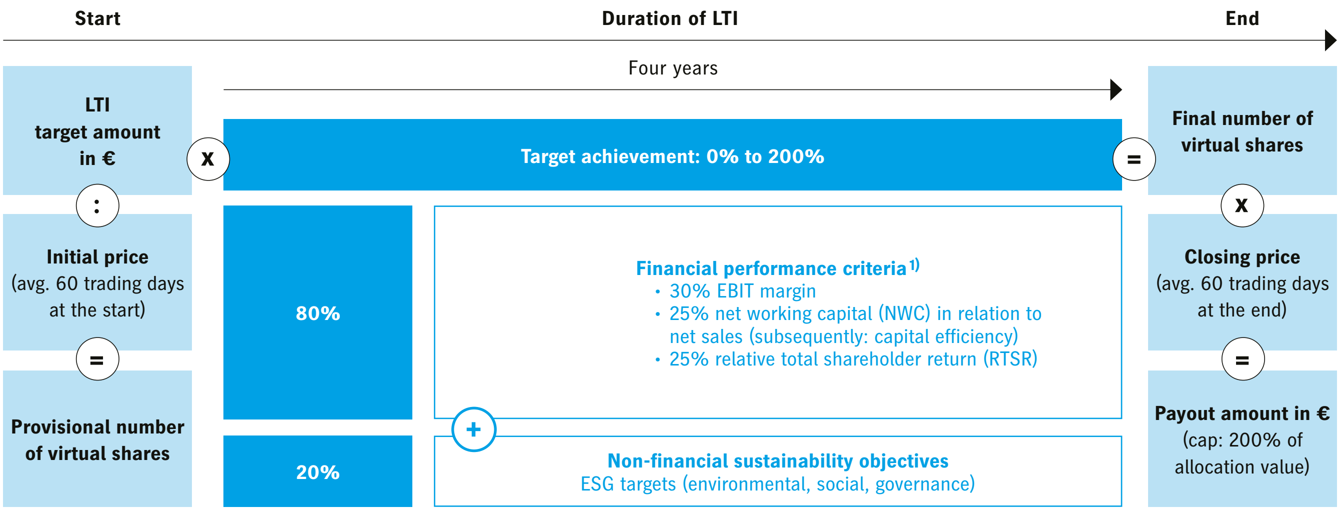
For calculating the LTI target amount for the 2024/2025 financial year, the Supervisory Board defined the financial KPIs "EBIT margin", which is the ratio of earnings before interest and taxes (EBIT) to total sales, with a weighting of 30 percent, "net working capital (NWC) in relation to sales", with a weighting of 25 percent, and "relative total shareholder return" (relative TSR), with a weighting of 25 percent. These KPIs are supplemented with non-financial sustainability KPIs with a weighting of 20 percent.

The specific targets for the financial and non-financial KPIs are defined by the Supervisory Board as part of the annual allocation process before the start of each LTI tranche. The KPIs are designed to incentivize long-term profitable earnings power in line with the corporate strategy, while also ensuring a focus on the interests of shareholders and other stakeholders.

The Supervisory Board determines the target achievements for the KPIs at its accounts meeting at the end of the financial year. The overall target achievement is measured over a four-year period and calculated as the arithmetic mean of the annual target achievements. The final number of virtual shares, also rounded to two decimal places in line with commercial practice, is determined based on the actual target achievements for the KPIs. The cap of 200 percent for the LTI is taken into account.

Based on the arithmetic mean of the closing prices of the Company's shares over the 60 trading days immediately preceding the end of the performance period, the final number of virtual shares is converted into euros and paid out as gross remuneration. Any obligations to buy shares are taken into account in this process.

The system used for the multi-year variable remuneration granted in the 2024/2025 financial year was as follows:



1) All of the financial KPIs, except for relative TSR, were taken from the consolidated financial statements prepared in accordance with the IFRS. The KPIs "EBIT margin" and "net working capital (NWC) in relation to sales" were adjusted for exchange rate effects, while the "EBIT margin" was also adjusted for the special items described in the combined management report. The Supervisory Board is entitled to exclude unforeseeable special influences when determining individual performance criteria in order to take into account the objective of an undistorted measurement of management performance

2.2.2.3 Financial performance targets and sustainability targets in the 2024/2025 financial year

The Supervisory Board defines a target (100 percent target achievement), a lower limit (floor, 0 percent target achievement) and an upper limit (cap, 200 percent target achievement), as well as lower and upper intermediate targets (50 percent and 150 percent), for each KPI at the start of the performance period. The floor must be achieved for each KPI – otherwise the target achievement for this KPI is 0 percent. Outperforming the target can result in a maximum target achievement of 200 percent (cap); target achievements between these values are determined by linear interpolation.

The target for **EBIT margin** is defined by the Supervisory Board for each of the four performance years at the beginning of the performance period. The "EBIT margin" is a key financial performance indicator for HEIDELBERG and reflects the Company's profitability in relation to total sales. The final determination of the target achievement for the KPI "EBIT margin" is based on the average of the annual target achievements.

Another financial KPI used for the LTI is "net working capital (NWC) in relation to sales". This KPI is an indicator of the Company's internal financing capability and is a relevant control parameter that is used above all in HEIDELBERG's value creation process. The target for this KPI is defined by the Supervisory Board for each of the four performance years at the beginning of the performance period. The final determination of the target achievement is based on the average of the annual target achievements.

The third financial KPI for the LTI is the **relative total shareholder return (relative TSR)**, which takes into account the share price performance of the HEIDELBERG share plus theoretically reinvested gross dividends during the four-year performance period in relation to other share price developments. A combination of the two equally weighted indices, DAXsubsector Industrial Machinery and MSCI Europe Capital Goods, is used as a peer group in order to take reference values from national and international listed companies in comparable business fields into account. To calculate the target achievement, the arithmetic mean of the closing prices (with up to four decimal places) for the HEIDELBERG share and the two indices over the last 60 trading days preceding the start of the performance period and over the last 60 trading days preceding the end of the performance period is determined and compared. The target (100 percent target achievement) for the relative TSR is to outperform the defined peer group by up to one percentage point. Defined ranges for outperforming and underperforming the target are defined by the Supervisory Board at the beginning of the performance period based on the prevailing market practice.

The non-financial KPIs include **sustainability KPIs** (environmental, social and governance, ESG). Targets and ranges for outperforming and underperforming the targets are also defined by the Supervisory Board for these KPIs. At the beginning of the performance period, the Supervisory Board defines targets for the non-financial KPIs (such as targets for environment KPIs, employee KPIs, efficiency KPIs and other sustainability KPIs that can be defined by the Supervisory Board). The sustainability KPIs selected by the Supervisory Board are always based on the strategic orientation of the Company and differ from the sustainability KPIs defined for the STI.

2.3. Share Ownership Guideline

For the duration of their appointment to the Management Board, the members of the Management Board must build up and hold a portfolio of shares in the Company. The portfolio and the necessary investment in the shares are valued at the time when the variable remuneration is paid out. The portfolio must be built up to match the amount of the current gross fixed remuneration (minimum value). Shares in the Company already held by the members are counted towards this value.

The Company is entitled to invest 20 percent of the variable remuneration (before deduction of taxes and contributions) in the form of shares in the Company. The Company commissions a bank or a financial services provider to carry out these transactions, i.e. to acquire shares in the name and for the account of the Management Board member, and bears the associated processing and custody costs. The Company's entitlement to invest elements of the variable remuneration in order to build up the share investment portfolio in the form of shares ends when the member steps down from the Management Board.

Shares held in the share investment portfolio can only be sold during a member's term of office if they can verify that they will still comply with the minimum value described above and statutory and regulatory restrictions do not prohibit the sale.

At the end of the 2024/2025 financial year, the members of the Management Board held the following number of shares:

Share Ownership Guideline[1)]

	Target	Status quo	
	in € thousands	in € thousands	in %
Dr. Ludwin Monz[1)]	900	85	9%
Jürgen Otto	900	0	–%
Tania von der Goltz[2)]	500	84	17%
Dr. David Schmedding	450	0	–%

1) The shares were held by Dr. Ludwin Monz up to and including June 30, 2024. The obligation to hold shares in a share portfolio no longer applied when he stepped down from the Management Board

2) The obligation to hold shares in a share portfolio no longer applied when she stepped down from the Management Board on March 3, 2025.

2.4. Malus/clawback

The Company has the right to recover payments made to members of the Management Board under the STI and/or LTI, or to delay or cancel pending payments not yet made, if it emerges that the payout was wholly or partially unwarranted because targets were not actually achieved or not achieved to the extent assumed when the payment was calculated.

Furthermore, the Company can recover variable remuneration already paid out if the member of the Management Board was significantly involved in or responsible for conduct that led to significant losses for the Company or regulatory sanctions, or has severely violated relevant external or internal regulations concerning suitability and conduct. The repayment claim can be triggered by misconduct on the part of the member of the Management Board with respect to compliance and to appropriate conduct or by a miscalculation of the variable remuneration. Moreover, a repayment claim for variable remuneration already paid out can arise if it emerges after the end of the performance period that a target was not achieved (bonus-malus).

A payout can also be canceled in full or in part if, after the payment amount has been defined but before it is paid out, a material deterioration in the situation of the Company is found to have occurred.

If the appointment of a member of the Management Board is terminated for a compelling reason during the course of a financial year in accordance with section 84 (4) AktG, the Supervisory Board can decide at its own discretion whether to cancel any claim to the payment of variable remuneration components for the current, past or future financial years.

If the actions of the Management Board have not being formally approved by the Annual General Meeting or if other compelling reasons exist, especially in the case of ongoing internal or external investigations, the Supervisory Board also has the option of resolving to delay payment of these components after consideration of the matter.

Remuneration can be canceled in full if there was a good reason for which a member of the Management Board is responsible that entitles or would have entitled the Supervisory Board to revoke the appointment or terminate the Management Board contract of the member for a compelling cause in accordance with section 626 of the German Civil Code (BGB).

As of the reporting date, there were no cases that would have required a reduction or repayment of variable remuneration components for the 2024/2025 financial year.

2.5. Early termination benefits

If the appointment of a member of the Management Board is terminated for a compelling reason in the sense of section 626 BGB, their contract also ends as of the date that the termination of their appointment becomes effective. In this case, no further payments will be made to the member of the Management Board from the date that the termination becomes effective.

In the event of the early termination of a Management Board contract, any outstanding variable remuneration components relating to the period before the termination of the contract that were earned pro rata temporis will be paid out in accordance with the originally agreed targets, comparative parameters and the due dates defined in the remuneration system.

Payments to a member of the Management Board in the event of early termination of service on the Management Board must not exceed the value of two years' remuneration (severance cap) and must not compensate for more than the remaining term of the member's contract. If a post-contractual non-competition agreement is concluded, the severance payment counts towards the non-competition compensation.

Dr. Ludwin Monz stepped down as Chief Executive Officer of the Management Board as of June 30, 2024.

For his service in the 2024/2025 financial year until the date on which he stepped down from the Management Board, he was granted ordinary non-performance-related remuneration components (annual fixed remuneration, fringe benefits and the pension contribution) and performance-based remuneration components within the single-year and multi-year variable remuneration (STI and LTI tranches) on a pro rata basis.

The applicable rules for other outstanding remuneration entitlements up to the 2023/2024 financial year – namely the LTI tranche for the 2022/2023 financial year and the LTI tranche for the 2023/2024 financial year – also remain valid even after the date he stepped down from the Management Board. The targets and target amount for the LTI tranche for the 2022/2023 financial year have now been defined following the conclusion of the performance period up to March 31, 2025. It will only be possible to determine the values for the LTI tranches for the 2023/2024 and 2024/2025 financial year following the conclusion of the four-year performance periods on March, 31, 2027 and March, 31, 2028, respectively, and the subsequent definition of the targets.

According to the severance agreement, the employment contract that originally ran until March 31, 2025 was also mutually terminated with effect from the date on which he stepped down from the Management Board on June 30, 2024. To settle the contractual entitlements within the employment contract, Dr. Monz was granted a compensation payment including remuneration for unused vacation days of € 1,992,981, which covered a pro rata amount for the annual basic remuneration, the pension contribution and a pro rata payment for the STI and LTI tranches for the 2024/2025 financial year for the period between the date on which he stepped down from the Management Board and the date on which his employment contract was originally due to end. The compensation payment was paid out in July 2024 with the first regular payroll after the date on which he stepped down from the Management Board.

With effect from the end of the 2024/2025 financial year as of March 31, 2025, the former Chief Financial Officer Tania von der Goltz also stepped down from the Management Board. The applicable rules for the performance-based remuneration (STI for the 2024/2025 financial year and LTI for the 2024/2025 financial year) for her service on the Management Board in the 2024/2025 financial year and for any still outstanding remuneration entitlements up to the 2023/2024 financial year (namely the LTI tranches for the 2022/2023, 2023/2024 and 2024/2025 financial years) also remain valid even after the date on which she stepped down from the Management Board.

The targets and target amount for the LTI tranche for the 2022/2023 financial year have now been defined following the conclusion of the performance period as of March 31, 2025. It will only be possible to determine the values for the LTI tranches for the 2023/2024 and 2024/2025 financial year following the conclusion of the four-year performance periods on March, 31, 2027 and March, 31, 2028, respectively, and the subsequent definition of the targets.

Her employment contract that originally ran until December 31, 2025 was also terminated with effect from the date on which she stepped down from the Management Board. To settle the contractual entitlements within the employment contract, Tania von der Goltz was granted a compensation payment of € 1,035,840, which covered a pro rata amount for the annual basic remuneration, the pension contribution and a pro rata payment for the STI and LTI tranches for the 2025/2026 financial year for the period between the date on which she stepped down from the Management Board and the date on which her employment contract was originally due to end. The compensation payment was paid out in April 2025 with the first regular payroll after the date on which she stepped down from the Management Board.

2.6. Compliance with maximum remuneration

The remuneration system defines the maximum level of remuneration in accordance with section 87a (1) sentence 2 no. 1 AktG. The annual maximum remuneration is € 3.6 million for the Chief Executive Officer and € 2.4 million for each ordinary member of the Management Board. The Supervisory Board ensures compliance with the defined maximum remuneration. The maximum remuneration covers all remuneration components granted in the financial year in the sense of section 87 AktG.

After defining the target amount and the targets for the LTI for the 2022/2023 financial year as of March 31, 2025, it is now clear that the maximum remuneration for every member of the Management Board that was active in the 2022/2023 financial year was complied with without the need to reduce any component:

Maximum remuneration pursuant to section 87a (1) sentence 2 no. 1 AktG in the 2022/2023 financial year

in € thousands	Dr. Ludwin Monz	Marcus A. Wassenberg[1)]	Tania von der Goltz[2)]
Fixed remuneration 2022/2023	900	375	125
Fringe benefits 2022/2023	6	16	8
Short-term incentive (STI) 2022/2023	490	204	68
Long-term incentive (LTI) tranche 2022/2023–2024/2025	49	21	7
Settlement LTI tranche 2020/2021–2022/2023	n/a	106	n/a
Settlement LTI tranche 2021/2022–2023/2024	n/a	92	n/a
Total remuneration granted 2022/2023	1,445	814	208
Pension contribution 2022/2023	315	131	44
Total remuneration 2022/2023	1,760	945	252
Maximum remuneration 2022/2023	3,600	1,800	600

1) Stepped down on December 31, 2022 within the LTI financial year, which means that the maximum remuneration was reduced on a pro rata basis
2) Joined as of January 3, 2023 within the LTI financial year, which means that the maximum remuneration was reduced on a pro rata basis

3. Remuneration paid and owed in the 2024/2025 financial year

3.1. Remuneration of current Management Board members

The following table shows the remuneration paid and owed to the current members of the Management Board in the 2024/2025 financial year in accordance with section 162 (1) sentence 1 AktG. The short-term and long-term variable remuneration components are reported as of the end of the financial year in which the one-year or multi-year performance period ends. In addition to performance of the underlying task, the disclosure of the respective amount implies that the variable remuneration components have vested and that all conditions precedent or subsequent have been fulfilled or no longer apply. This enables the reporting of the variable remuneration components payable for the respective period and a comparison with the Company's performance in the corresponding financial year for which the target achievement is calculated (pay for performance).

Remuneration paid and owed

	Jürgen Otto Chief Executive Officer since July 1, 2024				Dr. Ludwin Monz Chief Executive Officer until June 30, 2024			
	2024/2025		2023/2024		**2024/2025**		2023/2024	
	in € thousands	in %	in € thousands	in %	in € thousands	in %	in € thousands	in %
Fixed remuneration	675	50%	–	–	225	9%	900	49%
Fringe benefits	29	2%	–	–	2	–%	6	–%
Pension contribution	236	17%	–	–	79	3%	315	17%
Total fixed remuneration	**940**	**69%**	**–**	**–**	**306**	**12%**	**1,221**	**67%**
Short-term variable remuneration			–	–			–	–
STI 2024/2025	421	31%	–	–	140	6%		
STI 2023/2024	–	–	–	–	–	–	601	33%
Long-term variable remuneration[1]								
Tranche 2024/2025–2027/2028	–	–	–	–	–	–	–	–
Tranche 2023/2024–2026/2027	–	–	–	–	–	–	–	–
Tranche 2022/2023–2024/2025	–	–	–	–	49	2%	–	–
Total variable remuneration	**421**	**31%**	**–**	**–**	**189**	**8%**	**601**	**33%**
Benefits in the event of the termination of the contract	–	–	–	–	1,993	80%	**–**	–
Total remuneration in accordance with section 162 AktG	**1,361**	**100%**	**–**	**–**	**2,488**	**100%**	**1,822**	**100%**

Remuneration paid and owed

	Tania von der Goltz Chief Financial Officer until March 31, 2025				Dr. David Schmedding Chief Technology and Sales Officer since July 1, 2024			
	2024/2025		2023/2024		**2024/2025**		2023/2024	
	in € thousands	in %	in € thousands	in %	in € thousands	in %	in € thousands	in %
Fixed remuneration	500	24%	500	48%	338	50%	–	–
Fringe benefits	38	2%	38	4%	9	1%	–	–
Pension contribution	175	8%	175	17%	118	17%	–	–
Total fixed remuneration	**713**	**34%**	**713**	**68%**	**465**	**69%**	–	–
Short-term variable remuneration								
STI 2024/2025	312	15%	–	–	211	31%	–	–
STI 2023/2024	–	–	334	32%	–	–	–	–
Long-term variable remuneration[1]								
Tranche 2024/2025–2027/2028	–	–	–	–	–	–	–	–
Tranche 2023/2024–2026/2027	–	–	–	–	–	–	–	–
Tranche 2022/2023–2024/2025	7	–%	–	–	–	–	–	–
Total variable remuneration	**319**	**15%**	**334**	**32%**	**211**	**31%**	–	–
Benefits in the event of the termination of the contract	1,036	50%	–	–	–	–	–	–
Total remuneration in accordance with section 162 AktG	**2,068**	**100%**	**1,047**	**100%**	**676**	**100%**	–	–

3.2. Remuneration of former Management Board members

In the 2024/2025 financial year, Marcus A. Wassenberg, who stepped down from the Management Board in the 2022/2023 financial year, was paid cash remuneration of € 10 thousand and 9,205 real HEIDELBERG shares, which were fully attributable to the LTI tranche for the 2022/2023 financial year that was granted in the 2024/2025 financial year.

The remuneration for other former members of the Management Board, who stepped down from the Management Board of Heidelberger Druckmaschinen AG more than ten years ago, was € 2,353 thousand in the 2024/2025 financial year and was fully attributable to the granting of fixed, non-performance-related pension contributions.

V. Supervisory Board remuneration in the 2024/2025 financial year

1. Principles of Supervisory Board remuneration

The remuneration system for HEIDELBERG's Supervisory Board was approved by the Annual General Meeting on July 23, 2021, with 99.09 percent of the votes cast.

The remuneration of the members of the Supervisory Board is governed by article 16 of the Articles of Association and reflects the responsibility and duties of the members of the Supervisory Board. By supervising the Management Board's management of the Company in line with its duties, the Supervisory Board helps to promote the corporate strategy and the long-term development of the Company. The remuneration system for the Supervisory Board also complies with the recommendations and suggestions of the GCGC.

Supervisory Board remuneration comprises fixed remuneration and attendance fees for the meetings of certain committees (committee remuneration) as well as attendance fees for meetings of the full Supervisory Board.

Each member of the Supervisory Board receives fixed annual remuneration of € 40,000. The Chair of the Supervisory Board receives three times this amount and the Deputy Chair twice this amount.

The members of the Management Committee, Audit Committee and Personnel Matters Committee (which deals with personnel issues related to the Management Board) receive additional remuneration for work on these committees. Each committee member receives remuneration of € 1,500 per meeting for participating in meetings of one of these committees. The Chair of the Audit Committee receives remuneration of € 4,500 per meeting; the Chair of the Management Committee and the Chair of the Personnel Matters Committee receive remuneration of € 2,500 per meeting.

The members of the Supervisory Board also receive an attendance fee of € 500 per meeting for attending the meetings of the Supervisory Board. For meetings of the Management Committee, Audit Committee and Personnel Matters Committee, the members of the respective committee also receive an attendance fee of € 500 if the committee meeting does not take place on the same day as the Supervisory Board meeting. Furthermore, expenses incurred by members of the Supervisory Board and any VAT payable on them are reimbursed. In order to reinforce the Supervisory Board's role as a supervisory body, the remuneration does not include a variable, performance-based component. The members of the Supervisory Board who are also members of trade unions or the Works Council have declared that they will transfer their Supervisory Board remuneration to the Hans Böckler Foundation in accordance with the guidelines of IG Metall.

Remuneration system for the Supervisory Board

Fixed remuneration + **Committee remuneration** + **Attendance fees** = **Total compensation**

Supervisory Board remuneration

Fixed remuneration		
Chair	Deputy Chair	Member
€ 120,000	**€ 80,000**	**€ 40,000**
Committee remuneration (per meeting)		
Committee	**Chair**	**Member**
Audit Committee	**€ 4,500**	**€ 1,500**
Management Committee	**€ 2,500**	**€ 1,500**
Personnel Matters Committee	**€ 2,500**	**€ 1,500**

Attendance fees	
Full Supervisory Board	Audit Committee, Management Committee, Personnel Matters Committee[1)]
€ 500	**€ 500**

1) If the committee meeting does not take place on the same day as the Supervisory Board meeting

2. Remuneration paid and owed in the 2024/2025 financial year

The following table shows the remuneration paid and owed to the individual members of the Supervisory Board in the 2024/2025 financial year. The total remuneration is broken down into fixed remuneration, committee remuneration and attendance fees.

Supervisory Board remuneration

	Fixed remuneration		Committee remuneration		Attendance fees		Total remuneration	
Figures in € thousands	**2024/2025**	2023/2024	**2024/2025**	2023/2024	**2024/2025**	2023/2024	**2024/2025**	2023/2024
Dr. Martin Sonnenschein (Chair)	120	120	36	23	13	10	169	153
Ralph Arns (Deputy Chair)	80	80	24	17	11	8	115	105
Gerald Dörr	40	40	18	8	10	7	68	55
Karin Dohm (since July 25, 2024)	30	0	5	0	3	0	38	0
Jeppe Frandsen (since July 25, 2024)	30	0	7	0	6	0	43	0
Mirko Geiger	40	40	9	8	6	5	55	53
Oliver Jung	40	40	11	8	8	7	59	55
Li Li	40	40	0	0	5	4	45	44
Heiko Maßfeller (since September 1, 2024)	23	0	0	0	3	0	26	0
Dr. Fritz Oesterle (until July 25, 2024)	13	40	6	8	4	6	23	54
Petra Otte (until August 31, 2024)	17	40	0	0	1	3	18	43
Ferdinand Rüesch (until July 25, 2024)	13	40	9	9	6	9	28	58
Ina Schlie	40	40	18	22	7	6	65	68
Beate Schmitt	40	40	18	16	10	9	68	65
Holger Steuerwald	40	30	0	0	3	2	43	32
Total	**606**	**603**	**161**	**119**	**96**	**78**	**863**	**800**

VI. Comparative presentation of remuneration and earnings performance

The following table presents the annual change in the remuneration of the Management Board and Supervisory Board members, the average remuneration of the Company's employees and the Company's earnings performance over the last four financial years in accordance with section 162 (1) sentence 2 no. 2 AktG.

The presentation of the Company's earnings performance is based on the net profit/loss of the Company in accordance with the German Commercial Code (HGB) and Group EBITDA/EBT in accordance with IFRS. These are key performance indicators that reflect the earnings power of the Company's business activities.

The presentation of the remuneration of the Company's employees (on a full-time equivalent basis) is based on the workforce of Heidelberger Druckmaschinen Aktiengesellschaft. The average remuneration of employees is calculated by dividing staff costs determined in accordance with IFRS by the average number of employees at the Company (on a full-time equivalent basis).

Comparative presentation

	2024/2025	2023/2024	Change 2024/2025 – 2023/2024	Change 2023/2024 – 2022/2023	Change 2022/2023 – 2021/2022	Change 2021/2022 – 2020/2021
	in € thousands	in € thousands	in %	in %	in %	in %
Earnings performance						
Net profit/loss of the Company (HGB)	310,798	66,814	465%	211%	– 457%	– 109%
EBITDA of the Group (IFRS)	136,861	167,788	– 19%	– 20%	31%	68%
Group EBT (IFRS)	26,883	54,871	– 51%	– 51%	120%	317%
Employees						
Avg. employee remuneration[1)]	85	82	3%	– 3%	2%	– 10%
Management Board						
Jürgen Otto (since July 1, 2024)	1,361	–	n/a	n/a	n/a	n/a
Dr. David Schmedding (since July 1, 2024)	676	–	n/a	n/a	n/a	n/a
Former Management Board members						
Dr. Ludwin Monz (until June 30, 2024)	2,488	1,822	37%	6%	n/a	n/a
Tania von der Goltz (until March 31, 2025)	2,068	1,047	98%	327%	n/a	n/a
Marcus A. Wassenberg (until December 31, 2022)	21	–	n/a	– 100%	48%	36%
Supervisory Board						
Dr. Martin Sonnenschein	169	153	10%	0%	– 6%	– 1%
Ralph Arns	115	105	10%	– 1%	– 5%	– 1%
Gerald Dörr	68	55	24%	0%	– 12%	– 2%
Karin Dohm (since July 25, 2024)	38	–	n/a	n/a	n/a	n/a
Jeppe Frandsen (since July 25, 2024)	43	–	n/a	n/a	n/a	n/a
Mirko Geiger	55	53	4%	– 10%	4%	– 9%
Oliver Jung	59	55	7%	– 10%	8%	– 22%
Li Li	45	44	2%	0%	0%	1%
Heiko Maßfeller (since September 1, 2024)	26	–	n/a	n/a	n/a	n/a
Dr. Fritz Oesterle (until July 25, 2024)	23	54	– 57%	4%	11%	n/a
Petra Otte (until August 31, 2024)	18	43	– 58%	– 4%	2%	1%
Ferdinand Rüesch (until July 25, 2024)	28	58	– 52%	4%	– 12%	– 2%
Ina Schlie	65	68	– 4%	– 1%	2%	59%
Beate Schmitt	68	65	5%	5%	– 9%	7%
Holger Steuerwald	43	32	34%	n/a	n/a	n/a

1) The staff costs were adjusted by € 25,108 thousand to reflect the structural reduction in staff costs in the 2024/2025 financial year

VII. Report on the audit

Independent Auditor's Report

To Heidelberger Druckmaschinen Aktiengesellschaft, Heidelberg

Report on the audit of the remuneration report

We have audited the attached remuneration report of Heidelberger Druckmaschinen Aktiengesellschaft, Heidelberg, for the financial year from April 1, 2024, to March 31, 2025, including the related disclosures, prepared to meet the requirements of Section 162 AktG [Aktiengesetz: German Stock Corporation Act].

Responsibilities of Management and the Supervisory Board

The management and the Supervisory Board of Heidelberger Druckmaschinen Aktiengesellschaft are responsible for the preparation of the remuneration report, including the related disclosures, in accordance with the requirements of Section 162 AktG. The management and the Supervisory Board are also responsible for such internal control as they have determined necessary to enable the preparation of the remuneration report 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 the German Generally Accepted Standards for Financial Statement Audits 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, in the remuneration report. The procedures selected depend on the auditor's professional judgement. This includes an assessment of the risks of material misstatement, whether due to fraud or error, in the remuneration report, including the related disclosures. In assessing these risks, the auditor considers the internal control system relevant for the preparation of the remuneration report, including the related disclosures. The objective 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 management and the Supervisory Board, as well as evaluating the overall presentation of the remuneration report, including the related disclosures.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, on the basis of the knowledge obtained in the audit, the remuneration report for the financial year from April 1, 2024, to March 31, 2025, including the related disclosures, complies, in all material respects, with the financial reporting requirements of Section 162 AktG.

Other matter – formal examination of the remuneration report

The substantive audit of the remuneration report described in this independent auditor's report includes the formal examination of the remuneration report required by Section 162 (3) AktG, including issuing an assurance report on this examination. As we have issued an unqualified opinion on the substantive audit of the remuneration report, this opinion includes the conclusion that the disclosures pursuant to Section 162 (1) and (2) AktG have been made, in all material respects, in the remuneration report.

Limitation of liability

The terms governing this engagement, in fulfillment of which we performed the services detailed above for Heidelberger Druckmaschinen Aktiengesellschaft, are set out in the General Engagement Terms for German Public Auditors and Public Audit Firms as amended on January 1, 2024. By taking note of and using the information as contained in this auditor's report, each recipient confirms to have taken note of the terms and conditions laid down therein (including the limitation of liability of EUR 4 million for negligence under Clause 9 of the General Engagement Terms) and acknowledges their validity in relation to us.

Mannheim, June 3, 2025

KPMG AG
Wirtschaftsprüfungsgesellschaft

[Original German version signed by:]

Mokler	Prof. Schütte-Biastoch
Wirtschaftsprüfer [German Public Auditor]	Wirtschaftsprüferin [German Public Auditor]

Corporate Governance Declaration

The Corporate Governance Declaration in accordance with sections 289f and 315d of the German Commercial Code (HGB) for Heidelberger Druckmaschinen Aktiengesellschaft and the HEIDELBERG Group has been combined. Unless expressly indicated otherwise below, the information shown and statements made apply to both Heidelberger Druckmaschinen Aktiengesellschaft and the HEIDELBERG Group. In this declaration on the management of the Company, the Management Board and the Supervisory Board also report on corporate governance. The Corporate Governance Declaration is available on our website www.heidelberg.com under About us > Company > Corporate governance > Corporate Governance Declaration.

This Corporate Governance Declaration contains the Declaration of Compliance in accordance with section 161 of the German Stock Corporation Act (AktG), relevant information on corporate governance practices, descriptions of the working procedures of the Management Board and Supervisory Board, including descriptions of the composition and working procedures of the committees, and information on the targets for the proportion of women and for the Company's diversity concept.

1. Basic information

Our actions are characterized by the principles of responsible corporate management and supervision (corporate governance). Corporate governance is afforded great importance at Heidelberger Druckmaschinen Aktiengesellschaft. It is the foundation for the trust that shareholders, customers, investors, employees, the financial markets and the public place in our Company.

As Heidelberger Druckmaschinen Aktiengesellschaft is a listed company (German securities code number (WKN) 731400, ISIN DE0007314007) domiciled in Germany and entered in the commercial register of the Mannheim Local Court under HRB 330004, corporate governance and the requirements for its corporate management are regulated primarily by the AktG, the German Codetermination Act (MitbestG), the suggestions, recommendations and principles of the German Corporate Governance Code (in its most recent version), the Articles of Association of Heidelberger Druckmaschinen Aktiengesellschaft and the Rules of Procedure of the Supervisory Board and Management Board. The most recent version of the Rules of Procedure of the Management Board and Supervisory Board can be found on the website of Heidelberger Druckmaschinen Aktiengesellschaft (www.heidelberg.com) under About us > Corporate governance > Articles of association and rules of procedure.

The recommendations, suggestions and principles of the German Corporate Governance Code were also complied with in the 2024/2025 financial year, with two exceptions. Ensuring effective management and control in an evolving corporate structure remains the priority. The Company regularly checks to ensure that laws and mandatory regulations are complied with and that recognized standards and recommendations are followed in addition to the Company's values, Code of Conduct and corporate guidelines (compliance).

2. Current declaration of compliance

The Management Board and Supervisory Board addressed the recommendations of the German Corporate Governance Code in the 2024/2025 financial year. These consultations resulted in the adoption of the annual Declaration of Compliance on November 28, 2024:

"The Management Board and Supervisory Board of Heidelberger Druckmaschinen Aktiengesellschaft hereby issue the following Declaration of Compliance in accordance with section 161 AktG:

Declaration of Compliance with the German Corporate Governance Code (DCGK) as amended on April 28, 2022

Since issuing its last Declaration of Compliance on November 23, 2023 Heidelberger Druckmaschinen Aktiengesellschaft has complied with all of the recommendations of the "Government Commission on the German Corporate Governance Code" in the version dated April 28, 2022 ("Code 2022") published by the Federal Ministry of Justice in the official section of the Federal Gazette on June 27, 2022 with the following exceptions and will comply with the recommendations of the Code 2022 with the following exceptions:

Heidelberger Druckmaschinen Aktiengesellschaft has deviated from recommendation C.14 of the Code 2022, which states that a curriculum vitae shall be published for all members of the Supervisory Board and updated annually on the Company's website, and will continue to do so in the future to the extent that the Company publishes only the curriculum vitae of the shareholder representatives on the Supervisory Board on its website on account of the data protection interests of its employees. Recommendation C.5 of the DCGK states that members of the management board of a listed company shall not have on aggregate more than two supervisory board mandates in non-Group listed companies or comparable functions. Following the election of Karin Dohm at the Company's Annual General Meeting on July 25, 2024, the Company expects it will not comply with recommendation C.5 of the DCGK until December 31, 2024. As well as being a member of the Company's Supervisory Board, Karin Dohm is also a member of the management board of the general partner of a listed KGaA company, and a member of two supervisory boards at non-Group listed companies or comparable supervisory bodies. These functions will not impair her duties as a member of the Company's Supervisory Board. Non-compliance with this recommendation should be resolved when Karin Dohm steps down from one of her external mandates at the end of the year. Except for in this case, the Company intends to continue to comply with recommendation C.5 of the DCGK."

In addition, the Management Board and Supervisory Board amended the Declaration of Compliance in March 2025 as follows to take account of the fact that Karin Dohm had already announced that she was stepping down from a non-Group mandate:

"The Management Board and Supervisory Board of Heidelberger Druckmaschinen Aktiengesellschaft have submitted on November 28, 2024 the Declaration of Compliance in accordance with section 161 of the Aktiengesetz (German Stock Corporation Act (AktG)) regarding the Company's past and future compliance with the recommendations of the "Government Commission on the German Corporate Governance Code" in the version dated April 28, 2022 ("Code 2022") published by the Federal Ministry of Justice in the official section of the Federal Gazette on June 27, 2022.

The Declaration of Compliance needs to be updated with regard to the following item:

Karin Dohm, member of the Company's Supervisory Board, has resigned from an additional supervisory board mandate at another listed stock corporation with effect from December 16, 2024 as announced in the Declaration of Compliance. This means that recommendation C.5 of the GCGK has been complied with since this date.

In all other aspects, the Declaration of Compliance remains unchanged."

The Management Board and Supervisory Board expect to update the annual Declaration of Compliance on November 27, 2025 following due examination. You will then be able to access this declaration at www.heidelberg.com under About us > Company > Corporate governance > Declaration of compliance; the same applies to previous Declarations of Compliance, which are also available there.

3. Remuneration Report and remuneration system

An explanation of the current remuneration system for the Management Board in accordance with section 87a (1) and (2) sentence 1 AktG, which was approved by the Annual General Meeting on July 26, 2023, is available on our website www.heidelberg.com under About us > Company > Corporate governance > Executive bodies > Management board > Remuneration. This section of the website also contains the Remuneration Report for the 2024/2025 financial year and the Auditor's Report on the audit of the Remuneration Report in accordance with section 162 AktG. The resolution adopted by the Annual General Meeting on July 23, 2021 in accordance with section 113 (3) AktG on the remuneration of Supervisory Board members is available at www.heidelberg.com under About us > Company > Corporate governance > Executive bodies > Supervisory board > Remuneration. The Remuneration Report in accordance with section 162 AktG for the 2024/2025 financial year and the corresponding Auditor's Report can also be found in this Annual Report under "Supervisory Board and Corporate Governance".

4. Information on corporate governance practices

Heidelberger Druckmaschinen Aktiengesellschaft is aware of how its role in society has grown over its 175-year history and of its responsibility to its customers, suppliers, business partners, employees and shareholders as a globally active company with regional roots. Reliability with respect to its business partners, the quality of its products and services, proper processes and legal compliance are key principles for the business activities of Heidelberger Druckmaschinen Aktiengesellschaft. Successful management of the Company relies on good corporate governance and a commitment to ethically and legally sound practices, which are anchored in the Company's compliance culture.

The "Code of Conduct for Employees" serves as a guideline for all employees worldwide. It is a binding framework and also helps guide our daily actions and decisions. It includes clear requirements for legal compliance through to recommendations on how to behave with respect to business partners and employees. In addition, we communicate the Company's values to our suppliers in the "Code of Conduct for Business Partners".

The Management Board and managers work together to ensure compliance with internal regulations, which are regularly reviewed and updated. Furthermore, we have established various reporting channels (e.g. SpeakUp, an electronic whistleblower system, and the external ombudsman's office) so that employees and third parties can report any suspicions of criminal offenses or other violations of the law or (internal) regulations confidentially. Also see the "Compliance" section of this Annual Report.

We have published our "Code of Conduct for Employees" and our "Code of Conduct for Business Partners" on our website www.heidelberg.com under About us > Company > Compliance. The values of the HEIDELBERG Group, our quality standards and our environmental policy are also published on www.heidelberg.com under About us > Company > Corporate governance > Values of the HEIDELBERG group. We have published our Declaration of Principles for the Respect of Human Rights at www.heidelberg.com under About us > Company > Sustainability > Social responsibility > Human rights.

5. Description of the working procedures of the Management Board and the Supervisory Board

In accordance with the requirements of the German Stock Corporation Act (AktG), the Company's management system is divided into a management body, the Management Board, and a supervisory body, the Supervisory Board. This dual management system as prescribed by the AktG ensures a separation between the management body (Management Board) and the supervisory body (Supervisory Board) both in terms of personnel and function. The Management Board is responsible for managing the Company, while the Supervisory Board supervises and advises the Management Board. Another executive body of the Company is the Annual General Meeting, in which the shareholders, as the owners of the Company, can exercise their rights.

The Management Board currently consists of two members.

The Supervisory Board consists of 12 members, half of which are elected by shareholders and half by employees in accordance with the provisions of the AktG and the German Codetermination Act (MitbestG). According to the Rules of Procedure of the Supervisory Board, the normal period of service on the Supervisory Board is 15 years. Information on the current composition of the Management Board and Supervisory Board and the mandates of their members can be found at the end of the financial section of our Annual Report.

Alongside legal requirements, the Articles of Association of the Company and the principles and recommendations of the German Corporate Governance Code, the duties, obligations and internal organization of the Management Board are defined above all in the Rules of Procedure for the Management Board. In combination with the Rules of Procedure for the Supervisory Board, the Rules of Procedure for the Management Board also regulate cooperation between these two executive bodies. We have published the Rules of Procedure for the Management Board, which also includes the current Business Allocation Plan, and the Rules of Procedure for the Supervisory Board on our website www.heidelberg.com under About us > Company > Corporate governance > Articles of association and rules of procedure.

On the basis of the Articles of Association of the Company and the Rules of Procedure for the Management Board and for the Supervisory Board, the working procedures of the Management Board and Supervisory Board and the close cooperation between the Company's executive bodies are described in more detail below:

The Management Board manages the Company under its own authority with the goal of generating sustainable added value. It is obligated to act in the best interests of the Company and takes into account the concerns of its shareholders, employees and other groups affiliated with the Company (stakeholders). The individual members of the Management Board are responsible for managing their divisions of the Company. The members of the Management Board are jointly responsible for overall management. They work as a team and inform one another about key measures and processes within their Management Board divisions. According to the Rules of Procedure for the Management Board, all matters of fundamental or material importance and any measures or business transactions of exceptional importance to HEIDELBERG or which pose an exceptional economic risk require a resolution by the full Management Board. The Management Board manages the Company's business in accordance with the law, the Articles of Association and the Rules of Procedure. It also ensures compliance with these provisions and corporate policies within the Group and appropriately manages risks and opportunities. Further information can be found in the risk and opportunity report in the management report of this Annual Report. After examining the internal control and risk management system and the reports submitted by the Internal Audit department, the Management Board is not aware of any circumstances indicating that these systems are inappropriate or ineffective.

The Corporate Sustainability department defines the framework for the strategic emphasis on sustainability and manages the implementation of current ESG (environmental, social and governance) topics in the individual business areas. The Head of Corporate Sustainability reports regularly to the Chief Executive Officer, who is responsible for this department according to the Business Allocation Plan.

In addition, the Head of Corporate Sustainability chairs the interdisciplinary ESG Council, which is responsible for the ESG strategy and its implementation, and comprises the CEO and managers from various specialist areas. Detailed information on ESG topics at HEIDELBERG can be found in our separately published combined Group Sustainability Report.

The Management Board ensures that the Company's risks and opportunities in relation to social and environmental factors and the environmental and social impacts of the Company's activities are identified and evaluated systematically. Alongside long-term economic targets, the corporate strategy takes appropriate account of environmental and social targets. Corporate planning covers not only long-term economic targets but also sustainability-related (ESG) goals. Further information on sustainability can be found on the Company's website www.heidelberg.com under About us > Company > Sustainability.

The Supervisory Board advises the Management Board and supervises its management of the Company. All members of the Supervisory Board have the same rights and obligations with regard to their duties and responsibilities on the Supervisory Board. They are not required to comply with orders or instructions.

The supervision and provision of advice by the Supervisory Board also covers, in particular, sustainability issues along the themes of environmental, social and corporate governance. The Management Board regularly reports to the Supervisory Board on the Group-wide sustainability strategy at Heidelberger Druckmaschinen Aktiengesellschaft and the extent to which this strategy has been implemented. The Supervisory Board addresses the risks and opportunities for Heidelberger Druckmaschinen Aktiengesellschaft in relation to social and environmental factors as well as the environmental and social impacts of the Company's activities. The Supervisory Board and Audit Committee also deal with sustainability reporting, which encompasses the reporting on non-financial topics in the Management Report and also the combined Group Sustainability Report, and are provided with information on new developments and the extent to which the sustainability initiatives have been implemented at Heidelberger Druckmaschinen Aktiengesellschaft.

As of March 31, 2025, the Supervisory Board comprised the following members:

Name
Dr. Martin Sonnenschein – Chair of the Supervisory Board
Ralph Arns* – Deputy Chair of the Supervisory Board
Karin Dohm
Gerald Dörr*
Jeppe Frandsen
Mirko Geiger*
Oliver Jung
Li Li
Heiko Maßfeller*
Beate Schmitt*
Ina Schlie
Holger Steuerwald*

* Employee representatives

Further information on all serving members of the Supervisory Board during the reporting period can be found at the end of the financial section of our Annual Report and on our website www.heidelberg.com under About us > Company > Corporate governance > Executive bodies > Supervisory board.

The Management Board works with the Supervisory Board on a basis of trust for the good of the Company. The Management Board is responsible for providing the Supervisory Board with sufficient information and the Supervisory Board actively supports this process in line with the Rules of Procedure for the Supervisory Board.

The Management Board is required to prepare the annual and consolidated financial statements and the Combined Management Report for the previous financial year in the first three months of the new financial year and to submit them to the Supervisory Board without delay once they have been prepared. At the same time, the Management Board is required to submit to the Supervisory Board the proposal it wishes to make to the Annual General Meeting for the appropriation of the net profit. The Management Board also presents the separate combined Non-Financial Report to the Supervisory Board without delay after it has been prepared.

The Supervisory Board examines the annual and consolidated financial statements, the Combined Management Report and any proposal for the appropriation of net profit. Following discussions with the auditor and taking into account the audit reports prepared by the auditor and the audit findings of the Audit Committee, the Supervisory Board declares whether it has any objections to raise based on the final result of its own examination. If this is not the case, the Supervisory Board approves the financial statements and endorses the Combined Management Report; once approved, the annual financial statements are adopted. The Supervisory Board also examines the separate combined Non-Financial Report. The Supervisory Board reports to the Annual General Meeting on the results of its examination and the nature and extent of its supervision of the Management Board during the past financial year.

At least once a year, the Management Board reports on its strategy, its intended business policy and other fundamental corporate planning issues at a Company and Group level. This report sets out the key aspects of the Management Board's planned management of the Company. In particular, it includes an explanation of the intended development and strategic orientation of the Group, including the sustainability strategy, a presentation of the financial and accounting policy for the Group and its divisions, and an explanation of and reasons for any deviations between previously reported targets and actual performance. Independent of this report, the Chair of the Supervisory Board remains in regular contact with the Chair of the Management Board and discusses the Company's strategy, business performance and risk management with him.

At the meeting of the Supervisory Board that is concerned with the resolution to approve the annual and consolidated financial statements (the "accounts meeting"), the Management Board reports on the profitability of the Company and the Group. This report includes information on the earnings power of the Group as a whole and of its individual divisions on the basis of meaningful profitability performance indicators, and using comparisons with the previous year and forecasts in each case.

In accordance with the Articles of Association and Rules of Procedure, the Management Board requires the approval of the Supervisory Board for its annual corporate planning, acquisitions, disposals and the encumbrance of property and hereditary building rights, for acquisitions and disposals of shares in companies and for accepting warranties, guarantees or similar liabilities if the value involved exceeds the limits set out in the Articles of Association and/or the Rules of Procedure. Furthermore, the approval of the Supervisory Board is required when taking out loans, concluding certain consultancy agreements or making amendments to the Business Allocation Plan for the Management Board. The Rules of Procedure for the Management Board and for the Supervisory Board include other rules relevant in this context. In the reporting year, the Supervisory Board granted its approval for individual transactions to the extent required by law, the Articles of Association or the Rules of Procedure for the Management Board.

The Supervisory Board's duties include the appointment and, where applicable, dismissal of members of the Management Board. The Supervisory Board also defines the individual amount of the total remuneration for each member of the Management Board based on proposals by the Personnel Committee and approves and regularly reviews the remuneration system for the Management Board.

The Supervisory Board works with the Management Board and with the support of the Personnel Committee to ensure long-term succession planning for the Management Board. Alongside the requirements of the AktG and the German Corporate Governance Code, long-term succession planning also particularly takes qualifications, professional experience and diversity into account. The Personnel Committee advises on succession planning for the Management Board.

When filling a Management Board position, the Personnel Committee generally preselects available candidates and conducts interviews with them, taking into account the requirement profile. The Personnel Committee reports to the Supervisory Board on this process, presents the individual candidates and submits a recommended resolution to the Supervisory Board. When identifying and selecting candidates, the Supervisory Board and Personnel Committee are supported by external advisors where necessary.

The fixed age limit defined in current contracts for members of the Management Board is 65.

The Supervisory Board regularly assesses how effectively the full Supervisory Board and its committees are performing their duties. The Supervisory Board last carried out a full self-assessment using online questionnaires in the 2023/2024 financial year. The Supervisory Board plans to carry out a new self-assessment in the 2025/2026 financial year.

The members of the Supervisory Board are personally responsible for undertaking the training and further education measures they need to carry out their duties, such as on corporate governance issues or new technologies, and are supported by the Company where necessary. New members of the Supervisory Board are given the opportunity to meet with the members of the Management Board and managers of specialist divisions for a bilateral discussion of fundamental and current issues and thus gain an overview of the relevant themes at the Company. [In the 2024/2025 financial year, there were regular presentations given on regulatory developments, among other things, especially with respect to ESG themes and EU digital law. In June 2024, the Company offered the members of the Supervisory Board a tour of the factory in Wiesloch-Walldorf so that it could present its latest technological developments and, as part of the activities surrounding the sector trade fair drupa, carry out demonstrations of new products.]

The composition of the Supervisory Board, with obligatory information on the members and their mandates on other supervisory boards, can be found at the end of the financial section of our Annual Report. Detailed information on the work of the Supervisory Board can be found in the current Report of the Supervisory Board in this Annual Report. The Remuneration Report can be found in this Annual Report under "Supervisory Board and Corporate Governance" and will be made publicly available on June 5, 2025 on our website www.heidelberg.com. You will find it on the website under About us > Investor relations > Financial publications.

6. Description of the composition and working procedures of the committees

The Management Board has not formed any committees.

The Supervisory Board has formed six committees consisting of its own members: the Mediation Committee, Audit Committee, Personnel Committee, Management Committee, Nomination Committee and Strategy Committee.

The Supervisory Board appoints a member of each committee as the Chair of that committee unless stated otherwise in the Rules of Procedure. When selecting and appointing the Chair of the Audit Committee, the Supervisory Board ensures that the Chair of the Audit Committee has expertise in at least the field of accounting or the field of auditing. Expertise in the field of accounting should take the form of special knowledge and experience in the application of accounting principles and internal control and risk management systems. Expertise in the field of auditing should take the form of special knowledge and experience in the auditing of financial statements. Accounting and auditing also include sustainability reporting and the corresponding audits. Furthermore, the Chair of the Audit Committee should be independent of the Company, the Management Board and the controlling shareholder(s) and should not be a former member of the Management Board of the Company whose term of office ended less than two years ago. The Chair of the Supervisory Board should not serve as the Chair of the Audit Committee.

In principle, the Supervisory Board can assign the task of preparing and executing Supervisory Board resolutions to its committees and also delegate matters to the committees for decision. However, the law stipulates that final decisions on certain matters must always be reserved for the full Supervisory Board. These include the election of the Chair of the Supervisory Board and their deputy, the appointment and dismissal of members of the Management Board, the adoption of Rules of Procedure for the Management Board, the examination of the annual financial statements and the management report, and decisions on the remuneration of members of the Management Board. Therefore, Supervisory Board committees can only take preparatory or executive action in these and other legally defined matters but cannot take decisions in place of the full Supervisory Board.

During meetings of the Supervisory Board, the chairs of the committees regularly report on the meetings of the committees and their activities. These primarily involve preparations for dealing with specific topics and resolutions at Supervisory Board meetings.

The main tasks assigned to the committees are described below:

The Management Committee advises on key topics and prepares for corresponding resolutions of the Supervisory Board. It is authorized to make resolutions on behalf of the Supervisory Board on measures requiring the approval of the Supervisory Board if the matter in question is urgent and a Supervisory Board resolution cannot be passed in good time.

The Personnel Committee prepares for personnel decisions to be made by the Supervisory Board. This includes, in particular, decisions on employment contracts for members of the Management Board. The Personnel Committee also submits proposals on the structure of the Management Board remuneration system to the Supervisory Board. On behalf of the Supervisory Board, the Personnel Committee resolves on measures and legal transactions set out in the Rules of Procedure for the Supervisory Board, and in particular on other legal transactions with members of the Management Board.

The Audit Committee deals, in particular, with the audit of the accounts, supervising the accounting process, assessing the effectiveness of the internal control system, risk management system and internal audit system, the audit of the financial statements and, especially, the independence of the auditor, any additional services performed by the auditor, awarding the audit assignment to the auditor, determining the key audit matters and agreeing the fees, as well as compliance. In particular, accounting encompasses the consolidated financial statements and the Group management report, interim financial information and the annual financial statements in accordance with HGB. Accounting and auditing in this sense also includes non-financial reporting, as well as its audit. The Audit Committee discusses the half-yearly financial reports and quarterly statements with the Management Board prior to publication, leads the process for selecting the auditor and submits recommendations to the Supervisory Board for the Supervisory Board's proposal to the Annual General Meeting for the appointment of the auditor. The Audit Committee discusses the assessment of audit risk, audit strategy, audit planning and audit findings with the auditor, and regularly consults with the auditor, without the Management Board being present in some cases.

Furthermore, the Audit Committee takes appropriate measures to establish and supervise the independence of the auditor and regularly evaluates the quality of auditing services.

The Strategy Committee deals with the strategy of the Company and related strategic considerations of the Management Board. It advises the Management Board as it prepares for the Supervisory Board meeting at which the full Supervisory Board discusses the Company's strategy.

The Nomination Committee submits proposals to the Supervisory Board for the nomination of suitable candidates for election by the Annual General Meeting or proposals for the judicial appointment of members of the Supervisory Board to fill positions that become vacant. It evaluates the knowledge, skills and specialist experience of the candidates and seeks to maintain an appropriate balance of knowledge, skills and specialist experience on the Supervisory Board. In particular, it takes account of the targets adopted by the Supervisory Board regarding its composition, the competency profile for the full Supervisory Board and the requirements placed on members of the Supervisory Board in the Rules of Procedure. It also takes diversity and potential conflicts of interest into account and ensures that the Supervisory Board has an appropriate number of independent members as defined in the German Corporate Governance Code. It regularly examines the structure, size and composition of the Supervisory Board, as well as the amount of time required to carry out the work of the Supervisory Board, and submits proposed amendments to the Supervisory Board where necessary. In addition, the Nomination Committee deals with issues relating to succession planning for members of the Supervisory Board.

The Mediation Committee only performs the tasks assigned to it in accordance with section 31 (3) of the German Codetermination Act (MitbestG). It submits proposals for the appointment of members of the Management Board if a candidate does not receive a two-thirds majority of the votes of the members of the Supervisory Board in the first ballot.

The Supervisory Board committees comprised the following members as of the reporting date:

Management Committee
Dr. Martin Sonnenschein (Chair)
Ralph Arns
Gerald Dörr
Jeppe Frandsen
Mirko Geiger
Oliver Jung

Mediation Committee in accordance with section 27 para. 3 MitbestG
Dr. Martin Sonnenschein (Chair)
Ralph Arns
Gerald Dörr
Oliver Jung

Personnel Matters Committee
Dr. Martin Sonnenschein (Chair)
Ralph Arns
Gerald Dörr
Jeppe Frandsen
Oliver Jung
Beate Schmitt

Audit Committee
Ina Schlie (Chair)[1]
Ralph Arns
Karin Dohm
Mirko Geiger
Beate Schmitt
Dr. Martin Sonnenschein[2]

1) Ina Schlie has the special knowledge and experience in accounting and auditing required by recommendation D.3 of the DCGK thanks to her many years as Senior Vice President Global Tax at SAP and as a member of the supervisory boards of other stock corporations, in some cases as chair of the audit committee.
2) Dr. Sonnenschein has many years of experience as a consultant and also as Partner and Director/Member of the Board at A.T. Kearney, as well as from his activities as a member of the supervisory boards of other stock corporations in Germany and abroad, and has the special knowledge and experience in accounting and auditing required by recommendation D.3 of the DCGK.

Nomination Committee
Dr. Martin Sonnenschein (Chair)
Oliver Jung
Li Li

Strategy Committee
Dr. Martin Sonnenschein (Chair)
Ralph Arns
Karin Dohm
Jeppe Frandsen
Mirko Geiger
Oliver Jung
Li Li
Ina Schlie

The committees are also described at the end of the financial section of our Annual Report. Further information on the committees and their duties can be found in the Rules of Procedure for the Supervisory Board (sections 9–15), which are published on our website www.heidelberg.com under About us > Company > Corporate governance > Articles of association and rules of procedure. Detailed information on the work of the Supervisory Board committees in the reporting year can be found in the current Report of the Supervisory Board in this Annual Report, which will be made publicly available on our website www.heidelberg.com on June 5, 2025. You will find it on the website under About us > Investor relations > Financial publications.

7. Targets for the proportion of women

In accordance with section 76 (4) AktG, the Management Board defines targets for the proportion of women at the two levels of management below the Management Board and deadlines for the achievement of these targets. When filling management positions at the Company, the Management Board takes diversity into account and strives to ensure that women are considered appropriately.

On July 25, 2022 the Management Board resolved a target for the proportion of women for the period from July 1, 2022 to March 31, 2027 of 17.9 percent at management level 1 (ML1) and 22.1 percent at management level 2 (ML2). As of March 31, 2025 the proportion of women at ML1 was 8.3 percent and at ML2 8.1 percent.

In order to achieve the targets defined in 2022, the Company has implemented a number of measures, including a cross-company mentoring program to promote young female talent in conjunction with other companies from the Rhine-Neckar region and a works agreement on mobile working to make it easier for employees to combine a career with family life. The Diversity department within HR manages the operative measures and aligns them with the Company’s strategic targets. The Company has also established an international and digital recruitment process to ensure a standardized procedure is followed for managing diversity when hiring employees.

In accordance with section 111 (5) sentence 1 and sentence 8 AktG, the Supervisory Board defines targets for the proportion of women on the Management Board and deadlines for the achievement of these targets. On June 3, 2022 the Supervisory Board defined a target for the proportion of women on the Management Board of one person for the period from July 1, 2022 to March 31, 2027. This target was not achieved after Tania von der Goltz stepped down from the Management Board on April 1, 2025.

In accordance with the statutory provisions in sections 96 (1), 101 (1) AktG and section 7 (1) sentence 1 no. 1 MitbestG, the Supervisory Board comprises six shareholder representatives and six employee representatives. In accordance with section 96 (2) sentence 1 AktG, at least 30 percent of the members of the Supervisory Board are women and at least 30 percent are men. As of March 31, 2025,, the Supervisory Board had four female members, of which three were appointed by the shareholders and one by the employees. There were also eight men on the Supervisory Board, of which three were appointed by the shareholders and five by the employees. The statutory minimum quota was fulfilled in the 2024/2025 financial year. Ms. Karin Dohm has resigned from her position with effect from April 30, 2025; this means that the gender quota on the Supervisory Board is likely to be temporarily undershot until the end of the Annual General Meeting on July 24, 2025..

8. Diversity concept and competency profile

Diversity is an important selection criterion at the Company for the composition of the Management Board and the Supervisory Board.

The aim is to ensure that the composition of the two executive bodies is such that it guarantees the comprehensive fulfillment of all duties assigned to the Management Board and Supervisory Board. When filling Management Board positions and making proposals for the election of Supervisory Board members, the Supervisory Board primarily focuses on the personal suitability of the respective candidates, their specialist qualifications and professional experience, time availability, integrity and independence, commitment and performance. Diversity of opinion is also supported by ensuring a range of different ages.

The current composition of the Management Board and the Supervisory Board satisfies these requirements. All members of the Management Board and Supervisory Board have high levels of professional experience and expertise that enable them to manage or supervise the management of a company. A special focus is placed on the career advancement of women. If there are candidates with equal professional and personal suitability for new appointments, the nomination or appointment of women to the Supervisory Board, Management Board and the two management levels below the Management Board should be considered in order to increase the proportion of women in the medium and long term.

The aspects of diversity that are important to the Supervisory Board and that are taken into account in its composition are reflected in the targets it sets and its competency profile. The members of the Supervisory Board should have sufficient time and the integrity and personal traits to fulfill their mandate. The full Supervisory Board must cover all areas of competence that are considered to be key. However, it is not necessary for all Supervisory Board members to possess expertise in all key areas of competence.

The Supervisory Board considers the following areas of competence and knowledge to be key for the fulfillment of its mandate:

Internationality: Due to the global nature of Heidelberg Druckmaschinen Aktiengesellschaft's activities, international professional or business experience is required on the Supervisory Board. This experience should be in a non-German market with relevance for the Company.

Industry experience: The members of the full Supervisory Board must be familiar with the sector in which the Company operates. The Supervisory Board must have members with particular know-how in the printing and media industry or mechanical engineering sector who possess associated industry expertise.

Accounting/auditing: The Supervisory Board must have members with expertise in the field of accounting and in the field of auditing. Expertise in the field of accounting should take the form of special knowledge and experience in the application of accounting principles and internal control and risk management systems, while expertise in the field of auditing should take the form of special knowledge and experience in the auditing of financial statements. Accounting and auditing also include sustainability reporting and the corresponding audits.

Financing/capital market: The Supervisory Board must have members who have particular experience in the area of financing and capital market law.

Sustainability: Members of the Supervisory Board must have expertise in sustainability issues that are relevant to the Company.

Taking into account the sector, size of the Company and share of international business, the Supervisory Board is guided in particular by the following targets for the future composition of the full Supervisory Board:

a. All Supervisory Board members must have sufficient corporate or operational experience and knowledge in their field. They must also have sufficient time to perform their duties on the Supervisory Board so that the full Supervisory Board possesses the knowledge, skills and specialist experience necessary to perform its duties properly.

b. At least four of the shareholder representatives must be independent of the Company and the Management Board in the sense of the German Corporate Governance Code.

c. No more than two former members of the Management Board may serve on the Supervisory Board.

d. The Supervisory Board must have at least one member with international experience in a non-German market with relevance for the Company.

e. The Supervisory Board must have at least one member with particular expertise in the printing and media industry and at least one member with experience in the mechanical engineering sector who has associated industry expertise.

f. At least one Supervisory Board member must have expertise in the field of accounting and at least one other Supervisory Board member must have expertise in the field of auditing.

g. The Supervisory Board should have at least one member with experience in financing and the capital market.

h. The Supervisory Board should have at least one member with expertise in sustainability issues that are relevant to the Company.

The following matrix reflects the extent to which the targets mentioned above have been fulfilled. The Company does not currently have a controlling shareholder.

Qualification matrix pursuant to recommendation C.1 of the German Corporate Governance Code (GCGK)

Supervisory Board	Corporate/ operating experience/ knowledge	Internation-ality	Industry experience	Accounting/ auditing	Financing/ capital market	Sustainability	Independence from the Company/ the Manage-ment Board as defined in the GCGK	Former Management Board member	Member since
Dr. Martin Sonnen-schein (Chair)	x	x	x	x	x	x	x		December 1, 2019
Ralph Arns*	x		x			x			July 24, 2014
Gerald Dörr*	x		x			x			July 25, 2018
Karin Dohm	x	x		x	x	x	x		July 25, 2024
Jeppe Frandsen	x	x	x	x	x		x		July 25, 2024
Mirko Geiger*	x		x	x		x	x		August 1, 2005
Oliver Jung	x	x	x	x			x		May 23, 2017
Li Li	x	x	x	x	x				July 25, 2019
Heiko Maßfeller	x		x				x		September 1, 2024
Ina Schlie	x	x		x	x	x	x		July 23, 2020
Beate Schmitt*	x		x	x		x			April 3, 2006
Holger Steuerwald*	x	x	x			x			July 26, 2023

* Employee representative on the Supervisory Board

In the view of the shareholder representatives, the shareholder representatives Dr. Martin Sonnenschein, Karin Dohm, Jeppe Frandsen, Oliver Jung and Ina Schlie are independent in the sense of the DCGK.

In accordance with section 96 (2) sentence 1 AktG, at least 30 percent of the members of supervisory boards of listed companies that are subject to codetermination must be women (i.e. at least four) and at least 30 percent must be men (i.e. at least four). This gender ratio must be fulfilled by the full Supervisory Board unless the shareholder or employee representatives object to overall fulfillment in accordance with section 96 (2) sentence 3 AktG. As of March 31, 2025 the Supervisory Board comprised four women (around 33 percent) and eight men (around 67 percent) and thus fulfilled the required gender ratio. There was an objection made to overall fulfillment in January 2023 in connection with the process to elect employee representatives to the Supervisory Board in June 2023.

Supervisory Board members should not remain in their post beyond the end of the Annual General Meeting following their 72nd birthday. The normal period of service on the Supervisory Board is limited to 15 years. Among other things, this ensures continuity and the retention of long-standing expertise on the Supervisory Board in the interests of the Company.

The current composition of the Supervisory Board complies with these targets and fulfills the competency profile.

9. Shareholders and Annual General Meeting

Shareholders exercise their rights as shareholders, and in particular their information and voting rights, at the Annual General Meeting in accordance with the statutory provisions and Articles of Association. All key provisions of the Articles of Association relating to our Annual General Meeting and the rights of our shareholders can be found in our Articles of Association, which are published on our website www.heidelberg.com under About us > Company > Corporate governance > Articles of association and rules of procedure.

Excerpts of the most important provisions in the Articles of Association as of the reporting date can be found below.

The Annual General Meeting of the Company is held at the registered office of the Company, a German branch or operating facility of the Company, a company associated with it or at a different location within the Federal Republic of Germany with a population of at least 100,000 people.

The Management Board is authorized (for a limited period) to hold the Annual General Meeting in virtual form, i.e. without the physical presence of shareholders or their proxies at the venue of the Annual General Meeting. In this case, the rules described above with respect to the venue of the Annual General Meeting do not apply.

The ordinary Annual General Meeting must be held in the first eight months of the financial year.

The Company must give at least the minimum period of notice required by law when convening the Annual General Meeting.

Shareholders are authorized to participate in the Annual General Meeting and exercise their voting rights only if they register for the Annual General Meeting and present proof of their shareholding. They must register in text form in German or English. The proof of shareholding can be provided in the form of confirmation of the shareholding issued in text form by the last intermediary in accordance with section 67c (3) AktG, which can also be sent directly to the Company by the last intermediary. This proof must refer to the shareholding at the end of business 22 days before the Annual General Meeting. The shareholder's registration and proof of shareholding must be sent to the address specified in the notice of convocation for the Annual General Meeting and arrive at the Company at least six days before the Annual General Meeting. The day of the Annual General Meeting and the day of receipt are not counted here. The notice of convocation for the Annual General Meeting may specify a shorter deadline for registration and receipt of proof of shareholding given as a number of days.

Each shareholder may be represented at the Annual General Meeting by a proxy. Unless otherwise stipulated by law or in the notice of convocation for the Annual General Meeting, proxies must be granted and revoked in text form and evidence must be sent to the Company also in text form. The provisions in section 135 AktG remained unaffected.

The Management Board may enable shareholders to cast their votes in writing or by means of electronic communication even if they do not attend the Annual General Meeting (postal voting). The Management Board may define specific details for regulating the scope and procedure for postal voting. Furthermore, the Management Board may allow shareholders to participate in the Annual General Meeting without being present at its venue and without a proxy, and to exercise all or some of their rights in full or in part by means of electronic communication (online participation). The Management Board may define specific details for regulating the scope and procedure for online participation.

The Annual General Meeting is chaired by the Chair of the Supervisory Board or, if he is unavailable, by another shareholder member of the Supervisory Board to be determined by him. In the event that neither the Chair of the Supervisory Board nor another member of the Supervisory Board determined by him is available to chair the meeting, the shareholder members of the Supervisory Board present at the Annual General Meeting will elect a person to chair the Annual General Meeting by a simple majority of the votes cast.

The Chair heads the meeting, determines the order in which items are discussed and defines the voting procedure. Furthermore, the Chair may set reasonable time limits for shareholders to ask questions and give speeches. In particular, the Chair may, at the commencement or during the course of the Annual General Meeting, set reasonable time limits for the entire Annual General Meeting, for discussions of any individual agenda items and for any individual questions and speeches.

Heidelberg, June 3, 2025

Heidelberger Druckmaschinen Aktiengesellschaft

The Management Board

Jürgen Otto   Dr. David Schmedding

Compliance

- Continuous development of the compliance management system
- Improving communication, especially by offering more e-learning courses, establishing a compliance hotline and sending information to managers more frequently via e-mail
- Completing a compliance risk analysis
- Expanding and optimizing the key performance indicators (KPIs)
- Main focus for the 2025/2026 financial year:
- Implementing the action plan developed on the basis of an evaluation of the risk analysis and revising the business partner auditing process

Compliance management system

The Management Board of HEIDELBERG is committed to complying with applicable laws, regulations and guidelines, and also committed to systematically investigating and punishing compliance violations. The Management Board has established a compliance management system (CMS) to ensure that the employees, managers and executive bodies of HEIDELBERG act with integrity and in compliance with the law.

HEIDELBERG's CMS is based on Audit Standard (PS) 980 published by the Institute of Public Auditors in Germany (IDW). Its seven basic elements set out the key structural, organizational and procedural requirements for ensuring compliance within the operational activities of the HEIDELBERG Group. The objective of HEIDELBERG's CMS is to inhibit compliance violations by taking preventative measures and identifying risks at an early stage with the aim of mitigating and avoiding liability and reputational damage to HEIDELBERG and its employees, managers and executive bodies. To this end, the CMS incorporates various measures and rules that are designed to ensure that the actions of HEIDELBERG's employees, managers and executive bodies are consistent with the applicable laws and regulations, as well as with the Group's internal values and guidelines. Compliance with the applicable laws and regulations and generally accepted ethical and social principles forms an integral part of the self-perception of HEIDELBERG as a company. HEIDELBERG carried out a risk analysis in the 2024/2025 financial year as one of the measures for the continuous development of the CMS. The aim was not just to identify, evaluate and prioritize potential risks but also to improve internal guidelines and processes.

Compliance guidelines

The Company-wide Code of Conduct – with which the Company undertakes to engage in respectful and collaborative cooperation – is an important element of the CMS and an underlying principle of HEIDELBERG's corporate culture.

The Code of Conduct for employees, which was adopted by the Management Board, is based on HEIDELBERG's values and reflects the Ten Principles of the UN Global Compact. Among other things, it includes commitments to combat bribery and corruption, comply with the provisions of antitrust, anti-money-laundering and tax laws, and act with integrity when dealing with customers, suppliers and business partners, as well as commitments to sustainability and product responsibility, to compliance with foreign trade and customs law, human rights and data protection regulations, to protecting corporate assets and to ensuring working conditions that are fair, respectful and free from discrimination. The Code of Conduct sets out the principles that HEIDELBERG undertakes to uphold. It acts as a binding framework that also provides guidance for HEIDELBERG's day-to-day actions and decisions and calls on managers and executive bodies to act as role models and support their employees in complying with the Code of Conduct.

HEIDELBERG also expects its suppliers and business partners to comply with these principles and has made them obligatory in its Business Partner Code of Conduct. The Business Partner Code of Conduct contains guidelines and principles aimed at ensuring compliance with laws, regulations and guidelines. It provides the framework for building continuous, long-term partnerships with HEIDELBERG's suppliers and business partners on the basis of integrity.

The current versions of both documents are published internally on the intranet and also externally on the HEIDELBERG website and the contents are covered in compliance training courses.

The compliance guidelines that supplement the Code of Conduct define a binding framework for action, providing guidance for HEIDELBERG's employees, managers and executive bodies, including when dealing with customers, suppliers and business partners. This set of internal rules gives HEIDELBERG a basis that it can use to ensure that it acts with integrity and in compliance with the law, particularly with regard to combating bribery and corruption, preventing money laundering and ensuring fair competition. In the 2024/2025 financial year, HEIDELBERG continued its revision of the guideline management process. There are plans to implement and communicate the new guidelines and introduce IT tools to support the guideline management process in the 2025/2026 financial year.

One of HEIDELBERG's objectives is to maintain business relationships only with reputable business partners. These partners are expected to comply with all relevant applicable laws, regulations and guidelines.

Compliance audits

HEIDELBERG has implemented various processes and tools for carrying out risk-based audits of business partners to ensure that this obligation is met in full. The aim of this approach is to identify (potential) risks at an early stage and prevent or mitigate them. This audit also serves to ensure that business partners are selected carefully and properly. HEIDELBERG developed compliance guidelines for the sector trade fair drupa 2024 in the last financial year and successfully implemented them. These guidelines stipulated that all guests who received gifts from HEIDELBERG were audited. The Company has also carried out similar audits at other events. In the 2025/2026 financial year, the Company plans to revise its business partner audit process.

In the 2024/2025 financial year, HEIDELBERG carried out several compliance checks to review the effectiveness and efficiency of the guidelines and processes it has introduced and revised.

Compliance organization

The compliance organization comes under the area of Legal, Patents and Compliance and the head of this area is, in her role as Chief Compliance Officer (CCO), also head of the compliance organization.

As this area falls under the responsibility of the Chief Financial Officer (CFO), the CFO is thus responsible for compliance and the CCO reports directly to the Chief Financial Officer as their line manager. The CCO also reports regularly to the Supervisory Board about compliance risks and measures within the framework of the Supervisory Board's Audit Committee. The CCO and the compliance team, which consists of the central compliance office and regional and local compliance officers, serve as the point of contact for all compliance-related issues.

With the aim of expanding and strengthening the global network, the Compliance Committee meets on at least a quarterly basis to discuss current issues and challenges and exchange best practices. In the five Compliance Committee Meetings held in the 2024/2025 financial year, the central compliance office presented, among other things, the results of the risk analysis, carried out surveys involving the members of the Committee asking questions on issues such as gifts and guideline management, and reported and held open discussions on the sector trade fair drupa and other planned projects. The network consists of four regional compliance officers, 33 local compliance officers and the central compliance office, which are active in 35 countries around the world. In the 2025/2026 financial year HEIDELBERG plans to restructure the compliance organization, which will involve expanding the group of participants.

Compliance training and communication

Mandatory training is another key element for preventing compliance violations and improving Company-wide awareness for compliance issues. The training concept requires all employees to regularly complete their assigned training measures within the defined deadlines. Employees also have the opportunity to voluntarily participate in other training courses.

In the 2024/2025 financial year, risk-based in-person training courses for specific target groups, such as apprentices and dual degree students, were added to the training program alongside new or recurring e-learning courses on the themes of compliance basics, preventing corruption, fair competition and fair supply chains.

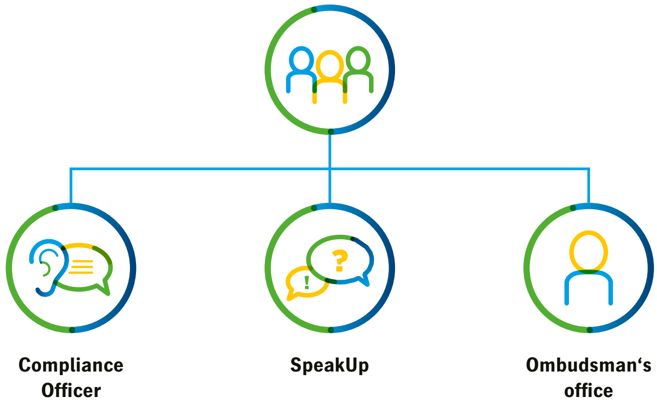
Around 980 employees at different hierarchical levels in China also participated in compliance training courses at their sites in the 2024/2025 financial year. These courses were held by external lawyers, HR employees and managers.

Communication is another key element for preventing compliance violations and improving Company-wide awareness for compliance issues. Information on guidelines and compliance activities is communicated, for example, via e-mail, intranet articles and using seasonal formats (e.g. a Christmas quiz and prize draw), while information is also provided in response to specific events (CEO fraud). The Chief Executive Officer Jürgen Otto also published a statement on the Compliance Portal to highlight the importance of compliance.

Dealing with compliance violations

Any (potential) violations are identified and investigated within the defined compliance process. Sanctions are imposed on a case-by-case basis, taking into account, among other things, the type and severity of the compliance violation and the applicable law.

HEIDELBERG has set up various reporting channels so that external and internal whistleblowers can easily report (potential) compliance violations at an early stage.



The central compliance office and the regional and local compliance officers are available to HEIDELBERG’s employees, managers and executive bodies to answer any compliance-related questions and receive reports on any issues.

Furthermore, compliance violations can also be reported to the Management Board, Works Council, managers or directly to the external ombudsman’s office responsible for HEIDELBERG. HEIDELBERG uses the ombudsman’s office to ensure that employees, customers, suppliers and business partners can report potential compliance violations confidentially and, if desired, anonymously. These reports are then processed by external lawyers.

Another reporting channel is the electronic reporting tool SpeakUp, which is available to both internal and external parties. Whistleblowers can report violations in their own name or anonymously using SpeakUp. The SpeakUp system is operated by an independent service provider and is available around the clock. Whistleblowers can submit reports in their native language by telephone or online. The reports are usually processed by the Compliance Office. This channel can be used to report, for example, cases of corruption, antitrust violations, money laundering, human rights violations and environmental offenses. All justified reports are investigated internally and may have consequences.

The Group-wide guideline “Compliance Whistleblower System” ultimately regulates the procedure and sets it out transparently. It also explains what protection is offered to both whistleblowers and the subjects of the reports. A description of the process is made available internally on the HEIDELBERG intranet and also externally on the Company website.

Various communication tools are used to build trust in the SpeakUp system and make it more widely known. For example, it is covered in the compliance training courses and the Company publishes intranet articles and information on the system, for example in the form of a flyer explaining the SpeakUp procedure.

Data protection and information security

HEIDELBERG is aware of its responsibility for handling the personal data entrusted to it in accordance with the applicable legal requirements. As data protection legislation in many countries varies to a large extent, HEIDELBERG has defined its own data protection guidelines to establish minimum standards across the entire Group. These guidelines apply globally, but are supplemented by special rules to reflect any legislation at a national level.

HEIDELBERG holds regular, mandatory training courses on the themes of data protection and information security for all employees.

The Company is aware of the constantly growing threat in cyberspace and has established a certified information security management system (ISMS) in accordance with the internationally recognized DIN ISO/IEC 27001 standard. This system enables HEIDELBERG to optimally assess the risks and opportunities and, using a process of continuous improvement, select appropriate measures that will guarantee the protection of data in line with the goals of confidentiality, integrity and availability. Current information, trends and projects relating to information security are regularly reported to top management by the Chief Information Security Officer (CISO).

HEIDELBERG places great importance in its ISMS on complying with all legal requirements and making the Company more resilient to cyber attacks.

Financial calendar 2025/2026

June 5, 2025
Press Conference, Annual Analysts' and Investors' Conference

July 24, 2025
Annual General Meeting

July 31, 2025
Publication of First Quarter Figures 2025/2026

November 12, 2025
Publication of Half-Year Figures 2025/2026

February 5, 2026
Publication of Third Quarter Figures 2025/2026

June 10, 2026
Press Conference, Annual Analysts' and Investors' Conference

July 23, 2026
Annual General Meeting

Subject to change

Publishing information

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Five-year overview – HEIDELBERG Group

Figures in € millions	2020/2021	2021/2022	2022/2023	2023/2024	**2024/2025**
Incoming orders[1]	2,000	2,454	2,433	2,288	2,433
Net sales	1,913	2,183	2,435	2,395	2,280
Foreign sales share in percent	86.4	85.6	87.2	87.0	87.9
EBITDA[2]	95	160	209	168	137
Adjusted EBITDA[2,3]	n/a	n/a	175	172	162
in percent of sales	n/a	n/a	7.2	7.2	7.1
Result of operating activities	18	81	131	91	61
Net result before taxes	–23	51	112	55	27
Net result after taxes	– 43	33	91	39	5
in percent of sales	– 2.2	1.5	3.7	1.6	0.2
Research and development costs	87	98	96	104	108
Investments	78	71	101	90	113
Total assets	2,169	2,183	2,221	2,114	2,174
Net Working Capital[4] (NWC)	505	440	515	472	401
Equity	109	242	514	527	546
in percent of total assets	5.0	11.1	23.1	24.9	25.1
Financial liabilities	271	135	102	76	80
Net financial position[5]	– 67	11	51	77	91
Free cash flow	40	88	72	56	51
in percent of sales	2.1	4.0	3.0	2.3	2.2
Return on equity in percent[6]	– 39,4	13.6	17.7	7,4	0,9
Earnings per share in €	– 0,14	0.11	0.30	0.13	0.02
Share price at financial year-end in €[7]	1.15	2.39	1.71	1.04	1.11
Market capitalization at financial year-end	350	728	512	317	338
Number of employees at financial year-end[8]	10,212	9,811	9,554	9,591	9,309

1) All information on incoming orders and order backlog in this report is not the subject of an audit by the auditor KPMG
2) Result of operating activities before interest and taxes and before depreciation and amortization
3) Adjustment is reported as of FY 2023/2024; previous year adjusted; FY 2020/2021 and 2021/2022 not reportable
4) The total of inventories and trade receivables less trade payables and supply financing as well as advance payments
5) Net total of cash and cash equivalents and current securities less financial liabilities
6) After taxes
7) Xetra closing price, source prices: Bloomberg
8) Number of employees excluding trainees

Note
In individual cases, rounding may result in discrepancies concerning the totals and percentages contained in this financial report.

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