DÜRR GROUP.

# TAKING ACTION

ANNUAL REPORT 2023

# KEY FIGURES[1]

| | | 2023 | 2022 | 2021 | 2023/2022 Change in % |
|---|---|---|---|---|---|
| Incoming orders | € million | 4,615.5 | 5,008.4 | 4,291.0 | −7.8 |
| Orders on hand (Dec. 31) | € million | 4,201.2 | 4,014.0 | 3,361.0 | 4.7 |
| Sales revenues | € million | 4,627.3 | 4,314.1 | 3,536.7 | 7.3 |
| of which abroad | % | 83.7 | 85.2 | 84.2 | −1.5 pp |
| Gross profit | € million | 1,005.1 | 938.7 | 819.4 | 7.1 |
| EBITDA | € million | 322.2 | 337.5 | 299.4 | −4.5 |
| EBIT | € million | 191.4 | 205.9 | 175.7 | −7.0 |
| EBIT before extraordinary effects | € million | 280.4 | 232.2 | 199.1 | 20.8 |
| EBT | € million | 171.3 | 188.1 | 132.6 | −9.0 |
| Net profit/loss | € million | 110.2 | 134.3 | 84.9 | −17.9 |
| Earnings per share (basic) | € | 1.62 | 1.89 | 1.20 | −14.3 |
| Earnings per share (diluted) | € | 1.55 | 1.81 | 1.16 | −14.4 |
| Dividend per share | € | 0.70[2] | 0.70 | 0.50 | 0.0 |
| | | | | | |
| Cash flow from operating activities | € million | 287.5 | 264.7 | 257.0 | 8.6 |
| Cash flow from investing activities | € million | −256.6 | 13.3 | −121.9 | – |
| Cash flow from financing activities | € million | 301.7 | −141.3 | −334.2 | – |
| Free cash flow | € million | 129.3 | 117.1 | 120.8 | 10.4 |
| Cash conversion rate | % | 117.3 | 87.2 | 142.3 | 30.1 pp |
| | | | | | |
| Equity (with non-controlling interests) (Dec. 31) | € million | 1,177.0 | 1,124.2 | 1,005.6 | 4.7 |
| Net financial status (Dec. 31) | € million | −516.6 | −46.4 | −99.5 | – |
| Net working capital (Dec. 31) | € million | 545.3 | 415.9 | 427.9 | 31.1 |
| | | | | | |
| Employees (Dec. 31) | | 20,597 | 18,514 | 17,802 | 11.3 |
| of which abroad | % | 54.3 | 52.2 | 51.4 | 2.1 pp |
| | | | | | |
| Gearing (Dec. 31) | % | 30.5 | 4.0 | 9.0 | 26.5 pp |
| Equity ratio (Dec. 31) | % | 22.8 | 24.8 | 24.2 | −2.0 pp |
| Gross margin | % | 21.7 | 21.8 | 23.2 | −0.1 pp |
| EBITDA margin | % | 7.0 | 7.8 | 8.5 | −0.8 pp |
| EBIT margin | % | 4.1 | 4.8 | 5.0 | −0.7 pp |
| EBIT margin before extraordinary effects | % | 6.1 | 5.4 | 5.6 | 0.7 pp |
| Net financial debt/EBITDA | | 1.6 | 0.1 | 0.3 | – |
| ROCE | % | 11.2 | 17.3 | 15.5 | −6.1 pp |
| Dürr Group Value Added (DGVA) | € million | −35.3 | 18.3 | 38.8 | – |

[1] Please note the information on page 82 concerning the figures.
[2] Dividend proposal for the annual general meeting.

Minor variances may occur in the computation of sums and percentages in this report due to rounding.

# THE DÜRR GROUP

As one of the world's leading mechanical and plant engineering firms, we help our customers establish sustainable and efficient production. In 2023, automotive customers accounted for 48% of our sales and 35% came from furniture and timber house manufacturers. Other customer industries include chemicals, pharmaceuticals, medical devices, electronics, and battery manufacturing. Our technology boasts energy efficiency, automation, and a high degree of digitalization. With more than 20,500 employees, we are represented at 142 locations in 32 countries.

## Our five divisions

| PAINT AND FINAL ASSEMBLY SYSTEMS | APPLICATION TECHNOLOGY | CLEAN TECHNOLOGY SYSTEMS | INDUSTRIAL AUTOMATION SYSTEMS | WOODWORKING MACHINERY AND SYSTEMS |
|---|---|---|---|---|
| • Paint shops<br>• Final Assembly Systems<br>• Testing and filling technology for the automotive industry | • Paint application technology<br>• Gluing technology<br>• Sealing technology | • Exhaust-air purification systems<br>• Noise abatement systems<br>• Coating systems for battery electrodes | • Assembly and test systems for automotive components, medical devices, consumer goods<br>• Balancing and diagnostic technology<br>• Industrial filling technology<br>• Tooling systems | • Machinery and equipment for the woodworking industry |
| **€1,363.6 M**<br>SALES | **€614.0 M**<br>SALES | **€481.2 M**<br>SALES | **€590.7 M**<br>SALES | **€1,625.1 M**<br>SALES |
| **€69.0 M**<br>EBIT BEFORE EXTRA-ORDINARY EFFECTS | **€60.6 M**<br>EBIT BEFORE EXTRA-ORDINARY EFFECTS | **€30.3 M**<br>EBIT BEFORE EXTRA-ORDINARY EFFECTS | **€29.5 M**<br>EBIT BEFORE EXTRA-ORDINARY EFFECTS | **€129.7 M**<br>EBIT BEFORE EXTRA-ORDINARY EFFECTS |
| **4,772**<br>EMPLOYEES | **2,084**<br>EMPLOYEES | **1,525**<br>EMPLOYEES | **4,240**<br>EMPLOYEES | **7,348**<br>EMPLOYEES |

# TAKING ACTION

It’s time to act. To limit global warming, many things need to change – including industrial production. We are working on this by developing energy-efficient and low-emission production technologies for our customers. But we are also reducing emissions in our own business operations.

In addition, we are taking decisive action to increase our efficiency and profitability. We are operating with a focus on margins, reducing costs, increasing earnings resilience, and leveraging synergies through the OneDürrGroup program. And we are investing in promising, future-oriented business areas such as automation, battery production, and timber construction.

# CONTENTS

# CHAIRMAN'S LETTER

## Dear readers,

The year 2023 marked a pivotal moment for the Dürr Group. On November 27, with Heinz Dürr's passing, we lost a unique personality. For decades, he was the face and the soul of our company. He took on the role of visionary, figure of identification, and anchor shareholder. The death of this entrepreneurial legend, who was so approachable, left the workforce deeply saddened. Many paused to reminisce about shared moments with Heinz Dürr, his charisma, and his dry sense of humor.

Heinz Dürr's courage, optimism, and curiosity made him unique as an entrepreneur. In the almost 70 years of his work, he instilled these values into our culture, embedding them deep within the DNA of our company. That's why – as much as we miss Heinz Dürr – we look to the future with confidence. "HD's" entrepreneurial spirit lives on in the Dürr Group and gives us strength and self-confidence.

Heinz Dürr was always concerned with the further development of "his" company. Therefore, I am sure that at this point he would have urged us to focus on business again, despite all the sadness. That's what I would like to do.

In operational terms, 2023 was predominantly a good year. In addition to achieving record sales of over €4.6 billion, we generated high free cash flow of nearly €130 million despite rising capital expenditure. The basis for this was the consistent collection of project payments; at the same time, the improved supply chain situation allowed inventories to be reduced. Operating earnings also showed a positive development. All five divisions were able to increase their EBIT margin before extraordinary effects, in tandem with rising sales, thanks in part to a highly profitable service business. At 6.1%, the Group's margin reached the target corridor. After three years of pandemic-related restrictions, supply chain problems, and skyrocketing material prices, we returned to near pre-crisis levels.

In the current year, we see potential for further margin growth in four out of five divisions. At HOMAG, the upward trend will be interrupted as the decline in orders in 2023 (down 18%) will have a negative impact on sales and earnings. We are taking resolute action to address this situation. By adjusting capacities, we will reduce fixed costs by €50 million p.a. from 2025 onward, thereby increasing HOMAG's earnings resilience and leveraging local cost advantages in foreign markets – a further step toward a 10% EBIT margin before extraordinary effects. I firmly believe that this goal is achievable. The 9.1% margin HOMAG reached in the second half of 2023 was already close to the 10% threshold.

We have chosen the motto "Taking Action" for this annual report. This does not only refer to cost cutting at HOMAG – we are also taking decisive action in the Group's strategic further development. The best example is automation technology, where we have joined the ranks of the world's leading suppliers with the acquisition of BBS Automation. In this growth business, we serve future sectors such as e-mobility, medicine, and solar with highly automated assembly and testing technology, and we expect average annual market growth of 9%. Pooling BBS Automation, Teamtechnik, and Hekuma gives us the critical mass needed to leverage this potential. Customers appreciate working with us as an efficient partner,

**Dr. Jochen Weyrauch**

**With smart automation, we enable the highly efficient manufacturing of products that millions of people need every day.**

especially when it comes to extensive automation projects. On the cost side, we are tapping into synergy potential between the three acquired companies. This will lead to earnings growth in 2024 and help the Industrial Automation Systems division to achieve its target EBIT margin of at least 10% before extraordinary effects in the medium term.

We have also expanded our market position in battery production technology. The acquisition of the French mechanical engineering company Ingecal has complemented our electrode coating range by adding solutions for calendering electrode foils. Ingecal’s technology is being developed further to enable its application not only for conventional wet coating but also for solvent-free dry coating. This future-oriented process reduces costs, energy consumption, and emissions, and can also be used for the production of solid-state batteries. This demonstrates that, with Ingecal and the partnership with LiCAP, another dry coating expert from the United States, we are in an excellent position for the battery production of tomorrow.

We look to 2024 with confidence, despite the weak economy and the fact that the investment environment in Europe – especially in Germany – is affected by high energy prices, reform gridlock, and overregulation. We aim to increase incoming orders and sales by up to 8% each in the current year. Despite the extraordinary expenses for measures at HOMAG, free cash flow is expected to be positive and reach up to €50 million. The target range for the EBIT margin before extraordinary effects is 4.5% to 6.0%. Although we aim to continue our profitable growth in the automotive business, at Clean Technology Systems, and in automation technology, this will be offset by HOMAG’s temporarily lower earnings.

I am certain that the Dürr Group will increasingly benefit from the strategic focus on the major trends in our markets. We are a pioneer for the climate-friendly transformation of production processes and the series production of low-emission products – from electric cars to multi-story timber houses. With smart automation, we enable customers to manufacture products that millions of people need every day – be it electric toothbrushes, batteries, or infusion sets – in a highly efficient way.

By positioning ourselves along key future trends, we aim to increase sales to over €6 billion by 2030. Our mid-cycle target for the EBIT margin before extraordinary effects is at least 8%. Most divisions are already operating at the level of profitability required for this, or will achieve it in 2024. At HOMAG and Industrial Automation Systems, we have paved the way to achieve margins in the region of 10% on a sustained basis.

The Dürr Group is one of the world’s most innovative mechanical and plant engineering firms. We are a leader in high-tech niche markets, and our customers value us as a partner for decarbonization and digitalization. As Heinz Dürr used to say, “The future is uncertain but exciting.” This phrase fits us perfectly: Knowing our earnings potential and with our forward-thinking strategic positioning, we approach the future with confidence. I look forward to sharing this journey with you.

Yours sincerely

**Dr. Jochen Weyrauch**
CEO

Bietigheim-Bissingen, March 19, 2024

# BOARD OF MANAGEMENT OF DÜRR AG

**Dietmar Heinrich (60)**
CFO

**Dr. Jochen Weyrauch (57)**
CEO

# REPORT OF THE SUPERVISORY BOARD

## Dear readers,

The year 2023 ended with sad news that deeply moved us at the Dürr Group. On November 27, Heinz Dürr passed away at the age of 90. He was the anchor shareholder of Dürr AG, Honorary Chairman of the Supervisory Board, and, for decades, the defining personality and unifying force within the company. "HD", as he was known, joined the company, which was founded by his grandfather, in 1957 at the age of 24. With boundless energy, he set out to transform the sheet metal processing business into a globally active mechanical and plant engineering firm. To understand the dynamics and optimism that characterized the era of the German economic miracle, it is worth looking at Heinz Dürr's work. He purposefully ventured into business with the emerging automotive industry, won the people in the company over to his ideas, and took risks when necessary. Without him, the Dürr Group would not be among the leading suppliers in its sector today.

Those who knew Heinz Dürr were not surprised that he also worked in the highest business positions in Germany, for instance at AEG and Deutsche Bahn, with unwavering confidence and a straightforward approach. He was one of the most influential entrepreneurs and business leaders in the Federal Republic of Germany, a responsible citizen, and a curious intellectual who delved into the essence of things and spoke up in societal discourse. His death marks a watershed moment in the 128-year history of our company. All of us at the Dürr Group are indebted to him, remember him with great esteem, and wish his family strength and many fond memories of this remarkable person.

The death of Heinz Dürr made us pause and look back. At the same time, it is our task to continue his work and prepare the company for the future in the best possible way. The Board of Management worked resolutely on this in 2023 and received constructive and critical support from the Supervisory Board. Strategic decisions included the acquisition of BBS Automation, which strengthens the promising business segment of Production Automation Systems, the acquisition of the mechanical engineering company Ingecal, which is active in electrode coating technology, and an even stronger focus on the high-margin service business. Another important measure to enhance competitiveness is the decision to make capacity adjustments at HOMAG, which was taken in November 2023. The job cuts were the subject of controversial discussions between the management and the employee representatives of HOMAG. However, it should be noted that the measure is expected to reduce HOMAG's fixed costs by around €50 million per year from 2025.

The Dürr Group achieved the projected target ranges for order intake and sales in 2023. At €4.62 billion, order intake was within the forecast range (€4.4 to 4.8 billion) despite the slump in demand at HOMAG. Sales, at €4.63 billion, were also within the target range (€4.5 to 4.8 billion). The EBIT margin before extraordinary effects showed an encouraging development: A muted start to the year was followed by

**Gerhard Federer**
Chairman of the Supervisory Board

significant improvements, resulting in the achievement of the target range (6.0% to 7.0%) with a margin of 6.1%. This was based on improved project margins thanks to the value-before-volume strategy in sales, growth in the service business, and cost reductions. The Supervisory Board also sees favorable business prospects in the medium and long term, as the Dürr Group is well positioned to support its customers effectively in the future trends of automation, electromobility, and sustainable production.

## WORK OF THE SUPERVISORY BOARD, PARTICIPATION IN MEETINGS, AND FURTHER TRAINING

The Supervisory Board supported and advised the Board of Management continuously in 2023. The Board of Management promptly and comprehensively provided and explained all the necessary information on business performance, strategic measures, planning, and activities requiring consent. The Supervisory Board adopted its resolutions following thorough review and debate, and based on written decision-making materials. The Supervisory Board carefully monitored the Board of Management's conduct of the company's affairs and confirms that the Board of Management always acted lawfully, diligently, and economically. The Board of Management used the risk management system effectively in operational, financial, legal, and sustainability-related matters, while receiving support from various corporate departments such as Compliance, Legal, Controlling, and Internal Auditing. The Supervisory Board was regularly and comprehensively informed by the Board of Management about risks and opportunities.

In 2023, the Supervisory Board held five regular and six extraordinary meetings as well as one constituent meeting. Two meetings took place in person, five in hybrid format (with both in-person and video participation), and another five meetings were conducted exclusively by videoconference. The clear majority of Supervisory Board members attended the hybrid meetings in person. At two of the five regular meetings, one member was absent from each session: On March 15, 2023, Mr. Hayo Raich was unable to attend, and on May 12, Ms. Carmen Hettich-Günther had to cancel her participation. At the extraordinary meeting on February 2, Prof. Alexandra Dürr and Mr. Richard Bauer were absent, while Dr. Markus Kerber was unable to attend the extraordinary meeting on July 31. Ms. Hettich-Günther, who was absent from the regular meeting on May 12, was also unable to attend the constituent meeting on the same day.

Two of the nine committee meetings held in 2023 took place in person, while two were held in hybrid format and five were held virtually. Richard Bauer was absent from the Nominating Committee meetings on January 20 and February 17 and from the Personnel Committee meeting on January 19, while Prof. Alexandra Dürr was unable to attend the Audit Committee meeting on July 31. All other committee meetings were always attended by all members. As a result, the attendance rate at the Supervisory Board and committee meetings was 100% for eight members and over 80% for another four members. The attendance rate for Mr. Bauer, who stepped down from the Supervisory Board at the end of the annual general meeting on May 12, was 50%.

The members of the Board of Management took part in the Supervisory Board meetings unless the Supervisory Board Chair had made other provisions. Any meeting segments not attended by the Board of Management usually covered issues concerning the Board of Management itself. In my capacity as Chair of the Supervisory Board, I had regular contact with the Board of Management between the meetings. There were no conflicts of interest for any of the Supervisory Board members in 2023.

The majority of the Supervisory Board members took part in various Supervisory-Board-specific further training sessions in 2023. These included internal training, offered by experts from within the Dürr Group and by external staff on the topics of sustainability, digitalization, and mergers & acquisitions as well as on the German Financial Market Integrity Strengthening Act (FISG). In addition, some Supervisory Board members took part in various external training events. Key topics for these were sustainability, non-financial reporting, digitalization, artificial intelligence, and cybersecurity. In the current year, the Supervisory Board members are planning further training on compliance and co-determination as well as risk management in the strategy process, among other things.

## COMPOSITION OF THE SUPERVISORY BOARD

As mentioned above, Mr. Bauer resigned from his position as shareholder representative effective at the end of the annual general meeting on May 12, 2023. Mr. Bauer had been a member of the Supervisory Board for six years and had been one of the two deputy chairs since January 1, 2018. The Supervisory Board would like to thank him sincerely for his commitment and the prudence with which he carried out his duties for the benefit of the Dürr Group. At the annual general meeting on May 12, 2023, Dr. Markus Kerber was elected to the Supervisory Board as Mr. Bauer's successor at the proposal of the Supervisory Board. With the exception of Dr. Kerber, the current term of office for all members began in 2021. The shareholder representatives are elected for a term of four years, while the employee representatives' term of office is five years, in accordance with the German Co-determination Act.

## KEY TOPICS

At all meetings held in 2023, the Supervisory Board received information about the company's business performance. Key focal points included the investment behavior of the automotive industry, especially concerning electromobility and the energy efficiency of production processes, as well as the declining demand in the market for woodworking machinery. The Supervisory Board also paid regular attention to the financial situation and the outlook. When assessing the economic situation, it primarily focused on the development of incoming orders, sales, and EBIT margin before extraordinary effects, as well as ROCE, free cash flow, net working capital, net financial status, and liquidity. Additional subject areas that the Supervisory Board addressed in multiple meetings were the acquisition of BBS Automation as well as issues relating to sustainability, corporate governance, and remuneration for the Board of Management. In 2023, no discussions were held between institutional investors and myself as Chair of the Supervisory Board.

The first meeting of the Supervisory Board in 2023 took place on February 2. The main topic of that extraordinary meeting was the adjustment to the remuneration system for the Board of Management with effect from January 1, 2023. Upon the recommendation of the Personnel Committee, the Supervisory Board decided to submit the amended remuneration system to the annual general meeting for approval. In the event of approval, the Supervisory Board decided to adjust the service contracts in agreement with both members of the Board of Management. It set the target values and definitions for the short-term incentive (STI) in 2023 and for the long-term incentive (LTI) in the period from 2023 to 2025. The agenda also included a report on the Nominating Committee meeting held on January 20, 2023. At that meeting, the committee discussed Dr. Kerber as a potential candidate to succeed Mr. Bauer.

The key topic of the meeting held on March 15, 2023 to approve the financial statements was the review and approval of the annual and consolidated financial statements for 2022. Furthermore, the target achievement for the variable Board of Management remuneration for 2022 was determined and the agenda for the annual general meeting was approved. During the further course of the meeting, Dr. Weyrauch presented the current personnel report for the Dürr Group. In view of the modified remuneration system for the Board of Management and its presentation at the annual general meeting, the Supervisory Board decided to update the Declaration of Compliance with the German Corporate Governance Code (GCGC), providing justification for the continued deviation of the remuneration system from individual Code recommendations on the LTI structure.

At the extraordinary meeting on April 5, 2023, the Board of Management presented the new OneVision corporate statement. The members of the Supervisory Board of HOMAG Group AG also attended as guests. In addition, another update to the Declaration of Compliance with the GCGC was decided, pertaining to the maximum number of mandates for a Supervisory Board member. Furthermore, the Supervisory Board received initial information about the company identified as an acquisition target, BBS Automation.

The planned acquisition of BBS Automation was also the reason for the next extraordinary meeting on May 5. The Supervisory Board recognized the opportunities and risks of the transaction envisaged by the Board of Management and expressed support for continuing the purchase negotiations.

On May 12, the day of the annual general meeting, the Supervisory Board convened twice. At the ordinary meeting in the morning, it was briefed about the business situation and the status of the acquisition process for BBS Automation. The constituent meeting following the annual general meeting started with the welcoming of Dr. Kerber as a newly elected member. Then the Supervisory Board appointed the successors for the committee positions that had become vacant due to Mr. Bauer's departure, and elected Mr. Arndt Zinnhardt to replace Mr. Bauer as additional Deputy Chairman of the Supervisory Board.

In two further extraordinary meetings, the Supervisory Board oversaw the final steps toward the acquisition of BBS Automation. On May 23, it carefully considered questions relating to the purchase price and the financing concept presented by the Board of Management, before giving its approval to the transaction on June 9 following a final discussion. Prior to that, the Audit Committee had recommended that the financing concept be approved.

Another extraordinary meeting, held on July 31, focused on Dürr AG's future reporting on sustainability issues. At that meeting, the Supervisory Board was informed about the status of implementation of the European Corporate Sustainability Reporting Directive (CSRD). In the subsequent discussion, sustainability experts from the Dürr Group as well as an external consultant were available to answer questions.

The regular meeting on August 1 focused on the strategy of the Group and of the divisions. The corresponding presentations by the Board of Management and the division heads were followed by comprehensive discussions. Afterward, Mr. Zinnhardt, as Chairman of the Audit Committee, reported on its meeting the previous day. His presentation focused on the forthcoming first-time consolidation of BBS Automation, IT security, improvements to the internal control system, and a status report on compliance and on the compliance management system. Mr. Zinnhardt also reported on the risk management system audit by PriceWaterhouseCoopers (PwC), which resulted in a positive overall assessment. Following the discussion on the points presented by Mr. Zinnhardt, I provided information on the meeting of the Personnel Committee held on July 12. This had mainly revolved around a potential adjustment to the Board of Management's remuneration, particularly regarding the LTI. I announced a specific recommendation by the Personnel Committee on this matter to the full Supervisory Board for its meeting in September. Finally, the Supervisory Board instructed Deloitte GmbH, the auditing firm appointed by the annual general meeting, to audit the annual financial statements and the non-financial statement for 2023 as well as the content of the 2023 remuneration report.

The regular meeting on September 27 began with a look at the current business situation. Afterward, the Board of Management presented its plans for the acquisition of Ingecal and emphasized the strategic significance of this undertaking for the Group's positioning in the growth market of electrode manufacturing technology. Other important topics were the discussion of the second personnel report of the year and corporate governance. After a thorough review, the Supervisory Board determined that its skills profile meets the current requirements. In this context, it also addressed the specific requirements for its independent members. Furthermore, the Supervisory Board approved the new version of the Declaration of Compliance with the GCGC, the adjustment to the Board of Management's remuneration proposed by the Personnel Committee with effect from January 1, 2024, and – with a view to the newly established Industrial Automation Systems division – an updated schedule of responsibilities for the Board of Management. The Supervisory Board also approved the expansion and extension of the syndicated loan agreed in 2019, as proposed by the Board of Management.

At the last meeting of the year, held on December 19, the Supervisory Board approved the budget for 2024 and acknowledged the medium-term planning for the period 2025 to 2027. Mr. Zinnhardt reported on the Audit Committee meeting held on the same day, commenting in detail on the second risk report of the year, which the Supervisory Board subsequently analyzed. He also reported on IT security, the internal control system, and a readiness check of the internal auditing system carried out by PwC. The agenda item "sustainability" focused on the implementation of the German Act on Corporate Due Diligence Obligations in Supply Chains and on the corresponding reporting. This was followed by a report by Dr. Weyrauch on the work of the Technology Council, an analysis of the results of the employee survey conducted in September, and a resolution on the planned refinancing of the bridge syndicated loan taken out for the acquisition of BBS Automation. In the context of the Board of Management's remuneration, the Supervisory Board defined the parameters for the short-term incentive (STI) in 2024 and for the long-term incentive (LTI) period from 2024 to 2026.

## PERSONNEL COMMITTEE

The Personnel Committee, which is also the Executive Committee, convened three times in 2023. On January 19, it deliberated on the adjustment to the Board of Management's remuneration system and prepared the corresponding extraordinary meeting of the full Supervisory Board on February 2. In addition, it drafted the parameters for the STI and LTI in 2023 in the event that the system was approved by the annual general meeting.

At a further meeting, held on July 12, the Personnel Committee discussed the level of the Board of Management's remuneration and the consultation of an external remuneration expert on this issue. The members agreed to propose to the Supervisory Board for its meeting on September 27 that the Board of Management's remuneration be adjusted as of January 1, 2024, with a focus on the LTI.

The Personnel Committee meeting on December 5 served to prepare the resolution, to be adopted by the full Supervisory Board, on the targets for the STI for 2024 and the LTI for the period 2024 to 2026.

## AUDIT COMMITTEE

The Audit Committee held three regular meetings and one extraordinary session in 2023. A recurring task was the discussion about the consolidated and individual financial statements of Dürr AG and about new accounting matters. In addition, the committee was regularly informed about the internal control system, the risk management system, and the internal auditing system and dealt with the appropriateness and effectiveness of these systems. In the committee's view, no factors were identified in any material respects that would raise doubts about the appropriateness and effectiveness of these systems. The risk management system underwent an external audit by PwC in 2022 and 2023. The audit found that the system is appropriately designed, implemented throughout the Group, and applied effectively.

The Audit Committee also reviewed the financial reporting process and the compliance management system. It monitored compliance with statutory regulations governing capital markets and with the requirements for dealing with non-audit services. In his capacity as Committee Chair, Mr. Zinnhardt had both regular and ad-hoc discussions with the auditors, who also attended two regular meetings and one extraordinary meeting of the Audit Committee.

At the first regular meeting on March 14, 2023, the committee reviewed the annual and consolidated financial statements, the non-financial statement, and the remuneration report for 2022. Furthermore, it received reports on internal auditing and compliance as well as an interim report from PwC regarding the audit of the risk management system. Another topic was the review of the 2022 risk reports.

At its extraordinary meeting on June 7, the Audit Committee deliberated on the planned acquisition of BBS Automation. During that meeting, particular attention was given to the financing and accounting issues associated with the transaction.

On July 31, the Audit Committee started its regular meeting by thoroughly examining the first risk report of the year. It also received reports from the Internal Auditing and Compliance departments, a status report on the compliance management system, and a report on IT security within the Group. It then analyzed PwC's positive assessment from the completeness and effectiveness audit of the risk management system and the associated recommendations for specific improvements. Key points of the agenda item "accounting issues" were the forthcoming first-time consolidation of BBS Automation, the extraordinary effects in EBIT, the pension funds in the United States, and improvement measures for the internal control system. In view of the upcoming audit season, the Audit Committee defined the Supervisory Board's key points for the audit of the consolidated and individual financial statements. In addition, it decided to recommend to the full Supervisory Board that Deloitte GmbH be instructed to audit the consolidated and individual financial statements, to perform a limited assurance audit of the non-financial statement, and to audit the remuneration report in terms of form and content.

The third regular Audit Committee meeting on December 19 started with a discussion of the second risk report, along with additional reports on the internal control system and the work of the Internal Auditing department. The committee then dealt with the readiness check carried out by PwC on the appropriateness, implementation, and effectiveness of the internal auditing system and received a further status report on the compliance management system. In the context of accounting, it discussed the first-time consolidation of BBS Automation, the annual impairment test, and tax-related matters. Other key topics were the preparation of the EU Taxonomy report and the CSRD implementation status. In view of the upcoming annual and consolidated financial statements, the Audit Committee dealt with the audit fees and the status of Deloitte's auditing work as well as the non-audit services provided by the auditor. It also discussed options for refinancing the bridge syndicated loan taken out for the purchase of BBS Automation.

## NOMINATING COMMITTEE AND MEDIATION COMMITTEE

The Nominating Committee met on January 20 and February 17, 2023, to prepare Mr. Bauer's succession on the Supervisory Board. As a result, the committee formulated a recommendation to the full Supervisory Board to propose Dr. Kerber for election at the annual general meeting. As in previous years, the Mediation Committee did not have to convene in 2023.

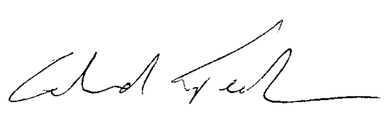
## AUDIT AND ADOPTION OF THE ANNUAL FINANCIAL STATEMENTS

Deloitte GmbH Wirtschaftsprüfungsgesellschaft audited Dürr AG's annual financial statements, Dürr's consolidated financial statements, and the combined management report prepared by the Board of Management for the period ended December 31, 2023, and issued unqualified audit opinions. The annual financial statements, the consolidated financial statements, and the combined management report were submitted to the members of the Supervisory Board in good time. They were discussed in detail with the Board of Management and reviewed on March 19, 2024, at the Supervisory Board meeting held to approve the financial statements. The same applies to the auditors' reports, which were also submitted in due time. The auditors signing the audit opinion participated in that Supervisory Board meeting and in the Audit Committee meeting held on the previous day. They reported on their audit and were available for further explanations and discussions. Mr. Jan Bühler from Deloitte GmbH was responsible for carrying out the audit for the second time. The remuneration report, prepared together with the Board of Management and agreed by the Board of Management and the Supervisory Board, was reviewed by the auditor. It was noted in the auditor's report that the remuneration report had been prepared, in all material respects, in accordance with section 162 (1) and (2) of the German Stock Corporation Act (AktG).

At the Supervisory Board meeting held to approve the financial statements, the Audit Committee Chair, Mr. Zinnhardt, gave his detailed opinion on the audit documents, on the preliminary talks with the auditors, and on the Supervisory Board's key audit points. The latter were: the first-time consolidation of BBS Automation and the presentation of the acquisition in the notes, hedge accounting for deliveries and services in foreign currencies and the application of the corresponding guideline as well as the presentation of the new financing instruments on the balance sheet.

Based on the documents presented to it and the reports of the Audit Committee and the auditors, the Supervisory Board examined and accepted the annual financial statements, the consolidated financial statements, and the combined management report (including the non-financial consolidated statement). The Supervisory Board's own review found no cause for objection. The Supervisory Board approves the results of the audits of both sets of financial statements, agrees with the Board of Management in its assessment of the situation of the Group and of Dürr AG, and approves the annual financial statements and the consolidated financial statements prepared for the period ended December 31, 2023. The annual financial statements are thereby adopted. Considering the Audit Committee's recommendation and its own review, the Supervisory Board approves the Board of Management's proposal on the use of net retained profit – a dividend of €0.70 per share is planned for the 2023 fiscal year.

The Supervisory Board thanks the Board of Management, the senior managers, and the employee representatives as well as all employees for their commitment in 2023. Thanks are also extended to the shareholders of Dürr AG for the trust placed in the company.



**Gerhard Federer**
Chair of the Supervisory Board

Bietigheim-Bissingen, March 19, 2024

# CAPITAL MARKET

## Progress in implementing strategy overshadowed by macroeconomic adversities

By providing transparent, factual, and timely information, we help to achieve a fair valuation of the Dürr share. In doing so, we attach importance to sustainable relations based on a spirit of mutual trust with private investors, institutional investors, and equity analysts.

In our capital market communications during 2023, we provided updates on the progress made in implementing our strategy for profitable growth that had been presented in November 2022. Other key topics included the acquisition of BBS Automation and Ingecal, developments in material prices and supply chains as well as the impact of inflation and increased interest rates on our business. In October 2023, we were forced to revise the EBIT margin target of 8% before extraordinary effects announced for 2024, as order intake at HOMAG was substantially more subdued than expected. As a result, the planned personnel restructuring measures at HOMAG and their impact on the margin were one of the key priorities in our communications.

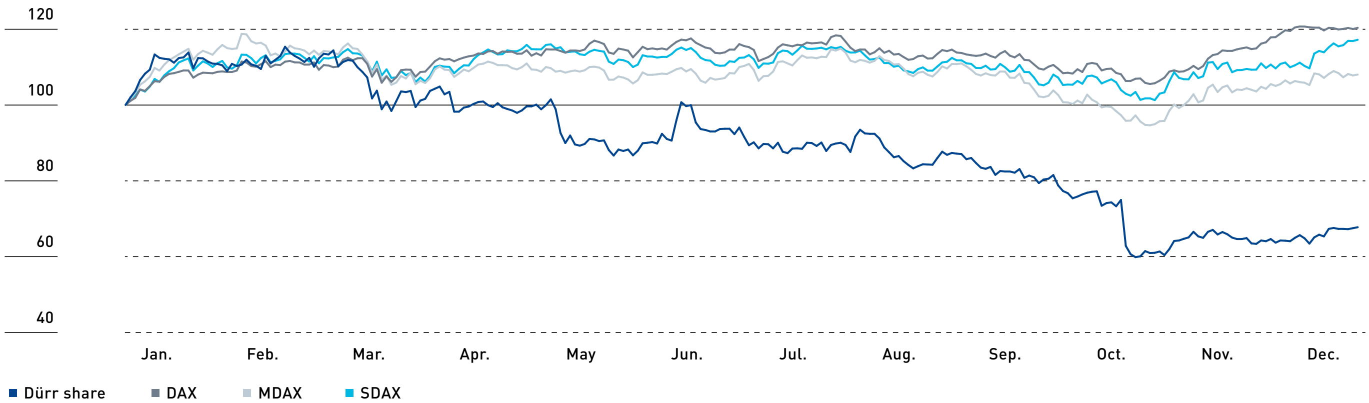
On November 21, 2023, we held an analyst meeting in Frankfurt/Main, in which investors were also able to participate online. The focus was on capacity reductions at HOMAG, the opportunities in battery production technology, and the ongoing improvement of margins in our businesses. In this context, we explained the "value before volume" sales strategy, on the basis of which the Paint and Final Assembly Systems division was able to widen its EBIT margin before extraordinary effects in the third quarter of 2023 to the target figure of over 6%. Other topics of discussion were the margin growth in the Application Technology and Clean Technology Systems divisions as well as HOMAG's wide EBIT margin of 9.0% as a result of the optimization measures implemented since 2019. In connection with the newly established Industrial Automation Systems division, we highlighted the positive effect on margins of the acquisition of BBS Automation and the growth prospects in automation business.

Even after the acquisition of BBS, our leverage of 1.6 remains in the target range. At the same time, we were able to generate a very solid free cash flow of €129.3 million in 2023 despite the lower order intake. All in all, we believe that we are on track to achieving our long-term targets despite the fact that the economic downturn at HOMAG will temporarily exert pressure on our margin. Further information on the strategy can be found in chapter 1.3 **"Strategy and mid-cycle targets" ⟶ page 31** of the management report.

With the removal of almost all pandemic-related restrictions, we once again regularly attended investor conferences and held roadshows. In addition, the investor relations team communicated with capital market participants in numerous telephone calls, video conferences, and e-mail messages.

**1.1 — PERFORMANCE OF DÜRR SHARE IN XETRA TRADING, JANUARY – DECEMBER 2023**

Compared to the DAX, MDAX and SDAX (indexed figures)




## PEER GROUP AND CONSENSUS

The peer group of listed companies relevant for us includes mechanical engineering companies and engineering service providers such as Andritz, Bertrandt, Deutz, EDAG, GEA, Heidelberger Druckmaschinen, Jungheinrich, Kion, and Krones. We benchmark our valuation against this peer group's share prices on a monthly basis, concentrating in particular on the price/earnings ratio, enterprise value (EV) relative to EBIT, EBITDA and sales, and the price-to-book ratio. We publish the continuously updated analyst consensus for sales, EBIT, and earnings after tax for the year as a whole as well as for future years at www.durr-group com. Prior to publishing our quarterly and annual reports, we calculate a consensus and disclose it on our website.

## INVESTORS SEEKING TO MINIMIZE RISK – FEARS OF RECESSION PLACING PRESSURE ON SHARE PRICE

The DAX entered 2023 at a low of 13,993 points, then rose rapidly, reaching a provisional high of 16,529 points at the end of July following a volatile sideways movement. Subsequently, fears of recession and profit-taking sent it back down to 14,630 points, before a year-end rally emerged against a backdrop of stable interest rates, leading to a new all-time high of 17,003 points on December 14. The bellwether German index closed the year at 16,752 points, up 20.3%.

The Dürr share (ISIN: DE0005565204) largely tracked the indices in the first quarter. However, from March onward, it decoupled itself from the general trend, edging downward. Given rising interest rates, investors placed more emphasis on hedging their returns and increasingly avoided risks. This particularly took its toll on shares in late-cycle plant engineering companies, despite the fact that their earnings lived up to expectations due to their large order backlogs. The Dürr share fell more sharply than the shares of other mechanical engineering companies, as the downturn in the market for woodworking machines was already predictable. However, this downturn at HOMAG was more pronounced than expected, triggering the profit warning for 2024 on October 19, 2023. As a result, the Dürr share declined significantly in value.

After this correction, it began to rebound, but still continued to underperform the benchmark indices due to the prospect of HOMAG's order intake failing to recover before the second half of 2024 at the earliest. In addition, investors priced in risks in our business with the automotive industry. On October 20, the Dürr share hit a low for the year of €18.54. At €21.38, it closed the year 29.9% lower (including the dividend of €0.70), thus significantly underperforming the F.A.Z. Mechanical Engineering Index (19.0%), the DAX (20.3%), and the MDAX (8.0%).

## DIVIDEND OF €0.70 PER SHARE PROPOSED

For the 2023 fiscal year, the Board of Management and the Supervisory Board once again propose a dividend of €0.70 per share. The proposal takes into account that earnings after tax declined due to significantly higher extraordinary expenses, while EBIT before extraordinary expenses increased by 20.8%. In addition, we achieved a high level of free cash flow and therefore have sufficient scope to keep the dividend payout consistent. The dividend proposal results in a total payout of €48.4 million.

Dürr AG is one of the 100 largest listed companies in Germany. Following the sharp decline in its share price after the target adjustment for 2024, we joined the SDAX on December 18, 2023, after previously being listed in the MDAX since 2012. In 2023, an average of around 118,000 Dürr shares were traded via XETRA per trading day, fewer than in the previous year (142,000 shares). Daily trading volumes reached €3.2 million, down from €4.0 million in the previous year. Since December 2023, M. M. Warburg has been acting as designated sponsor for Dürr AG to support trading liquidity. At €1,017.0 billion, XETRA trading volumes of all German shares were around 20% lower than in the previous year (€1,275.7 billion).

**1.2 — KEY FIGURES FOR DÜRR SHARE**

| € | 2023 | 2022 | 2021 |
|---|---|---|---|
| Earnings per share (basic) | 1.62 | 1.89 | 1.20 |
| Earnings per share (diluted) | 1.55 | 1.81 | 1.16 |
| Book value per share (December 31) | 16.91 | 16.17 | 14.45 |
| Cash flow per share | 4.15 | 3.83 | 3.71 |
| Dividend per share | 0.70[1] | 0.70 | 0.50 |
| High[2] | 36.70 | 42.46 | 44.08 |
| Low[2] | 18.54 | 19.97 | 31.06 |
| Closing price[2] | 21.38 | 31.52 | 40.12 |
| Average daily trading volume (number of shares)[2] | 118,000 | 142,000 | 162,000 |
| Market capitalization (December 31) € m | 1,479.5 | 2,181.2 | 2,776.4 |
| Number of shares | 69,202,080 | 69,202,080 | 69,202,080 |

[1] Dividend proposed to the annual general meeting
[2] XETRA

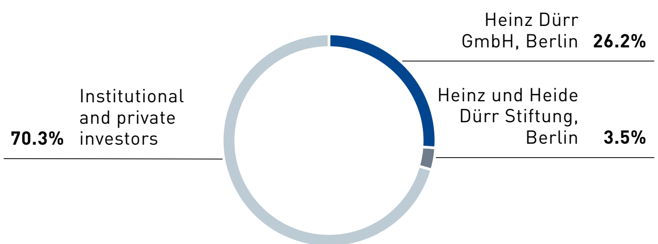
## CHANGES IN ANALYST COVERAGE

Due to personnel changes, Stifel and Berenberg temporarily suspended their coverage of Dürr AG at the beginning of 2023. At the end of 2023, 15 analysts were covering the Dürr share. In the first nine months of the year, most research houses left their estimates largely unchanged. Following the profit warning for 2024 in October, price targets and expectations for 2024 were significantly scaled back. Some investment recommendations shifted from "Buy" to "Hold", as a recovery in HOMAG's business is not expected until the end of 2024. The consensus price target fell from an initial €38.63 to €25.60 at the end of the year and was thus 19.7% higher than the closing price. "Buy" ratings accounted for 40% of the investment recommendations and "Hold" ratings for 60%.

## FREE FLOAT OF 70.3%

With a share of 26.2% in Dürr AG, Heinz Dürr GmbH remains the anchor shareholder. A further 3.5% are held by Heinz und Heide Dürr Stiftung. After Heinz Dürr's death on November 27, 2023, the Dürr family still intends to continue holding a share of over 25%. The members of the Board of Management held a total of 0.07% of Dürr shares as of December 31, 2023. Dr. Jochen Weyrauch held 29,000 and Dietmar Heinrich 17,500 shares. The members of the Supervisory Board or parties related to them held 0.12% of Dürr shares at the end of the year. The free float in accordance with the Deutsche Börse definition stands at 70.3%.

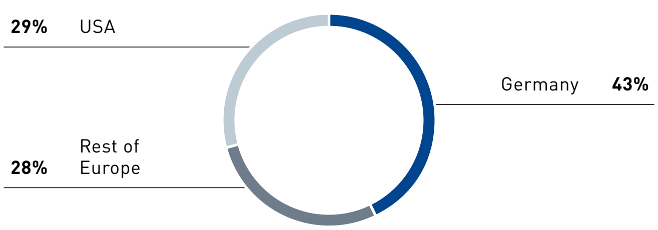
**1.3 — SHAREHOLDER STRUCTURE[1] (DECEMBER 31, 2023)**




| Institutional and private investors[2] | of which |
|---|---|
| Candriam Luxembourg | 3.05% |
| Harris Associates | 3.02% |
| Members of Dürr AG's Supervisory Board | 0.12% |
| Members of Dürr AG's Board of Management | 0.07% |

[1] Free float as defined by Deutsche Börse AG
[2] On the basis of statutory notifications

**1.4 — SHAREHOLDERS BY REGION (DECEMBER 31, 2023)**




## RISE IN INTEREST RATES AND PROFIT WARNING WEIGH ON CONVERTIBLE BOND

The October 2020 convertible bond (ISIN DE000A3H2XR6) for a total of €150 million has a coupon of 0.75% per year, a maturity of around 5.3 years, and a conversion premium of 40% (conversion price: €34.22). Linked to a sustainability component, it was trading at 108.39% at the beginning of 2023. As a result of rising interest rates and the decline in the share price, the price initially fell below 100% over the course of the year, dipping to up to 87.845% after the profit warning in October. However, it subsequently recovered and climbed to 91.00% at the end of the year, underpinned by stabilizing interest rates and initial signals of an easing of monetary policy in 2024, among other things.

## RATINGS

Issue and issuer ratings call for a considerable amount of time and money. We currently do not have a rating, particularly as we have not been dependent on it in the past for raising funding for transactions and have been able to secure relatively attractive financing terms. Ahead of the issue of new financial instruments, we are currently considering whether to obtain a rating again.

# COMBINED MANAGEMENT REPORT

# COMBINED MANAGEMENT REPORT

The management reports of the Dürr Group and Dürr AG have been combined in accordance with section 315 (5) of the German Commercial Code (HGB) in conjunction with section 298 (2) HGB. This management report is therefore a combined management report. In order to improve the clarity and readability of the management report, we have changed the content and format of the report from the previous year so that all information relating to the Group non-financial statement is now included in section 2 of this report by the same title. As in the previous year, the following disclosures in the combined management report were not subject to an audit of the content as part of the statutory audit:

- the Group non-financial statement in accordance with sections 315b and 315c HGB in section 2 **⟶ page 42** by the same title
- the combined declaration on corporate governance in accordance with sections 289f and 315d HGB, to which reference is made in chapter 3.1 **⟶ page 76** by the same title
- the subsection "Statement unrelated to the management report" included in chapter 6.1 **"Risks"** **⟶ page 113**

The disclosures made in chapter 2.1 **"Part of the Group non-financial statement audited in accordance with ISAE 3000 (Revised) with mandatory components after materiality analysis"** **⟶ page 42** were audited by Deloitte GmbH Wirtschaftsprüfungsgesellschaft, as part of a separate instruction, to obtain a limited assurance in accordance with ISAE 3000 (Revised).

Unless otherwise specified, the information below is applicable to both the Dürr Group and Dürr AG. Statements referring exclusively to Dürr AG are marked as such and appear in section 7 **"Dürr AG (HGB)"** **⟶ page 134**.

# 1 FUNDAMENTALS

## 1.1 The Group at a glance

### PROFILE

The Dürr Group is one of the world's leading mechanical and plant engineering firms with extensive expertise in automation, digitalization, and energy efficiency. Our machines, systems, and services stand for economical and sustainable production processes. In 2023, we generated 48% of our sales from the automotive industry and 35% from producers of furniture and timber houses. The remaining sales were distributed among sectors such as chemicals, pharmaceuticals, medical devices, electrical engineering, and battery production. We operate 142 business locations in 32 countries.

### GROUP ORGANIZATIONAL STRUCTURE

Dürr AG is a pure management holding company. It holds – directly or indirectly – the investments in the Group companies and handles central tasks such as financing, controlling and accounting, legal affairs, taxation, compliance, security, internal auditing, corporate communications, investor relations, human resources management, and sustainability. Together with the investment holding companies Dürr Technologies GmbH and Dürr International GmbH, as well as the companies Dürr Group Services GmbH, Dürr Group Services Sp. Z o.o., and Schenck RoTec India Limited, Dürr AG forms the Corporate Center.

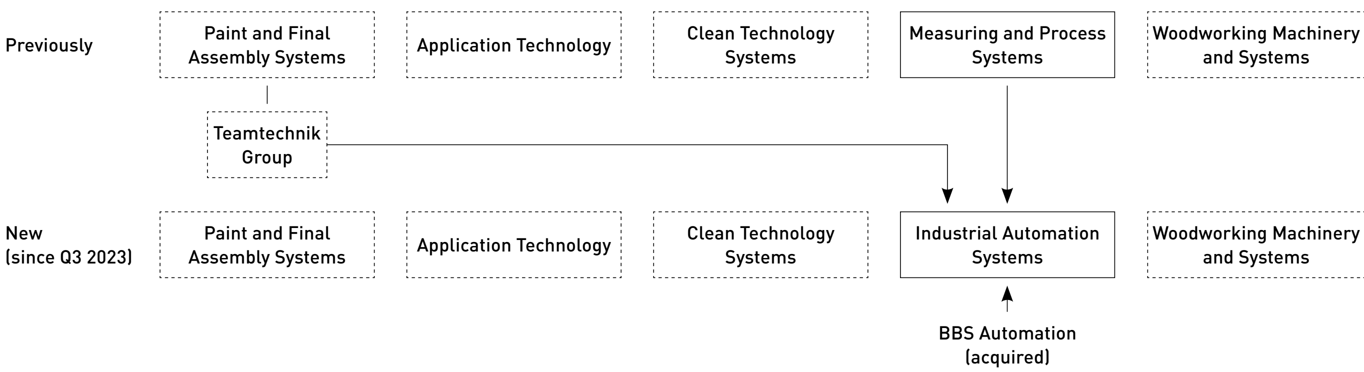
The Dürr Group's operating business is conducted by five divisions, which also form the reportable segments as defined by the IFRS:

- Paint and Final Assembly Systems
- Application Technology
- Clean Technology Systems
- Industrial Automation Systems
- Woodworking Machinery and Systems

It should be noted that the division structure changed in the 2023 fiscal year. The Industrial Automation Systems division was newly formed in the third quarter and consists of the former Measuring and Process Systems division and the Production Automation Systems business unit. The reason for the change was the acquisition of 100% of the shares in Rome HoldCo GmbH and its subsidiaries (hereinafter: BBS Automation) as of August 31, 2023, as described in the "Portfolio changes" subsection. BBS is an internationally active automation specialist. Within the Industrial Automation Systems division, the Measuring and Process Systems business unit operates the balancing, diagnostic, filling, and tooling technology business, while the Production Automation Systems business unit comprises the automation business of the Teamtechnik Group (acquired in 2021) and BBS Automation. The combination of Measuring and Process Systems and Production Automation Systems under the umbrella of the Industrial Automation Systems division makes sense, as the two areas overlap in terms of technology and business model and complement each other well with their offerings for the production of e-mobility components. In order to integrate the Teamtechnik Group into Industrial Automation Systems, it was carved out of its former Paint and Final Assembly Systems division. The other three divisions (Application Technology, Clean Technology Systems, Woodworking Machinery and Systems) remained unchanged in 2023.

The figures for the Industrial Automation Systems and Paint and Final Assembly Systems divisions for the 2023, 2022, and 2021 fiscal years are fully comparable in this management report. The figures for Paint and Final Assembly Systems have been adjusted for the Teamtechnik Group figures for all three periods . These are now included in Industrial Automation Systems. For further information, please refer to chapter 4.2 **"Explanatory notes on the figures" ⟶ page 82**.

**2.1 — CHANGE IN THE DIVISION STRUCTURE 2023**




## DIVISIONS, SALES MARKETS, GLOBAL MARKET SHARES[1], IMPORTANT PRODUCTS AND SERVICES

### Paint and Final Assembly Systems

The Paint and Final Assembly Systems division plans, builds, and updates paint shops and final assembly lines for the automotive industry. We supply products and processes for all process stages in paint shop technology. Important solutions include, for example, the RoDip **dip coating system ⟶ page 284**, the energy-efficient **Eco**DryScrubber paint separation system, the **Eco**InCure **oven ⟶ page 284**, and the **Eco**ProBooth paint booth for interior and exterior painting. Added to this is the "paint shop of the future" concept, which relies on individually controllable painting boxes instead of conventional painting lines. We usually also supply the relevant control and conveyor systems as well as air supply and exhaust-air systems. We are the global leader in paint shop systems. Our global market share is 35% to 45%, compared with 40% to 50% in the previous year. The reason for the slight decline is that we have been more selective in the acquisition of new orders. Our digital product range is the DXQ software family, which includes solutions for plant monitoring, manufacturing execution systems (MES), **advanced analytics**, and **predictive maintenance ⟶ page 284**, among other digital solutions.

In the area of final assembly systems, we supply conveyor technology, filling, testing, and assembly technology, as well as marriage stations for connecting the car body and power train. The **filling technology ⟶ page 284** segment comprises systems for filling fluids such as oil or brake fluid into vehicle components during the final assembly process. Key products in **testing technology ⟶ page 284** include test stands and calibration stations for brakes, electronics, and chassis geometry. In final assembly systems, too, we are one of the few providers worldwide capable of supplying turnkey plants. Electromobility is leading to new business opportunities in this field, since a greater degree of automation is possible in the assembly of electric vehicles due to their less complex power train. In addition, battery cars are heavier, requiring conveyor technology designed for heavier loads, which is provided by Paint and Final Assembly Systems. In testing technology, autonomous driving and new safety functions in vehicles mean that additional products are needed for adjusting cameras and radar systems. Our market share in business related to final vehicle assembly is around 15% to 25%.

Another unit of the Paint and Final Assembly Systems division is Dürr Consulting. It advises customers on the planning of painting, assembly, and other production processes. One current focus is on concepts for the production of electric cars and batteries.

### Application Technology

Application Technology generates the majority of its sales with technologies for the automated spray application of primers, base coats, and clear coats. Its key products are the third generation of the **Eco**RP painting robot family, the **Eco**Bell4 **high-speed rotary atomizer ⟶ page 284**, the **Eco**LCC2 color changer, and the robot-based **Eco**PaintJet application system, which is particularly suitable for razor-sharp two-tone painting without paint loss. Other Application Technology products include systems for paint supply, quality assurance, as well as process control and evaluation. In the automotive business, we are the world market leader with a share of 45% to 55%. Our two most important competitors are manufacturers of standard industrial robots.

[1] Internal figure, determined on the basis of division sales and market volume

In addition to **paint application technology ⟶ page 284**, we are active in the related business areas of **sealing technology ⟶ page 284** and **gluing technology ⟶ page 284**. Sealing processes are used to seal welding seams, to apply underbody protection, and to inject insulating materials in cars. Gluing is an alternative to welding vehicle components during body-in-white production and final assembly, enabling the use of non-weldable lightweight materials in the manufacture of vehicle bodies. The uses of gluing technology in final assembly include fitting windows, glass roofs, and cockpits.

Outside the automotive industry, Application Technology offers paint application products for plastics, ceramics, timber, furniture, and other industries through the Industrial Products segment.

**Clean Technology Systems**
The largest area of Clean Technology Systems is exhaust-air purification technology. Our systems are used in a variety of industries, but primarily in the chemical and pharmaceutical sectors. 19% of sales are accounted for by exhaust-air purification technology for automotive paint shops. Our most important process is **thermal oxidation ⟶ page 284**, in which pollutants are incinerated at temperatures of up to 1,000°C. With a global market share of between 20% and 30%, we are the world's leading supplier.

Another business area with good growth prospects comprises systems for the production of electrodes for lithium-ion batteries. As a supplier of complete lines, we supply not only **coating technology for electrode foils ⟶ page 284** but also dryers, **calendering machines ⟶ page 284**, and solvent recovery systems. We offer an innovative technology for the simultaneous coating of both electrode sides, as well as conventional equipment for single-sided coating in cooperation with the Japanese mechanical engineering company Techno Smart. The partnership with the German mechanical engineering companies Grob and Manz, which we entered into in 2022, has the aim of jointly equipping complete battery factories. In addition to exhaust-air purification and coating systems, the portfolio also includes noise abatement systems, for example for gas turbines.

**Industrial Automation Systems**
Industrial Automation Systems comprises the automation technology (Production Automation Systems) and balancing, diagnostic, filling, and tooling technology (Measuring and Process Systems) business areas. In automation technology, the focus is on fully automated systems for the assembly and testing of automotive components, electric drives, and small plastic products for medical care (e.g. cannulas and insulin pens). We also equip sectors such as electronics, solar technology, and consumer goods with automation systems. The business area was founded in 2021 with the acquisition of the specialist companies Teamtechnik and Hekuma, which together now form the Teamtechnik Group. The second and larger expansion step was the acquisition of BBS Automation in 2023. In a highly fragmented competitive environment, we are one of the three leading suppliers in the markets we serve, with a global market share of up to 10%.

The most extensive activity of the Measuring and Process Systems business unit is the balancing and diagnostic technology of the Schenck RoTec brand. Here, we offer solutions for balancing rotating bodies of different sizes – from small dental drills to e-mobility components and power plant turbines. With a global market share of 40% to 50%, we lead the field in **balancing technology ⟶ page 284**. The tooling business includes tooling systems for machining wood, metal, and composite materials. In **filling technology ⟶ page 284**, we primarily offer systems for filling refrigerators, heat pumps, and air-conditioning systems with refrigerant under the brand name Agramkow.

**Woodworking Machinery and Systems**
Our Woodworking Machinery and Systems activities reside in the HOMAG Group, the world's leading supplier of machinery and systems for woodworking. Our technology is used, for example, in the production of furniture, kitchens, as well as parquet and laminate flooring. Our core products include panel dividing and through-feed saws, CNC processing centers, drilling machines, sanders, edge banding machines, as well as handling and storage systems. The software portfolio ranges from easy-to-use apps for trades businesses through to solutions for digitalizing entire factories. With a global market share of 25% to 35%, the HOMAG Group ranks clearly ahead of its two nearest competitors in business with furniture manufacturers.

The division's second pillar is the construction elements solutions segment, which offers equipment for producing construction elements for timber houses. In this segment, we have a global market share of 15% to 25%, compared with 25% to 35% in the previous year. The decline compared to 2022 is due to more intense competition. Since timber houses are climate-friendly and their production can be easily automated, we see considerable potential for growth in this area in the medium and long term. The portfolio includes machines for manufacturing prefabricated house components, room modules, windows, doors, and stairs, as well as equipment for solid wood optimization and high-frequency presses for producing cross-laminated timber boards.

## 2.2 — ACTIVITIES AND SALES MARKETS

**PAINT AND FINAL ASSEMBLY SYSTEMS DIVISION**

| Business type | Activities | Customer groups |
|---|---|---|
| • Plant engineering | • Paint shops<br>• Products and systems for final vehicle assembly (incl. filling and testing technology)<br>• Service | • Automotive manufacturers<br>• Automotive suppliers<br>• General industry (e.g. construction equipment and farm machinery) |
| • Consulting | • Consultancy | • Automotive manufacturers<br>• Automotive suppliers<br>• General industry |

**APPLICATION TECHNOLOGY DIVISION**

| Business type | Activities | Customer groups |
|---|---|---|
| • Mechanical engineering and component business | • Robots and products for automated spray painting<br>• Sealing technology<br>• Gluing technology<br>• Service | • Automotive manufacturers<br>• Automotive suppliers<br>• General industry (e.g. plastics, ceramics, timber, shipbuilding) |

**CLEAN TECHNOLOGY SYSTEMS DIVISION**

| Business type | Activities | Customer groups |
|---|---|---|
| • Plant engineering and component business | • Exhaust-air purification systems<br>• Battery electrode coating systems<br>• Noise abatement systems<br>• ORC technology (Organic Rankine Cycle)<br>• Service | • Chemical industry<br>• Pharmaceutical industry<br>• Carbon fiber production<br>• Printing/coating<br>• Automotive manufacturers (paint shops)<br>• Automotive suppliers (paint shops)<br>• Woodworking<br>• Lithium-ion battery manufacturers<br>• Mining<br>• Energy industry<br>• Oil and gas industry<br>• Packaging industry<br>• Operators of decentralized power plants |

**INDUSTRIAL AUTOMATION SYSTEMS DIVISION**

| Business type | Activities | Customer groups |
|---|---|---|
| • Mechanical engineering | • Assembly and test systems for automotive components, electric drives, medical devices, solar modules, electronic and consumer products<br>• Production technology for battery modules and packs<br>• Balancing and diagnostic systems<br>• Tooling systems for machines and processing centers<br>• Filling technology for air-conditioning systems and household appliances<br>• Service | • Automotive manufacturers<br>• Automotive suppliers<br>• Electrical/consumer goods industry<br>• Manufacturers of medical devices<br>• Solar module manufacturers<br>• Turbomachinery engineering/power plants<br>• Mechanical engineering<br>• Aerospace industry<br>• Household appliance industry |

**WOODWORKING MACHINERY AND SYSTEMS DIVISION**

| Business type | Activities | Customer groups |
|---|---|---|
| • Mechanical and plant engineering | • Machines and complete production lines for manufacturing furniture, kitchens, and construction elements for timber houses<br>• Service | • Furniture industry<br>• Kitchen manufacturers<br>• Manufacturers of windows, doors, laminate flooring<br>• Woodworking trade<br>• Timber house construction |

## DIGITALIZATION

Software solutions are a growing part of our product range. This enables us to keep pace with the ongoing digitalization of production processes. Our digital product range includes, for example, manufacturing execution systems (MES) for centralized factory control and analytics applications, which often work with artificial intelligence. Their areas of application include quality control, root cause analysis, and predictive maintenance. Our digital solutions are developed in digital factories at Dürr Systems, Schenck, and the HOMAG Group. The three digital factories work with standardized development processes and tools, have a common innovation agenda, and exchange applications and development results. Their activities are coordinated by a cross-functional team.

## COMPREHENSIVE RANGE OF SERVICES

Each machine and system we sell adds to our installed base – and thus to our potential to generate additional service business throughout the product life cycle. Our range of services includes plant modernization and optimization, audits of plant productivity and energy efficiency, software updates as well as training, maintenance, repair, and spare parts supply. Digital services such as remote analysis, maintenance assistance, and performance checks are becoming increasingly important. The service side employs 3,036 staff, representing 14.7% of the Group workforce.

## SCHENCK TECHNOLOGIE- UND INDUSTRIEPARK GMBH

The real estate service provider Schenck Technologie- und Industriepark GmbH (TIP), which is part of the Industrial Automation Systems division, markets and operates offices as well as production and logistics spaces at Schenck's Darmstadt location. In all, TIP rents out 109,900 sqm of floor space on a 105,000 sqm lot; office space accounts for 46%.

## LEGAL STRUCTURE

Dürr AG owns 100% of the shares in the following companies: Dürr Systems AG, Dürr International GmbH, Dürr Technologies GmbH, Carl Schenck AG, and Dürr Group Services GmbH. These companies have entered into domination and profit and loss transfer agreements with Dürr AG. We own 66.31% of the shares in HOMAG Group AG and the associated voting rights via Dürr Technologies GmbH. We contributed 11.0% of the shares in HOMAG Group AG to a share pool between Dürr Technologies GmbH and the Schuler/Klessmann shareholder group. The Schuler/Klessmann shareholder group owns 14.05% of the shares in HOMAG Group AG. Members of this shareholder group are the Schuler family, who founded HOMAG, and the Erich and Hanna Klessmann Foundation. The pool agreement, first concluded in 2014, was renewed in 2021. It includes extensive reciprocal options and runs until December 31, 2029. A domination and profit and loss transfer agreement has been in place between Dürr Technologies GmbH and HOMAG Group AG since 2015. Dürr Systems AG, Dürr Technologies GmbH, Dürr International GmbH, and Carl Schenck AG hold direct or indirect stakes, mainly 100% holdings, in all other Group companies.

## PORTFOLIO CHANGES

- Effective August 31, 2023, we acquired 100% of the shares in the German automation specialist BBS Automation. The seller was a consortium led by financial investor EQT. With this transaction, we have continued our strategic expansion in automation technology and are now one of the world's three largest suppliers in the markets we address. We had already acquired the two automation companies Teamtechnik and Hekuma in 2021. With 16 locations and an efficient engineering and production network, BBS Automation is the largest of the three acquisitions. In 2023, the company generated sales of just under €300 million, of which €107.1 million were attributable to the consolidation period in the Dürr Group.
- Effective November 17, 2023, we acquired 100% of the shares in the French Amalis Group, the holding company of the operating company Ingecal. Ingecal specializes in **calendering machines** **⟶ page 284**, which are used in battery factories for coating electrode foils. In addition to the currently common wet coating of the foils, Ingecal's technology is also suitable for dry coating, which is likely to become increasingly important in the future.
- Effective November 14, 2023, we increased our shareholding in the Teamtechnik Group from 75% to 100%, having taken over the 75% share in 2021.

### 2.3 — SIGNIFICANT ACQUISITIONS/SHAREHOLDINGS

| Transaction | Shareholding | Consolidation type | Included in the consolidated financial statements since | Purchase price | Employees (Dec. 31, 2023) | Division |
|---|---|---|---|---|---|---|
| BBS Automation | 100% | Fully consolidated | Aug. 31, 2023 | €318.9 million[1] | 1,614 | Industrial Automation Systems |
| Teamtechnik Group | 100% (2023: increase from previously 75%) | Fully consolidated | Feb. 5, 2021 | 2023: €4.9 million for 25% | 919 | Industrial Automation Systems |
| Ingecal | 100% | Fully consolidated | Nov. 17, 2023 | €20.6 million[1] | 74 | Clean Technology Systems |

[1] including cash and cash equivalents, plus assumed financial liabilities

Further information on the transactions listed can be found in → notes 18 and 37 of the notes to the consolidated financial statements. Information on mergers and other changes at Group companies in the 2023 fiscal year can be found in → note 4.

## BUSINESS MODEL

Our core competence is the **engineering** → page 284 of efficient production technology. We offer our customers a full range of options from individual machines to turnkey manufacturing systems. In this context, our offering in automation and digital networking and control of production systems is becoming increasingly important.

Our technologies and services are designed to help our customers achieve efficient and sustainable production by focusing on the following primary factors:

- digitalization, automation, and technological innovation
- development of material-efficient, energy-saving, and low-emission products
- planning, engineering, and order processing know-how
- a comprehensive range of services for the entire life cycle of our products
- global presence, proximity to customers in all market regions

We operate in niche markets, where we are either the market leader or among the largest suppliers, with market shares ranging from 15% to 55%. In 2023, 61% of Group sales came from mechanical engineering and 39% from plant engineering. In mechanical engineering, we aim for mid-cycle EBIT margins before extraordinary effects of 10% or more; in plant engineering, the target margin is at least 6%. In terms of **ROCE** → page 285, our mid-cycle target is 25% or more. In principle, our business model allows us to achieve high operating and **free cash flows** → page 285. From 2025, free cash flow should permanently amount to at least 80% of earnings after taxes.

### Financial importance of individual products, services, and sales markets

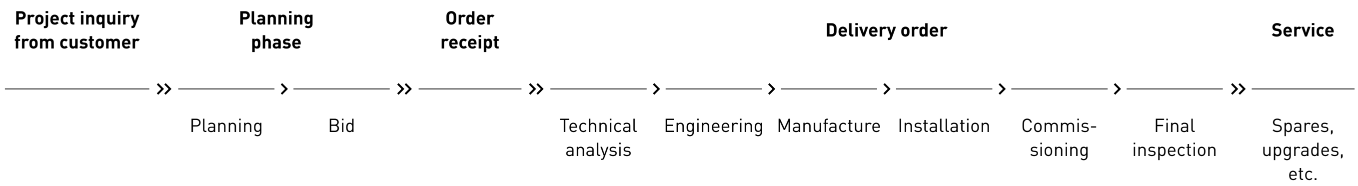
The financial importance of individual products and services is limited in view of our broad-based portfolio. A key success factor in paint and final assembly technology and at the HOMAG Group is our systems expertise, i.e. the ability to plan and build turnkey systems. Digital and automation technologies are playing an increasingly important role. The service business generates an above-average contribution to earnings. Thanks to our international presence, we have a balanced regional sales breakdown. In 2023, 16% of sales came from Germany, around 30% each from other European countries and from North and South America, 16% from China, and 8% from other Asian countries, Africa, and Australia. We tend to achieve slightly higher margins in regions of strong growth than in other markets. The full-year consolidation of BBS Automation from 2024 will not have a material impact on the Dürr Group's sales distribution.

### Business processes/process advantages

Planning, engineering, order execution, and service make up our most important business processes. Our real net output ratio is lower than that of typical industrial manufacturing companies. Professional project management is critical to success, especially in large plant engineering projects. A major project usually takes 15 to 24 months to complete, while orders in mechanical engineering take between 3 and 12 months. Smaller remodeling, upgrade, and service projects take less time.

Large projects require efficient collaboration between various departments and sites, which is why we employ standardized

**2.4 — PROCESSES IN PLANT ENGINEERING**




processes in planning, order execution, service, and administration. These processes are increasingly supported by digital tools or – especially for administrative processes – automated with the help of **robotic process automation (RPA) ⟶ page 284**. This prevents interface problems, increases speed and process reliability, and improves international cooperation and capacity management.

### Customer relations

Business with the automotive industry is technically complex and long-term. We therefore maintain constant communication with our customers. When it comes to major investment projects, we are consulted up to two years before an order is placed. We act as planner, consultant, and systems supplier as well as service partner in plant operation and modernization. Customers often inform us in advance of new vehicle models in development to ensure that we can supply the required production technology in time.

The mechanical engineering divisions – Industrial Automation Systems and Woodworking Machinery and Systems – have a broad market base with tens of thousands of customers. Sales-related costs are therefore higher than in plant engineering for the automotive industry. However, the mechanical engineering sector also features an increasing number of larger-scale projects with extended lead times, in addition to business supplying individual machines. In automation technology, we are actively responding to this trend by pooling the expertise of BBS Automation and the Teamtechnik Group and acting as a strong partner for large orders.

### Supplier relations

We source goods, raw materials, and services from several thousand suppliers. In addition to part and component suppliers, these also include contract manufacturers, engineering service providers, and logistics companies. In the case of crucial commodities, we have worldwide framework agreements in place with preferred suppliers. This enables us to pool the requirements of several companies and divisions and leverage economies of scale. For further information, please refer to chapter 1.4 **“Procurement” ⟶ page 36**.

### Further features of our business model

At 40%, our real net output ratio is relatively low, though there are differences between the divisions. While the real net output ratio in the two mechanical engineering divisions is 43% (Industrial Automation Systems) and 42% (Woodworking Machinery and Systems), it is significantly lower in Paint and Final Assembly Systems (plant engineering) at 30%.

Due to the low real net output ratio, **asset intensity ⟶ page 285** and capital commitment are also relatively low. The prepayments received from customers generally cover a large portion of the receivables and accrued project costs in current assets. Consequently, the **net working capital (NWC) ⟶ page 285** in plant engineering is usually low. In relation to the fixed costs, too, we benefit from the low real net output ratio and asset intensity in plant engineering. This makes us more flexible in the event of cyclical order fluctuations.

At 42.4 days, **days working capital ⟶ page 285** at the end of 2023 was in the lower half of the target corridor of 40 to 50 days (previous year: 34.7 days). The year-on-year increase is primarily due to the acquisition of BBS Automation. Our investment requirements (excluding acquisitions) are low due to the low demand for property, plant, and equipment in plant engineering. The normal annual level typically amounts to less than 3% of sales. At 3.4%, the investment ratio measured against sales was higher in 2023, as we are implementing an extensive investment program at HOMAG to modernize and increase the efficiency of locations.

Most divisions have local production plants and procurement structures in major foreign markets. This reduces their need to import, and thus transaction risks, which are also lowered by foreign currency hedging on a project basis. Nevertheless, there are translation risks resulting from the conversion of foreign currency positions into euros.

Many of our projects have long lead times. This allows us a clear picture in terms of future order intake. We can therefore make a reliable assessment of our future sales, capacity utilization, and income for a majority of the business.

### BUSINESS LOCATIONS AND DIVISION OF LABOR WITHIN THE GROUP

At year-end 2023, 36.3% of the workforce was employed in the emerging markets. A good 3,200 employees (including around 210 external staff) work at our Chinese locations alone. The lead sites in Germany control the Group's global operations. The Dürr Campus in Bietigheim-Bissingen (approx. 2,500 employees) is the Group's corporate headquarters and also the head office of Paint and Final Assembly Systems, Application Technology, and Clean Technology Systems. The HOMAG head office in Schopfloch (approx. 1,800 employees) manages the business activities of Woodworking Machinery and Systems. The Darmstadt location (around 560 employees) coordinates the operations of Schenck (Measuring and Process Systems) within the Industrial Automation Systems division, while Freiberg (Teamtechnik Group, around 500 employees) and Kunshan in China (BBS Automation, around 350 employees) are the largest sites of the Production Automation Systems business unit.

There are guidelines in place to define how Group companies collaborate on cross-border systems projects in plant engineering. Project management for major orders of Paint and Final Assembly Systems is usually handled by the system centers in Bietigheim-Bissingen or Shanghai. There are also business centers responsible for smaller upgrades, parts of systems projects, and local sales and service. In mechanical engineering, the German lead locations act as the hub for international projects.

## 1.2 Company-specific leading indicators

In order to be able to respond to a changed economic and demand situation at short notice, we track leading indicators. We distinguish four categories:

- Key economic leading indicators are money supply, commodity and energy prices as well as purchase manager and business climate indices. Research reports and macroeconomic statistics also assist us in recognizing cyclical changes at an early stage. Moreover, we pay close attention to the development of interest rates. Business performance within our main customer industry segments (automotive and woodworking) partly correlate with the development of the global economy.
- More specific indicators to assess future business potential are customers' investment plans as well as statistics and forecasts on production and sales. In addition, we follow the expectations of analysts regarding our customers' cash flows and investments.
- The third leading indicator relates to specific investment projects pursued by our customers. We collect the respective information in our customer relationship management system, along with an assessment of our opportunities of winning contracts. In the product business, the quote time period for offers serves as an indicator. When customers take longer to make investment decisions, the average quote time period increases. This indicates weaker demand.
- The fourth group of indicators comprises incoming orders and the order backlog. Since many projects have a long lead time, both key figures are suitable for assessing capacity utilization and sales for the coming quarters.

## 1.3 Strategy and mid-cycle targets

Our corporate strategy is oriented to both profitability and growth. It aims to act on opportunities in established core business as well as in new or high-growth business areas. In established business, the focus is on expanding market leadership and profitability. We refer to the new business areas as "growth business". They are characterized by high growth and earnings potential as well as access to new markets and customers.

### TARGET KEY FIGURES

Our strategy is linked to several KPI targets:

- Sales are to grow by an average of 5% to 6% per year between 2023 and 2030, reaching more than €6 billion in 2030. Depending on the activity, established business is to contribute to this with growth rates of 0% to 2% and 3% to 9%. We expect average growth rates of more than 10% p.a. for growth business.
- The EBIT margin before extraordinary effects is to widen to at least 8%. This is a mid-cycle target, achievement of which is predicated on normal market conditions free of any major

dislocations. Originally, this target was to be achieved in 2024 for the first time. However, as the cyclical decline in demand in the woodworking technology market was stronger than expected in 2023, we were forced to revise this forecast. As things currently stand, we expect the EBIT margin before extraordinary effects to reach the 8% mark in 2026 at the earliest, assuming that the market environment in which HOMAG operates duly recovers. The mid-cycle margin targets for the Group and the individual divisions are shown in → table 2.5.

- We are aiming for a minimum ROCE of 25%. This is also a mid-cycle target.
- From 2025 onward, we are aiming for a cash conversion rate of at least 80% (free cash flow is at least 80% of earnings after tax).
- The ratio of net financial liabilities to EBITDA should not exceed 2.0.
- Service business is to permanently contribute at least 30% to Group sales.

**2.5 — MID-CYCLE MARGIN TARGETS FOR THE GROUP AND DIVISIONS**

| | Mid-cycle target for EBIT margin before extraordinary effects | Business type |
|---|---|---|
| Dürr Group | ≥ 8% | Mechanical and plant engineering |
| Paint and Final Assembly Systems | ≥ 6% | Plant engineering |
| Application Technology | ≥ 10% | Mechanical engineering |
| Clean Technology Systems | ≥ 6% | Plant engineering |
| Industrial Automation Systems | ≥ 10% | Mechanical engineering |
| Woodworking Machinery and Systems | ≥ 10% | Mechanical engineering |

## ESTABLISHED BUSINESS

Established business mainly entails paint shops, painting robots, and final assembly technology for the automotive industry, environmental technology, balancing, tooling, and filling systems as well as HOMAG machinery for furniture production. We hold leading global market positions in these areas and expect them to generate moderate to medium sales growth between now and 2030. The main priority in established business is to enhance profitability and to achieve the mid-cycle targets, which in turn form the basis for the Group's target of an EBIT margin before extraordinary effects of 8%. Most of the established business activities are expected to meet their defined mid-cycle targets in 2024, after earnings in the years from 2020 to 2022 came under pressure from the pandemic, supply chain constraints, and high material prices. At HOMAG, muted market conditions and ordering in 2023 are likely to leave traces on earnings in 2024 and 2025. As things currently stand, the mid-cycle target defined for business in furniture production machinery is therefore not likely to be achieved until 2026 at the earliest. In order to reach our margin targets for the Group and for the individual divisions on a sustained basis, we are taking specific steps to improve earnings resilience, for example by expanding service business, adopting a margin-oriented "value before volume" sales strategy in plant engineering, applying price escalation clauses, and harnessing synergistic benefits. At HOMAG, we are aiming to reduce fixed costs by €25 million in 2024 and by €50 million annually from 2025 onward by adjusting personnel capacities.

**2.6 — GROWTH TARGETS FOR ESTABLISHED BUSINESS**

| Activity | Target sales growth by 2030 (CAGR[1]) | Division |
|---|---|---|
| Painting robots, paint shops, final assembly technology | 0% to 2% | Application Technology, Paint and Final Assembly Systems |
| Environmental technology (exhaust-air purification systems) | 3% to 9% | Clean Technology Systems |
| Balancing, tooling, filling systems | 3% to 9% | Industrial Automation Systems |
| Machinery for furniture production | 3% to 9% | Woodworking Machinery and Systems |

[1] CAGR: compound annual growth rate

## GROWTH BUSINESS

Growth business consists of three business areas with potential for strong, above-average sales growth. Aggregated sales from growth business reached roughly €500 million in 2023. By expanding our activities, we are aiming to increase this to a total of €1.6 to €1.8 billion by 2030. In this way, the three growth business areas outlined below are to make the greatest contribution to the growth in Group sales to more than €6 billion.

**1. Construction Elements Solutions:** HOMAG is one of the largest suppliers of systems for the automated production of construction elements for climate-friendly timber houses. After growing sharply up until 2022, this market saw significantly softer demand in 2023 as a result of the crisis afflicting the construction industry. In the medium and long term, however, we are confident with regard to business in the timber house sector, as timber construction is sustainable and can be readily automated. This latter factor reduces construction times and is an effective tool for addressing shortages of skilled labor. Multi-story timber houses are better suited for **series construction** → page 284 than conventional buildings. This permits the easy creation of affordable housing and makes an important contribution to solving one of the most pressing problems facing urban societies. Not least of all as a result of the acquisition of the Danish mechanical engineering companies System TM and Kallesoe (2020 and 2021), HOMAG has positioned itself as an efficient partner in the industrialization of timber house construction. This trend is characterized by the construction of highly automated factories with an output of several thousand timber construction elements per year.

**2. Production Automation Systems:** We established the Production Automation Systems business unit with the acquisition of automation specialists BBS Automation (2023) as well as Teamtechnik and Hekuma (both 2021). It specializes in highly automated systems for assembling and testing mostly small products in very large quantities. The automotive industry accounts for around 50% of this business, with a particular focus on automation solutions for assembling and testing electric drives and the components required for this. A further focus market is production systems for medical devices, such as injection systems or inhalers. This market offers promising business prospects since the need for medical care services is climbing as a result of demographic growth and rising life expectancies. In addition, our automation technology is used in the production of solar modules and in the consumer electronics sector, for example for the production of electric toothbrushes. The market for automation solutions of the type that we offer is growing by an average of 9% p.a. Our customers are increasingly seeking to work with efficient automation partners, especially in connection with big-ticket contracts. We are addressing these requirements by integrating BBS Automation, Teamtechnik, and Hekuma under the Dürr umbrella.

**3. Battery Production:** Electromobility in particular is spurring the need for additional battery factories. According to forecasts, the installed base for the production of lithium-ion batteries in Europe is expected to widen more than tenfold by 2030 and reach a capacity of over 1,400 gigawatt hours. This market growth is opening up opportunities for us as we address a central step in battery production by offering end-to-end lines for **electrode coating** → page 284. In addition to coating technology, our range also includes systems for drying and solvent recovery, in which we hold a very strong market position. Through the acquisition of the French mechanical engineering company Ingecal and the partnership with the US company LiCAP, we are technologically well positioned in wet coating, which is currently the dominant technology, but are also stepping up the development of dry coating, which is increasingly growing in relevance. This latter technology holds great potential for the future as it requires less energy and is also suitable for use in the production of solid-state batteries. Together with our partners Grob and Manz, we want to establish ourselves as a European supplier of components for battery factories and offer cell manufacturers in Europe an alternative to Asian equipment suppliers. The basis for this is a virtual reference factory, which was jointly developed by the three partners in 2023. It features unique differentiators, such as a high degree of digitalization and sustainable processes, and also ensures high product quality in tandem with low material consumption.

### 2.7 — GROWTH TARGETS FOR GROWTH BUSINESS

| Activity | Sales in 2023 | Sales target for 2030 | Division |
|---|---|---|---|
| **Construction Elements Solutions**<br>(Production technology for climate-friendly timber houses) | Approx. €170 million | Approx. €500 million | Woodworking Machinery and Systems |
| **Production Automation Systems**<br>(Automation technology for e-mobility, medtech, and other industries) | Approx. €280 million[1] | Approx. €800 million | Industrial Automation Systems |
| **Battery Production**<br>(Systems for electrode production) | Approx. €50 million | Approx. €300 to €500 million | Clean Technology Systems |
| **Total** | **Approx. €500 million** | **Approx. €1,600 to €1,800 million** | |

[1] BBS Automation was first consolidated on August 31, 2023. In the four months of 2023 in which it was consolidated, BBS Automation contributed sales of €107.1 million.

## ORIENTATION TO PRIMARY TRENDS

We are orienting our business activities to three primary trends that are of high relevance for our customers. This is enhancing the resilience of our order intake, as customers are implementing investment plans based on these trends, even in phases characterized by greater economic weakness, to ensure their long-term competitiveness.

### Sustainability

Sustainability is now the most important trend in our markets. Many customers want to reduce their ecological footprint and are looking for alternatives to fossil fuels in order to decarbonize their operations. The energy crisis triggered by the war in Ukraine and the ensuing price increases have intensified this reorientation, as have the demands of the climate protection movement and mounting regulation. As a mechanical and plant engineering company, we are an important pioneer in the sustainable transformation of our customers' production processes. Over the next few years, our expertise in energy and material efficiency will continue to grow in importance and be a central driver of our business. This is because, looking forward, operators will invest even more in the environmental and climate compatibility of their plants.

We are not only improving the sustainability of production processes but also supporting our customers by offering them technologies for the production of sustainable products for a largely carbon-free society. One example of this is the expansion of business areas such as Construction Elements Solutions and Battery Production.

### Electromobility

Electromobility offers opportunities for the Dürr Group. This is because it requires high investments by our customers in new production technologies and the conversion of existing plants. At the same time, the emergence of new producers of electric vehicles is widening the customer base, while the international expansion of these producers' manufacturing structures is generating further business potential. In 2023, more than 50% of order intake in automotive business was accounted for by production technology for electric vehicles. Our product range – and, hence, also our sales potential – is somewhat greater for electric cars than for conventional vehicles, as we are also active in battery production technology. Our product development activities are specifically geared to the requirements of e-mobility, for example in the areas of two-tone painting, car body drying, and final assembly automation.

### Automation

Automation is one of the Dürr Group's key competences. We are expanding our position in this area, as automation technology will continue to grow in importance. This is indicated by the increasingly severe shortage of labor and the reshoring of production facilities to industrialized countries with higher labor costs. At the same time, we are specifically tapping into industries which require particularly efficient automation solutions due to the large quantities and high quality requirements involved. Examples include the high-speed production of plastic products for use in medical technology, automated assembly systems and test stands for electric motors, and the production of solar modules.

## STRATEGIC FIELDS AND ENABLERS

Five strategic fields are critical for achieving our targets and expanding our leadership in the global market: glocal (global/local), technology leadership, digitalization, efficiency, and life cycle services. There are also four enablers, i.e. supporting functions, that are particularly crucial for the successful implementation of the strategy: mergers and acquisitions, sustainability management, finance management, and people development.

### Glocal (global/local) as a strategic field

We operate locally in all major markets around the world. In this way, we are able to take advantage of opportunities and act competitively wherever customers need us. These local activities are supported by our efficient Group network. What is particularly important is product localization, i.e. the adaptation of machines and systems to specific regional requirements and local production. This is accompanied by a global strategy for **engineering** **⟶ page 284**, research and development, and production. We organize these activities within the Group network in such a way that each location can contribute its individual advantages such as customer proximity, technological skills, or costs.

### Technology leadership as a strategic field

We owe our market leadership to cutting-edge technology. Our R&D work focuses on increasing the sustainability and efficiency of production processes. Consequently, product development seeks to lower energy and resource consumption, emissions, and unit costs. A further aspect is making factories more flexible. The proportion of digital technologies is widening across practically all innovations. Further information on the innovation strategy and recent examples can be found in chapter 1.5 **"Research and development" ⟶ page 37**.

**2.8 — STRATEGIC FIELDS AND ENABLERS**

DÜRR GROUP.

| GLOCAL | TECHNOLOGY LEADERSHIP | DIGITAL@DÜRR | EFFICIENCY | LIFE CYCLE SERVICES |
|---|---|---|---|---|
| • Global business with local supply chain<br>• Strong regional setup (Europe, Asia, North America) | • Most efficient & sustainable products<br>• Rethinking production processes<br>• Highest quality | • Software as differentiator<br>• From smart Apps to MES and whole ecosystems<br>• Internal digital transformation | • Drive synergies, esp. scale, processes<br>• Lean and agile organization<br>• Optimize global footprint | • Leverage vast installed base<br>• Whole range of consulting, training, support<br>• Predictive & fast<br>• ≥30% of sales |

| Enabler: | Mergers & Acquisitions | Sustainability Management | Finance Management | People Development |
|---|---|---|---|---|

**5% – 6%**
CAGR SALES REVENUE
(BY 2030)

**≥ 8%**
EBIT MARGIN BEFORE EXTRAORDINARY EFFECTS (MID-CYCLE TARGET)

**≥ 25%**
ROCE
(MID-CYCLE TARGET)

### Digital@DÜRR as a strategic field

As the digital transformation progresses, the intelligence of our machines and systems is becoming an increasingly important factor. Our goal is to offer every customer the best solution available on the market for the digital optimization of their production activities. To this end, we are continuously expanding our range of data-based applications and services. In this way, we are tapping into new sales potential and shielding our business from competitors in the software industry. We have a crucial advantage over them in that we combine digital know-how with expert knowledge of production processes in what is known as "shop floor competence".

### Efficiency as a strategic field

The efficiency of operational processes and structures is crucial in our business. For this reason, continuous efficiency analyses and the identification of improvement measures on this basis form part of the strategy. We implement our corporate statement of an efficient, flexible organization with the help of the OneDürrGroup program. It aims to harness synergies through the cooperation of the divisions, common business processes and IT systems as well as the use of shared service centers. OneDürrGroup also entails the optimization of the global Group network through the merger of smaller companies and locations. Another aspect of efficiency as a strategic field involves creating a work environment that enhances performance. For example, we rely on methods such as lean management and agile working, communications and employee participation, and the promotion of individual strengths.

### Life cycle services as a strategic field

We are taking specific steps to scale up our service business, as it contributes significantly to our earnings and customer loyalty. We want service business to contribute at least 30% to sales. For this purpose, we are aligning our services along the entire life cycle of our products and increasingly offering data-based digital services such as preventive maintenance. We are also expanding our brownfield business by offering plant modernization, with an increasing focus on lowering the ecological footprint.

### Mergers and acquisitions as an enabler

Within the framework of our portfolio-oriented management, we are exploring opportunities for acquisitions and divestment requirements. By acquiring companies and technologies, we tap into growth potential and new business areas. We distinguish between three types of acquisitions: "bolt-on" (strengthening existing business areas), "cross-divisional" (acquisition of cross-sectional technologies, e.g. software) and "complementary" (portfolio expansion, new business areas). Complementary acquisitions target mechanical and plant engineering companies that are leaders in niche markets and possess potential for improving earnings and harnessing synergies.

The most recent complementary acquisition was BBS Automation in August 2023, with which we expanded the Production Automation Systems business unit and positioned it as an internationally capable competence center for automation technology. Ingecal was a bolt-on acquisition in 2023, allowing us to enhance our range of electrode production technology. Currently, there is no further need for any major complementary acquisitions. We consider ourselves to be well positioned in our growth business to achieve our growth targets and do not want to accumulate any further significant acquisition-related debt. At the same time, we continuously review our portfolio and will divest business activities if the growth potential or contributions to earnings do not meet the Group's targets or the synergies within the Group of companies are too low.

**Sustainability management as an enabler**
We are increasingly being guided by the principles of sustainable business in order to do justice to our responsibility toward society and the environment as well as the requirements of customers, investors, employees, and other stakeholders. At the same time, we are convinced that, as a partner for sustainable production processes, we only have credibility if we act responsibly. The expansion of sustainability management within the Group ensures that we meet regulatory and stakeholder requirements and are one of the leading companies in our industry in terms of sustainability. Detailed information can be found in section 2 **"Group non-financial statement" ⟶ page 42**.

**Finance management as an enabler**
We underpin our growth with effective financial management. It supports corporate management, provides funding on competitive terms, and ensures that it is used efficiently. The terms under which we raise borrowed funds normally contain a sustainability component. Under the OneFinance program, we are stepping up the standardization and digitalization of financial processes to provide information required for management purposes even more swiftly and efficiently.

**People development as an enabler**
As an engineering company, we depend on highly qualified employees – this is truer than ever before in the digital era. We therefore see personnel development as a strategic task and focus on the following key issues: further training, talent management, modern leadership, individual development, a motivating work culture, and enhancing our appeal as an employer. In 2023, we developed a new competence model that serves as a Group-wide guideline for recruiting and employee development. Further information can be found in section 2 **"Group non-financial statement" ⟶ page 42**.

# 1.4 Procurement

## THE ROLE OF PROCUREMENT AT THE DÜRR GROUP

After a significant increase in the previous year (+30.8%), the cost of materials rose by 8.8% in 2023 to €1,870.9 million. It thus slightly outpaced sales growth (+7.3%). One of the main reasons for this was that costs for electronic components which we had purchased during the high price phase in 2022 and early 2023 came into play in projects over the course of the year. Secondly, a large part of the increase in sales was attributable to Paint and Final Assembly Systems business with its high cost-of-materials ratio. In the Woodworking Machinery and Systems division, which generated strong sales, the cost of materials also increased more swiftly than sales.

In plant engineering, aside from raw materials and semi-finished products, we also purchase installation, assembly, and engineering services, along with complete work segments, assemblies, IT components, and units. In mechanical engineering, we purchase many finished parts and pre-assembled modules. Other important procurement groups are mechanical and electronic bought-in parts, such as drives and sensors. We exclusively manufacture certain core products ourselves to protect our know-how and ensure quality and on-time delivery.

At the end of 2023, around 700 employees were working in purchasing. The divisions' purchasing heads form the Global Sourcing Board, which coordinates global purchasing activities. Global lead buyers have worldwide purchasing responsibility for individual commodity groups and pool the requirements of multiple companies and divisions. The integration of BBS Automation into the Dürr Group's procurement processes and structures began in 2023 but had not yet been completed by the end of the year.

We work with more than 30,000 suppliers worldwide. When it comes to important commodity groups, we have worldwide framework agreements in place to achieve better terms through economies of scale. To ensure supplier availability, we forecast our needs in the sales stage, we set store by long-term capacity planning, and we closely monitor deadlines when dealing with suppliers.

### PROCUREMENT MARKET DEVELOPMENT

The procurement market eased in the second half of 2023 in particular. Delivery times shortened significantly again but have not yet returned to their normal level. Supplier and material availability also improved, strengthening our negotiating position. The prices of many of the materials relevant to us have dropped back to pre-Ukraine-war levels after peaking in mid-2022. However, the price increases resulting from the supply chain and chip crisis, which had already begun in 2021, are still noticeable. In 2023, we saw the most pronounced price increases for electronic and mechanical bought-in parts.

We have taken various measures to ensure that we can procure the products and raw materials we require in a timely manner and at optimal costs. Examples include shortening supply chains, placing orders at an early stage, using game-theory negotiation methods as well as having a wide geographic distribution of suppliers and reducing stock levels. We have also further systematized price monitoring. HOMAG, for instance, has established a Center of Excellence in India, which analyzes the costs of components and assemblies and advises our purchasers worldwide. In addition, we are reducing the number of single-source suppliers and are instead opting for second- or multiple-source strategies. This improves our negotiating position and prevents bottlenecks. Together with the R&D departments, the procurement team is working to reduce the complexity of products and components and to standardize them. This allows us to order larger quantities of the same parts, resulting in economies of scale. For critical commodity groups, we are developing alternative solutions for materials and intermediate products to bypass bottlenecks.

### FURTHER DEVELOPMENT OF PROCUREMENT PROCESSES

As part of the Group-wide OneDürrGroup synergy program, the purchasing department is driving forward the OneSRM project (SRM: Supplier Relationship Management). Its aim is to harmonize and digitalize supplier management by introducing a uniform SRM tool. This is designed to improve global transparency regarding suppliers and purchasing volumes, enable Group-wide supplier evaluation, and shorten response times in the event of changes in demand. Following intensive preparation, the pilot phase of the SRM tool began in October 2023 at the Paint and Final Assembly Systems, Application Technology, and Clean Technology Systems divisions.

In addition, we implemented an Execution Management Software program across the Group in 2023. It is used in purchasing to identify and rectify deviations from the ideal process in real time. The deployment of this software has increased productivity and led to improvements in working capital management. In 2024, we plan to introduce software for calculating greenhouse gas emissions in the supply chain. The purchasing department is implementing further digitalization projects in areas such as process automation, data management, and **process mining** **⟶ page 284**.

## 1.5 Research and development

### R&D GOALS

The products and manufacturing processes developed as part of our R&D work are designed to enable our customers to produce in an energy- and resource-efficient manner. This also applies to the digital applications we develop, which incorporate our expertise in all aspects of our customers' production processes. In our innovations, we also attach great importance to modularity, global applicability, and high overall equipment effectiveness. To achieve these goals, we rely on the close collaboration of our R&D departments with sales and purchasing.

### R&D KEY FIGURES AND EMPLOYEES

Research and development expenses increased by 10.9% to €151.4 million in the 2023 fiscal year. This corresponds to an R&D ratio of 3.3% (previous year: 3.2%). Order-related development costs were recorded in the cost of sales rather than the direct R&D costs. Capitalized development costs totaled €33.9 million, while their amortization amounted to €14.6 million. Measured against the direct R&D costs, a capitalization rate of 22.4% was achieved (previous year: 17.3%). The number of employees in our R&D departments increased by 3.8% to 1,008 as of December 31, 2023. Employees in the R&D department are supported by colleagues from other areas in the development of solutions to fulfill specific customer orders.

The individual divisions are responsible for their respective R&D work, and guidelines govern processes and detailed issues. There is also a cross-functional team, "R&D/Technology/Digital," which coordinates cross-functional R&D activities and promotes the use of best-practice solutions across divisional boundaries. Leading the team is the Head of the Application Technology division (Dr. Lars Friedrich). The development of new solutions accounts for around 70% of our R&D expenditure, while just under 30% is spent on optimizing and modularizing existing products. Concrete solutions are the focus of our development work; basic research is inherently of minor importance in our business. In 2023, we achieved market maturity for 73 product innovations. We collaborate with scientific institutes and development partners in order to gain impetus for our development work. The integration of BBS Automation into the R&D processes and structures of the Dürr Group began in 2023, but had not been completed by the end of the year.

**2.9 — R&D KEY FIGURES**

| | | 2023 | 2022 | 2021 |
|---|---|---|---|---|
| R&D expenditure | € million | –151.4 | –136.5 | –123.9 |
| Group R&D ratio | % | 3.3 | 3.2 | 3.5 |
| Paint and Final Assembly Systems[1] | % | 1.9 | 1.8 | 2.4 |
| Application Technology | % | 4.5 | 4.4 | 5.3 |
| Clean Technology Systems | % | 1.6 | 1.6 | 1.6 |
| Industrial Automation Systems[2] | % | 2.4 | 2.7 | 2.6 |
| Woodworking Machinery and Systems | % | 4.6 | 4.2 | 4.4 |
| Capitalized development costs | € million | 33.9 | 23.6 | 21.5 |
| Amortization of capitalized development costs | € million | –14.6 | –12.9 | –10.7 |
| R&D employees[3] (Dec. 31) | | 1,008 | 971 | 922 |
| R&D personnel costs | € million | –99.4 | –92.9 | –82.6 |

[1] without Teamtechnik Group
[2] BBS Automation consolidated since August 31, 2023, including Teamtechnik Group
[3] Ingecal R&D employees included since November 17, 2023

## R&D FOCUS

In our innovation work, we take into account both customer requirements and superordinate technology and manufacturing trends. The following are particularly important:

- **Sustainability:** Many of our customers have set ambitious climate targets. With our innovation work, we want to enable them to decarbonize their production and reduce their dependence on fossil fuels. That is why our development work focuses on the resource- and energy-efficient operation of our plants, the electrification of production processes, and exhaust-air purification.
- **Digitalization:** We are constantly working on software solutions that are designed to maintain high system availability, increase sustainability, or save time. To this end, we are integrating, for example, artificial intelligence or simulations into our applications.
- **Increased flexibility:** Established automotive manufacturers want to offer a wide range of models and variants, while new manufacturers in particular are looking for scalability in their production facilities. Therefore, we work on flexible concepts that bypass rigid process chains and are modularly expandable.
- **Customization:** Demand for individually configured end products is rising. With our equipment, these can be manufactured efficiently on automated lines.
- **Optimization of per-unit cost:** We are developing products and processes with a reduced demand for material, energy, maintenance, and human resources. This helps our customers reduce their per-unit manufacturing costs.

**2.10 — R&D EMPLOYEES 2023**

| | Group | Paint and Final Assembly Systems[1] | Application Technology | Clean Technology Systems[2] | Industrial Automation Systems[3] | Woodworking Machinery and Systems |
|---|---|---|---|---|---|---|
| Total | 1,008 | 145 | 188 | 28 | 135 | 512 |
| % of divisional workforce | 4.9 | 3.0 | 9.0 | 1.8 | 3.2 | 7.0 |

[1] without Teamtechnik Group
[2] Ingecal R&D employees included since November 17, 2023
[3] BBS Automation consolidated since August 31, 2023, including Teamtechnik Group

- **Automation:** Automation is the key to reproducible top quality, making our customers less dependent on the increasing labor shortage. We are exploiting automation potential in our established business and also see great opportunities with the newly established Production Automation Systems business unit.

- **Electromobility:** The demand for battery-powered vehicles has increased steadily in recent years. Their production requires, in part, special manufacturing systems. We are developing electrode coating technology for lithium-ion batteries, balancing technology for e-rotors as well as painting, assembly, conveyor, and testing technology for electric cars.

- **Autonomous driving:** New vehicles are generally equipped with a range of driver assistance systems, and the automotive industry is also pushing ahead with autonomous driving. In order to maintain a safe distance in road traffic, for example, data is required that is provided by sensors. We are developing highly sensitive systems for calibrating and testing sensors and other safety-relevant technology at the end of the production line.

- **Overall equipment effectiveness:** We are constantly working to further improve the overall equipment effectiveness of our solutions. Possible levers for this include increasing system availability and production quality, reducing maintenance costs and time, and optimizing processes through digital applications.

## R&D RESULTS

### Paint and Final Assembly Systems

The R&D team of Paint and Final Assembly Systems has further developed the **Eco**ProBooth painting box. Improved airflow in the booth reduces pressure loss and energy consumption for cooling and humidifying the air. The new airflow concept is a major factor in the **Eco**ProBooth's ability to save up to 45% of the energy previously required for a painting line with customary dry separation. In relation to the entire car manufacturing process, this corresponds to a reduction in energy requirements of 3% to 4%. The purely electric air circulation units also allow the **Eco**ProBooth to be operated in a $CO_2$-neutral manner using green electricity. In addition to energy efficiency, system availability was also a focus of further development. Together with the Application Technology division, the atomizer used, the **Eco**Bell4, was equipped with the ability to autonomously discard a dirty **electrode ring** ⟶ page 284 and pick up a clean one. This reduces the corresponding production downtime from an average of between 90 and 120 minutes per day to less than 5 minutes.

### Application Technology

Application Technology is helping customers to achieve more sustainable production with the new **Eco**Bell4 atomizer family. Paint losses and rinsing medium consumption during color changes can be reduced by 50% or by as much as 91% in combination with the modular **Eco**ProBooth paint booth. These improvements are achieved through the unique 4-main needle technology, in which three out of four **main needles** ⟶ page 284 are available exclusively for the most frequently used colors, as well as by means of modified process parameters during paint application.

With the EcoMeter SP, Application Technology has expanded its dosing portfolio for the application of sealants and adhesives. The new dosing solution has a spindle that continuously feeds the material to be applied. This eliminates the cycle times required, for example, to fill the dosing chamber using shot meter technology. In addition to increased system availability, the advantages of the new continuous dosing unit also include reduced space requirements and weight.

**Clean Technology Systems**

Clean Technology Systems has heightened the automation level of its coating systems for electrode production. Previously, it was necessary to manually enter the dimensions of the sheets to be coated. Now, the lengths determined by contrast sensors are automatically reported to the system. In addition, a closed-loop control system was implemented to continuously check and, if necessary, adjust the dimensions. This new development can be used for both single-sided and double-sided coating, and is designed to reduce the scrap rate.

In collaboration with a customer, Clean Technology Systems is working on a project to render the nitrogen oxides emitted by large diesel engines largely harmless. To this end, a selective catalytic reduction process will be integrated into the existing exhaust-air purification process. This means that environmentally harmful nitrogen oxides are broken down into nitrogen and water with the help of a catalyst. The aim is to drastically reduce the volume of nitrogen oxides released into the atmosphere.

**Industrial Automation Systems**

With WheelManager, which is based on the Schenck ONE digital platform, Schenck simplifies the creation, management, and monitoring of the process parameters of production systems for tires and wheels. The software allows the customer to send or retrieve geometry data, machine parameters, and other information to or from the production line machines in real time throughout the plant. In addition, artificial intelligence is used to predict certain parameters, which simplifies the setup of new wheel types and reduces tooling times.

Group subsidiary Agramkow has developed a more environmentally friendly technology for the safe filling of heat pumps with flammable refrigerants. The so-called no-zone solution eliminates the need for the previously required safety zone around the charging area for flammable refrigerants. This minimizes the space required as well as the energy consumption that was previously needed for ventilation, heating, and cooling. Safety is now guaranteed by the fact that the charging adapter and the system are automatically subjected to a leak test before each filling and locking takes place mechanically.

BBS Automation, the Group subsidiary acquired in August 2023, has developed a hairpin assembly system that produces **stators** **⟶ page 284** for electric motors. Flat copper wires are used to produce plug-in coils, which are then coated with a layer of lacquer and inserted into the stator stack. By using flat wires, the power density can be increased, which in turn results in better thermal performance and **NVH (noise, vibration, harshness) behavior** **⟶ page 284**. The new system covers the entire process chain. The process steps run in different process cells, which are also available as individual modules.

**Woodworking Machinery and Systems**

HOMAG's new SAWTEQ S-300 panel saw combines performance, speed, and reliability with intelligence and self-learning digital functions. Among other things, this improves performance by up to 20% thanks to an improved sawing process. New digital assistants enable a further boost in performance. In addition, the chip guidance feature has been optimized to reduce extraction power requirements and, thus, energy consumption.

With the function+ selection service, HOMAG makes new machine functions available at the touch of a button. This new development enables HOMAG machines to be flexibly adapted to changing customer requirements. With function+, customers can activate additional functions with just a few clicks and without the help of a service technician, and have those functions available within 48 hours.

## DÜRR TECHNOLOGY COUNCIL

The Dürr Technology Council advises the Board of Management on questions of innovation strategy and brings together scientific expertise, consulting skills, and senior management experience in the automotive engineering, automation, and IT sectors. Its members in 2023 were:

- Ulrich Dietz (Chair), former CEO of GFT Technologies SE
- Prof. Alexander Sauer, Director of the Fraunhofer Institute for Manufacturing Engineering and Automation
- Dr. Eberhard Veit, Managing Partner at Robert Bosch Industrietreuhand KG, former CEO of Festo AG
- Prof. Thomas Weber, former member of the Board of Management of Daimler AG, responsible for research and development
- Prof. Holger Hanselka, former President of the Karlsruhe Institute of Technology (KIT), resigned during the year

The Dürr Technology Council sees its role in accompanying our transformation from a traditional mechanical and plant engineering company to a technology group as an independent sparring partner. To this end, the Council balances the innovation strategy against current trends in production and advises the Board of Management on the potential of future technologies. If necessary, the members also exchange ideas with the heads of divisions and managers from the R&D, software, and corporate development departments.

In 2023, the Dürr Technology Council held two meetings. At its first meeting at the beginning of May, life cycle and recycling aspects in the automotive industry were discussed. Another focus was on the development of the battery business and the cooperation with Manz and Grob. In this context, dry coating of battery electrodes was assessed as a future-oriented technology. At the October meeting, Mr. Dietz was appointed as the new Chair of the Dürr Technology Council after Prof. Holger Hanselka resigned from the Council due to his new position as President of the Fraunhofer Gesellschaft. The main topics of the meeting were the technological development of Schenck RoTec and the presentation of the cross-functional digitalization team.

# 2 GROUP NON-FINANCIAL STATEMENT

### ABOUT THIS STATEMENT

The Group non-financial statement complies with the requirements of commercial law and was prepared in accordance with sections 315c in conjunction with 289c to 289e of the German Commercial Code (HGB) and Article 8 of 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 (hereinafter referred to as the "EU Taxonomy Regulation") and the delegated acts adopted in this regard. Deloitte GmbH Wirtschaftsprüfungsgesellschaft performed an audit of the disclosures contained in chapter 2.1 to obtain a limited assurance in accordance with ISAE 3000 (Revised).

In chapter 2.2 **"Non-audited part of the Group non-financial statement with information beyond the materiality thresholds,"** **⟶ page 75** we voluntarily report on the topics of water, wastewater, and waste as well as social commitment. These disclosures were neither the subject of a substantive audit as part of the statutory audit by Deloitte GmbH Wirtschaftsprüfungsgesellschaft nor part of the audit in accordance with the ISAE 3000 (Revised) auditing standard.

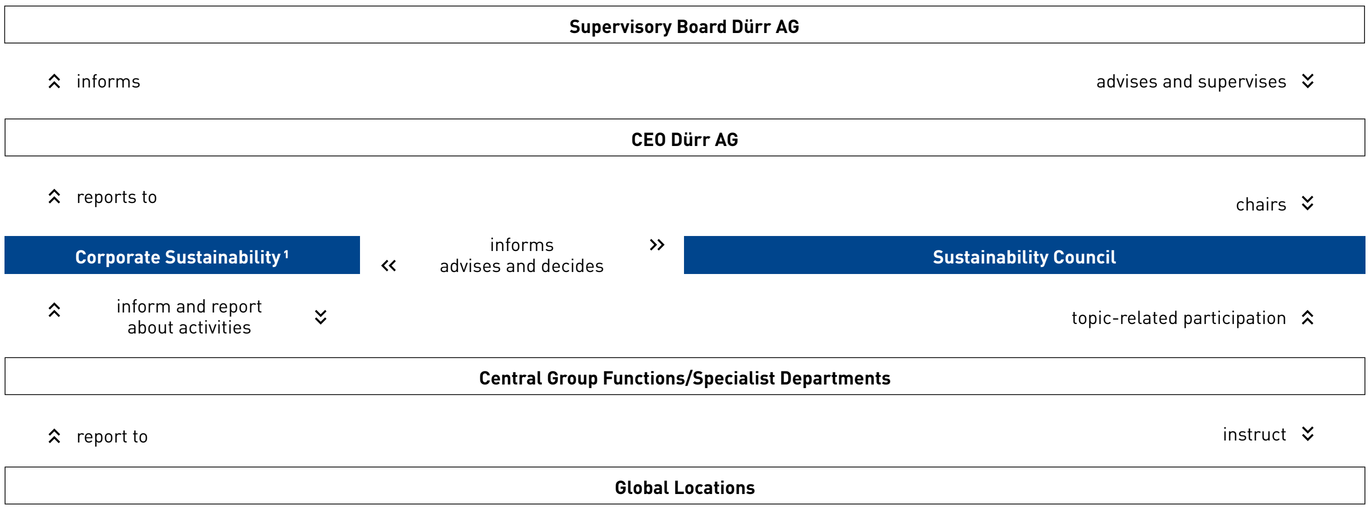
References to information outside the combined management report or the consolidated financial statements provide further detailed information and are not part of this Group non-financial statement. These references and information have also not been audited.

## 2.1 Part of the Group non-financial statement audited in accordance with ISAE 3000 (Revised) with mandatory components following materiality analysis

**Reporting at subgroup level**
It should be noted that sustainability reporting below the level of the Dürr Group does not generally relate to the five divisions, but to the three subgroups Dürr Systems, Schenck, and HOMAG. The main reason for this is that certain relevant functional areas, such as environmental management and occupational safety, are not located at the level of the individual divisions, but in the respective subgroups. This applies primarily to the Dürr Systems subgroup and the Paint and Final Assembly Systems, Application Technology, and Clean Technology Systems divisions. Starting from fiscal year 2024, we will change our sustainability reporting and report at division level rather than by subgroup. This is due to the changes resulting from the acquisition of BBS Automation and the establishment of the Industrial Automation Systems division.

**Consideration of companies acquired during the year**
The key figures of the Group non-financial statement include the corresponding figures for BBS Automation since the start of consolidation on August 31, 2023, unless otherwise stated. The integration of BBS Automation into the Dürr Group's organizational structures and processes relevant to sustainability began at the end of 2023 and will continue in 2024. Accordingly, BBS Automation was not yet involved in most of the processes, structures, and activities described below in 2023, or was involved only partially and for a short period of time. Ingecal, which was acquired in November 2023, was only in some instances involved in sustainability-related processes, structures, and activities during the few weeks between the start of consolidation and the end of the year, and did not yet

**2.11 — RESPONSIBILITY AND ORGANIZATION IN THE AREA OF SUSTAINABILITY**




[1] The Human Rights Officer is part of the Corporate Sustainability department and reports directly to the Board of Management of Dürr AG.

contribute any values to the sustainability indicators for fiscal year 2023, except for the information on the EU Taxonomy.

### Frameworks and international standards

Our aim is to give equal consideration to the economic, environmental, and social aspects of our business activities. As a signatory to the United Nations Global Compact (UNGC), we are committed to responsible corporate governance and, thus, to the ten principles of sustainability in the areas of human rights, labor, environment, and anti-corruption.

Reporting on our non-financial matters is based on the Sustainability Reporting Standards of the Global Reporting Initiative (GRI), which serve as the framework for our annual sustainability report. The sustainability report continues to contain climate-related information in accordance with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) and serves as a progress report on the implementation of the UNGC principles within the Dürr Group. We also use other channels to provide regular information to our stakeholders on our actions and progress in the area of sustainability, for example at investor meetings, on our website, or on social media. We deliver comprehensive data to **ESG ⟶ page 285** rating agencies such as ISS ESG, EcoVadis, and CDP. We were able to improve many of our ESG ratings in the reporting year.

### Organizational implementation

Sustainability is an important component of our strategy. The Sustainability Council is the central decision-making body for sustainability issues in the Dürr Group. It met twice in 2023. Its members adopt sustainability strategies and targets, track the Group's progress toward meeting them, and support their implementation. The CEO of Dürr AG chairs the Sustainability Council and has overall responsibility for Corporate Sustainability.

The Supervisory Board advises and supports the Board of Management on sustainability issues and appointed one of its members, Dr. Anja Schuler, as a sustainability expert with effect from January 1, 2023. The Sustainability Council invites the sustainability expert to its meetings on a case-by-case basis. In 2023, the members of the Supervisory Board attended an extraordinary Supervisory Board meeting on the future reporting obligations under the Corporate Sustainability Reporting Directive (CSRD). They also attended various external training events, including on EU Taxonomy, the German Supply Chain Due Diligence Act (LkSG), and the requirements for the Supervisory Board with regard to sustainability.

In April 2023, we issued a green Schuldschein loan for the first time, which follows the principles of our Sustainable Finance Framework. The funds of €300 million are fully reserved for financing sustainable product innovations and climate-friendly projects. In this context, we take into account the EU Taxonomy for classifying environmentally sustainable economic activities. With this commitment, we are going one step further than with previous financing, as we are bundling the green use of funds and the linking of interest rates to our sustainability performance in one financing instrument.

### Materiality analysis

In order to determine which sustainability topics are particularly relevant for the Dürr Group and its stakeholders, we carried out a materiality analysis in 2020. The business criticality of various non-financial matters was determined on the basis of discussions with specialist departments, interviews with managers, and a management workshop. At the same time, we assessed the economic, environmental, and social impacts of our business activities and had them validated by external sustainability experts. In 2023, we validated the material topics for us in keeping with section 289c of the German Commercial Code (HGB) and did not identify any changes compared to the previous year.

We continue to classify the aspect of social affairs as not material for us, as we consider the business relevance of the topic for the Dürr Group as well as its impact on society within the global environment to be low. In accordance with section 289c HGB, we have thus identified six material non-financial matters:

- Compliance and anti-corruption
- Human rights (and responsible supply chain)
- Employee satisfaction and retention
- People development and further training
- Occupational health and safety
- Climate protection

### Risks in relation to material non-financial matters

We describe our risk management system in detail in chapter 6.1 **"Risks" ⟶ page 113**. In accordance with the requirements of German commercial law, our risk management system also takes into account risks that may arise generally from our business activities or specifically from our products and services, and may have an impact on the non-financial issues that we classify as material within the meaning of section 289c of the German Commercial Code (HGB). Essentially, a negative influence on material non-financial matters cannot be ruled out. However, we do not perceive any reportable risks that could very probably lead to serious negative impact on the reportable aspects in accordance with section 289c (3) Sentence 1 No. 3 and 4 HGB.

### Business model

Information on the Dürr Group's business model can be found in chapter 1.1 **"The Group at a glance" ⟶ page 24**.

**2.12 — INDEX OF DISCLOSURES ON MATERIAL NON-FINANCIAL MATTERS IN ACCORDANCE WITH SECTION 315C (1) IN CONJUNCTION WITH SECTION 289C OF THE GERMAN COMMERCIAL CODE (HGB)**

| Disclosures | Sections in the Group non-financial statement |
|---|---|
| **Risks in relation to material non-financial matters** | • "Risks in relation to material non-financial matters" |
| **Business model** | • "Business model" |
| **MATERIAL NON-FINANCIAL MATTERS** | |
| **Anti-corruption and anti-bribery** | • "Compliance and anti-corruption" |
| **Respect for human rights** | • "Human rights (and responsible supply chain)" |
| **Employee matters** | • "Employee satisfaction and retention"<br>• "People development and further training"<br>• "Occupational health and safety" |
| **Environmental matters** | • "Environmental footprint of our products" (topic: climate protection)<br>• "Environmental footprint in the supply chain" (topic: climate protection)<br>• "Operational environmental footprint" (topic: climate protection) |

## RELEVANT FIELDS OF ACTION

### Integrity

Our actions are guided by the principles of integrity and legality. Our Group-wide Code of Conduct provides an overview of the values and principles of behavior that are binding for all employees in the Dürr Group. All employees have the right to be treated fairly, politely, and respectfully – regardless of nationality, gender, sexual orientation, religion, culture, and age.

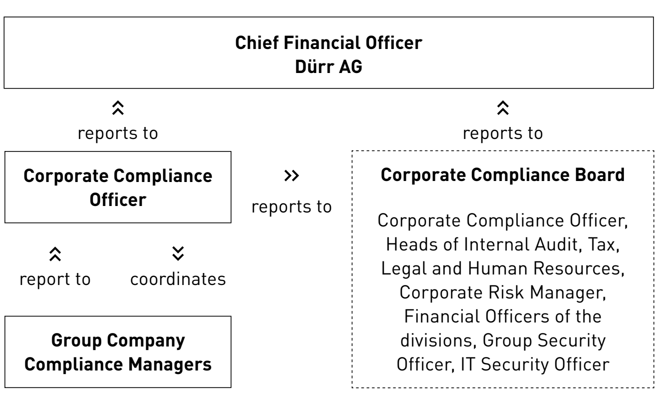
#### Compliance and anti-corruption

Compliance and integrity play a vital role in our business success. It is therefore essential that all employees comply with applicable law and ethical standards in their daily business activities. Our aim is to avoid any violation of compliance rules in our company.

*Responsibility and organization*

The central body of our compliance organization is the Corporate Compliance Board, whose responsibilities include defining and further developing the compliance management system. Local Group Company Compliance Managers in the Group companies support the employees in meeting compliance requirements. The Corporate Compliance Officer coordinates all operational compliance issues at Group level. He is the contact person in the event of potential compliance violations and is responsible for notifying the CFO, the Corporate Compliance Board, and the Audit Committee of the Supervisory Board of any concrete grounds for suspicion. The board examines the need for further steps on a case-by-case basis.

**2.13 — COMPLIANCE ORGANIZATION**




*Guidelines*

Our Group-wide Code of Conduct forms the ethical foundation of our relationships with employees, customers, business partners, and shareholders. It is available in ten languages and is part of our mandatory onboarding training for all new employees. The Code was updated in 2023 and supplemented by the new corporate values developed as part of the One Vision project.

Our Compliance Management System (CMS) provides a framework for action so that all activities in business operations can be carried out in accordance with legal and internal requirements. The three elements of prevention, early detection, and response are core components of the CMS. A Group-wide company directive on compliance defines responsibilities, communication channels, and measures. An anti-corruption company directive for the Group also provides our employees with rules of conduct for their dealings with business partners and in the event of conflicts of interest. The risk of corruption is also addressed by regulations such as the separation of functions, approval procedures, and the four-eyes principle. The selection and commissioning of business partners for sales-related services and the handling of donations are further compliance-relevant topics that are regulated in Group-wide company directives. An international compliance meeting is usually held every two years to promote the exchange of information between the compliance officers within the Dürr Group. The virtual Group Compliance Calls, which have been held regularly since 2023, also provide an opportunity for exchange.

*Processes and measures*

Employees, business partners, and third parties who suspect legal violations, for example corruption or money laundering, or violations of the Dürr Group's Code of Conduct, can contact us through various channels – anonymously, if they wish. One option is the Dürr Group Integrity Line – our whistleblowing system, which we revised in 2023 in response to new legal requirements. In this context, we introduced new software that allows us to have an anonymous dialog with whistleblowers and to ask questions to clarify the incident described. We also added new language versions and improved user-friendliness. All incoming reports are reviewed by the Corporate Compliance Officer, who initiates further steps in justified cases and coordinates measures in consultation with the various specialist departments.

In 2023, the Corporate Compliance Officer received 42 tips (previous year: 28). There were no confirmed violations of anti-corruption regulations (previous year: one confirmed case of corruption).

Our training courses are designed to substantially contribute to the avoidance of compliance violations. They include onboarding events for new employees, online compliance training courses, and training on data privacy. These trainings are mandatory for all employees, and refresher courses must be completed every two years. In 2023, we trained around 11,300 employees on compliance and data privacy (previous year: nearly 17,900). The decrease is the result of the two-year training cycle. All managers and particularly exposed functional areas, such as sales and purchasing, must complete in-depth training in the advanced modules “Protection against corruption,” “Fair competition,” and “Payment fraud” every three years. In 2023, there were 543 attendances in “Protection against corruption” (previous year: 870), 548 attendances in “Fair competition” (previous year: 871), and 418 attendances in “Payment fraud” (previous year: 289). We held the “Behavior when authorities arrive” training course for the first time in 2023. This was attended by 36 participants. We also carried out internal audits in Mexico and China to clarify potentially compliance-relevant issues.

*Goals and next steps*

**2.14 — GOALS AND NEXT STEPS: COMPLIANCE AND ANTI-CORRUPTION**

| | Target year | Degree of target achievement (as of: Dec. 31, 2023) |
|---|---|---|
| Revision of the whistleblowing system to fulfill legal requirements | 2023 | ■■■■ |
| Performance of business partner checks in the central purchasing department | 2024 | ■■□□ |
| Creation of a guideline for the whistleblowing system to embed procedural standards and general process flows | 2024 | ■■■□ |
| Further development of a uniform, system-supported process for business partner checks throughout the Group | 2025 | ■□□□ |

■■■■ = fully met
■□□□/■■□□/■■■□ = in progress
□□□□ = in planning

## Human rights (and responsible supply chain)

Our aim is to respect and protect human rights. In doing so, we relate our corporate due diligence not only to our own business activities, but also to the supply chain. We have committed ourselves to this aim by, among other things, signing the UNGC.

*Responsibility and organization*

Overall responsibility for human rights due diligence lies with the Board of Management of Dürr AG. As of January 1, 2023, we appointed a Human Rights Officer to support and oversee human rights compliance processes in the Group and in the supply chain. The Human Rights Officer is part of the Corporate Sustainability department. She informs the Board of Management and the Dürr Management Board at least once a year about current human rights issues and any incidents.

Against the backdrop of the German Supply Chain Due Diligence Act (LkSG), which came into force on January 1, 2023, we set up a cross-functional working group in the reporting year. It provides support with the various human rights activities in the Group’s own business area and in the supply chain, such as risk analyses, training, preventive and remedial measures, and with monitoring the effectiveness of these measures. Its members belong to the areas of Procurement, Corporate Sustainability, Corporate Internal Controls, Corporate Legal, and Corporate Compliance. Other areas, such as Corporate Human Resources or Corporate Health & Safety, are consulted as appropriate. The integration of human rights due diligence into existing processes and the implementation of measures relevant to human rights is carried out by the relevant Group specialist departments or the specialist departments of the individual companies.

*Guidelines*

In the Group-wide Code of Conduct, we are expressly committed to observing human rights. This is supplemented by a policy statement in which we describe our approach to compliance with corporate due diligence. The statement contains binding principles on the respect for human rights and fair working conditions and forms the basis for fulfilling our social and environmental responsibility in our own business area and along the entire value chain. Our globally applicable Supplier Code of Conduct, which explicitly requires compliance with human rights, is one component of our contracts with suppliers.

*Processes and measures*

We restructured our process for assessing human rights risks in our own business area in 2023. It comprises a risk classification of all Group companies on the basis of country-specific indices. As a result, we have identified 18 high-risk countries in which almost 40% of our employees work. We asked all key Group companies about existing processes in areas with human rights risks using a self-assessment questionnaire. We will define follow-up measures based on the results.

In order to increase transparency with regard to human rights issues in our supply chain, we conduct a risk analysis of our direct suppliers on an annual basis and – if necessary – when circumstances require. The analysis, which was last carried out in the spring of 2023, is an elementary component of our human rights risk management for direct suppliers. Based on country-specific indices, we perform a risk classification of the countries of origin of our direct suppliers. In high-risk countries, we focus our risk analysis on suppliers that together account for 80% of the purchasing volume in each high-risk country. We also assess risks on the basis of their severity and probability of occurrence. We then prioritize the assessment results in terms of our ability to influence the respective risk, deriving focus topics. When developing action plans with suppliers, we prioritize the focus topics.

We have defined mandatory preventive measures for the high-risk suppliers identified in this way. These include signing our Supplier Code of Conduct, completing an e-learning module on the topic of sustainability, and completing a self-assessment questionnaire. If critical results are identified, we conduct feedback discussions with the relevant suppliers and develop action plans to improve their social and environmental performance. Where necessary, we conduct on-site audits focusing on sustainability; we revised the corresponding audit process in 2023. We also specified the sustainability criteria for our suppliers and developed a bonus-malus system to take these criteria into account in our purchasing processes in future. We continued to review a financial incentive system for suppliers to increase transparency and sustainability in the supply chain. Its finalization originally planned for 2023 is still pending and has been postponed to 2024.

In order to raise awareness of sustainability in the supply chain among our buyers worldwide, we are successively adding human rights and sustainability-specific content to our training portfolio. Since 2023, e-learning for suppliers has also been accessible to our employees in purchasing. We also inform them regularly about relevant changes, for example in the form of our Procurement Colleges. Using this format, we trained all employees in purchasing across the Group on the topic of sustainability in the first quarter of 2023, and presented the new processes and preventive measures.

*Goals and next steps*

**2.15 — GOALS AND NEXT STEPS: HUMAN RIGHTS (AND RESPONSIBLE SUPPLY CHAIN)**

| | Target year | Degree of target achievement (as of: Dec. 31, 2023) |
|---|---|---|
| Expansion of internal purchasing training to include the topic of sustainability in the supply chain | 2023 | ■■■■ |
| Revision or further development of the existing due diligence process for conflict minerals | 2023 | ■■■■ |
| Definition of a bonusmalus scheme taking into account sustainability criteria for future awarding of contracts | 2023 | ■■■■ |
| Conducting feedback sessions with critical suppliers to develop action plans | 2023 | ■■■■ |
| Signing of the Supplier Code of Conduct by at least 90% of high-risk suppliers | ongoing[1] | ■■■□ |
| Completion of the self-assessment questionnaire by at least 90% of high-risk suppliers | ongoing[1] | ■■■□ |
| Completion of the e-learning module on the topic of sustainability by at least 90% of high-risk suppliers | ongoing[1] | ■■■□ |
| Development and implementation of a financial incentive system for suppliers to increase transparency and sustainability in the supply chain | 2024 | ■■□□ |

■■■■ = fully met
■□□□/■■□□/■■■□ = in progress
□□□□ = in planning

[1] The degree of target achievement is given for 2023.

In 2023, we did not fully achieve our targets for the mandatory preventive measures – signing of the Supplier Code of Conduct, completion of an e-learning module on the topic of sustainability, and completion of a self-assessment questionnaire by at least 90% of high-risk suppliers. This was due to technical difficulties with the training platform and a lack of supplier participation. As a precautionary measure, we suspended our business relationships with high-risk suppliers who did not fully implement the mandatory preventive measures in 2023. We will continue our activities accordingly in order to achieve our targets in 2024.

**Employee matters**

Employee satisfaction and retention

Satisfied and motivated employees are an important basis of our company's success. We therefore regularly assess the satisfaction of our employees and implement improvement measures if required.

*Responsibility and organization*

The central Corporate Human Resources department is responsible for the Group-wide recording of employee satisfaction levels. Employees' needs are regularly discussed at the individual Group sites between senior management, HR departments, employee representatives, and the respective employees.

*Processes and measures*

We usually measure the satisfaction of our employees every three years with the help of global surveys. These are carried out by an external service provider. The last survey was conducted in September 2023. At the end of 2023, we launched a two-part follow-up process at team and Group level, which we will continue in 2024. We will take a close look at the teams for which the survey produced strikingly negative results. The aim is to analyze the weaknesses that became evident and initiate improvements together with the teams. A follow-up survey of the teams concerned will be used in 2024 to review the implementation and success of the measures. We have also identified the following key areas where action is required across the Group: process optimization, employee integration, as well as development and change processes. We will also develop improvement measures in these areas.

We generally conduct random pulse surveys among our employees at least once a year. These are usually based on issues from the previous employee survey. The next pulse survey is planned for 2024.

We also promote the satisfaction and retention of our employees through performance-related remuneration, further training and career opportunities, flexible working time models, and the possibility of mobile working, as well as through offers in the areas of work-life balance, sports, health, and culture. Most of our German Group companies are covered by collective bargaining agreements; negotiations for further HOMAG production companies are ongoing.

We are convinced that job satisfaction and loyalty depend to a large extent on a company's values and goals, as well as on its contribution to society and its purpose. In 2022, we developed a new corporate statement for the Dürr Group as part of the One Vision project. With the involvement of employees, forward-looking statements on the company's purpose, vision, and mission, as well as a set of values were developed. This new corporate statement was presented Group-wide in March 2023. Following this, around 1,700 managers worldwide were the first to familiarize themselves with the corporate statement as part of a moderated change process. They focused in particular on the six corporate values: curiosity, courage, trust, collaboration, respect, and responsibility. In a second step, the managers of the Dürr Systems and Schenck subgroups completed so-called Values-Competencies Workshops with their teams. The teams were able to assess the importance of the values in their day-to-day work and to indicate the extent to which the values are already lived today. They also discussed how the values can be better lived and which competences are particularly important for the success of the Dürr Group. A new competency model was therefore presented at the same time as the One Vision corporate statement. For economic reasons, the HOMAG subgroup is planning to hold the Values-Competencies Workshops in 2024.

We use a digital platform called "Spark" for ideas management. It enables our employees to submit ideas and suggestions for improvement and track the processing status. In 2023, a total of 576 ideas were submitted (previous year: 649). The participation of employees is intended to lead to more improvements and strengthen their identification and satisfaction with the company. Previously, the platform was available at the German locations, but the Polish Dürr and HOMAG companies were also connected to it at the end of 2023. The ideas management roll-out was therefore continued as planned in 2023. In the future, "Spark" is to be made available worldwide.

*Performance indicators*

We map the overall satisfaction of our employees with an approval indicator that takes into account several criteria. In the global survey in September 2023, the indicator showed an approval rating of 72% (2019: 70%). Compared with peer groups from other industrial companies in our sector, we achieved better results in the majority of questions posed to the employees. We have thus achieved our goal of improving on our good result from 2019 and once again outperforming the peer group average. In the 2023 survey, we also collected the Employee Net Promoter Score (eNPS) for the first time. This indicator measures the willingness of employees to recommend the Dürr Group as an employer. If the value is positive, the employer is generally attractive. The Dürr Group achieved a value of 20. The average eNPS of comparable industrial companies is 9.

*Goals and next steps*

**2.16 — GOALS AND NEXT STEPS: EMPLOYEE SATISFACTION AND RETENTION**

| | Target year | Degree of target achievement (as of: Dec. 31, 2023) |
|---|---|---|
| Conduct a Group-wide survey of our employees with the goal of improving our 2019 results and once again outperforming the peer group average | 2023 | ■■■■ |
| Conduct follow-up surveys in teams with strikingly negative results in the 2023 employee survey | 2024 | □□□□ |
| Conduct a random pulse survey | 2024 | □□□□ |
| One Vision: Group-wide roll-out of vision, mission, purpose, and values | 2023 | ■■■□ |
| Conduct Values-Competencies Workshops at HOMAG | 2024 | □□□□ |
| Continuation of the Group-wide roll-out of the "Spark" ideas management system | ongoing[1] | ■■■■ |

■■■■ = fully met
■□□□/■■□□/■■■□ = in progress
□□□□ = in planning

[1] The degree of target achievement is given for 2023.

## People development and further training

The success of our company depends to a large extent on qualified personnel and prudent management. That is why we attach great importance to further training and development opportunities. Our individual people development and training programs are designed to prepare our employees properly for new tasks, to ensure the availability of well-qualified managers, and to promote the development of young, skilled personnel and young leaders from the company's own ranks.

*Responsibility and organization*

In the Dürr Group, overall responsibility for human resources lies with Corporate Human Resources. A company directive governs cooperation between Corporate Human Resources, the HR departments of the three subgroups, and the local HR managers. As part of Corporate Human Resources, the People Development and Change department is responsible for the Group-wide management and coordination of people development and further training.

*Processes and measures*

Structures and processes of people development are regulated by a company directive. As part of the OneHR project, which includes the transformation of the HR department and the introduction of a shared HR IT platform, new processes have been developed for evaluation and talent management. The evaluation management process is about the development dialog between manager and employee, which includes competence assessment and the definition of development goals. The talent management process includes the allocation of high potentials and high performers to talent pools, their development, and Group-wide succession planning. The piloting of the processes originally planned for mid-2023 has been postponed to the first half of 2024. This is due to the fact that the processes are used primarily in the context of employee appraisals, which usually take place in the first half of the year.

In 2023, we introduced the new competency model for managers and employees across the Group, as mentioned above, in which we describe eight cross-disciplinary competences that are required to optimally support our Group strategy: showing initiative, shaping change, making decisions, living leadership, communicating clearly and respectfully, working in a team, acting in an entrepreneurial manner, and driving innovation. The competency model is a central component of the new evaluation and talent management processes and will provide the conceptual framework for the assessment and development of employees' competences in the future.

Our development and orientation centers, which help employees plan their careers, were revised in 2023 to align with the new competency model. In addition, the services are now also available in English and to a wider group of employees.

As a Group-wide platform for further training, the Dürr Group Academy (DGA) pools all further training offers and is available in 12 languages. Internally organized training programs on topics such as leadership, working methods, collaboration, as well as IT and digitalization can be accessed online by most employees.

Most of our further training events in 2023 again took place virtually. We registered approximately 75,000 online attendances (previous year: approximately 73,000). Most of the training courses that promote the personal exchange of experience, communication, and team development were held as in-person events. We registered over 9,500 attendances here (previous year: over 6,000). Overall, the participation rate was 4.5 training sessions per employee (excluding BBS Automation; previous year: 4.3). Specialized training events accounted for 37% of all attendances (previous year: just under one-third).

All employees have access to numerous online courses at any time via the LinkedIn Learning platform. As of December 31, 2023, 10,687 employees were registered there (previous year: 8,558). Learning time spent on LinkedIn Learning totaled 9,217 hours (previous year: 10,492). Through the Working Out Loud (WOL) initiative, we promote collaboration, networking, and knowledge sharing. The project took a break in 2023 and is set to resume in 2024.

We continued our international corporate training events in 2023. 1,185 employees (previous year: 1,806) attended best-practice training courses on project management, sales, and leadership as well as qualification programs for prospective and experienced managers. The Fit for Leadership Program combines international online sessions with local in-person events. In 2023, 119 future executives attended (previous year: 221). The Advanced Leadership Program was used by 45 experienced managers (previous year: 68). In the Leadership Project Management Program, 62 project managers improved their leadership skills (previous year: 89). The decline in participation figures is due to the fact that some training courses scheduled for the second half of 2023 were postponed to 2024 for economic reasons.

The Dürr Group Graduate Program is open to university graduates who want to join the company as trainees in four specialized fields: technology & innovation, software engineering & data science, finance, and human resources.

*Goals and next steps*

**2.17 — GOALS AND NEXT STEPS: PEOPLE DEVELOPMENT AND FURTHER TRAINING**

| | Target year | Degree of target achievement (as of: Dec. 31, 2023) |
|---|---|---|
| Group-wide roll-out of the new competency model | 2023 | ■■■■ |
| Piloting of the new evaluation and talent management processes in the new HR IT system | 2024 | ■■■□ |
| Implementing talent pools and corresponding talent development programs | 2024 | ■■□□ |
| Further development and Group-wide roll-out of the development and orientation centers | 2024 | ■■■□ |

■■■■ = fully met
■□□□/■■□□/■■■□ = in progress
□□□□ = in planning

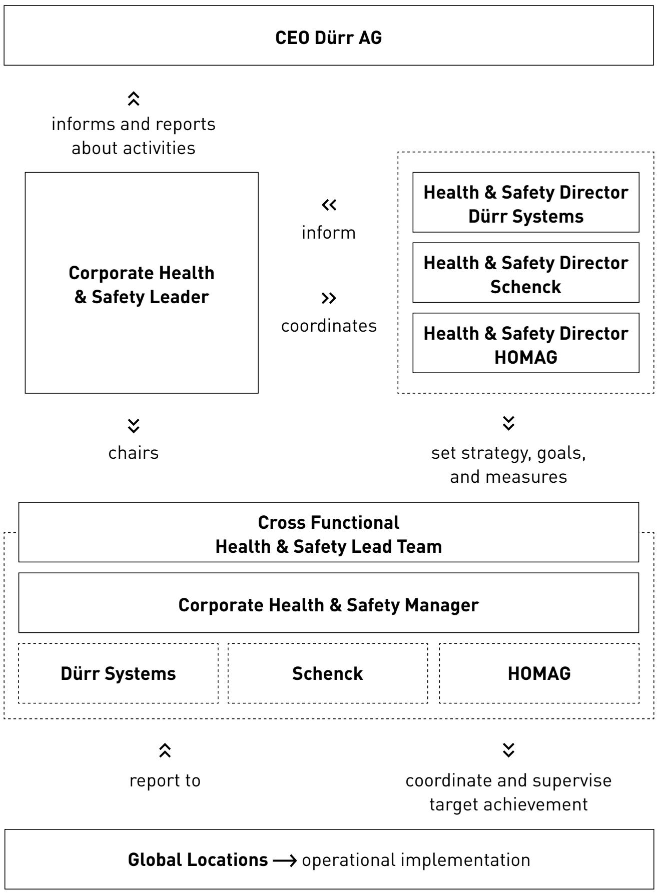
## Occupational health and safety

Our aim is to preserve and promote the health and safety of all persons affected by our business activities. Irrespective of national laws, our goal is to achieve a minimum standard of health protection and occupational safety that meets the needs of offices, production, and construction sites worldwide.

*Responsibility and organization*

A cross-functional team is responsible for the Group-wide implementation of the health and safety strategy “Striving for Excellence in Safety,” the head of which reports to the CEO. In addition, the members of the Board of Management receive monthly information on current issues and any accidents. Accident statistics, major accidents, and serious (near) accidents are also regularly discussed at meetings of the Dürr Management Board. The Cross Functional Health & Safety Lead Team consists of the health and safety managers of the three subgroups and is supported by local health and safety managers who implement the standards and processes on site. An international meeting of all health and safety managers in the Dürr Group is held once a year. All managers are in charge of conducting a proper risk assessment and implementing appropriate measures to prevent injuries and occupational illness. All employees must assume responsibility for their own safety and that of others while at work.

**2.18 — RESPONSIBILITY AND ORGANIZATION IN THE AREA OF OCCUPATIONAL HEALTH AND SAFETY**




*Guidelines*

The principles of the health and safety strategy are set out in a Group-wide policy. It encompasses general principles and values as well as concrete specifications for eight focus topics, such as emergency management and fire protection. Processes and instructions pertaining to the policy are described in Group-wide and subgroup-specific health and safety guidelines. The guidelines define responsibilities and mandatory minimum standards and meet the requirements of the ISO 45001 occupational safety standard.

*Processes and measures*

The occupational health and safety management system aims to minimize the risk of damage to health and accidents in the workplace. In the Dürr Group, a total of 25 companies have an occupational safety management system certified in accordance with ISO 45001. This means that around 9,200 employees were already working for correspondingly certified companies in 2023. For the European HOMAG production companies, ISO 45001 certifications are planned for 2024. Regular inspections and internal audits, which take place at least once a year, are designed to ensure that health and safety guidelines and processes are being adhered to at construction sites as well as at our plants and offices.

An important element of accident prevention is the mandatory online safety training for all employees. The training sessions consist of a foundation course for new employees and an annual refresher course. As in the previous year, more than 98% of all eligible employees completed a health and safety training course in 2023. Employees in particularly high-risk work areas, such as warehouses, logistics, assembly, commissioning, or technical centers, receive activity-specific in-depth training. Since 2023, service providers and other business partners have been able to take part in selected online training courses. Managers receive regular training on their duties and responsibilities for occupational safety. By providing regular information on the company intranet, we aim to further raise awareness of occupational health and safety issues. In the event of emergencies while traveling, our employees are supported by a professional emergency management service.

As the accident figures at HOMAG are slightly higher than in the other subgroups, HOMAG launched a safety culture program in 2023 to make employees even more aware of the issue of occupational safety. The measures include, among other things, a survey as well as increased information and communication on the intranet and at the locations. From 2024, as part of ISO 45001 certification, occupational safety at HOMAG will also be increasingly addressed in management training courses.

*Performance indicators*

**2.19 — KEY FIGURES FOR OCCUPATIONAL HEALTH AND SAFETY**

| | 2023 | 2022 | 2021 |
|---|---|---|---|
| Work-related accidents[1] per thousand employees (including external staff[2], excluding commuting accidents) | 11.7 | 15.7 | 10.3 |
| Work-related accidents[1] per 1 million hours worked (including external staff[2], excluding commuting accidents) | 6.3 | 8.2 | 5.3 |
| Work-related accidents[1] resulting in death – internal staff | 0 | 0 | 0 |
| Work-related accidents[1] resulting in death – external staff[2] | 1 | 0 | 1 |

[1] A work-related accident is an incident which requires at least medical treatment.
[2] At BBS Automation, the number of external staff and the number of work-related accidents among external staff were not recorded for 2023; we will report on this from 2024 onward.

We very much regret that an employee of a subcontractor had a fatal accident at one of our construction sites in 2023. After a careful review of the circumstances and causes of the accident, we realized that despite high safety requirements and controls, comprehensive training, and regular safety instructions on construction sites, we have only limited influence on the behavior of individuals in hazardous areas. We have taken this as an opportunity to continuously develop our prevention work in order to prevent work-related accidents in the future wherever possible.

*Goals and next steps*

Due to the economic situation, we postponed the certification of the HOMAG companies in accordance with the ISO 45001 occupational safety standard until 2024. The certification of all major companies of the Dürr Systems and Schenck subgroups according to ISO 45001 is also to be completed in 2024.

**2.20 — GOALS AND NEXT STEPS: OCCUPATIONAL HEALTH AND SAFETY**

| | Target year | Degree of target achievement (as of: Dec. 31, 2023) |
|---|---|---|
| Group-wide maximum of 10 work-related accidents per thousand employees | 2023 | ■■■□ |
| Conducting and documenting at least 500 safety audits worldwide | 2023 | ■■■■ |
| Recording, thorough analysis, and global reporting of at least 70% of near misses that occurred in the year[1] | ongoing[2] | ■■■■ |
| ISO 45001 certification of all Group companies[3] with operational value creation and sales of at least €10 million per year | 2024 | ■■■□ |
| Group-wide maximum of 11 work-related accidents per 1 million hours worked | 2024 | □□□□ |
| Conducting and documenting at least 600 safety audits annually worldwide | 2024 | □□□□ |

■■■■ = fully met
■□□□/■■□□/■■■□ = in progress
□□□□ = in planning

[1] Major near misses only
[2] The degree of target achievement is given for 2023.
[3] At HOMAG only European production companies

## Environment and climate protection

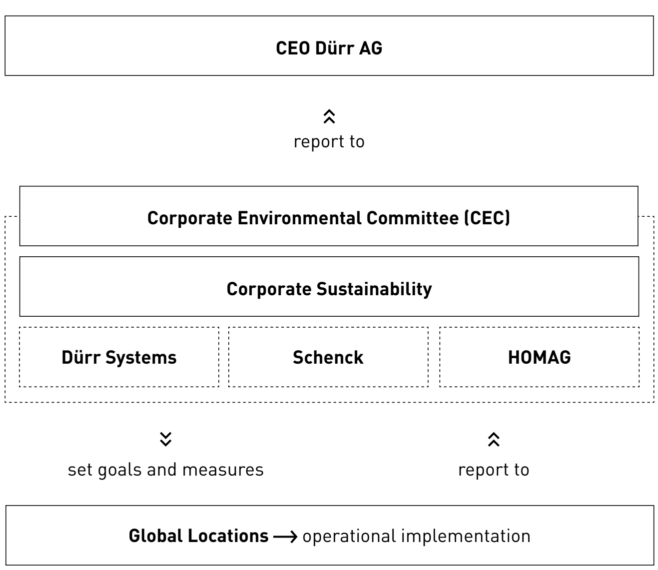
Our overarching objective is to reduce environmental and climate impacts associated with our business activities. This relates not only to the production sites, but also to the entire value chain, whose individual activities have varying degrees of impact on our environmental footprint. To improve our environmental and climate balance, we aim to continuously reduce the consumption of materials, resources, and energy, the volume of waste generated, and greenhouse gas emissions.

With our Group-wide climate strategy, we aim to contribute to the achievement of the 1.5°C target set out in the Paris Climate Agreement. Our climate targets have been scientifically validated by the Science Based Targets initiative (SBTi). In 2023, we continued to drive forward the implementation of the climate strategy. We have implemented measures to reduce greenhouse gas emissions at numerous sites in Germany and abroad, for example the installation of photovoltaic systems, the conversion to green electricity, and the investment in energy-efficient building technology.

*Responsibility and organization*

The Corporate Environmental Committee (CEC) is responsible for the strategic direction and management of all environmental activities. It consists of the persons responsible for management and environmental management systems in the three subgroups and the Corporate Sustainability department, the head of which reports directly to the CEO. The CEC provides recommendations on relevant environmental aspects to the Sustainability Council, defines targets, and derives corresponding fields for action. It meets on an ad-hoc basis to enable coordination between the subgroups and to drive forward the implementation of the climate strategy. The main responsibility for environmental issues lies with the management of our local companies, which are subject to site-specific environmental action plans.

**2.21 — RESPONSIBILITY AND ORGANIZATION IN THE AREA OF ENVIRONMENT**




*Guidelines*

A policy on the environment and climate describes our understanding of environmentally sustainable, climate-friendly management and serves as a basis for our actions. It applies to all Group companies worldwide. Our vehicle policy, which accelerates the switch to fully electric vehicles, applies throughout Germany. In 2023, we also adopted a Germany-wide guideline for sustainable construction in the Dürr Group, which is to be adopted in 2024.

*Processes and measures*

With the help of certified environmental and energy management systems, we are reducing the environmental impact at our production sites. We have set ourselves the goal of expanding certification for the environmental management systems in accordance with ISO 14001 at relevant locations. These are locations with production or assembly facilities or with a technical center and where hazardous substances are regularly handled. 49% of the relevant locations are already certified according to ISO 14001. Our German sites regularly conduct energy audits or have a certified energy management system according to ISO 50001. An overview of certifications held can be found on our website.

**2.22 — CERTIFICATION**

| | 2023 | 2022 |
|---|---|---|
| Sites with environmental management certified to ISO 14001[1] | 30 | 26[2] |
| Sites with energy management certified to ISO 50001[1] or similar | 23 | 23[2] |

[1] Sites used by several companies of the Dürr Group sometimes hold multiple certificates.
[2] Adjustment of values due to change in consideration from company to location level.

The starting point for our climate protection activities is the Group-wide climate strategy. In order to reduce greenhouse gas emissions in our own operations (Scope 1 and Scope 2) and in the upstream and downstream value chain (Scope 3), we take measures in six areas: energy, awareness, mobility, logistics, procurement, and products. In the following, we describe our progress in the individual areas.

### Environmental footprint of our products

We aim to reduce the environmental impact and climate effects caused by the use of our products. The "EU Taxonomy" subsection describes if and to what extent our business activities are covered by the EU criteria.

Our climate strategy includes the target of reducing emissions from the downstream value chain (Scope 3) by at least 15% by 2030 compared to the 2019 base-year level. This depends to a large extent on the willingness of customers to use the resource-conserving, energy-efficient, and low-emission technologies we offer. In addition, emissions from our machines and systems can be reduced considerably if green electricity is used for operation instead of gas and conventional electricity. Therefore, the electrification of our products is one focus of our R&D agenda.

According to externally conducted product life-cycle analyses, the by far largest share of our total emissions is attributable to downstream, indirect greenhouse gas emissions that occur during the use phase of our products (Scope 3.11). Our greatest leverage for reducing emissions thus lies in optimizing the energy consumption of our machines and systems. We will publish detailed information on our Scope 3 emissions in our 2023 sustainability report, which will be released in mid-2024.

### Environmental footprint in the supply chain

Climate aspects in the supply chain are a central issue for us. Even though the share of our greenhouse gas emissions attributable to the upstream supply chain and transportation is lower than the share attributable to the use phase and recycling of our machines and systems (downstream value chain), the supply chain is still an important lever for reducing emissions. We have therefore set ourselves the target of reducing emissions from the upstream value chain (Scope 3) by at least 15% by 2030 compared to the 2019 base-year level. We are working on a Group-wide concept to take the environmental impact of our suppliers into account in our purchasing processes. For suppliers from high-risk countries, we use self-assessment questionnaires throughout the Group that include, among other things, information on environmental management certification, energy management, and carbon footprint. High-risk suppliers must also complete a sustainability-specific e-learning course. In this course, we provide information on aspects such as our climate strategy and our expectations for business partners to comply with environmental and climate protection standards. Furthermore, all suppliers of the Dürr Group are contractually obliged to comply with environmental laws and standards, based on our Supplier Code of Conduct. In 2023, we launched a pilot project at Dürr Systems with the aim of recording $CO_2$ emissions along the supply chain even more accurately and systematically reducing them. From 2024, the process is to be introduced across the Group.

In logistics, we want to avoid air freight transportation wherever possible and choose low-emission means of transport in the future. Since 2023, some subsidiaries have already had air freight weighing up to 2.5 tons transported by a more sustainable service provider that is pursuing its own emissions reduction commitments.

### Operational environmental footprint

We record energy and resource consumption as well as emissions throughout the Group and implement measures to reduce consumption and emissions following an economic efficiency audit. As an **engineering** **⟶ page 284** company, we have a real net output ratio of almost 40%. This means that a large part of the energy-, material-, and resource-intensive value creation takes place outside our own business area.

In 2023, we implemented various measures to reduce our Scope 1 and 2 emissions. For example, we commissioned photovoltaic systems at the sites in Schopfloch and Lemgo (Germany), Uxegney (France), and Gqeberha (South Africa). The conversion of all Group locations to green electricity (with the exception of Ingecal) was completed at the end of 2023. Although we are still using natural gas as a bridging technology for supplying heat in Germany, we make a voluntary contribution via our energy supplier for investments in projects to promote renewable energies. However, we do not credit the resulting reductions in emissions to our company. The aim is to gradually minimize gas consumption and switch to alternative technologies. In Holzbronn (Germany), for example, we began replacing the existing heating system with air-source heat pumps in May 2023. Further emission reductions are to be achieved through the gradual conversion of the entire company vehicle fleet in Germany to alternative drives by 2030 at the latest.

We strengthen the environmental and climate awareness of our employees in particular through communication measures on the intranet and through sustainability training, for example for new employees or prospective managers.

#### *Performance indicators*

Since 2019, we have calculated our greenhouse gas emissions in accordance with the **Greenhouse Gas Protocol** **⟶ page 285**. The Scope 2 emissions published are based on specific information from our energy providers (market-based). We will publish detailed information on the Scope 3 emissions in our 2023 sustainability report, which will be released in mid-2024.

### 2.23 — KEY FIGURES FOR ENERGY CONSUMPTION AND ENERGY INTENSITY

| | 2023 | 2022 | 2021 | 2023/2019 change in % |
|---|---|---|---|---|
| **Energy consumption (in MWh)** | | | | |
| Heating oil, gas, and renewable fuels | 63,054 | 64,633 | 67,926 | –4.9 |
| Electricity consumption | 63,577 | 63,909 | 54,631 | 3.0 |
| of which electricity from conventional sources | 0 | 15,132[1] | 49,974 | –100.0 |
| of which purchased electricity from renewable energies | 55,780 | 41,759[1] | 4,656 | 1,380.3 |
| of which self-used electricity from own generation | 7,797 | 7,018 | –[2] | –[2] |
| District heating | 8,197 | 8,334 | 5,108 | 117.3 |
| **Total** | **134,827** | **136,876** | **127,665** | **2.3** |
| **Energy intensity (consumption in MWh per €1 million in sales)** | | | | |
| Heating oil, gas, and renewable fuels | 13.6 | 15.0 | 19.2 | –19.4 |
| Electricity consumption[3] | 13.7 | 14.8 | 15.4 | –12.7 |
| District heating | 1.8 | 1.9 | 1.4 | 84.2 |
| **Total** | **29.1** | **31.7** | **36.1** | **–13.3** |

[1] Change due to adjusted allocation of purchased electricity with guarantees of origin.
[2] Self-used electricity from own generation has only been recorded since 2022.
[3] Includes electricity from conventional sources, purchased electricity from renewable energies, and self-used electricity from own generation.

### 2.24 — KEY FIGURES FOR $CO_2e$ EMISSIONS AND $CO_2e$ INTENSITY

| | 2023 | 2022 | 2021 | 2023/2019 change in % |
|---|---|---|---|---|
| **$CO_2e$ emissions (in t)[1]** | | | | |
| Scope 1: Direct emissions (heating oil, gas, and vehicle fleet) | 24,079 | 24,991[2] | 25,553 | –14.1 |
| Scope 2: Indirect emissions[3] (electricity, district heating) | 1,190 | 9,937 | 22,819 | –95.8 |
| **Total Scope 1 and 2 emissions** | **25,269** | **34,929**[2] | **48,372** | **–55.4** |
| **Scope 3: Other indirect emissions (business flights)[4]** | **10,356** | **7,482** | **5,151** | **–31.7** |
| **$CO_2e$ intensity (in t per €1 million in sales)** | | | | |
| Scope 1: Direct emissions (heating oil, gas, and vehicle fleet) | 5.2 | 5.8[2] | 7.2 | –27.2 |
| Scope 2: Indirect emissions (electricity, district heating)[3] | 0.3 | 2.3 | 6.5 | –96.5 |
| Scope 3: Other indirect emissions (business flights)[4] | 2.2 | 1.7 | 1.5 | –42.1 |

[1] Sources for emission factors: local energy supplier, VDA 2022, IRENA 2023.
[2] Voluntary payments for investments in projects to promote renewable energies by our energy supplier are no longer counted towards reducing emissions. The value has been adjusted.
[3] Market-based: calculation based on specific information from our energy providers.
[4] Scope 3 emissions shown here only take into account emissions from business flights, not emissions generated in the supply chain or through the use of our products in customers' plants. At BBS Automation, emissions from business flights were not recorded for 2023; we will report on this from 2024 onward.

Compared to 2022, energy consumption fell by 1%, although sales increased by 7% and the acquired BBS Automation was included on a time-proportionate basis. Accordingly, energy intensity decreased by 8% in 2023. As announced in the previous year, we sourced 100% of the electricity we purchased worldwide from renewable energy sources. 12% of the electricity requirements were covered through in-house generation (previous year: 11%). We generated a total of 3,896 MWh of electricity using our own photovoltaic systems (previous year: 2,669 MWh), 72% of which we used for our own consumption (previous year: 71%). We reduced the consumption of gas from conventional sources by 6% compared to the previous year.

Compared to the previous year, our Scope 1 and Scope 2 emissions decreased by 28%. In comparison to the 2019 reference year, the decrease was 55%. This brings us a big step closer to our climate target of achieving a 70% reduction in Scope 1 and Scope 2 emissions by 2030 (reference year 2019). The $CO_2e$ → page 285 emissions from business flights included in Scope 3 increased by 38% year-on-year, as travel increased again after the coronavirus pandemic. Compared to 2019, however, emissions resulting from business flights fell by 32%, as virtual meetings have been established as an alternative to business travel.

*Goals and next steps*

**2.25 — GOALS AND NEXT STEPS: ENVIRONMENT AND CLIMATE PROTECTION**

| | Target year | Degree of target achievement (as of: Dec. 31, 2023) |
|---|---|---|
| Expansion of global environmental management certifications in accordance with ISO 14001 at our production and assembly sites and all sites with technical centers and/or hazardous substances | 2023 | ■■■■ |
| Worldwide conversion to green electricity at the locations | 2023 | ■■■■ |
| Reduction of Scope 1 and Scope 2 emissions by at least 70% (compared to 2019 base-year level) | 2030 | ■■■□ |

■■■■ = fully met
■□□□/■■□□/■■■□ = in progress
□□□□ = in planning

## EU TAXONOMY

### Background and goals

The Dürr Group sees the shift toward greater sustainability as an opportunity. With the Taxonomy Regulation, the European Union (EU) has created a classification system for environmentally sustainable economic activities and thus uniform criteria for companies. With our taxonomy-aligned technologies, services, and investments, we contribute to the climate-friendly transformation of the economy.

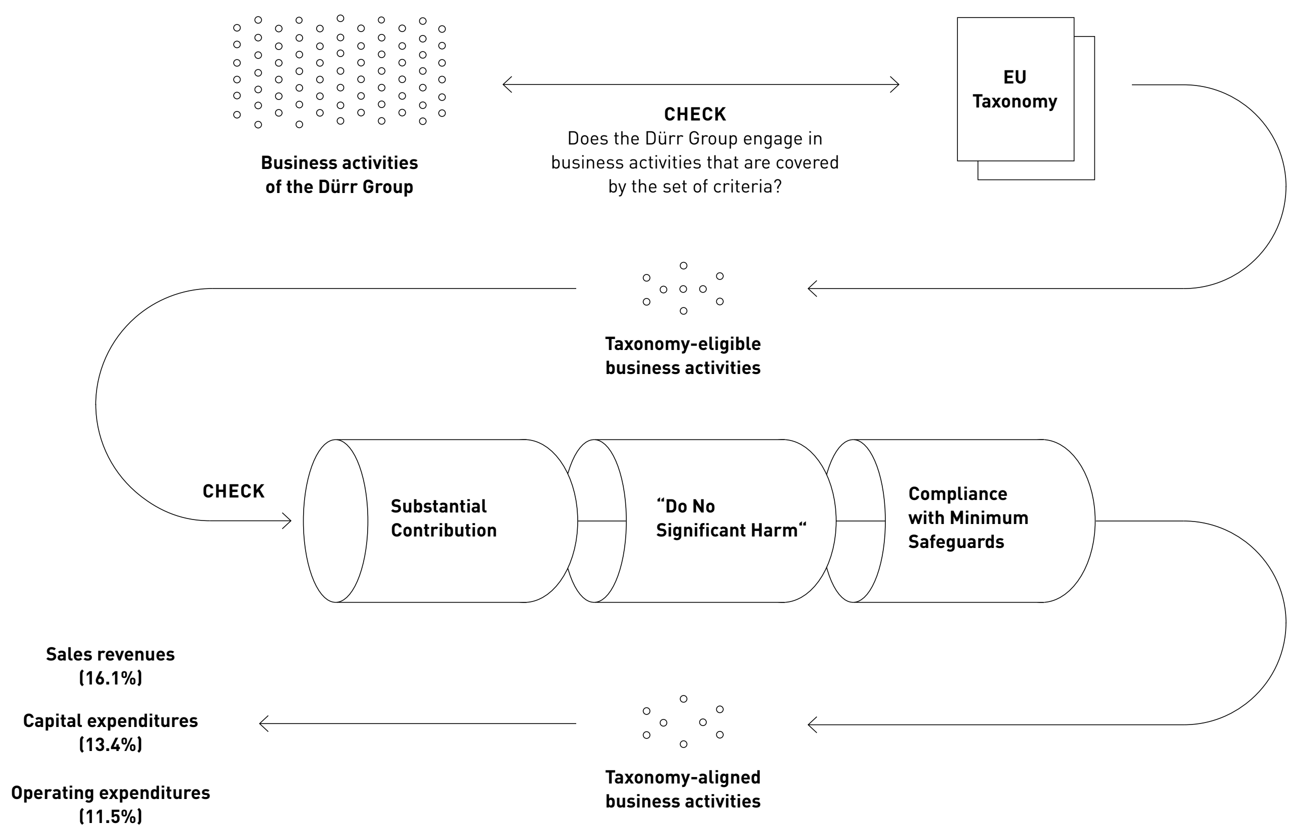
The Dürr Group makes disclosures on the EU Taxonomy in accordance with the Disclosure Delegated Regulation. Economic activities are "taxonomy-eligible" if they comply with the activity descriptions set out in the Climate Delegated Regulation of June 2021, the Complementary Climate Delegated Regulation of March 2022, the Environmental Delegated Regulation published in the Official Journal of the EU in November 2023, and the supplements to the Climate Delegated Regulation, and if they potentially contribute to the achievement of one of the following six environmental objectives: (1) climate change mitigation, (2) climate change adaptation, (3) sustainable use and protection of water and marine resources, (4) transition to a circular economy, (5) pollution prevention and control, and (6) protection and restoration of biodiversity and ecosystems.

In addition, economic activities are "environmentally sustainable" or "taxonomy-aligned" according to the taxonomy specifications, if the taxonomy-eligible economic activities

- substantially contribute to the achievement of one or more of the six environmental objectives listed (Substantial Contribution)
- do not significantly harm the achievement of the five other environmental objectives (Do No Significant Harm, DNSH), and
- ensure compliance with minimum social safeguards (Minimum Safeguards).

At the time of publication of this report, the EU Taxonomy Regulation and the Delegated Acts adopted in this context contained terms and wordings that are subject to uncertainty in terms of interpretation and for which clarifications had not been published in every case. In such cases, we have identified and explained the assumptions made in this report.

**2.26 — EU TAXONOMY: METHODOLOGY AND PROCEDURE**




### Implementation of the taxonomy requirements

The Dürr Group provided its first voluntary report on taxonomy-eligible and taxonomy-aligned sales revenues, capital expenditures (CapEx), and operating expenditures (OpEx) for the 2021 fiscal year, beyond the legally required disclosures. We thus created the organizational and content-related prerequisites for the Group-wide implementation of the taxonomy requirements. With the publication of the Environmental Delegated Regulation, there are now reporting requirements in accordance with the EU Taxonomy for all six environmental objectives. We have assessed these new regulatory requirements and included them in this report. For fiscal year 2023, we provide information on taxonomy-eligible and taxonomy-aligned sales revenues, CapEx, and OpEx for the six environmental objectives under review. In the following, we also include acquired business activities that were consolidated for the first time in the 2023 fiscal year.

Despite the expansion of the EU taxonomy to include criteria for environmental objectives 3 to 6 and the adjustment of individual criteria for environmental objectives 1 and 2, large portions of the Dürr Group's business activities are still not directly covered by the taxonomy requirements, as the current version of the EU Taxonomy Regulation is not directly aimed at the mechanical engineering sector and the supplier industry.

**Business activities of the Dürr Group**
Our business activities make a substantial contribution to reducing global greenhouse gas emissions in two respects. Firstly, we develop and sell low-emission technologies for sustainable production processes. When used by our customers, these enable significant reductions in greenhouse gas emissions over the entire life cycle of the product. With the help of many of our technologies, customers can therefore achieve significantly lower emission levels compared to the best performing reference technologies predominantly available on the market. Examples include selected technologies and systems for resource-conserving automotive painting as well as exhaust-gas and exhaust-air purification systems. Secondly, we offer technologies for manufacturing climate-friendly products, for example solutions for producing batteries and electric motors for electric vehicles or machines for the industrial production of timber houses. Against this backdrop, the Dürr Group has a key role to play in the sustainable transformation of sectors such as automotive production, woodworking, mechanical engineering, chemicals, pharmaceuticals, and electrical engineering.

As part of our climate strategy, we are also pursuing the goal of making the Dürr Group's infrastructure sustainable. This includes, among other things, investments in energy-efficient buildings and their technical equipment, the increased use of systems for the generation of renewable energies, and the expansion of our electric vehicle fleet and charging infrastructure.

**Identification of taxonomy-eligible economic activities**
In order to identify taxonomy-eligible technologies, we analyzed the Dürr Group's portfolio and classified as taxonomy-eligible those technologies that contribute to a significant reduction in greenhouse gas emissions. Other business activities of the Dürr Group are not included in the activity descriptions of the remaining environmental objectives.

The following economic activities defined by the EU Taxonomy have been identified for the recognition and assignment of the Dürr Group's sales revenues, CapEx, and OpEx to the first environmental objective "climate change mitigation":

- 3.1 Manufacture of renewable energy technologies
- 3.6 Manufacture of other low carbon technologies
- 3.21 Manufacture of aircraft
- 4.11 Storage of thermal energy

The activity description "3.6 Manufacture of other low carbon technologies" is of particular relevance to the Dürr Group. Due to the generic description of this economic activity, it is necessary to describe our interpretation in greater detail. The economic activity includes activities for the production of technologies that aim at substantial reductions in greenhouse gas emissions in other sectors of the economy. From the Dürr Group's perspective, a substantial reduction means a decrease in greenhouse gas emissions in the use phase by at least 20%. Such a substantial reduction can usually only be achieved by a technological leap and not by continuous improvements. We have therefore set the value of 20% as the minimum level for a substantial reduction in greenhouse gas emissions.

For the 2023 fiscal year, the following business activities of the Dürr Group have accordingly been identified for the recognition and assignment of taxonomy-eligible sales revenues, CapEx, and OpEx.

Painting technology
Despite significant technological leaps in recent years, modern paint shops continue to be among the biggest energy consumers in automotive production. In particular, paint application and car body drying are responsible for the majority of energy and resource consumption in paint shops. In addition to technologies that meet current market standards, we also sell solutions with above-average energy efficiency and resource savings that we classify as taxonomy-eligible due to the significant emission savings. In the following, only those technologies are identified

as taxonomy-eligible that contribute to a significant reduction in greenhouse gas emissions. Examples include selected solutions for dry separation of paint overspray, such as EcoDryScrubber or EcoDryX, and our latest EcoProBooth paint booth concept. With the help of these technologies, energy consumption during paint application in the paint booth can be reduced by up to 60% compared to conventional wet separation. In the field of car body curing, the EcoInCure oven and the EcoSmart VEC fresh- and exhaust-air control system can achieve a reduction in energy consumption of more than 20% compared to conventional drying systems. Furthermore, our intelligent energy network EcoQPower contributes to a significant reduction in the energy consumption of paint shops at factory level through an optimal combined heating and cooling system. These solutions are complemented in particular by energy- and resource-saving technologies for paint application, including the EcoPaintJet overspray-free application system, the EcoBell3 and EcoBell4 atomizer product lines in particularly paint-saving designs, the EcoLCC color changer generation, and the EcoSupplyP special paint supply system. The Dürr Group's business activities considered in painting technology are assigned to economic activity 3.6.

### Battery manufacturing technology

The Dürr Group offers specific technologies for producing rechargeable battery packs and accumulators for the transportation sector as well as stationary or decentralized energy storage systems. Only machines and systems for such a purpose are covered below. Due to their specific nature, it would not make economic sense for our customers to use these technologies for any other purpose, as this would require correspondingly complex technical adjustments. The Dürr Group offers technical solutions for various process steps in the battery production value chain. These primarily include our coating technology, dryers, and solvent recovery systems for the production of battery electrodes, as well as assembly and testing technology for lithium-ion cells and for battery modules and packs. Furthermore, we provide gluing application technologies for battery systems. The battery types mentioned above are manufactured directly using technologies from the Dürr Group and then installed in electric vehicles or energy storage systems. The batteries produced with our machines and systems are thus either part of the electric power train, which is essential for the emission reduction potential of electric cars, or they form the central storage unit in stationary or decentralized energy storage systems. Our corresponding business activities thus aim to significantly reduce life-cycle emissions in the transportation and energy sectors, so that our technologies support the EU's key objectives with regard to accelerated introduction of low-emission modes of transport and decarbonizing the energy sector. The Dürr Group's business activities considered in battery manufacturing technology are assigned to economic activity 3.6.

### Technology for electromobility

The Dürr Group manufactures technologies specifically used in the production of electric drives and components for emission-free mobility in the automotive sector. This paragraph refers exclusively to technologies for this intended use. It would not make economic sense for customers to use our machines and systems for the production of these components in any other way, as this would require extensive and correspondingly complex technical adjustments to the technologies. Specifically, we develop and supply equipment for filling electric vehicles with highly specific refrigerants, balancing and spin-test systems for rotors in electric drives, and modular end-of-line test stands for electric drives. We also offer our customers automation solutions for the production of electric axle drives, inverters, and DC/DC converters for fully electric vehicles. The drives and components manufactured and tested with our machines and systems form the central element for electrification and thus for improving environmental performance in the automotive sector. Our business activities thus aim to considerably reduce life-cycle emissions in the mobility sector and are predominantly assigned to economic activity 3.6.

Our technology portfolio also includes balancing and diagnostic technology for designing electric aircraft engines. These solutions are assigned to economic activity 3.21.

### Renewable energy technology

The Dürr Group manufactures technologies for renewable energies. These include, in particular, machines and systems for the production of solar cell strings, purification systems for biogas treatment, and technologies for generating electricity from thermal energy during the combustion of renewable fuels or from geothermal or solar thermal energy. The Dürr Group's technologies considered are assigned to economic activity 3.1.

### Environmental technology

The Dürr Group makes a substantial contribution to reducing emissions in various industrial sectors through environmental technology systems. We develop and supply modern plant technologies that enable efficient disposal of waste gases and residues and that reduce energy consumption in the use phase. These include, above all, specific regenerative thermal oxidation processes, which are characterized in particular by complex technologies for storing heat and are therefore assigned to economic activity 4.11. In addition, other Dürr environmental technology systems ensure substantial savings in greenhouse gas emissions, which regularly exceed 20%. Compared to competitor solutions, our systems significantly increase overall efficiency with the help of specially developed system components or patented processes. Our range of technologies includes systems for flameless regenerative thermal oxidation and recuperative thermal oxidation, catalytic filter element systems, high-pressure catalytic systems as well as selected sorptive processes and plants for VOC concentration. These technologies considered in the field of environmental engineering are assigned to economic activity 3.6.

### Woodworking technology

The Dürr Group produces technologies for the solid-wood manufacturing sector that are specifically used for the industrial production of timber construction elements as well as timber windows and doors. These technologies include machines and systems for manufacturing cross laminated timber, for the fully automated production and insulation of wall and ceiling elements of timber houses, and for the production of timber windows and doors. In the following, only machines and systems for such a purpose are considered. For economic reasons, it would not make sense for customers to use these technologies for other purposes, as this is impossible to achieve without extensive and complex technical modifications. Timber construction elements as well as timber windows and doors are manufactured directly with Dürr Group machines and systems. According to the German Federal Environment Agency, around 60% of emissions in the building sector are attributable to the construction and demolition of existing buildings, as the building materials (for example steel, cement, aluminum) predominantly used in the building sector to date are highly energy-intensive. In addition, expert analysis shows that the production of windows and doors made of materials such as PVC and aluminum, for example, is eight times more energy-intensive than the production of doors and windows made of timber. Thus, our technologies are aimed at significantly reducing life-cycle emissions in the building sector; they are assigned to economic activity 3.6.

For the 2023 fiscal year, further economic activities have been identified for the recognition and assignment of taxonomy-eligible CapEx and OpEx of the Dürr Group for the first environmental objective "climate change mitigation":

- 6.5 Transport by motorbikes, passenger cars, and light commercial vehicles
- 7.3 Installation, maintenance and repair of energy efficiency equipment
- 7.4 Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)
- 7.6 Installation, maintenance and repair of renewable energy technologies
- 7.7 Acquisition and ownership of buildings

Taxonomy-eligible CapEx and OpEx create the prerequisite for making the Dürr Group's infrastructure sustainable. In the 2023 fiscal year, this included investments in energy-efficient buildings and their technical equipment, in systems for using renewable energies at our locations, and in the expansion of our electric vehicle fleet and charging infrastructure.

**Identification of taxonomy-aligned economic activities**
According to the EU Taxonomy Regulation, taxonomy-eligible economic activities are to be classified as taxonomy-aligned if they make a substantial contribution to the achievement of one or more environmental objectives, do not significantly harm any of the other environmental objectives, and ensure compliance with minimum safeguards in the context of the economic activities.

**Substantial contribution**
Compliance with the criteria for a substantial contribution to the first environmental objective, "climate change mitigation," which is relevant to the Dürr Group, was assessed individually for each taxonomy-eligible business activity of the Dürr Group. In the analyses conducted, no economic activity was identified that makes a substantial contribution to the remaining five environmental objectives.

Taking into account the technical screening criteria, it is possible that taxonomy-eligible and taxonomy-aligned sales revenues and CapEx differ in their results. Taxonomy-eligible and taxonomy-aligned OpEx of the Dürr Group, on the other hand, regularly correspond to each other. Further details on the composition of environmentally sustainable sales revenues, CapEx, and OpEx are provided in the subsection entitled "Performance indicators according to the EU Taxonomy Regulation".

Due to the generic description of economic activity "3.6 Manufacture of other low carbon technologies," the verification regarding the substantial contribution to the first environmental objective also requires explanation. The economic activity includes the production of technologies that aim at and demonstrably achieve substantial reductions in greenhouse gas emissions over the product life cycle compared to the best-performing alternative technology available on the market. As a reference standard, we base it on the technology commonly used in the market at the time of publication of this report. The reference technology is thus the best-performing alternative technology predominantly available on the market.

Furthermore, the technical screening criteria for economic activity 3.6 describe requirements for the quantification of life-cycle greenhouse gas emission balances. The quantifications must be calculated on the basis of defined standards and audited by an independent third party. We generally provide our customers with individual technological solutions, some of which may differ significantly due to customer-specific or location-specific characteristics. In order to determine the greenhouse gas emissions in the life cycle of our machines and systems at product level, a separate greenhouse gas balance would have to be prepared for each location-specific or customer-specific project. Since this would be disproportionate, we have science-based life-cycle greenhouse gas balances for representative machines and systems prepared by the Fraunhofer Institute for Building Physics (IBP). In order to demonstrate the substantial contribution at factory level, however, we rely on location-specific life-cycle greenhouse gas balances for each project. As a result, these balances show that the use phase of our machines and systems in particular has a substantial impact on the life-cycle greenhouse gas emissions. By contrast, upstream and downstream emissions relating, for instance, to logistics processes, the manufacture of purchased parts, and end-of-life recycling, as well as emissions from our internal value chain, have only a minor impact on the life-cycle greenhouse gas emissions of the technologies. In assessing the life-cycle emissions of goods manufactured with our machines and systems, we relied on published data and analyses from recognized scientific organizations.

**Avoidance of significant harm**
Furthermore, we analyzed whether the achievement of the five remaining EU environmental objectives is significantly harmed by the business activities listed above. For this purpose, it was appropriate to regularly assess DNSH compliance at the level of the business activities and at the level of the Dürr Group's locations. The locations assessed as relevant were those which accounted for significant value-adding processes for taxonomy-eligible business activities or environmentally sustainable CapEx and OpEx in the 2023 fiscal year. Subsequently, a comparison was made with the DNSH criteria for the selected locations.

The criteria for the second EU environmental objective, "climate change adaptation," refer to physical climate risks. We have already identified potential harm to relevant locations due to physical climate risks by means of climate scenario and vulnerability analyses in the past. In the 2023 fiscal year, we extended the analysis of physical climate risks to other Dürr Group locations and assessed the damage potential with the support of an insurer. The analyses are based on the Representative Concentration Pathways (RCP pathways) RCP4.5 and RCP 8.5 of the Intergovernmental Panel on Climate Change (IPCC) and include medium- and long-term climate hazards. In the process, we systematically looked at, for example, climate-related risks that may arise from floods, tropical cyclones, rising sea levels, weather-related fire hazards, extreme aridity and droughts, heat stress, and extreme precipitations. Identified local damage potential was checked for relevance and, if necessary, mitigation measures were initiated and documented.

The third EU environmental objective describes criteria for sustainable use and protection of water and marine resources. We analyzed relevant locations according to the criteria of water stress, seasonal fluctuations in water availability, and supply of drinking water and sanitary facilities. To this end, we relied on internal queries, documentation of audits as part of the ISO 14001 certification of relevant sites, and external data sources. We used the results to derive and describe possible adaptation solutions.

The fourth EU environmental objective, "transition to a circular economy," includes general requirements regarding high durability, ease of disassembly, and reparability. The majority of the components installed in our machines and systems are designed for a very long service life and still have a monetary material value at the end of their useful life. Therefore, they can usually be either reused or recycled in a useful manner by an external facility. In addition, our Group-wide spare parts and modernization business ensures an extended service life for the machines and systems used by our customers.

The criteria for the fifth EU environmental objective, "pollution prevention and control," relate primarily to legal and regulatory requirements with which we are obliged to comply. Compliance in the context of our business activities is monitored and ensured worldwide by our Group-wide environmental management system. This includes compliance with Regulation (EC) No. 1907/2006 (REACH) and Directive 2011/65/EU (RoHS Directive). By contrast, Regulations (EU) 2019/1021 (POPs Regulation), (EU) 2017/852 (Mercury Regulation), and (EC) No. 1005/2009 (Ozone Layer Regulation) were not deemed relevant to our business activities following internal analyses by experts. The use of substances of concern identified by the EU is regulated for our machines and systems in our purchasing conditions, among other things. Corresponding documentation (for example safety data sheets) – including for purchased components – is usually provided to our customers upon project completion. At present, we cannot completely rule out the possibility that the Dürr Group's taxonomy-eligible business activities contribute to the production, marketing, or use of substances classified as hazardous to a limited extent in individual cases. However, at the time of publication of this report, no suitable alternative substances or technologies were available to our knowledge.

With regard to the sixth EU environmental objective, "protection and restoration of biodiversity and ecosystems," we conduct environmental impact assessments or comparable assessments as part of our business activities, if required. The relevant sites are located in designated industrial or commercial areas, with local environmental requirements regularly taken into account as part of the planning application process. Furthermore, internal analyses have shown that none of the sites considered are located in or near biodiversity-sensitive areas.

As a result, we have not identified any significant harm to the achievement of the five other environmental objectives at any relevant location.

**Compliance with minimum safeguards**
The Dürr Group is committed to respecting human rights and promoting fair working conditions. This applies in particular to dealings with its own employees and direct suppliers. Our actions are guided by the OECD Guidelines for Multinational Enterprises, the United Nations Guiding Principles on Business and Human Rights (UNGP), and the Core Labor Standards of the International Labour Organization (ILO), among others. In the 2023 fiscal year, we again reviewed compliance with these guiding principles and standards in our business activities across the Group, focusing on the following areas: respect for human and employee rights, combating bribery and corruption, taxation, and (fair) competition. The result showed that our Group-wide processes and systems are suited to reliably identify potential risks or violations at our locations worldwide. Further information on respect for human rights in our business activities and in the supply chain is provided in the relevant sections of the Group non-financial statement. The subsection entitled "Human rights (and responsible supply chain)" also contains detailed information on processes and measures that we have developed against the backdrop of the German Supply Chain Due Diligence Act (LkSG) in order to fulfill our corporate responsibility for ensuring compliance with human rights. We report on compliance with minimum requirements regarding occupational safety in the "Occupational health and safety" subsection of the Group non-financial statement.

**Performance indicators according to the EU Taxonomy Regulation**
In the following, we provide information on our Group-wide taxonomy-eligible and taxonomy-aligned sales revenues, CapEx, and OpEx in accordance with the EU Taxonomy for the past two fiscal years.

Sales revenues
In accordance with the EU Taxonomy Regulation, sales revenues are generally defined as they are reported in the consolidated statement of profit or loss. The Dürr Group generates a large part of its sales revenues from the production and delivery of customer-specific plant and machinery and the resulting service business. Sales revenues over time are recognized using the percentage-of-completion method (POC method). Taxonomy-eligible or taxonomy-aligned sales revenues over time are determined analogously on the basis of the costs incurred in relation to the total expected costs of a contract. If only individual components of an overall project generate taxonomy-eligible or taxonomy-aligned revenues, only these components are taken into account. Sales revenues that are not recognized over time can be derived directly from financial accounting. In addition, certain revenues generated in service business are reported as taxonomy-eligible or taxonomy-aligned sales revenues. Depending on the business activity, such service revenues are determined from separately identifiable service projects or on the basis of appropriate allocation keys as a subset of the total service business. Only taxonomy-eligible or taxonomy-aligned sales revenues of fully consolidated subsidiaries were taken into account.

In the 2023 fiscal year, taxonomy-eligible sales revenues amounted to €850.2 million (previous year: €726.6 million). Compared to the previous year, taxonomy-aligned sales revenues increased by 2.5% to €744.8 million (previous year: €726.6 million). This was due in particular to activities in the context of economic activity "3.6 Manufacture of other low carbon technologies." The Dürr Group recorded a significant increase in demand in the areas of battery manufacturing technology and painting technology. The share of taxonomy-eligible sales revenues increased to 18.4% in the 2023 fiscal year (previous year: 16.8%), with the share of taxonomy-aligned sales revenues slightly below the previous year's level at 16.1% (previous year: 16.8%). The main reason for this was a decline in sales in the solid-wood manufacturing sector, which had achieved record sales in the previous year.

### 2.27 — TAXONOMY-ELIGIBLE AND TAXONOMY-ALIGNED SALES REVENUES IN 2023

| | | Fiscal year 2023 | | Substantial contribution criteria[1] | | | |
|---|---|---|---|---|---|---|---|
| Economic activities | Code(s) | Absolute sales revenues | Share of sales revenues 2023 | Climate change mitigation | Climate change adaptation | Water | Circular economy |
| | | € million | % | Y/N; N/EL | Y/N; N/EL | Y/N; N/EL | Y/N; N/EL |
| **A. TAXONOMY-ELIGIBLE ACTIVITIES** | | | | | | | |
| **A.1 ENVIRONMENTALLY SUSTAINABLE ACTIVITIES (TAXONOMY-ALIGNED)** | | | | | | | |
| Manufacture of renewable energy technologies | **CCM[5] 3.1**; CCA[6] 3.1 | 25.0 | 0.5 | Y | N | N/EL | N/EL |
| Manufacture of other low carbon technologies | **CCM[5] 3.6**; CCA[6] 3.6 | 567.5 | 12.3 | Y | N | N/EL | N/EL |
| Manufacture of aircraft | **CCM[5] 3.21**; CCA[6] 3.21 | 0.1 | 0.0 | Y | N | N/EL | N/EL |
| Storage of thermal energy | **CCM[5] 4.11**; CCA[6] 4.11 | 152.2 | 3.3 | Y | N | N/EL | N/EL |
| **Sales revenues of environmentally sustainable activities (taxonomy-aligned) (A.1)** | | 744.8 | 16.1 | 16.1% | 0.0% | 0.0% | 0.0% |
| of which: enabling activities[3] | | 744.7 | 16.1 | 16.1% | 0.0% | 0.0% | 0.0% |
| of which: transitional activities[4] | | 0.1 | 0.0 | 0.0% | 0.0% | 0.0% | 0.0% |
| **A.2 TAXONOMY-ELIGIBLE BUT NOT ENVIRONMENTALLY SUSTAINABLE ACTIVITIES (NOT TAXONOMY-ALIGNED ACTIVITIES)** | | | | | | | |
| Manufacture of other low carbon technologies | CCM[5] 3.6 | 105.4 | 2.3 | EL | EL | N/EL | N/EL |
| **Sales revenues of taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned activities) (A.2)** | | 105.4 | 2.3 | 2.3% | 0.0% | 0.0% | 0.0% |
| **Sales revenues of taxonomy-eligible activities (A.1 + A.2)** | | 850.2 | 18.4 | 18.4% | 0.0% | 0.0% | 0.0% |
| **B. TAXONOMY-NON-ELIGIBLE ACTIVITIES** | | | | | | | |
| **Sales revenues of taxonomy-non-eligible activities (B)** | | 3,777.2 | 81.6 | | | | |
| **Total (A + B)** | | 4,627.3 | 100.0 | | | | |

[1] The table section "Substantial contribution criteria" shows the breakdown of the Dürr Group's taxonomy-aligned and taxonomy-eligible sales revenues by economic activities and environmental objectives. Taxonomy-aligned economic activities receive a "Y" for "yes" for the corresponding environmental objective. Taxonomy-eligible economic activities receive an "N" for "no" in table section A.1 for the corresponding environmental objective and an "EL" for "eligible" or "taxonomy-aligned" in table section A.2. Not taxonomy-aligned economic activities are identified by an "N/EL" for "non-eligible" or "not taxonomy-aligned."

[2] A taxonomy-eligible economic activity meets the DNSH criteria if significant harm can be ruled out for each EU environmental objective ("Y" for "yes"). Significant harm is indicated in the table by an "N" ("no").

[3] Enabling economic activities within the meaning of Article 10 (1) of Regulation (EU) 2020/852 play a key role in decarbonizing the economy by directly enabling the carbon footprint and environmental performance of other activities to be improved. Enabling economic activities are indicated by an "E" in the table.

[4] Transitional activities within the meaning of Article 10 (2) of Regulation (EU) 2020/852 did not have technically feasible and economic low-carbon alternatives at the time of publication of the report, but they support the transition to a carbon-neutral economy. Transitional activities or transitory economic activities are indicated by a "T" in the table.

[5] CCM (Climate change mitigation): EU environmental objective "climate change mitigation."

[6] CCA (Climate change adaptation): EU environmental objective "climate change adaptation."

| | | DNSH criteria ("Do No Significant Harm")[2] | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Pollution | Biodiversity | Climate change mitigation | Climate change adaptation | Water | Circular economy | Pollution | Biodiversity | Compliance minimum safeguards | Taxonomy-aligned (A.1) or taxonomy-eligible (A.2) share of sales revenues 2022 | Enabling activities[3] | Transitional activities[4] |
| Y/N; N/EL | Y/N; N/EL | Y/N | Y/N | Y/N | Y/N | Y/N | Y/N | Y/N | % | E | T |
| | | | | | | | | | | | |
| | | | | | | | | | | | |
| N/EL | N/EL | – | Y | Y | Y | Y | Y | Y | 0.4 | E | – |
| N/EL | N/EL | – | Y | Y | Y | Y | Y | Y | 12.4 | E | – |
| N/EL | N/EL | – | Y | Y | Y | Y | Y | Y | 0.0 | – | T |
| N/EL | N/EL | – | Y | Y | Y | Y | Y | Y | 4.0 | E | – |
| 0.0% | 0.0% | – | Y | Y | Y | Y | Y | Y | 16.8 | – | – |
| 0.0% | 0.0% | – | Y | Y | Y | Y | Y | Y | 16.8 | E | – |
| 0.0% | 0.0% | – | Y | Y | Y | Y | Y | Y | 0.0 | – | T |
| | | | | | | | | | | | |
| N/EL | N/EL | – | – | – | – | – | – | – | 0.0 | – | – |
| 0.0% | 0.0% | – | – | – | – | – | – | – | 0.0 | – | – |
| 0.0% | 0.0% | – | – | – | – | – | – | – | 16.8 | – | – |

### 2.28 — TAXONOMY-ELIGIBLE AND TAXONOMY-ALIGNED SHARES OF SALES REVENUES IN 2023 PER EU ENVIRONMENTAL OBJECTIVE

| | Taxonomy-aligned share of sales revenues per environmental objective (in %) | Taxonomy-eligible share of sales revenues per environmental objective (in %) |
|---|---|---|
| Climate change mitigation (CCM[1]) | 16.1 | 18.4 |
| Climate change adaptation (CCA[2]) | 0.0 | 0.0 |
| Water (WTR[3]) | 0.0 | 0.0 |
| Circular economy (CE[4]) | 0.0 | 0.0 |
| Pollution (PPC[5]) | 0.0 | 0.0 |
| Biodiversity (BIO[6]) | 0.0 | 0.0 |

[1] CCM (Climate change mitigation): EU environmental objective "climate change mitigation."
[2] CCA (Climate change adaptation): EU environmental objective "climate change adaptation."
[3] WTR (Sustainable use and protection of water and marine resources): EU environmental objective "Sustainable use and protection of water and marine resources."
[4] CE (Transition to a circular economy): EU environmental objective "Transition to a circular economy."
[5] PPC (Pollution prevention and control): EU environmental objective "Pollution prevention and control."
[6] BIO (Protection and restoration of biodiversity and ecosystems): EU environmental objective "Protection and restoration of biodiversity and ecosystems."

### CapEx

In accordance with the EU Taxonomy Regulation, CapEx includes investments in intangible assets (excluding goodwill) and property, plant, and equipment, including rights to use leased assets. This also includes additions to non-current assets resulting from company acquisitions which were consolidated for the first time in the fiscal year under review. The amount can be reconciled with the disclosures in → **notes 18 and 43** in the notes to the consolidated financial statements. CapEx is calculated on a gross basis, i.e. without taking into account revaluations or amortization, depreciation, and impairment. CapEx amounts attributable only partially to taxonomy-aligned or taxonomy-eligible business activities are allocated on a pro rata basis using expected shares of sales.

Taxonomy-eligible CapEx amounted to €123.4 million in the 2023 fiscal year (previous year: €74.9 million). Of this, €47.2 million (previous year: €33.7 million) met the criteria of the EU Taxonomy Regulation for taxonomy-aligned CapEx. The increase is primarily due to expenditure for the current investment program at HOMAG and the new building for BENZ in Gengenbach, which are assigned to economic activity "7.7 Acquisition and ownership of buildings." In addition, capitalized development costs in the areas of battery production technology and painting technology as well as investments in the solid-wood manufacturing sector caused an increase in environmentally sustainable CapEx in the context of economic activity "3.6 Manufacture of other low carbon technologies."

The difference between taxonomy-eligible and taxonomy-aligned capital expenditures in the amount of €76.2 million resulted from investments assigned to economic activities "6.5 Transport by motorbikes, passenger cars, and light commercial vehicles" and "7.7 Acquisition and ownership of buildings," though it was not possible to demonstrate a substantial contribution to the first environmental objective "climate change mitigation" in all cases. In the 2023 fiscal year, 13.4% of our investments complied with the requirements of the EU Taxonomy Regulation for taxonomy-aligned CapEx (previous year: 24.3%). The decline in percentage terms compared to the previous year is due to the one-off effect from acquisitions in 2023.

In the 2023 fiscal year, the taxonomy-aligned share of investments in non-current intangible assets amounted to 32%, while tangible assets accounted for 68%. Non-current assets from business acquisitions accounted for 17% of taxonomy-aligned CapEx in fiscal year 2023 and resulted from the acquisition of BBS Automation and Ingecal.

## 2.29 — TAXONOMY-ELIGIBLE AND TAXONOMY-ALIGNED CAPEX IN 2023

| | | Fiscal year 2023 | | Substantial contribution criteria[1] | | | |
|---|---|---|---|---|---|---|---|
| Economic activities | Code(s) | Absolute CapEx | Share of CapEx 2023 | Climate change mitigation | Climate change adaptation | Water | Circular economy |
| | | € million | % | Y/N; N/EL | Y/N; N/EL | Y/N; N/EL | Y/N; N/EL |
| **A. TAXONOMY-ELIGIBLE ACTIVITIES** | | | | | | | |
| **A.1 ENVIRONMENTALLY SUSTAINABLE ACTIVITIES (TAXONOMY-ALIGNED)** | | | | | | | |
| Manufacture of other low carbon technologies | **CCM[5] 3.6**; CCA[6] 3.6 | 24.7 | 7.0 | Y | N | N/EL | N/EL |
| Transport by motorbikes, passenger cars and light commercial vehicles | **CCM[5] 6.5**; CCA[6] 6.5 | 0.0 | 0.0 | Y | N | N/EL | N/EL |
| Installation, maintenance and repair of energy efficiency equipment | **CCM[5] 7.3**; CCA[6] 7.3 | 0.5 | 0.1 | Y | N | N/EL | N/EL |
| Installation, maintenance and repair of charging stations for electric vehicles in buildings | **CCM[5] 7.4**; CCA[6] 7.4 | 0.0 | 0.0 | Y | N | N/EL | N/EL |
| Installation, maintenance and repair of renewable energy technologies | **CCM[5] 7.6**; CCA[6] 7.6 | 1.6 | 0.4 | Y | N | N/EL | N/EL |
| Acquisition and ownership of buildings | **CCM[5] 7.7**; CCA[6] 7.7 | 20.4 | 5.8 | Y | N | N/EL | N/EL |
| **CapEx of environmentally sustainable activities (taxonomy-aligned) (A.1)** | | 47.2 | 13.4 | 13.4% | 0.0% | 0.0% | 0.0% |
| of which: enabling activities[3] | | 26.8 | 7.6 | 7.6% | 0.0% | 0.0% | 0.0% |
| of which: transitional activities[4] | | 0.0 | 0.0 | 0.0% | 0.0% | 0.0% | 0.0% |
| **A.2 TAXONOMY-ELIGIBLE BUT NOT ENVIRONMENTALLY SUSTAINABLE ACTIVITIES (NOT TAXONOMY-ALIGNED ACTIVITIES)** | | | | | | | |
| Transport by motorbikes, passenger cars and light commercial vehicles | CCM[5] 6.5 | 14.5 | 4.1 | EL | EL | N/EL | N/EL |
| Acquisition and ownership of buildings | CCM[5] 7.7 | 61.7 | 17.5 | EL | EL | N/EL | N/EL |
| **CapEx of taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned activities) (A.2)** | | 76.2 | 21.6 | 21.6% | 0.0% | 0.0% | 0.0% |
| **CapEx of taxonomy-eligible activities (A.1 + A.2)** | | 123.4 | 35.0 | 35.0% | 0.0% | 0.0% | 0.0% |
| **B. TAXONOMY-NON-ELIGIBLE ACTIVITIES** | | | | | | | |
| **CapEx of taxonomy-non-eligible activities (B)** | | 229.0 | 65.0 | | | | |
| **Total (A + B)** | | 352.4 | 100.0 | | | | |

[1] The table section "Substantial contribution criteria" shows the breakdown of the Dürr Group's taxonomy-aligned and taxonomy-eligible CapEx by economic activities and environmental objectives. Taxonomy-aligned economic activities receive a "Y" for "yes" for the corresponding environmental objective. Taxonomy-eligible economic activities receive an "N" for "no" in table section A.1 for the corresponding environmental objective and an "EL" for "eligible" or "taxonomy-aligned" in table section A.2. Not taxonomy-aligned economic activities are identified by an "N/EL" for "non-eligible" or "not taxonomy-aligned."
[2] A taxonomy-eligible economic activity meets the DNSH criteria if significant harm can be ruled out for each EU environmental objective ("Y" for "yes"). Significant harm is indicated in the table by an "N" ("no").
[3] Enabling economic activities within the meaning of Article 10 (1) of Regulation (EU) 2020/852 play a key role in decarbonizing the economy by directly enabling the carbon footprint and environmental performance of other activities to be improved. Enabling economic activities are indicated by an "E" in the table.
[4] Transitional activities within the meaning of Article 10 (2) of Regulation (EU) 2020/852 did not have technically feasible and economic low-carbon alternatives at the time of publication of the report, but they support the transition to a carbon-neutral economy. Transitional activities or transitory economic activities are indicated by a "T" in the table.
[5] CCM (Climate change mitigation): EU environmental objective "climate change mitigation."
[6] CCA (Climate change adaptation): EU environmental objective "climate change adaptation."

| | | DNSH criteria ("Do No Significant Harm")[2] | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Pollution | Biodiversity | Climate change mitigation | Climate change adaptation | Water | Circular economy | Pollution | Biodiversity | Compliance minimum safeguards | Taxonomy-aligned (A.1) or taxonomy-eligible (A.2) share of CapEx 2022 | Enabling activities[3] | Transitional activities[4] |
| Y/N; N/EL | Y/N; N/EL | Y/N | Y/N | Y/N | Y/N | Y/N | Y/N | Y/N | % | E | T |
| | | | | | | | | | | | |
| | | | | | | | | | | | |
| N/EL | N/EL | – | Y | Y | Y | Y | Y | Y | 8.1 | E | – |
| N/EL | N/EL | – | Y | Y | Y | Y | Y | Y | 0.0 | – | – |
| N/EL | N/EL | – | Y | Y | Y | Y | Y | Y | 0.5 | E | – |
| N/EL | N/EL | – | Y | Y | Y | Y | Y | Y | 0.1 | E | – |
| N/EL | N/EL | – | Y | Y | Y | Y | Y | Y | 0.3 | E | – |
| N/EL | N/EL | – | Y | Y | Y | Y | Y | Y | 15.2 | – | – |
| 0.0% | 0.0% | – | Y | Y | Y | Y | Y | Y | 24.3 | – | – |
| 0.0% | 0.0% | – | Y | Y | Y | Y | Y | Y | 9.1 | E | – |
| 0.0% | 0.0% | – | Y | Y | Y | Y | Y | Y | 0.0 | – | T |
| | | | | | | | | | | | |
| N/EL | N/EL | – | – | – | – | – | – | – | 7.2 | – | – |
| N/EL | N/EL | – | – | – | – | – | – | – | 22.5 | – | – |
| 0.0% | 0.0% | – | – | – | – | – | – | – | 29.7 | – | – |
| 0.0% | 0.0% | – | – | – | – | – | – | – | 54.0 | – | – |

### 2.30 — TAXONOMY-ELIGIBLE AND TAXONOMY-ALIGNED SHARE OF CAPEX IN 2023 PER EU ENVIRONMENTAL OBJECTIVE

| | Taxonomy-aligned share of CapEx per environmental objective (in %) | Taxonomy-eligible share of CapEx per environmental objective (in %) |
|---|---|---|
| Climate change mitigation (CCM[1]) | 13.4 | 35.0 |
| Climate change adaptation (CCA[2]) | 0.0 | 0.0 |
| Water (WTR[3]) | 0.0 | 0.0 |
| Circular economy (CE[4]) | 0.0 | 0.0 |
| Pollution (PPC[5]) | 0.0 | 0.0 |
| Biodiversity (BIO[6]) | 0.0 | 0.0 |

[1] CCM (Climate change mitigation): EU environmental objective "climate change mitigation."
[2] CCA (Climate change adaptation): EU environmental objective "climate change adaptation."
[3] WTR (Sustainable use and protection of water and marine resources): EU environmental objective "Sustainable use and protection of water and marine resources."
[4] CE (Transition to a circular economy): EU environmental objective "Transition to a circular economy."
[5] PPC (Pollution prevention and control): EU environmental objective "Pollution prevention and control."
[6] BIO (Protection and restoration of biodiversity and ecosystems): EU environmental objective "Protection and restoration of biodiversity and ecosystems."

### OpEx

Operating expenses as defined by the EU Taxonomy Regulation take into account non-capitalizable expenses for research and development, building refurbishment measures, short-term leasing, maintenance and repair, and all other direct expenses for the upkeep of property, plant, and equipment to ensure that the taxonomy-eligible or taxonomy-aligned assets are ready for operation. The corresponding values can be clearly derived from our internal reporting systems. OpEx are not directly reconcilable to the presentation in the consolidated statement of profit or loss.

As in the previous year, taxonomy-eligible OpEx corresponded to taxonomy-aligned OpEx, amounting to €16.5 million. This is equivalent to an increase of €3.6 million compared to fiscal year 2022. The taxonomy-eligible or taxonomy-aligned share of the Dürr Group's relevant OpEx in accordance with the Taxonomy Regulation amounted to 11.5% in the year under review (previous year: 9.3%). An important component were non-capitalizable expenses for research and development, particularly in the areas of battery production technology and solid-wood manufacturing. These expenses contributed 87% to the taxonomy-eligible or taxonomy-aligned OpEx (previous year: 93%).

## 2.31 — TAXONOMY-ELIGIBLE AND TAXONOMY-ALIGNED OPEX IN 2023

| | | Fiscal year 2023 | | Substantial contribution criteria[1] | | | |
|---|---|---|---|---|---|---|---|
| Economic activities | Code(s) | Absolute OpEx | Share of OpEx 2023 | Climate change mitigation | Climate change adaptation | Water | Circular economy |
| | | € million | % | Y/N; N/EL | Y/N; N/EL | Y/N; N/EL | Y/N; N/EL |
| **A. TAXONOMY-ELIGIBLE ACTIVITIES** | | | | | | | |
| **A.1 ENVIRONMENTALLY SUSTAINABLE ACTIVITIES (TAXONOMY-ALIGNED)** | | | | | | | |
| Manufacture of renewable energy technologies | **CCM[5] 3.1**; CCA[6] 3.1 | 0.3 | 0.2 | Y | N | N/EL | N/EL |
| Manufacture of other low carbon technologies | **CCM[5] 3.6**; CCA[6] 3.6 | 15.0 | 10.4 | Y | N | N/EL | N/EL |
| Storage of thermal energy | **CCM[5] 4.11**; CCA[6] 4.11 | 0.7 | 0.5 | Y | N | N/EL | N/EL |
| Installation, maintenance and repair of energy efficiency equipment | **CCM[5] 7.3**; CCA[6] 7.3 | 0.5 | 0.3 | Y | N | N/EL | N/EL |
| Installation, maintenance and repair of renewable energy technologies | **CCM[5] 7.6**; CCA[6] 7.6 | 0.0 | 0.0 | Y | N | N/EL | N/EL |
| **OpEx of environmentally sustainable activities (taxonomy-aligned) (A.1)** | | 16.5 | 11.5 | 11.5% | 0.0% | 0.0% | 0.0% |
| of which: enabling activities[3] | | 16.5 | 11.5 | 11.5% | 0.0% | 0.0% | 0.0% |
| of which: transitional activities[4] | | 0.0 | 0.0 | 0.0% | 0.0% | 0.0% | 0.0% |
| **A.2 TAXONOMY-ELIGIBLE BUT NOT ENVIRONMENTALLY SUSTAINABLE ACTIVITIES (NOT TAXONOMY-ALIGNED ACTIVITIES)** | | | | | | | |
| **OpEx of taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned activities) (A.2)** | | 0.0 | 0.0 | 0.0% | 0.0% | 0.0% | 0.0% |
| **OpEx of taxonomy-eligible activities (A.1 + A.2)** | | 16.5 | 11.5 | 11.5% | 0.0% | 0.0% | 0.0% |
| **B. TAXONOMY-NON-ELIGIBLE ACTIVITIES** | | | | | | | |
| **OpEx of taxonomy-non-eligible activities (B)** | | 127.0 | 88.5 | | | | |
| **Total (A + B)** | | 143.5 | 100.0 | | | | |

[1] The table section "Substantial contribution criteria" shows the breakdown of the Dürr Group's taxonomy-aligned and taxonomy-eligible OpEx by economic activities and environmental objectives. Taxonomy-aligned economic activities receive a "Y" for "yes" for the corresponding environmental objective. Taxonomy-eligible economic activities receive an "N" for "no" in table section A.1 for the corresponding environmental objective and an "EL" for "eligible" or "taxonomy-aligned" in table section A.2. Not taxonomy-aligned economic activities are identified by an "N/EL" for "non-eligible" or "not taxonomy-aligned."

[2] A taxonomy-eligible economic activity meets the DNSH criteria if significant harm can be ruled out for each EU environmental objective ("Y" for "yes"). Significant harm is indicated in the table by an "N" ("no").

[3] Enabling economic activities within the meaning of Article 10 (1) of Regulation (EU) 2020/852 play a key role in decarbonizing the economy by directly enabling the carbon footprint and environmental performance of other activities to be improved. Enabling economic activities are indicated by an "E" in the table.

[4] Transitional activities within the meaning of Article 10 (2) of Regulation (EU) 2020/852 did not have technically feasible and economic low-carbon alternatives at the time of publication of the report, but they support the transition to a carbon-neutral economy. Transitional activities or transitory economic activities are indicated by a "T" in the table.

[5] CCM (Climate change mitigation): EU environmental objective "climate change mitigation."

[6] CCA (Climate change adaptation): EU environmental objective "climate change adaptation."

| | | DNSH criteria ("Do No Significant Harm")[2] | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Pollution | Biodiversity | Climate change mitigation | Climate change adaptation | Water | Circular economy | Pollution | Biodiversity | Compliance minimum safeguards | Taxonomy-aligned (A.1) or taxonomy-eligible (A.2) share of OpEx 2022 | Enabling activities[3] | Transitional activities[4] |
| Y/N; N/EL | Y/N; N/EL | Y/N | Y/N | Y/N | Y/N | Y/N | Y/N | Y/N | % | E | T |
| | | | | | | | | | | | |
| | | | | | | | | | | | |
| N/EL | N/EL | – | Y | Y | Y | Y | Y | Y | 0.3 | E | – |
| N/EL | N/EL | – | Y | Y | Y | Y | Y | Y | 8.0 | E | – |
| N/EL | N/EL | – | Y | Y | Y | Y | Y | Y | 0.7 | E | – |
| N/EL | N/EL | – | Y | Y | Y | Y | Y | Y | 0.2 | E | – |
| N/EL | N/EL | – | Y | Y | Y | Y | Y | Y | 0.1 | E | – |
| 0.0% | 0.0% | – | Y | Y | Y | Y | Y | Y | 9.3 | – | – |
| 0.0% | 0.0% | – | Y | Y | Y | Y | Y | Y | 9.3 | E | – |
| 0.0% | 0.0% | – | Y | Y | Y | Y | Y | Y | 0.0 | – | T |
| | | | | | | | | | | | |
| 0.0% | 0.0% | – | – | – | – | – | – | – | 0.0 | – | – |
| 0.0% | 0.0% | – | – | – | – | – | – | – | 9.3 | – | – |

### 2.32 — TAXONOMY-ELIGIBLE AND TAXONOMY-ALIGNED SHARE OF OPEX IN 2023 PER EU ENVIRONMENTAL OBJECTIVE

| | Taxonomy-aligned share of OpEx per environmental objective (in %) | Taxonomy-eligible share of OpEx per environmental objective (in %) |
|---|---|---|
| Climate change mitigation (CCM[1]) | 11.5 | 11.5 |
| Climate change adaptation (CCA[2]) | 0.0 | 0.0 |
| Water (WTR[3]) | 0.0 | 0.0 |
| Circular economy (CE[4]) | 0.0 | 0.0 |
| Pollution (PPC[5]) | 0.0 | 0.0 |
| Biodiversity (BIO[6]) | 0.0 | 0.0 |

[1] CCM (Climate change mitigation): EU environmental objective "climate change mitigation."
[2] CCA (Climate change adaptation): EU environmental objective "climate change adaptation."
[3] WTR (Sustainable use and protection of water and marine resources): EU environmental objective "Sustainable use and protection of water and marine resources."
[4] CE (Transition to a circular economy): EU environmental objective "Transition to a circular economy."
[5] PPC (Pollution prevention and control): EU environmental objective "Pollution prevention and control."
[6] BIO (Protection and restoration of biodiversity and ecosystems): EU environmental objective "Protection and restoration of biodiversity and ecosystems."

In April 2023, the Dürr Group issued a green Schuldschein loan for the first time. The proceeds of €300 million are exclusively reserved for financing sustainable product innovations and climate-friendly projects. Taxonomy-aligned CapEx and OpEx of the Dürr Group from 2023 were fully allocated to cover the green Schuldschein loan.

# 2.2 Non-audited part of the Group non-financial statement with information beyond the materiality thresholds

## WATER, WASTE WATER, AND WASTE

Water consumption fell by 8%, as water leaks had led to increased consumption in the previous year. Due to clean-up campaigns and organic sales growth, the waste volumes increased by 19% compared to the previous year. The proportion of reused waste stands at 57% and has therefore remained almost constant.

In 2023, we established a Group-wide process for assessing risks due to water scarcity. At regular intervals, we check relevant sites for water stress to identify potential local impacts and develop countermeasures as needed. In view of the global shortage of water as a result of climate change, we want to continue to reduce our water withdrawal in the future and plan to adopt a Group-wide water strategy in 2024.

**2.33 — OTHER ENVIRONMENTAL INDICATORS**

| | 2023[1] | 2022 | 2021 |
|---|---|---|---|
| **Water, waste water, and waste – absolute** | | | |
| Water consumption (m³) | 177,373 | 191,761 | 175,587 |
| Waste water output (m³) | 156,745 | 154,609 | 142,388 |
| Waste volume (t) | 13,208 | 11,145 | 10,556 |
| of which recycled (t) | 7,520 | 6,445 | 5,199 |
| **Water, waste water, and waste intensity** | | | |
| Water consumption (m³/€1 million sales) | 39.2 | 44.5 | 49.6 |
| Waste water output (m³/€1 million sales) | 34.7 | 35.8 | 40.3 |
| Waste volume (t/€1 million sales) | 2.9 | 2.6 | 3.0 |
| of which recycled (t/€ 1 million sales) | 1.7 | 1.5 | 1.5 |

[1] At BBS Automation, water consumption, waste water, and waste volumes were not recorded for 2023; we will report on this from 2024 onwards.

## SOCIAL COMMITMENT

Our social commitment is multifaceted and primarily takes place in the local areas surrounding our sites. The four priorities are education, sports, culture, and social affairs.

Requests for donations are reviewed and granted by a donation committee. This consists of representatives from various Group departments and meets as required. Furthermore, we promote the voluntary work of our employees through donations. Selected projects are presented as part of the "Heroes after work" series of intranet Article s, and the corresponding organizations receive financial support. We will adjust our Group-wide donations and sponsorship policy, which contains the guiding principles for our sponsorship activities, accordingly in 2024.

In February 2023, we provided a donation of €150,000 for earthquake relief efforts in Turkey and Syria. A further €150,000 went to charitable organizations and associations at Dürr's headquarters in Bietigheim-Bissingen. We continued our cooperation with UNICEF and donated €60,000 as part of the Christmas campaign "Spenden statt schenken" ("Donations instead of gifts").

**2.34 — SOCIAL COMMITMENT OF THE DÜRR GROUP**

| Amount in € k | 2023 | 2022 | 2021 |
|---|---|---|---|
| Donations | 611 | 819 | 740 |
| Sponsorships | 183 | 275 | 127 |
| **Total** | **794** | **1,094** | **867** |

# 3 CORPORATE GOVERNANCE

## 3.1 Combined declaration on corporate governance

### CORPORATE GOVERNANCE

The German Corporate Governance Code contains rules and recommendations for the responsible management and supervision of listed companies. Our current Declaration of Compliance (pursuant to section 161 of the German Stock Corporation Act (AktG)) dated September 27, 2023, relates to the version of the Code published on June 27, 2022. This version differs from the previous one mainly through its updates on the topic of sustainability and on the implementation of the Financial Market Integrity Strengthening Act. Prior to September 27, 2023, the Declaration of Compliance signed on October 5, 2022, and its updates of March 15, 2023, and April 5, 2023, were applicable. These were also based on the version of the Code dated June 27, 2022. We comply with all recommendations, with the exception of two deviations regarding the short/long-term incentive and one temporary deviation regarding Supervisory Board mandates.

### OTHER INFORMATION ON CORPORATE GOVERNANCE

The Declarations of Compliance and the full Declaration on Corporate Governance are available at www.durr-group.com under Investors/Corporate Governance/Declaration on Corporate Governance. To avoid duplication, the management report only includes selected content from the Declaration on Corporate Governance.

**2.35 — RESPONSIBILITIES WITHIN THE BOARD OF MANAGEMENT BETWEEN JANUARY 1 AND AUGUST 31, 2023**

| | Dr. Jochen Weyrauch (CEO) | Dietmar Heinrich (CFO) |
|---|---|---|
| Divisional/ operational responsibility | • Paint and Final Assembly Systems<br>• Application Technology<br>• Clean Technology Systems<br>• Woodworking Machinery and Systems | • Measuring and Process Systems<br>• OneDürrGroup Programs |
| Corporate functions | • Corporate Human Resources (Employee Affairs Director)<br>• Corporate Communications<br>• Corporate Development<br>• Corporate Sustainability<br>• Purchasing | • Finance/Controlling/Internal Control System<br>• Legal Affairs/Patents/Insurance<br>• Treasury<br>• Taxes<br>• Internal Auditing<br>• Corporate Compliance<br>• Risk Management<br>• Investor Relations<br>• Global IT |

**2.36 — RESPONSIBILITIES WITHIN THE BOARD OF MANAGEMENT SINCE SEPTEMBER 1, 2023**

| | Dr. Jochen Weyrauch (CEO) | Dietmar Heinrich (CFO) |
|---|---|---|
| Divisional/ operational responsibility | • Paint and Final Assembly Systems<br>• Application Technology<br>• Clean Technology Systems<br>• Woodworking Machinery and Systems | • Industrial Automation Systems<br>• OneDürrGroup Programs |
| Corporate functions | • Corporate Human Resources (Employee Affairs Director)<br>• Corporate Communications<br>• Corporate Development<br>• Corporate Sustainability<br>• Purchasing | • Finance/Controlling/Internal Control System<br>• Legal Affairs/Patents/Insurance<br>• Treasury<br>• Taxes<br>• Internal Auditing<br>• Corporate Compliance<br>• Risk Management<br>• Investor Relations<br>• Global IT |

### Board of Management

The CEO and the CFO of Dürr AG manage the business and perform their responsibilities in accordance with the schedule of responsibilities drawn up by the Supervisory Board for the Board of Management. In 2023, the schedule of responsibilities shown in → table 2.35 applied until August 31. Since September 1, 2023, a new schedule of responsibilities (→ overview 2.36) has been in place, based on the modified divisional structure with the new Industrial Automation Systems division. Please also refer to the subsection "Group organizational structure" in chapter 1.1 "The Group at a glance" → page 24.

### Shareholdings and managers' transactions

We publish managers' transactions, i.e. securities transactions that must be reported pursuant to Article 19 of the Market Abuse Regulation (MAR), as soon as the company is notified. An overview is available at www.durr-group.com under Investors/ Corporate Governance. As of December 31, 2023, the members of the Supervisory Board held 0.12% of Dürr AG's shares and the members of the Board of Management held 0.07% of the shares.

### Women in executive positions: targets and target implementation

We have fulfilled the legal requirements as follows:

- Since the 2016 elections, the Dürr AG Supervisory Board has included four women. This corresponds to a proportion of 33%, which fulfills the 30% minimum quota required by law.
- The Dürr AG Board of Management consists of two men. In its resolution adopted on May 13, 2022, the Supervisory Board formulated the target of appointing a woman to the Board of Management by June 30, 2027, at the latest. In 2022, the Supervisory Board carefully considered the option of expanding the Board of Management but found no need to do so. The Supervisory Board will continue to review this option going forward. If it resolves to expand the Board of Management in the future or if a successor for an existing member needs to be appointed, the Supervisory Board will favor the appointment of a woman, provided that the qualification and personality requirements are met.
- The Board of Management's resolution adopted on June 2, 2022, sets out that the first senior management level below the Board of Management should in future include one woman and the second management level should include two women. The deadline for achieving these targets is June 30, 2027. As of December 31, 2023, there were no women at the first management level, while two women were employed at the second management level. When considering our target achievement, account must be taken of the fact that Dürr AG, being a management holding company, has a relatively small number of employees and senior managers. Consequently, a single personnel change can result in a change in the proportion of women of over 10 percentage points. Going forward, when selecting candidates for senior management positions, we will focus more keenly on the targeted appointment of women in order to achieve our goals.

**Diversity**
No form of discrimination is tolerated at the Dürr Group, be it on grounds of gender, age, religion, disease, background, skin color, sexual orientation, or for any other reason. We pay attention to diversity and equal opportunities when hiring staff. Flexible working time models that meet individual needs promote equal opportunities. Given the international nature of our business, intercultural diversity and tolerance are important values at the Dürr Group.

As stated above, the Supervisory Board aims to appoint a woman to the Board of Management. In addition, when appointing members to the Board of Management, the Supervisory Board pays particular attention to professional and social skills as well as to long-term experience in similar positions, in our industry and in an international environment. Added to that are character suitability and an appropriate educational background. Neither nationality nor age at the time of employment is decisive in hiring candidates. The general age limit for members of the Board of Management is 63.

## 3.2 Disclosures pursuant to sections 289a and 315a of the German Commercial Code (HGB)

- **Structure of subscribed capital**
  Dürr AG's subscribed capital is divided into 69,202,080 no-par value bearer shares with full voting rights. The rights and obligations associated with the shares are regulated by the German Stock Corporation Act (AktG). In September 2020, Dürr AG issued an unsubordinated, unsecured convertible bond with a volume of €150 million, maturing on January 15, 2026. Under certain conditions, this convertible bond can be converted into 4,623,792 new no-par value ordinary shares in Dürr AG. Early conversion by the investors is possible.

- **Restrictions on voting rights/transfer of shares and related agreements**
  The Board of Management is not aware of any agreements by shareholders of Dürr AG which contain restrictions relating to voting rights or the transfer of shares. Legal voting right limitations exist, for example, pursuant to section 44 (1) (breach of disclosure obligations) of the German Securities Trading Act (WpHG) as well as section 71b (rights attaching to treasury shares of stock) and section 136 (1) (exclusion of voting rights in the event of certain conflicts of interest) of the German Stock Corporation Act (AktG).

- **Direct or indirect shareholdings exceeding 10%**
  Heinz Dürr GmbH, Berlin, holds 26.2% of Dürr AG's capital stock (as of: December 31, 2023).

- **Shares conferring special rights**
  There are no shares in Dürr AG that confer special rights.

- **Control of voting rights if employees hold stock ownership plans and control rights are not directly exercised**
  There are no employee stock ownership plans where the control rights are not directly exercised by the employees.

- **Rules governing the appointment and replacement of members of the Board of Management**
  The applicable statutory rules are set out in sections 84 and 85 of the German Stock Corporation Act (AktG) and in section 31 of the German Co-determination Act (MitbestG). Dürr AG's Articles of Incorporation do not contain any provisions that diverge from the statutory rules. Article 6 (1) of the Articles of Incorporation states additionally that the Board of Management consists of at least two members and that the appointment of deputy members of the Board of Management is admissible. Article 6 (2) states that the Supervisory Board may appoint one member of the Board of Management to be the Chair of the Board of Management and another member of the Board of Management to be the Deputy Chair.

- **Rules governing amendment of the Articles of Incorporation**
  Any amendments to the Articles of Incorporation are adopted by way of resolution at the annual general meeting. Unless otherwise mandatorily specified in the German Stock Corporation Act, the resolution is passed in accordance with Article 20 (1) of the Articles of Incorporation by a simple majority of the votes cast and – where a majority of the capital stock represented in the voting is required – by a simple majority of the capital stock represented in the voting. In accordance with Article 14 (4) of the Articles of Incorporation, the Supervisory Board is authorized to carry out amendments to the Articles of Incorporation that relate only to the wording. Pursuant to Article 5 of the Articles of Incorporation, the Supervisory Board is authorized upon utilization of the conditional or authorized capital to amend the wording of the Articles of Incorporation to reflect the extent of the utilization.

- **Powers of the Board of Management to issue or buy back shares**
  Information on this point can be found in → note 27 of the notes to the consolidated financial statements.

- **Powers of the Board of Management to acquire or sell treasury shares**
  Information on this point can be found in → note 27 of the notes to the consolidated financial statements.

- **Agreements in the event of a change of control following a takeover bid**
  **Schuldschein loan:** In the event of a change of control, the lenders have the right, according to the terms of our Schuldschein loan agreements, to demand redemption of the Schuldschein loan. A change of control occurs if one person or a majority of people acting in concert hold more than 50% of the shares, can control more than 50% of the voting rights and/or the company's course of business, and/or have the power to appoint more than 50% of the members of the Board of Management. The lender of the Schuldschein loan has the right to demand redemption within 30 days of the notification of the change of control by the borrower. Redemption is due by the next interest payment date.

  **Syndicated loans:** In accordance with the terms of our syndicated loan agreed in 2019, which was expanded and extended in 2023, as well as the syndicated loan arranged in the reporting year as part of the acquisition of BBS Automation, no additional cash drawings or applications for guarantees may be made in the event of a change of control. In addition, any lender has the right to terminate its credit commitments, which could result in the syndicated loans having to be repaid in part or even in full. The agent representing the interests of the respective banking syndicate must be informed about a change of control immediately after it becomes known. A change of control occurs if in total, directly or indirectly, more than 50% of the voting rights in Dürr AG are held or controlled by one or more persons who have come to an accord on the exercise of voting rights or who collaborate in some other manner with the aim of achieving a permanent and substantial change in the business focus of Dürr AG.

  **Convertible bond:** In the event of a takeover bid or a change of control, the terms of the convertible bond entitle bondholders to exercise their conversion right at the adjusted conversion price (as defined in the terms of the convertible bond) within a certain period of time. A change of control occurs if an acquisition of control takes place or a mandatory offer is published in accordance with section 35 (2) (1), section 14 (2) (1) of the German Securities Acquisition and Takeover Act (WpÜG). An acquisition of control has occurred if one or several specific persons acquire the direct or indirect, legal and/or economic ownership of ordinary shares (section 29 (2), section 30 of the German Securities Acquisition and Takeover Act) in Dürr AG, which together grant 30% or more of the voting rights. Furthermore, in the event of an acquisition of control or a transferring merger (section 2 or section 122a of the German Reorganization Act (UmwG)), the bond can be terminated (prematurely) by a bondholder in accordance with the terms defined in more detail in the terms of the convertible bond.

- **Agreements providing for compensation in the event of takeover bids**
  There are no agreements providing for compensation in the event of takeover bids.

# 4 BUSINESS REPORT

## 4.1 Economic and sector environment

### PERSISTENTLY ADVERSE CONDITIONS IN THE GLOBAL ECONOMY IN 2023

After the previous year's economic downswing, global growth continued to slow in 2023. The generally subdued macroeconomic conditions were mainly due to the still high, albeit declining, inflation rates and the restrictive monetary policies pursued by the central banks. Continued geopolitical tensions and crises also had a dampening effect on the pace of growth. Global gross domestic product expanded by 3.1% in 2023, down from 3.5% in the previous year. In the industrialized countries, Japan recorded stronger growth than expected by economists, while the United States economy also proved to be more resilient than initially assumed. On the other hand, the Eurozone economy deteriorated significantly due to the weakness of German industry. In the emerging markets, China's economic growth failed to meet expectations due to problems in the real estate market and heavy public-sector debt. India achieved a high growth rate of 6.7% but fell short of the previous two years.

Following the significant depreciation of the euro against the US dollar in 2022, the exchange rate oscillated in a relatively narrow range between USD 1.04 and USD 1.13 per euro over the course of 2023. Economic concerns and speculation over interest rate cuts in the United States caused the US dollar to depreciate in the first half of the year. However, the euro ceded these gains against the greenback in the early second half of the year due to muted economic indicators from the Eurozone in tandem with robust US data. At the beginning of the fourth quarter, a reversal of this trend re-emerged in favor of the euro. Over the year as a whole, the euro appreciated slightly against the US dollar; at 1.0834, the average exchange rate was up on the previous year.

**2.37 — GROSS DOMESTIC PRODUCT**

| Year-on-year change, % | 2023 | 2022 | 2021 |
|---|---|---|---|
| Global | 3.1 | 3.5 | 6.3 |
| Germany | –0.3 | 1.8 | 3.2 |
| Eurozone | 0.5 | 3.4 | 5.6 |
| Russia | 3.0 | –1.2 | 5.6 |
| United States | 2.5 | 1.9 | 5.9 |
| China | 5.2 | 3.0 | 8.4 |
| India | 6.7 | 7.2 | 9.1 |
| Japan | 1.9 | 1.0 | 2.2 |
| Brazil | 3.1 | 3.0 | 5.0 |

Source: International Monetary Fund 01/2024

**2.38 — AVERAGE EXCHANGE RATES**

| € 1 equals | 2023 | 2022 | 2021 |
|---|---|---|---|
| USD | 1.0834 | 1.0506 | 1.1813 |
| GBP | 0.8688 | 0.8546 | 0.8585 |
| JPY | 153.3167 | 138.1242 | 130.2933 |
| CNY | 7.6447 | 7.0871 | 7.6165 |

Source: Commerzbank

## CONTINUED TIGHTENING BY THE CENTRAL BANKS

At 2.52%, the current yield on fixed-income securities remained virtually unchanged in Germany in 2023 (2022: 2.53%). Efforts to combat inflation dominated the monetary agenda for central banks in Europe and the United States. Accordingly, they continued to raise their rates after taking initial steps in this direction in 2022. While the European Central Bank raised its key interest rates to 4.5% in six steps in 2023, the Federal Reserve increased US interest rates four times over the same period to a range of 5.25% to 5.50%. It was not until the end of the year that additional interest rate hikes were suspended. Despite declining rates, inflation proved stubborn in 2023: According to Deutsche Bank calculations, it reached 5.7% in the Eurozone and 4.2% in the United States.

The majority of international stock exchanges closed 2023 with significant gains. In particular, hopes of easing inflationary pressure and the prospect of declining interest rates spurred the markets in the fourth quarter, producing a year-end rally that catapulted several indices to new all-time highs. The DAX crossed the 17,000-point mark for the first time in its history. At 16,752 points at the end of 2023, the German benchmark index closed the year 20.3% higher than the previous year.

**2.39 — PRODUCTION OF LIGHT VEHICLES**

| Million units | 2023 | 2022 | 2021 |
|---|---|---|---|
| Global | 90.7 | 82.3 | 76.9 |
| Western Europe | 11.3 | 9.9 | 9.5 |
| Germany | 4.4 | 3.7 | 3.3 |
| Eastern Europe | 6.8 | 5.9 | 6.5 |
| of which EU countries | 4.1 | 3.6 | 3.4 |
| North America (incl. Mexico) | 15.6 | 14.2 | 13.0 |
| United States | 10.3 | 9.7 | 8.9 |
| South America | 2.9 | 2.8 | 2.6 |
| Brazil | 2.2 | 2.2 | 2.1 |
| Asia | 51.8 | 47.2 | 43.5 |
| China | 29.1 | 26.2 | 24.5 |
| Japan | 8.6 | 7.4 | 7.4 |
| India | 5.4 | 5.1 | 4.1 |
| South Korea | 4.1 | 3.7 | 3.4 |

Source: GlobalData 02/2024

## INCREASED AUTOMOTIVE PRODUCTION DRIVEN BY LARGE ORDER BACKLOGS

Growth in global automotive production was stronger in 2023 than initially expected. While production was still feeling the effects of the pandemic-induced lockdowns, chip shortages, and delivery bottlenecks in the previous year, the supply chain situation subsequently eased noticeably. This allowed automotive OEMs to run off their extraordinarily high order backlogs substantially in the course of 2023. The automotive analysts at GlobalData steadily revised their estimates for the global production of passenger cars and light commercial vehicles upward over the course of the year. Initially, output of 85.8 million units had been forecast for 2023 at the beginning of the year. Ultimately, however, production increased by 10.2% to 90.7 million units.

## FEWER NEW MECHANICAL AND PLANT ENGINEERING ORDERS

German producers of capital goods experienced a mixed year in 2023. Although equipment spending rose by around 4% over the previous year in Germany, the persistent sluggishness of the global economy left clear traces on companies' order books. According to the German Mechanical Engineering Industry Association (VDMA), order intake in the industry fell by 12% in price-adjusted terms in 2023. With order backlogs dwindling, machine production in Germany declined noticeably in the second half of the year, causing production output to contract by 1% over the year as a whole, adjusted for price effects.

## DECLINE IN DEMAND FOR WOODWORKING MACHINERY

Spurred by continued large order backlogs, the secondary woodworking machinery segment posted a price-adjusted increase of 1% in sales in 2023, according to the VDMA. On the other hand, price-adjusted order intake fell by 26% in a challenging market environment. This was due to the high cost of living and interest rates, which greatly reduced consumers' willingness to purchase new kitchens and furniture. In addition, housing construction in Germany increasingly stalled in the face of higher interest rates, which also had a negative impact on the woodworking industry.

# 4.2 Explanatory notes on the figures

The charts and tables in this management report generally contain IFRS figures for the years from 2021 through 2023.

### EBIT

EBIT is defined as earnings before interest, income taxes, and income from investments. The items eliminated from EBIT before extraordinary effects are shown in ⟶ **table 2.55**.

### REPORTING CONVENTIONS

Amendments to the IFRSs had only a minor impact on the presentation of the company's economic position in 2023. Relatively few reporting options are available under the IFRSs and their utilization barely impacts our assets, liabilities, financial position, and financial performance. In the case of important balance-sheet items, we exercise options in such a way that the greatest possible measurement continuity is preserved. We made use of all reporting options in unchanged form in 2023. The use of specific accounting policies exerted at most only a minor influence on the presentation of the results of operation. Moreover, it is inconsistent in many cases with our commitment to continuity and cross-period transparency.

### HOMAG GROUP AG: DOMINATION AND PROFIT AND LOSS TRANSFER AGREEMENT

Under the terms of the domination and profit and loss transfer agreement entered into between Dürr Technologies GmbH and HOMAG Group AG, all of the net profit earned by the HOMAG Group AG accrues to the Dürr Group. HOMAG Group AG's non-controlling shareholders (33.69% of the capital) are not entitled to a variable dividend. Instead, they receive a guaranteed dividend of €1.01 per share (net) for the duration of the domination and profit and loss transfer agreement. In addition, a cash settlement offer of €31.56 per share has been offered. The interest expense arising from the domination and profit and loss transfer agreement with HOMAG Group AG is recognized within the Dürr Group's financial result and came to €10.3 million in 2023. The increase over the previous year (2022: €6.2 million) was attributable to various extraordinary expenses, including the renewal of the pooling agreement with the Schuler/Klessmann shareholder group.

In valuation proceedings, the non-controlling shareholders of HOMAG Group AG are having the amount of the guaranteed dividend and cash settlement reviewed in court. Under a ruling by the Stuttgart Regional Court in August 2019, the guaranteed dividend was to be increased to €1.03 per share (net) and the cash compensation to €31.58. However, the ruling is not final as HOMAG Group AG shareholders filed an appeal against it in October 2019. Pending a decision by the Stuttgart Higher Regional Court, the amounts originally set for the cash settlement and the guaranteed dividend (€1.01 net and €31.56, respectively) continue to apply.

### EFFECTS OF ACQUISITIONS

Two acquisitions were completed in 2023:

- BBS Automation (consolidated for the first time on August 31, 2023)
- Ingecal (consolidated for the first time on November 17, 2023)

Between its consolidation and the end of the year, BBS Automation has contributed order intake of €82.4 million, sales of €107.1 million, and EBIT before extraordinary effects of €7.4 million. In the case of Ingecal, no operating figures were included in the Dürr Group's statement of profit or loss and cash flow statement in 2023. This was due to the short consolidation period and, accordingly, the minor relevance of Ingecal's operating figures for the Dürr Group's assets, liabilities, financial position, and financial performance as well as the heightened complexity of including Ingecal at short notice.

### IMPACT OF THE CHANGED DIVISION STRUCTURE ON SEGMENT REPORTING

Following the acquisition of BBS Automation, the Dürr Group's division structure was modified in the third quarter of 2023. Please also refer to the subsection entitled "Group organizational structure" in chapter 1.1 **"The Group at a glance" ⟶ page 24**. The changes to the division structure also affect our segment reporting. In the third quarter of 2023, we discontinued reporting for Measuring and Process Systems and began reporting for Industrial Automation Systems. This management report includes the figures for Industrial Automation Systems for 2023 as well as the retroactively calculated comparison figures for 2022 and 2021. It should be borne in mind that BBS Automation was not consolidated until August 31, 2023. We have also retroactively restated the figures for 2021 and 2022 for the Paint and Final Assembly Systems division. These have been adjusted to allow for the elimination of the figures attributable to Teamtechnik Group, which are now included in Industrial Automation Systems.

## 4.3 General statement by the Board of Management and target achievement

2023 was marked by muted conditions in the global economy, serious international conflicts, and heavy political uncertainty. As a result, many areas of the mechanical and plant engineering sector felt the effects of muted capital spending and declining orders. In view of these difficult conditions, we are largely satisfied with our business performance in 2023, especially as we achieved our targets published in February 2023 for order intake, sales, and EBIT margin before extraordinary effects, while free cash flow exceeded the forecast. On the other hand, the EBIT margin did not quite reach the target corridor that had been revised on November 7, 2023.

On a likewise important note, we took a major step forward in implementing our strategy that we had presented in November 2022. This particularly applies to growth business in automation technology (Production Automation Systems), where we positioned ourselves among the world's leading suppliers with the acquisition of BBS Automation and, in particular, expanded our footprint in Asia and North America. Further information can be found in chapter 1.3 **"Strategy and mid-cycle targets" ⟶ page 31**.

At €4,615.5 million, order intake came just within the top part of the target corridor (€4,400 to €4,800 million). On the one hand, this was due to stable orders in classic automotive business (Paint and Final Assembly Systems, Application Technology), where we benefited from capital spending on production facilities for electric vehicles, and on the sustainable transformation of automotive production. On the other hand, the consolidation of BBS Automation, which contributed orders of €82.4 million, had an effect from August 31, 2023. Compared to the previous year, the Group's order intake contracted to the extent that had been expected (down 7.8%). The main reason was the cyclical downswing in the market for woodworking machinery, which caused order intake in the Woodworking Machinery and Systems division to decline more sharply (by 18.2%) than had been foreseeable at the beginning of the year. In addition, new orders also fell by 18.2% in the Clean Technology Systems division, mainly as a result of postponed capital spending in the second half of the year.

At €4,627.3 million, sales rose by 7.3% over 2022 and practically reached the middle of the target range (€4,500 to €4,800 million). This increase was underpinned by all five divisions; BBS Automation contributed €107.1 million to Group sales. After a modest start to the year, sales generation picked up momentum from quarter to quarter, with the improved supply chain situation and the elimination of pandemic-related restrictions providing impetus.

As expected, EBIT before extraordinary effects improved more sharply than sales, increasing by 20.8%. Consequently, the EBIT margin before extraordinary effects widened from 5.4% to 6.1% and reached the target range (6.0% to 7.0%). It is worth noting that the EBIT margin before extraordinary effects widened significantly in the second half of 2023 compared to the first half of the year and the same period of the previous year. This was mainly due to the gradual expansion of quarterly sales, growing earnings contributions from service business as well as the positive effects of cost-cutting efforts and the execution of higher-margin projects that we had acquired under our "value before volume" sales strategy. The contribution made by BBS Automation to EBIT before extraordinary effects came to €7.4 million in 2023.

At 4.1%, the EBIT margin was slightly below the target range of 4.5% to 5.5% that had been announced on November 7, 2023. We had revised the previously forecast range of between 5.6% and 6.6%, as we had taken steps to adjust personnel capacity at Woodworking Machinery and Systems in response to the lower orders, incurring unplanned extraordinary expenses of around €50 million in the fourth quarter as a result. Consequently, the net extraordinary expenses for 2023 as a whole climbed to €89.0 million instead of the originally planned figure of approximately €20 million. With the financial result coming to €–20.2 million and a tax rate of 35.6%, this resulted in earnings after tax of €110.2 million. Accordingly, we narrowly reached the target corridor, which had been adjusted to between €110 and €160 million in November (previously: €160 to €210 million) and fell short of the previous year's figure of €134.3 million (down 17.9%). In this connection, it should be borne in mind that earnings after tax had included significantly lower net extraordinary expenses of only €26.3 million in 2022.

ROCE reached 11.2% and was thus slightly below the target range that had been adjusted to between 13% and 17% on November 7. The reason for this revised target was the additional extraordinary expenses arising in connection with the adjustment of personnel capacities at HOMAG. In addition, capital employed increased significantly (by 44.2%) due to the recognition of the non-current assets attributable to BBS Automation, including derivative goodwill. Although the net working capital (NWC) included in capital employed climbed by €129.4 million, this increase was largely due to acquisitions.

Compared to the previous year, we widened capital spending by 13.4%. The main focus was on the multi-year investment program to enhance efficiency at various HOMAG locations. Despite the increase, the ratio of capital expenditure to sales of 3.4% remained below the projected figure of 4.0% to 5.0% as we modified construction projects to allow for increased material costs.

**2.40 — GROUP TARGET ACHIEVEMENT IN 2023**

| | | 2022 act. | 2023 act. | 2023 target (February 2023 forecast) | 2023 target (Most recent forecast) |
|---|---|---|---|---|---|
| Order intake | € million | 5,008.4 | 4,615.5 | 4,400 to 4,800 | 4,400 to 4,800 |
| Sales | € million | 4,314.1 | 4,627.3 | 4,500 to 4,800 | 4,500 to 4,800 |
| EBIT margin | % | 4.8 | 4.1 | 5.6 to 6.6 | 4.5 to 5.5[1] |
| EBIT margin before extraordinary effects | % | 5.4 | 6.1 | 6.0 to 7.0 | 6.0 to 7.0 |
| ROCE | % | 17.3 | 11.2 | 19 to 23 | 13 to 17[1] |
| Earnings after tax | € million | 134.3 | 110.2 | 160 to 210 | 110 to 160[1] |
| Free cash flow | € million | 117.1 | 129.3 | 50 to 100 | 50 to 100 |
| Net financial status (December 31) | € million | –46.4 | –516.6 | –50 to –100 | –490 to –540[2] |
| Capital expenditure | € million | 138.5 | 157.1 | | |
| | % of sales | 3.2 | 3.4 | 4.0 to 5.0 | 4.0 to 5.0 |

[1] Forecast adjusted on November 7, 2023
[2] Forecast adjusted on June 12, 2023

At €129.3 million, free cash flow exceeded not only the target range of €50 to €100 million but also the previous year's figure, despite higher capital spending. The reasons for this improvement included positive effects from changes in provisions and our disciplined NWC management. BBS Automation's free cash flow was valued €–2.2 million in the period in which it was consolidated.

Net financial debt rose significantly as a result of the acquisition of BBS Automation. At the end of 2023, it stood at €516.6 million, thus coming within the target range of €490 to €540 million that had been indicated when the acquisition was announced in June. Prior to the purchase of BBS Automation, we had anticipated net financial debt of €50 to €100 million.

## DIVISION TARGETS

In addition to the initial Group forecast, we also published the forecast for the five divisions on February 23, 2023. In the course of interim reporting, various changes were made at the division level on November 8, 2023. Specifically, the targets for order intake at Clean Technology Systems and Woodworking Machinery and Systems were scaled back but raised for Application Technology. The sales target for Paint and Final Assembly Systems was lowered primarily as a result of the transfer of Teamtechnik Group's activities to the new Industrial Automation Systems division. At Clean Technology Systems, there was a slight increase in the sales target, while the division's margin target was widened significantly. In the case of Paint and Final Assembly Systems, we also increased the margin target in November but reduced it slightly for Woodworking Machinery and Systems. The following analysis of target achievement in 2023 compares the reported figures with the targets specified on November 8, 2023. A comparison with the original targets of February 23, 2023 can be found in → table 2.41.

At €1,476.0 million, order intake at Paint and Final Assembly Systems remained both below the previous year's figure and the forecast corridor. While the division had registered extremely high order intake in the first half of the year, it gained fewer orders in the second half of the year under its "value before volume" strategy and also because competitors temporarily adopted a more price-aggressive approach. Sales exceeded the previous year's figure by 7.7% and were just above the target corridor for 2023. The EBIT margin before extraordinary effects widened to 5.1%, thus reaching the target range that had been raised to 5.1% to 6.1% in November.

Application Technology increased its order intake by 10.1% to a new high of €719.8 million, thus exceeding the target range of €650 to €690 million for 2023. Sales also reached a high figure of €614.0 million, which was just above the upper end of the forecast corridor. At 9.9%, the EBIT margin before extraordinary effects was in the middle of the target range. After a modest start, it improved significantly over the course of the year, reaching very high figures of 11.0% and 13.1%, respectively, in the third and fourth quarters. This reflected the increase in high-margin service business in the second half of the year.

### 2.41 — TARGET ACHIEVEMENT OF THE DIVISIONS 2023

| | Order intake (€m) | | | Sales (€m) | | | EBIT margin before extraordinary effects (%) | | |
|---|---|---|---|---|---|---|---|---|---|
| | 2023 act. | 2023 target (February 2023 forecast) | 2023 target (Most recent forecast) | 2023 act. | 2023 target (February 2023 forecast) | 2023 target (Most recent forecast) | 2023 act. | 2023 target (February 2023 forecast) | 2023 target (Most recent forecast) |
| Paint and Final Assembly Systems | 1,476.0 | 1,600 – 1,750[2] | 1,600 – 1,750 | 1,363.6 | 1,650 – 1,750[2] | 1,250 – 1,350[1] | 5.1 | 4.7 – 5.7[2] | 5.1 – 6.1[1] |
| Application Technology | 719.8 | 560 – 620 | 650 – 690[1] | 614.0 | 570 – 610 | 570 – 610 | 9.9 | 9.4 – 10.4 | 9.4 – 10.4 |
| Clean Technology Systems | 480.4 | 520 – 580 | 500 – 550[1] | 481.2 | 450 – 490 | 480 – 520[1] | 6.3 | 3.3 – 4.3 | 5.4 – 6.4[1] |
| Industrial Automation Systems[3] | 583.8 | 290 – 320 | 580 – 640[1] | 590.7 | 290 – 320 | 570 – 620[1] | 5.0 | 8.4 – 9.4 | 6.5 – 7.5[1] |
| Woodworking Machinery and Systems | 1,395.5 | 1,450 – 1,600 | 1,250 – 1,400[1] | 1,625.1 | 1,600 – 1,700 | 1,600 – 1,700 | 8.0 | 8.0 – 9.5 | 7.5 – 8.5[1] |

[1] Forecast adjusted on November 8, 2023
[2] Still including Teamtechnik Group
[3] BBS Automation consolidated for the first time on August 31, 2023, including Teamtechnik Group. The guidance from February 2023 related to the former Measuring and Process Systems division, which was replaced by Industrial Automation Systems in the third quarter of 2023.

At €480.4 million, Clean Technology Systems order intake was a good €100 million lower than in 2022 and did not quite reach the target. This was attributable to moderate order intake in the second half of the year following the postponement of several orders in Europe amid the uncertain investment environment. Sales improved from quarter to quarter, reaching the lower end of the target range with an increase of 5.5%. The EBIT margin before extraordinary effects was still burdened in the first quarter by the increases in material prices in previous years but recovered quickly thereafter and was in some cases well above the target of 6% in the following quarters. Over the year as a whole, it reached 6.3% and was thus at the top end of the target corridor, which was raised to 5.4% to 6.4% in November.

The new Industrial Automation Systems division reached the lower end of the target corridor with orders worth €583.8 million. The fact that, contrary to expectations, some projects were no longer placed in the fourth quarter stood in the way of a higher order intake. At €590.7 million, sales reached the target of €570 to €620 million. After a muted first quarter, earnings grew in the remainder of the year, due, among other things, to the consolidation of BBS Automation from August 31. However, the margin did not improve as much as expected in the fourth quarter due to delays in the completion of high-margin projects as well as for other reasons. At 5.0%, the full-year EBIT margin before extraordinary effects therefore fell short of the target range.

Order intake in Woodworking Machinery and Systems was down 18.2%, thus declining to a greater extent than initially expected. The reason for this was the significant downswing in the market after the two strong previous years, reflecting, among other things, the effects of high interest rates, especially in the case of systems for timber house construction. Despite the lower orders, sales slightly exceeded the high figure for 2022 as the division was able to run off a large order backlog. The EBIT margin before extraordinary effects widened slightly to 8.0%, due, among other things, to price increases in 2022 and cost-cutting effects. Thus, it easily reached the target corridor, which had been lowered to 7.5% to 8.5% in November, as well as the bottom end of the original margin target of 8.0% to 9.5%.

### GROUP MANAGEMENT PARAMETERS

The main financial performance indicators for Group management are order intake, sales, **ROCE ⟶ page 285** and – particularly at the Group level – **free cash flow ⟶ page 285**. In addition, the EBIT margin before extraordinary effects was added in 2023. In the past, we concentrated more on the EBIT margin; however, the elimination of extraordinary effects facilitates a better assessment of operating profitability and provides more meaningful period comparisons. An analysis of the financial performance indicators can be found in the subsection entitled "Operating performance indicators" in chapter 4.5 **"Financial development" ⟶ page 103**. This subsection also contains information on the non-financial performance indicators. Please also note the Group non-financial statement in connection with the non-financial disclosures and performance indicators.

### MAIN EVENTS DRIVING BUSINESS PERFORMANCE

Sales and earnings benefited in 2023 from the easing of the supply chain constraints and the overall improvement in material prices. However, high inflation and rising interest rates dampened consumer confidence and investment propensity. This particularly left traces on order intake at Woodworking Machinery and Systems. By contrast, business with the automotive industry was significantly more robust, especially in the first half of the year. Key factors here were the trend toward electromobility and investments in sustainable production processes. The acquisition of BBS Automation on August 31, 2023 influenced business performance, especially in the fourth quarter, as a result of additional revenue and earnings contributions. Payment of the purchase price for BBS Automation resulted in an increase in net financial liabilities.

## 4.4 Business performance

### ORDER INTAKE OF €4.62 BILLION

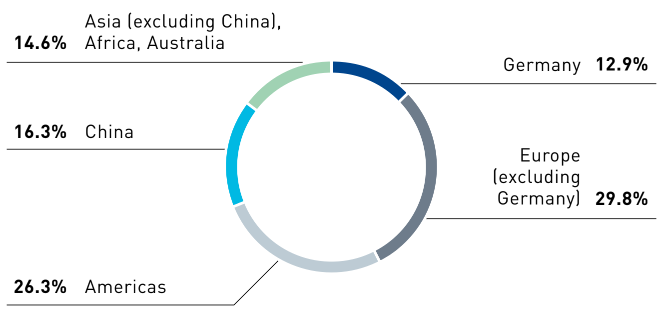
Order intake fell in 2023 to the expected extent, reaching €4,615.5 million (down 7.8%). The main reason for this was the pronounced cyclical downturn in the woodworking industry, which caused order intake to drop by 18.2% in the Woodworking Machinery and Systems division. Clean Technology Systems sustained declines of the same magnitude, partly because customers in Europe postponed their investments in the face of high energy prices and pending decisions on new locations. In contrast, order intake in automotive business was stable, spurred by the adoption of climate-friendly painting processes and the trend toward e-mobility. At €1.1 billion, order intake for production technology for electric vehicles remained at the previous year's high level.

The gross margin on order intake was significantly wider in 2023 than in the previous year. This reflects improvements in four of the five divisions, while the gross margin for Woodworking Machinery and Systems shrank slightly on new orders. BBS Automation, which was consolidated on a time-proportionate basis, contributed new orders worth €82.4 million. Exchange-rate changes had a negative effect on order intake; adjusted for this effect, new orders would have dropped by only 5.4%.

There were major changes in the regional breakdown of incoming orders compared to 2022. In North and South America, orders declined significantly (down 31.9%) as the previous year's figure had been heavily inflated by several big-ticket automotive projects. A much smaller decline of 8.4% arose in China. Order intake in Asia (excluding China), Africa and Australia rose by 79.0% as we were awarded a large order in the Arab region. In Europe (including Germany), new orders fell slightly (down 2.6%); the decline in Germany (down 21.0%) was offset by strong growth in Eastern Europe. Order intake in the emerging markets increased by 6.8%, accounting for a share of 44.0%.

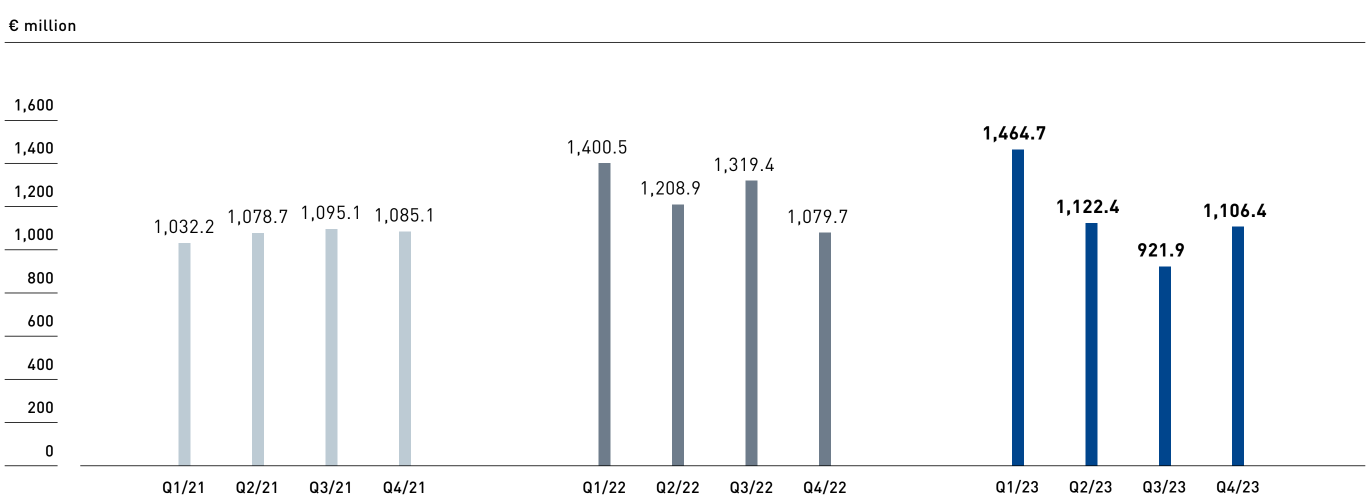
The distribution of order intake over the year as a whole reveals very large volumes in the first and second quarters. These resulted from extensive automotive orders, while Paint and Final Assembly Systems registered fewer big-ticket projects in the second half of the year. This was not least of all due to our "value before volume" strategy: whereas competitors temporarily adopted a more price-aggressive approach in the third and fourth quarters, the division retained its margin-oriented course with good capacity utilization and scaled back its efforts in some bidding processes.

**2.42 — CONSOLIDATED ORDER INTAKE BY SALES REGION**




| € million | 2023 | 2022 | 2021 |
|---|---|---|---|
| Germany | 597.4 | 755.8 | 658.8 |
| Europe (excluding Germany) | 1,375.6 | 1,270.8 | 1,274.0 |
| Americas | 1,213.1 | 1,781.5 | 1,065.4 |
| China | 754.3 | 823.2 | 1,000.7 |
| Asia (excluding China), Africa, Australia | 675.1 | 377.1 | 292.0 |
| **Group** | **4,615.5** | **5,008.4** | **4,291.0** |

**2.43 — CONSOLIDATED ORDER INTAKE BY QUARTER**

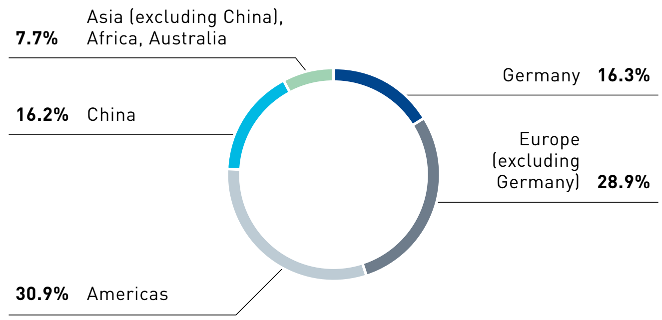


## SALES: NEW RECORD

Sales rose by 7.3% to reach a new high of €4,627.3 million in 2023. Compared to the previous year, we benefited from the improved supply chain situation and the absence of pandemic-related restrictions in project execution. After a relatively subdued start, sales gradually picked up over the course of the year, reaching a new quarterly record of €1,328.2 million in the last three months. At constant exchange rates, sales would have increased by 10.1% in 2023. The sales contributed by BBS Automation, which was consolidated from August 31, amounted to €107.1 million.

The growth in sales was underpinned by all five divisions. The greatest increase of 31.9% was achieved by Industrial Automation Systems, mainly due to the first-time consolidation of BBS Automation. The other divisions recorded single-digit growth rates. It is worth noting that, despite the difficult market environment, Woodworking Machinery and Systems once again exceeded the previous year's high sales (up 1.4%). This was due to the very large order backlog at the beginning of 2023.

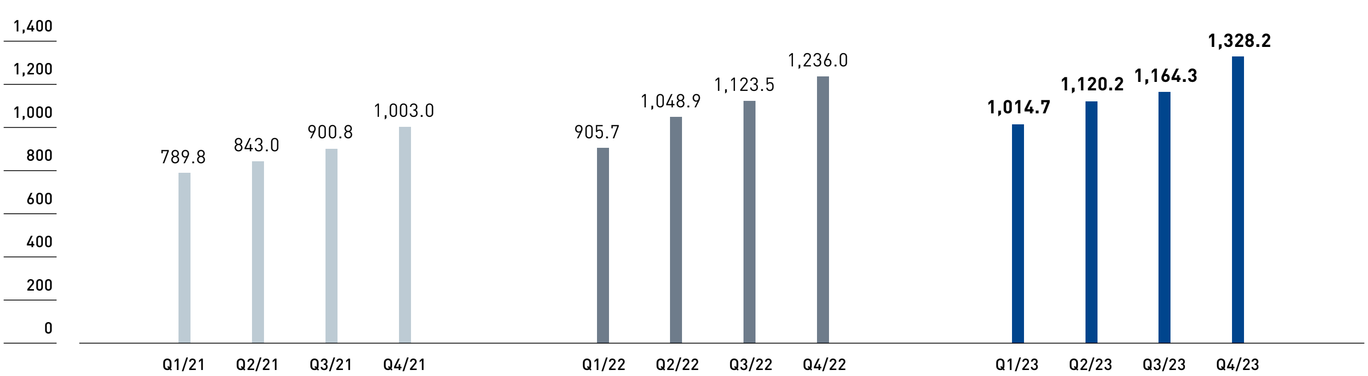
### 2.44 — CONSOLIDATED SALES BY SALES REGION




| € million | 2023 | 2022 | 2021 |
|---|---|---|---|
| Germany | 752.7 | 640.1 | 557.5 |
| Europe (excluding Germany) | 1,339.3 | 1,192.1 | 989.8 |
| Americas | 1,427.8 | 1,190.0 | 924.7 |
| China | 749.7 | 961.4 | 726.0 |
| Asia (excluding China), Africa, Australia | 357.8 | 330.5 | 338.8 |
| **Group** | **4,627.3** | **4,314.1** | **3,536.7** |

### 2.45 — CONSOLIDATED SALES BY QUARTER

€ million



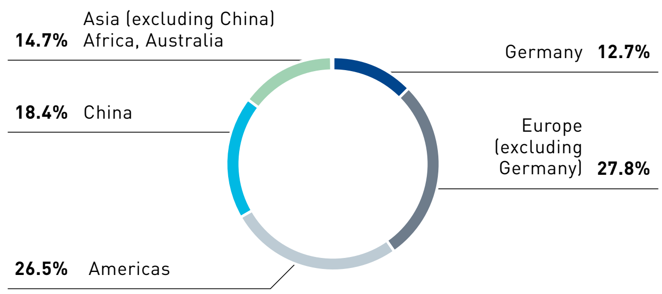
Sales in North and South America grew the most at 20.0%. We also achieved double-digit growth rates in Germany (up 17.6%) and the other European countries (up 12.3%). Growth came to 8.3% in Asia (excluding China), Africa and Australia, while we recorded a 22.0% decline in China. Sales in the emerging markets fell slightly to €1,790.9 million (down 1.5%).

Sales from service business climbed by 7.3% to a new high of €1,307.4 million, in sync with Group sales. They exceeded the previous year's figures in all four quarters and reached a very high figure of €372.7 million in the final quarter. The share in Group sales was 28.3% (2022: 28.2%). We registered a gratifying increase in the gross margin on service business. The growth in sales from service business was driven by increases in all five divisions. In the case of Paint and Final Assembly Systems, Application Technology and Clean Technology Systems, service sales exceeded the threshold of 30% and were below 25% in the other two divisions.

## ORDER BACKLOG OF €4.2 BILLION

As order intake and revenue were virtually the same in 2023, the book-to-bill ratio came to 1.0. Order backlog was 4.7% higher at the end of the year than on December 31, 2022, not least as a result of the acquisition of BBS Automation, and reached €4,201.2 million. However, it fell short of the peak of €4,459.4 million on September 30, 2023, as sales significantly exceeded order intake in the final quarter. The high order backlog covers a large part of the sales target for 2024 and thus gives us good forward visibility.

**2.46 — CONSOLIDATED ORDER BACKLOG (DECEMBER 31) BY SALES REGION**




| € million | 2023 | 2022 | 2021 |
|---|---|---|---|
| Germany | 533.9 | 665.1 | 561.7 |
| Europe (excluding Germany) | 1,165.9 | 1,038.0 | 958.6 |
| Americas | 1,111.6 | 1,275.1 | 652.3 |
| China | 773.2 | 742.4 | 934.8 |
| Asia (excluding China), Africa, Australia | 616.6 | 293.3 | 253.6 |
| **Group** | **4,201.2** | **4,014.0** | **3,361.0** |

**2.47 — STATEMENT OF PROFIT OR LOSS AND PROFITABILITY RATIOS**

| | | 2023 | 2022 | 2021 |
|---|---|---|---|---|
| Sales | € million | 4,627.3 | 4,314.1 | 3,536.7 |
| Cost of sales | € million | –3,622.2 | –3,375.3 | –2,717.2 |
| of which material costs | € million | –1,870.9 | –1,720.3 | –1,315.2 |
| of which personnel costs | € million | –896.0 | –807.6 | –717.3 |
| of which depreciation and amortization | € million | –94.3 | –90.9 | –85.7 |
| Gross profit | € million | 1,005.1 | 938.7 | 819.4 |
| Overhead costs[1] | € million | –809.9 | –736.7 | –657.6 |
| EBITDA | € million | 322.2 | 337.5 | 299.4 |
| EBIT | € million | 191.4 | 205.9 | 175.7 |
| EBIT before extraordinary effects[2] | € million | 280.4 | 232.2 | 199.1 |
| Financial result | € million | –20.2 | –17.8 | –43.1 |
| EBT | € million | 171.3 | 188.1 | 132.6 |
| Income taxes | € million | –61.1 | –53.9 | –47.6 |
| Earnings after tax | € million | 110.2 | 134.3 | 84.9 |
| Earnings per share (basic) | € | 1.62 | 1.89 | 1.20 |
| Earnings per share (diluted) | € | 1.55 | 1.81 | 1.16 |
| Gross margin | % | 21.7 | 21.8 | 23.2 |
| EBITDA margin | % | 7.0 | 7.8 | 8.5 |
| EBIT margin | % | 4.1 | 4.8 | 5.0 |
| EBIT margin before extraordinary effects[2] | % | 6.1 | 5.4 | 5.6 |
| EBT margin | % | 3.7 | 4.4 | 3.7 |
| Return on sales after taxes | % | 2.4 | 3.1 | 2.4 |
| Interest coverage | | 7.9 | 10.8 | 4.1 |
| Net financial liabilities to EBITDA | | 1.6 | 0.1 | 0.3 |
| Tax rate | % | 35.6 | 28.6 | 35.9 |
| Return on equity | % | 9.4 | 11.9 | 8.4 |
| Return on investment | % | 3.3 | 3.6 | 3.3 |
| ROCE | % | 11.2 | 17.3 | 15.5 |

[1] Selling, administrative and R&D costs
[2] Extraordinary effects in 2023: €–89.0 million (2022: €–26.3 million)

## 7.1% INCREASE IN GROSS PROFIT

Gross profit from sales climbed by 7.1% to €1,005.1 million in 2023. As sales grew only slightly more quickly, the gross margin remained virtually unchanged at 21.7%. When assessing the gross margin, it should be noted that gross profit included significantly higher extraordinary expenses than in the previous year – namely €60.7 million compared to €28.9 million in 2022. This mainly reflected the provisions recognized for adjustments to personnel capacities at Woodworking Machinery and Systems. Adjusted for the extraordinary expenses, the gross margin for 2023 came to 23.0%, marking an improvement over 2022 (22.4%). In addition, we recorded a slightly less favorable business mix in 2023, as the proportion of sales accounted for by the divisions with the largest margins (Application Technology, Woodworking Machinery and Systems) shrank from 50.7 to 48.4%.

## COST OF SALES, MATERIAL COSTS AND OVERHEAD COSTS

The cost of sales rose by 7.3% and thus in sync with sales. At 8.8%, material costs, which are included in full in the cost of sales, increased slightly more sharply than sales. This was due, on the one hand, to the fact that the costs of electronic components that we had purchased in the high-price phase of 2022 and early 2023, showed up in projects. On the other hand, the Paint and Final Assembly Systems division's business with its high material costs accounted for a large part of the growth in sales, and the Woodworking Machinery and Systems division, with its high sales, also saw material costs rise more sharply than sales. By contrast, Clean Technology Systems benefited from lower supply-side prices and was able to reduce its material costs despite higher sales. The personnel costs attributable to the cost of sales increased by 10.9%, thus outpacing the Group's total personnel costs, which increased by 8.4%. Depreciation and amortization included in the cost of sales rose by 3.7% and thus less quickly than sales.

Overhead costs climbed by 9.9%. Adjusted for the acquisition of BBS Automation, the increase would have come to 8.1%. It should be borne in mind that overhead costs included extraordinary expenses of €22.8 million, which were largely attributable to the adjustments to personnel capacity at Woodworking Machinery and Systems. Within overhead costs, general administrative costs exhibited the greatest increase of 13.2%. Adjusted for acquisitions, the increase amounted to 9.2% and also reflects the costs of the OneDürrGroup synergy program. Research and development costs increased by 10.9% to a new high of €151.4 million; detailed information on our R&D activities can be found in chapter 1.5 **"Research and Development" ⟶ page 37**. Selling costs rose by 7.7% and thus at a similar rate as sales.

Other operating income and other operating expenses showed a negative net balance of €–3.8 million (2022: €+3.9 million). This was due to the transaction costs for the acquisitions; in addition, currency translation losses significantly exceeded currency translation gains. The adjustment to contingent purchase price payment obligations related to acquisitions in previous years caused an increase in other operating income. In the previous year, other operating income had included significant extraordinary income from the settlement of a legal dispute at Hekuma.

### 2.48 — OVERHEAD COSTS

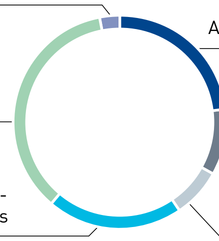
| | Employees (Dec. 31) | Costs (€ million) | Personnel expense (€ million) | Depreciation and amortization (€ million) | Other costs (€ million) |
|---|---|---|---|---|---|
| Selling | 2,201 | –412.1 | –285.2 | –9.4 | –117.5 |
| (2022) | 2,107 | –382.6 | –274.2 | –11.7 | –96.7 |
| Administrative | 2,065 | –246.4 | –146.2 | –19.6 | –80.6 |
| (2022) | 1,763 | –217.7 | –141.9 | –16.4 | –59.4 |
| R&D | 1,008 | –151.4 | –99.4 | –7.6 | –44.4 |
| (2022) | 971 | –136.5 | –92.9 | –8.0 | –35.6 |

### 2.49 — EMPLOYEES AND PERSONNEL COSTS

| | 2023 | 2022 | 2021 |
|---|---|---|---|
| Employees (Dec. 31) | 20,597 | 18,514 | 17,802 |
| Employees (annual average)[1] | 19,430 | 18,169 | 17,173 |
| Personnel costs (€ m) | –1,426.8 | –1,316.6 | –1,170.4 |
| Personnel costs ratio (%) | 30.8 | 30.5 | 33.1 |
| Personnel costs per employee (annual average) (€) | –73,433 | –72,463 | –68,154 |
| Sales per employee (annual average) (€) | 238,152 | 237,441 | 205,943 |

[1] Including BBS Automation and Ingecal

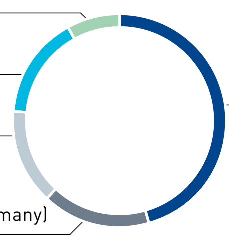
### 2.50 — EMPLOYEES BY DIVISION (DECEMBER 31)




| | 2023 | 2022 | 2021 |
|---|---|---|---|
| Paint and Final Assembly Systems[1] | 4,772 | 4,555 | 4,387 |
| Application Technology | 2,084 | 2,040 | 2,026 |
| Clean Technology Systems[2] | 1,525 | 1,363 | 1,381 |
| Industrial Automation Systems[3] | 4,240 | 2,591 | 2,523 |
| Woodworking Machinery and Systems | 7,348 | 7,525 | 7,164 |
| Corporate Center | 628 | 440 | 321 |
| **Group** | **20,597** | **18,514** | **17,802** |

[1] Excluding Teamtechnik Group
[2] Ingecal employees included for the first time on November 17, 2023
[3] BBS Automation consolidated for the first time on August 31, 2023, including Teamtechnik Group

### 2.51 — EMPLOYEES BY REGION (DECEMBER 31)




| | 2023 | 2022 | 2021 |
|---|---|---|---|
| Germany | 9,410 | 8,853 | 8,643 |
| Europe (excluding Germany) | 3,373 | 3,060 | 2,888 |
| Americas | 3,001 | 2,703 | 2,511 |
| China | 3,216 | 2,527 | 2,488 |
| Asia (excluding China), Africa, Australia | 1,597 | 1,371 | 1,272 |
| **Group** | **20,597** | **18,514** | **17,802** |

## EMPLOYEES: ACQUISITION-RELATED GROWTH IN THE HEADCOUNT

As of December 31, 2023, the Dürr Group had 20,597 employees, up 2,083 or 11.3% on the end of the previous year. Most of the increase was due to acquisitions: The first-time consolidation of BBS Automation added 1,614 employees, who were assigned to the Industrial Automation Systems division. A further 74 employees joined the Group following the acquisition of Ingecal and are now part of Clean Technology Systems. Adjusted for acquisition effects, the headcount would have grown by only 2.1%. In the case of Paint and Final Assembly Systems and Application Technology, the number of employees increased significantly less quickly than sales, while the headcount at Woodworking Machinery and Systems was reduced in response to the lower order intake. The high growth in the Corporate Center is mainly due to the transfer of employees, for example from IT and HR, who had previously been assigned to the divisions. In addition, there was an increase in staff in the holding functions of Dürr AG in response to the Group's growth in previous years.

At 27.3%, China, where BBS Automation has an extraordinarily strong presence with 806 employees, accounted for the greatest growth in employee numbers by far. The number of employees also increased by a significant 16.5% in Asia (excluding China)/Africa/Australia, while it grew by 11.0% in the Americas, by 10.2% in Europe (excluding Germany), and by 6.3% in Germany.

Our employees are on average 42 years old. 32% are younger than 35; Germany has the oldest workforce with an average age of 44. The production/assembly sector is the most employment-intensive with a share of 26%. 15% of employees are assigned to service business. Our training activities cover 19 professions and 13 dual-study programs. As of December 31, 2023, we had 536 apprentices and cooperative state university students, mainly in Germany (December 31, 2022: 500); HOMAG companies accounted for almost 60% of this figure.

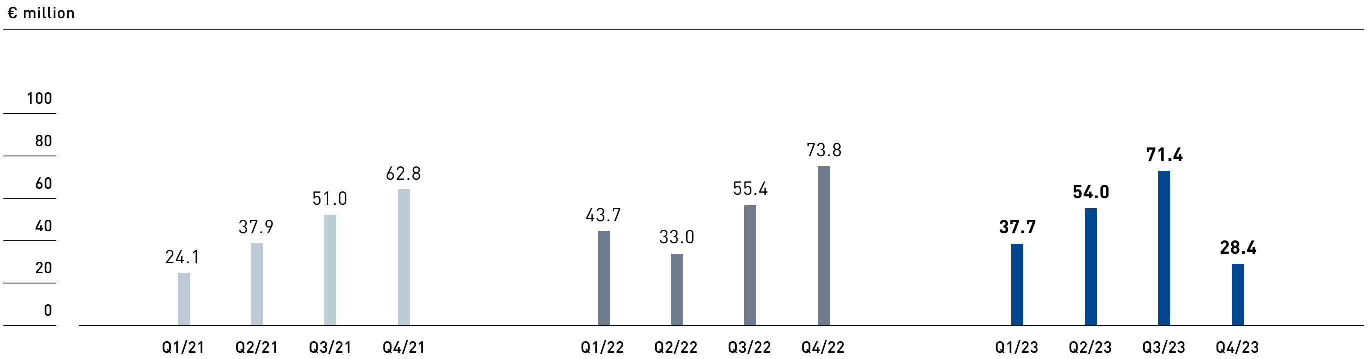
**2.52 — KEY WORKFORCE FIGURES**

| | 2023 | 2022 | 2021 |
|---|---|---|---|
| Employees (Dec. 31) | 20,597 | 18,514 | 17,802 |
| thereof trainees and dual-study students (Dec. 31) | 536 | 500 | 505 |
| Proportion of female employees (Dec. 31) (%) | 17 | 17 | 17 |
| Part-time employees (Dec. 31) | 745 | 696 | 633 |
| Employees on fixed-term contracts (Dec. 31) | 514 | 467 | 203 |
| Number of external employees (temporary) (Dec. 31) | 1,110 | 1,171 | 856 |
| Average length of service (years) | 10 | 11 | 11 |
| Employee turnover (%) | 10.7 | 11.3 | 9.7 |
| Sickness rate (%) | 3.2 | 3.9 | 2.7 |

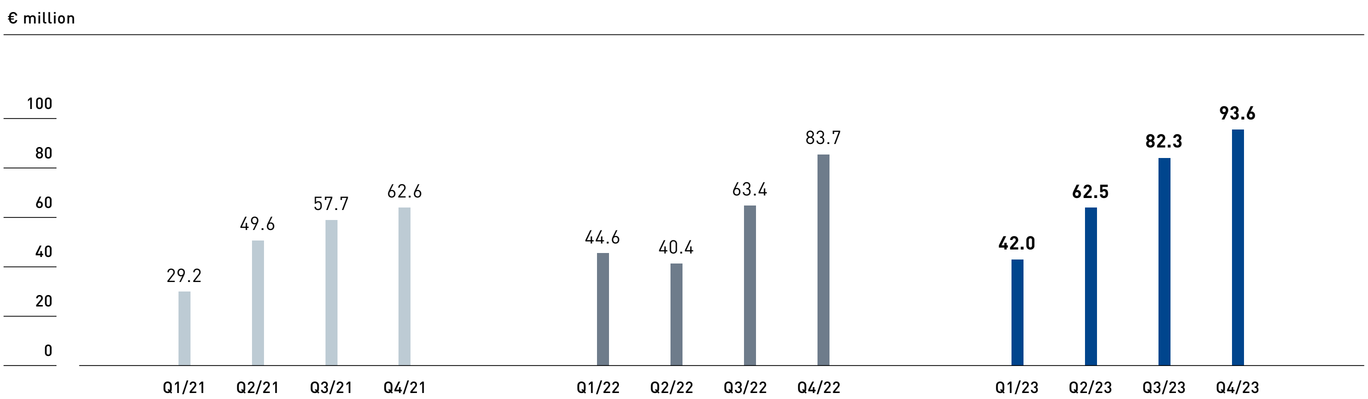
## EBIT BEFORE EXTRAORDINARY EFFECTS: UP 20.8%

With an increase of 20.8%, EBIT before extraordinary effects rose significantly more sharply than sales in 2023, reaching €280.4 million. This reflected the fact that gross profit adjusted for extraordinary effects was 10.2% or €98.2 million higher than in 2022. As expected, EBIT before extraordinary effects improved significantly over the course of the year. In the first half of the year, it amounted to €104.5 million and was characterized by seasonally subdued service business and the execution of older orders with lower margins. Subsequently, sales from high-margin service business increased more quickly than Group sales. Together with cost-cutting effects, economies of scale and the recognition of sales from higher-margin projects, this meant that EBIT before extraordinary effects rose to €175.9 million in the second half of the year, contributing 62.7% to the full-year figure. It achieved its highest quarterly figure of €93.6 million in the final quarter, marking an 11.8% increase compared to the same period in the previous year. Since being consolidated (August 31, 2023), BBS Automation generated EBIT before extraordinary effects of €7.4 million.

**2.53 — EBIT BY QUARTER**




**2.54 — EBIT BEFORE EXTRAORDINARY EFFECTS BY QUARTER**




The EBIT margin before extraordinary effects widened from 5.4% in the previous year to 6.1%. In the third and fourth quarters, it reached high figures of 7.1% and 7.0% respectively. At 9.9% and 8.0% respectively, Application Technology and Woodworking Machinery and Systems posted the highest margins. Both increased their margins from quarter to quarter, underscoring their earnings potential in the final quarter with figures of 13.1% (Application Technology) and 9.1% (Woodworking Machinery and Systems). At 6.3%, the Clean Technology Systems division also reached its target level of just over 6%.

Despite the better operating performance, EBIT fell by 7.0% to €191.4 million. The corresponding margin amounted to 4.1%, down from 4.8% in the previous year. This was due to the significant increase from €26.3 million to €89.0 million in net extraordinary expenses, mainly as a result of the adjustments to personnel capacities initiated at Woodworking Machinery and Systems. These adjustments were adopted in November in response to the sharp decline in orders received by the division. The related extraordinary expenses of €52.4 million very largely arose in the fourth quarter of 2023. This was the largest single item within net extraordinary expenses, followed by purchase price allocation effects of €–26.2 million. Of this, €–9.9 million resulted from the acquisition of BBS Automation. Assuming constant exchange rates, EBIT for 2023 would have come to €201.5 million.

**2.55 — EXTRAORDINARY EFFECTS WITHIN EBIT**

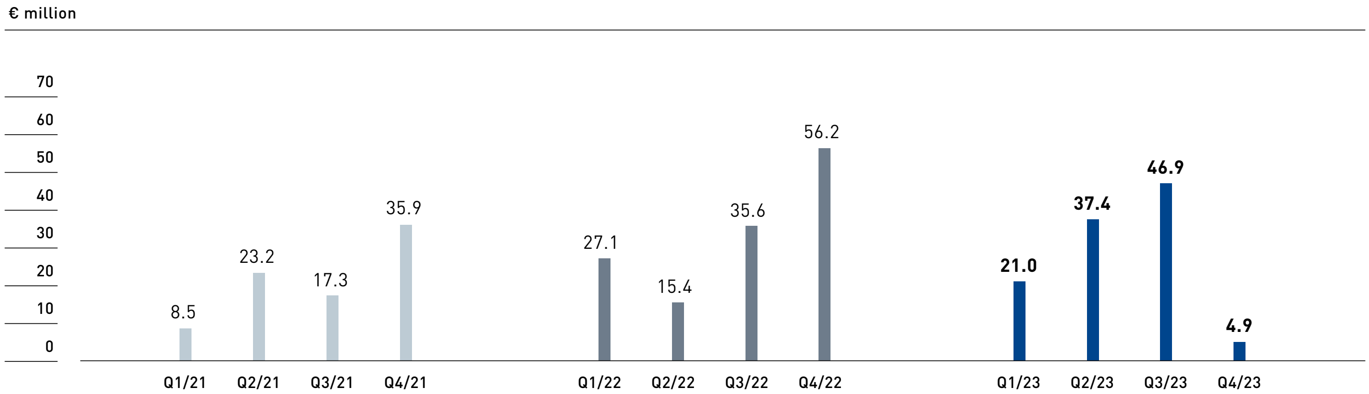
| € million | 2023 | | 2022 | | 2021 | |
|---|---|---|---|---|---|---|
| Paint and Final Assembly Systems[1] | –1.7 | • Purchase price allocation expense<br>• Restructuring expense/ impairment Russia<br>• Income from lower variable purchase price payment<br>• Income from the reversal of restructuring provisions | –4.1 | • Purchase price allocation expense/income<br>• Restructuring expense/ impairment Russia<br>• Income from lower variable purchase price payment<br>• Impairments | –5.5 | • Purchase price allocation expense/income<br>• Expense/income for measures to secure future viability/capacity adjustments in Europe |
| Application Technology | –0.6 | • Purchase price allocation expense<br>• Impairments<br>• Income from the reversal of restructuring provisions | 0.0 | – | –0.1 | • Purchase price allocation expense<br>• Expense/income for measures to secure future viability/capacity adjustments in Europe |
| Clean Technology Systems | –5.0 | • Purchase price allocation expense<br>• Closure of US plant<br>• Transaction costs for acquisition of Ingecal | –5.6 | • Purchase price allocation expense<br>• Closure of US plant | –7.3 | • Purchase price allocation expense<br>• Closure of US plant<br>• Integration expense for Megtec/Universal<br>• Income from sale of buildings |
| Industrial Automation Systems[2] | –18.3 | • Purchase price allocation expense<br>• Optimization expense for Production Automation Systems<br>• Restructuring expense/ impairment Russia | 1.4 | • Purchase price allocation expense<br>• Income from legal dispute<br>• Restructuring expense/ impairment Russia | –1.1 | • Purchase price allocation expense<br>• Expense/income for measures to secure future viability/capacity adjustments in Europe |
| Woodworking Machinery and Systems | –58.6 | • Purchase price allocation expense<br>• Expense for adjustments to personnel capacities<br>• Impairments<br>• Income from options on non-controlling interests | –17.3 | • Purchase price allocation expense<br>• Restructuring expense/ impairment Russia<br>• Personnel expense from acquisitions<br>• Restructuring expense/ income | –15.7 | • Purchase price allocation expense<br>• Capacity adjustment expense/income<br>• Transaction costs and personnel expense from acquisitions<br>• Impairments<br>• Income from the sale of a building |
| Corporate Center | –4.8 | • Acquisition-related costs<br>• Income from options on non-controlling interests | –0.7 | • Personnel expense from acquisitions | 6.3 | • Income from legal dispute<br>• Personnel expense from acquisitions |
| **Group** | **–89.0** | | **–26.3** | | **–23.5** | |

[1] Excluding Teamtechnik Group
[2] BBS Automation consolidated for the first time on August 31, 2023, including Teamtechnik Group

## FINANCIAL RESULT OF €–20.2 MILLION

The financial result amounted to €–20.2 million and weakened by €2.4 million compared to the previous year. Although interest income and investment income increased by a total of €24.9 million, interest expense increased slightly more by €27.3 million. This resulted from the green Schuldschein loan issued in April and the financing costs for the acquisition of BBS Automation. In addition, higher expenses arose in connection with the domination and profit transfer agreement with HOMAG Group AG and the pool agreement with the Schuler/Klessmann shareholder group.

**2.56 — EARNINGS AFTER TAX BY QUARTER**




## EARNINGS AFTER TAX LOWER DUE TO EXTRAORDINARY EXPENSES

While earnings before taxes decreased by 9.0% mainly as a result of the high extraordinary expenses, income taxes rose by 13.4% to €61.1 million. This was due to an increase in the tax rate from 28.6% to 35.6% resulting from the international distribution of the pre-tax earnings, the non-recognition of deferred taxes and higher tax provisions in connection with an ongoing tax audit. Overall, earnings after tax came to €110.2 million, thus reaching the lower end of the target corridor of €110 to €160 million and falling short of the previous year (€134.3 million). Consequently, basic earnings per share came to €1.62, down from €1.89 in the previous year.

In spite of the lower earnings after tax, we will once again be proposing a dividend of €0.70 per share for the 2023 fiscal year. This recognizes the fact that the decline in earnings was mainly due to higher extraordinary expenses, while operating earnings improved as expected. In addition, the free cash flow of €129.3 million was higher than forecast, leaving sufficient scope for an unchanged distribution of €48.4 million. The proposed dividend translates into 44.0% of earnings after tax (2022: 36.1%). Accordingly, the payout ratio is slightly higher than the range of 30% to 40% of earnings after tax defined in our dividend policy. The dividend proposal leaves Dürr AG with a remaining net retained profit of €640.9 million, which is to be carried forward.

## SEGMENT REPORT: DIVISIONS

**2.57 — EBIT BY DIVISION**

| € million | 2023 | 2022 | 2021 |
|---|---|---|---|
| Paint and Final Assembly Systems[1] | 67.4 | 51.8 | 34.7 |
| Application Technology | 60.0 | 48.9 | 41.2 |
| Clean Technology Systems | 25.3 | 5.8 | 9.2 |
| Industrial Automation Systems[2] | 11.3 | 20.0 | 18.4 |
| Woodworking Machinery and Systems | 71.1 | 107.5 | 76.6 |
| Corporate Center/consolidation | –43.6 | –28.0 | –4.4 |
| **Group** | **191.4** | **205.9** | **175.7** |

[1] Excluding Teamtechnik Group
[2] BBS Automation consolidated for the first time on August 31, 2023, including Teamtechnik Group

**2.58 — PAINT AND FINAL ASSEMBLY SYSTEMS – KEY FIGURES[1]**

| € million | 2023 | 2022 | 2021 | Q1 2023 | Q2 2023 | Q3 2023 | Q4 2023 |
|---|---|---|---|---|---|---|---|
| Order intake | 1,476.0 | 1,554.4 | 1,221.5 | 606.6 | 400.9 | 258.7 | 209.9 |
| Sales | 1,363.6 | 1,266.5 | 981.6 | 267.6 | 317.0 | 351.0 | 428.0 |
| Gross profit | 208.5 | 191.7 | 162.7 | 47.9 | 51.6 | 54.2 | 54.8 |
| EBITDA | 91.8 | 77.6 | 58.1 | 18.4 | 22.5 | 27.7 | 23.2 |
| EBIT | 67.4 | 51.8 | 34.7 | 12.4 | 16.4 | 21.7 | 16.8 |
| EBIT before extraordinary effects | 69.0 | 55.9 | 40.2 | 13.0 | 15.4 | 21.8 | 18.8 |
| EBIT margin | 4.9% | 4.1% | 3.5% | 4.6% | 5.2% | 6.2% | 3.9% |
| EBIT margin before extraordinary effects | 5.1% | 4.4% | 4.1% | 4.9% | 4.9% | 6.2% | 4.4% |
| Cash flow from operating activities | 63.8 | 38.5 | 35.8 | 55.5 | 2.3 | 4.8 | 1.3 |
| Capital expenditure | 28.2 | 29.0 | 25.6 | 7.8 | 5.8 | 10.7 | 4.0 |
| Capital employed | 251.4 | 247.6 | 188.8 | 199.9 | 210.6 | 231.4 | 251.4 |
| ROCE | 26.8% | 20.9% | 18.4% | 24.9% | 31.1% | 37.5% | 26.8% |
| Employees | 4,772 | 4,555 | 4,387 | 4,621 | 4,700 | 4,799 | 4,772 |

[1] The Teamtechnik Group was relocated from Paint and Final Assembly Systems to Industrial Automation Systems in the third quarter of 2023. The figures for 2022 and 2021 as well as for the first and second quarter of 2023 have been adjusted accordingly compared to the original figures.

**Paint and Final Assembly Systems**

At €1,476.0 million, order intake in the Paint and Final Assembly Systems division did not quite match the very high figure seen in 2022. Nevertheless, the book-to-bill ratio reached a pleasing 1.08. After an extremely strong first half of 2023 which saw several major orders, new orders were subsequently lower. In the third and fourth quarters, it became apparent that some automotive manufacturers needed more time to make their investment decisions. In addition, some orders were contested more aggressively, as competitors wanted to safeguard their capacity utilization. In this situation, we waived larger margin concessions under our “value before volume” strategy and – also in view of our good capacity utilization – were willing to lose bids on certain projects. Turning to 2024, we see potential for high order intake in the market for painting systems and final assembly lines, provided the automotive industry implements its projects as planned. E-mobility, the decarbonization of the painting process and the modernization of paint shops remain important investment motives.

At 7.7%, sales grew slightly more swiftly than in the Group. They picked up gradually in the course of the year, reflecting the project mix. While many orders were initially still in the preparation and engineering phase, they passed various milestones in the course of the year, resulting in increased recognition of revenues. In the final quarter, sales rose to a new three-month record of €428.0 million. Higher-margin service sales outpaced original equipment sales in 2023, accounting for over 30% of division sales.

The EBIT margin before extraordinary effects widened noticeably and, at 5.1%, moved closer to the target of at least 6.0%. Earnings benefited from the high volume of service business and an improved gross margin on services. In addition, we benefited from economies of scale arising from the sales growth and the execution of higher-margin orders. At 6.2%, the EBIT margin before extraordinary effects reached a high for the year in the third quarter. It was lower in the fourth quarter (4.4%), partly as a result of extra expenses for a project.

Capital expenditure fell slightly to €28.2 million. Priority was given to expanding our plant in Poland to benefit from local cost advantages in production and to developing the MOM (Manufacturing Operations Management) software suite for the integrated management of factories. Cash flow from operating activities was spurred by sales and earnings growth and related cash receipts from customers. As EBIT increased by 30.0% in tandem with virtually unchanged **capital employed, ROCE** **⟶ page 285** reached a high 26.8%.

**2.59 — APPLICATION TECHNOLOGY – KEY FIGURES**

| € million | 2023 | 2022 | 2021 | Q1 2023 | Q2 2023 | Q3 2023 | Q4 2023 |
|---|---|---|---|---|---|---|---|
| Order intake | 719.8 | 654.0 | 535.3 | 227.2 | 175.5 | 148.6 | 168.5 |
| Sales | 614.0 | 586.6 | 471.1 | 141.8 | 156.0 | 151.4 | 164.8 |
| Gross profit | 150.3 | 132.7 | 117.6 | 31.5 | 36.0 | 37.6 | 45.1 |
| EBITDA | 74.2 | 62.2 | 54.0 | 12.9 | 16.2 | 20.1 | 25.1 |
| EBIT | 60.0 | 48.9 | 41.2 | 9.8 | 12.1 | 16.5 | 21.6 |
| EBIT before extraordinary effects | 60.6 | 48.8 | 41.3 | 9.8 | 12.5 | 16.6 | 21.7 |
| EBIT margin | 9.8% | 8.3% | 8.7% | 6.9% | 7.8% | 10.9% | 13.1% |
| EBIT margin before extraordinary effects | 9.9% | 8.3% | 8.8% | 6.9% | 8.0% | 11.0% | 13.1% |
| Cash flow from operating activities | 85.3 | 32.5 | 13.6 | 22.0 | –5.5 | 11.8 | 56.9 |
| Capital expenditure | 19.4 | 14.1 | 9.9 | 2.3 | 5.8 | 5.9 | 5.3 |
| Capital employed | 297.2 | 309.8 | 291.3 | 301.8 | 319.6 | 328.5 | 297.2 |
| ROCE | 20.2% | 15.8% | 14.1% | 12.9% | 15.2% | 20.1% | 29.1% |
| Employees | 2,084 | 2,040 | 2,026 | 2,071 | 2,105 | 2,096 | 2,084 |

**Application Technology**

With order intake valued at €719.8 million, Application Technology surpassed the previous year's record by 10.1%. The basis for this was created in the first quarter by an extraordinarily high order intake (€227.2 million). Order intake in the second and fourth quarters was also very good by long-term standards. With the exception of North and Central America, the division registered order growth in all major market regions; orders in China were also up despite the less dynamic market environment.

Sales rose by 4.7% to €614.0 million. With a difference of over €100m compared to order intake, the book-to-bill ratio was 1.17. Sales from service business grew significantly more quickly than division sales, as more spare parts for painting robots were ordered in response to rising automotive production. At over 40%, the share of service business in sales was very high in the third and fourth quarters.

In addition to sales, the gross margin in service business also widened. Against this backdrop, EBIT before extraordinary effects grew by 24.1% year-on-year. The EBIT margin before extraordinary effects widened from quarter to quarter, reaching a peak of 13.1% in the fourth quarter. At 9.9% for the fiscal year as a whole, it came close to the pre-pandemic range of 10% to 11%.

Capital expenditure increased by 37.7% and entailed our development center for overspray-free painting and the capitalization of development costs. Cash flow from operating activities more than doubled, driven by the improvement in earnings as well as the reduction in inventories and high prepayments at the end of the year. At 20.2%, the ROCE ⟶ page 285 was high by Application Technology standards. This was due to the fact that capital employed was reduced slightly despite the increase in sales, while earnings increased sharply.

### 2.60 — CLEAN TECHNOLOGY SYSTEMS – KEY FIGURES

| € million | 2023 | 2022 | 2021 | Q1 2023 | Q2 2023 | Q3 2023 | Q4 2023 |
|---|---|---|---|---|---|---|---|
| Order intake | 480.4 | 587.1 | 449.6 | 158.4 | 114.6 | 93.0 | 114.4 |
| Sales | 481.2 | 456.1 | 388.3 | 100.8 | 123.7 | 124.3 | 132.5 |
| Gross profit | 97.0 | 71.1 | 66.7 | 18.2 | 23.7 | 27.2 | 27.9 |
| EBITDA | 34.7 | 15.7 | 18.6 | 3.5 | 9.4 | 11.7 | 10.1 |
| EBIT | 25.3 | 5.8 | 9.2 | 1.2 | 7.1 | 9.3 | 7.7 |
| EBIT before extraordinary effects | 30.3 | 11.4 | 16.5 | 2.2 | 8.1 | 10.3 | 9.8 |
| EBIT margin | 5.3% | 1.3% | 2.4% | 1.2% | 5.7% | 7.5% | 5.8% |
| EBIT margin before extraordinary effects | 6.3% | 2.5% | 4.3% | 2.2% | 6.5% | 8.3% | 7.4% |
| Cash flow from operating activities | 62.0 | 85.2 | 14.7 | 29.1 | 20.7 | –3.1 | 15.2 |
| Capital expenditure | 8.9 | 6.9 | 4.6 | 1.8 | 2.2 | 3.5 | 1.4 |
| Capital employed[1] | 48.8 | 64.6 | 139.0 | 36.0 | 23.8 | 38.0 | 48.8 |
| ROCE[1] | 51.9% | 9.0% | 6.6% | 13.3% | 119.3% | 98.3% | 63.1% |
| Employees[1] | 1,525 | 1,363 | 1,381 | 1,410 | 1,411 | 1,439 | 1,525 |

[1] Ingecal consolidated for the first time on November 17, 2023

**Clean Technology Systems**

Order intake at Clean Technology Systems decreased by 18.2% in 2023. However, it should be borne in mind that the previous year's figure had included an immensely high order volume in the fourth quarter of 2022. By contrast, order intake in the second half of 2023 was muted, especially in Europe and China. The chemical industry in Europe was reticent in placing orders as it was considering plans to relocate investments to other regions of the world in view of the high energy prices. As decisions on production locations were still pending, some battery manufacturers also took more time to place orders, especially as the e-mobility transformation is progressing somewhat more slowly than planned. As a result, order intake in our battery business was temporarily down. In North and South America, we benefited from a continued good market environment, with the continent accounting for more than half of the new orders in 2023.

Sales grew from quarter to quarter, resulting in an increase of 5.5% over the year as a whole. The greatest growth was registered in Germany and the United States, while sales in China were lower. Sales from service business did not climb quite as quickly as total sales. However, the gross margin on service business did widen substantially.

The division's earnings performance was exceptionally strong. EBIT before extraordinary effects rose almost threefold to €30.3 million. The EBIT margin before extraordinary effects climbed to a new record of 6.3%, with the third and fourth quarters particularly standing out with margins of 8.3% and 7.4%, respectively. This favorable performance was materially underpinned by successful price adjustments, the good market situation in North America, the high margins in service business and the improved procurement environment.

Capital expenditure rose by 29.0%. The main focus was on the further development of our technology for electrode coating, which resulted in additional cost reductions. Cash flow from operating activities declined despite the higher EBIT margin, as the improvement in net working capital slowed somewhat after the very good performance in the previous year. At 51.9%, the division achieved the highest **ROCE** **⟶ page 285** figure in the Group, as it was able to reduce **capital employed** **⟶ page 285** by just under one quarter in tandem with sharply higher earnings.

**2.61 — INDUSTRIAL AUTOMATION SYSTEMS – KEY FIGURES[1]**

| € million | 2023 | 2022 | 2021 | Q1 2023 | Q2 2023 | Q3 2023 | Q4 2023 |
|---|---|---|---|---|---|---|---|
| Order intake | 583.8 | 562.1 | 409.6 | 134.7 | 120.3 | 131.3 | 197.5 |
| Sales | 590.7 | 447.9 | 367.5 | 113.2 | 121.9 | 142.7 | 212.9 |
| Gross profit | 131.3 | 110.3 | 99.7 | 24.7 | 33.7 | 35.1 | 37.7 |
| EBITDA | 43.8 | 40.3 | 36.5 | 2.5 | 10.9 | 13.8 | 16.5 |
| EBIT | 11.3 | 20.0 | 18.4 | –2.5 | 5.8 | 5.4 | 2.5 |
| EBIT before extraordinary effects | 29.5 | 18.6 | 19.8 | –1.6 | 6.7 | 9.4 | 15.1 |
| EBIT margin | 1.9% | 4.5% | 5.0% | –2.2% | 4.7% | 3.8% | 1.2% |
| EBIT margin before extraordinary effects | 5.0% | 4.1% | 5.4% | –1.4% | 5.5% | 6.6% | 7.1% |
| Cash flow from operating activities | 29.2 | 21.6 | 19.6 | –4.5 | 4.9 | 20.6 | 8.1 |
| Capital expenditure | 27.0 | 20.3 | 20.1 | 4.6 | 4.0 | 5.9 | 12.5 |
| Capital employed | 845.0 | 359.1 | 318.7 | 363.6 | 366.6 | 852.0 | 845.0 |
| ROCE | 1.3% | 5.6% | 5.6% | –2.8% | 6.3% | 2.5% | 1.2% |
| Employees | 4,240 | 2,591 | 2,523 | 2,571 | 2,590 | 4,254 | 4,240 |

[1] The Industrial Automation Systems division was formed in the third quarter of 2023. It consists of the former Measuring and Process Systems division and the Production Automation Systems business unit with BBS Automation (consolidated since August 31, 2023) and the Teamtechnik Group (formerly part of Paint and Final Assembly Systems). The figures in the table are fully comparable, the figures for 2022 and 2021 have been adjusted retroactively. Please also refer to chapter 4.2 "Explanatory notes on the figures" and the subsection entitled "Organizational structure of the Group" in chapter 1.1 "The Group at a glance".

**Industrial Automation Systems**

Order intake in the Industrial Automation Systems division increased by 3.9% in 2023 as a result of the inclusion of BBS Automation in the final four months. The Production Automation Systems business unit initially experienced subdued demand. Project activity and order intake rose in the second half of the year. It became evident that the market welcomed the establishment of a large automation specialist comprising BBS Automation and the Teamtechnik Group. Order intake in the Measuring and Process Systems business unit remained at the previous year's level. In addition to balancing technology, filling systems for climate-friendly heat pumps were particularly in demand. New tooling business received a damper from muted market conditions in the woodworking sector.

Industrial Automation Systems sales grew by just under one third and thus substantially more quickly than order intake. This was largely due to the inclusion of BBS Automation. However, both business units also generated higher sales in the months prior to the consolidation of BBS Automation than in the previous year, benefiting from the improved supply chain situation. Service business accounted for less than 25% of sales at Industrial Automation Systems. Looking forward, there is considerable potential for growth in the service sector due to the Dürr Group's strong international presence. The gross margin on service business was significantly above the Group average.

The EBIT margin before extraordinary effects amounted to 5.0% in 2023, although in the medium term we see potential of just over 10%. The highest margin in the year under review was registered in the fourth quarter (7.1%), in which the Measuring and Process Systems business unit achieved very good earnings on high sales. BBS Automation also contributed to the improvement in the fourth quarter but fell short of its potential due to delays in the recognition of sales and earnings on high-margin projects. The division's muted earnings at the beginning of the year resulted from the execution of low-margin legacy orders at Teamtechnik. Thanks to process and structural improvements and the synergistic benefits derived from BBS Automation, Teamtechnik should achieve a margin in line with industry standards in the medium term.

The increase in capital expenditure was partly due to the time-proportionate inclusion of BBS Automation. One important project concerned the construction of the new tooling site in Gengenbach with modern production processes and space for future growth. A further priority was the Schenck ONE software family, which, in addition to high-precision software for measuring imbalances, also includes supporting applications for the entire balancing process. Cash flow from operating activities came to €29.2 million and was firmly in positive territory. In connection with the ROCE of 1.3%, it should be borne in mind that capital employed increased sharply as a result of the acquisition of BBS Automation. On the other hand, this company's EBIT was only included in the calculation of the **ROCE ⟶ page 285** from the date on which it was first consolidated.

**2.62 — WOODWORKING MACHINERY AND SYSTEMS – KEY FIGURES**

| € million | 2023 | 2022 | 2021 | Q1 2023 | Q2 2023 | Q3 2023 | Q4 2023 |
|---|---|---|---|---|---|---|---|
| Order intake | 1,395.5 | 1,705.8 | 1,712.8 | 352.6 | 318.8 | 296.6 | 427.4 |
| Sales | 1,625.1 | 1,602.1 | 1,366.4 | 403.8 | 412.9 | 405.5 | 402.8 |
| Gross profit | 418.6 | 433.6 | 368.6 | 110.8 | 119.4 | 110.3 | 78.1 |
| EBITDA | 118.7 | 163.0 | 134.2 | 36.5 | 39.2 | 44.1 | –1.2 |
| EBIT | 71.1 | 107.5 | 76.6 | 25.3 | 27.8 | 31.5 | –13.4 |
| EBIT before extraordinary effects | 129.7 | 124.8 | 92.0 | 27.0 | 29.7 | 36.4 | 36.5 |
| EBIT margin | 4.4% | 6.7% | 5.6% | 6.3% | 6.7% | 7.8% | –3.3% |
| EBIT margin before extraordinary effects | 8.0% | 7.8% | 6.7% | 6.7% | 7.2% | 9.0% | 9.1% |
| Cash flow from operating activities | 108.9 | 104.4 | 159.6 | 4.2 | –9.8 | 42.4 | 72.0 |
| Capital expenditure | 70.8 | 65.5 | 45.9 | 12.3 | 23.9 | 18.2 | 16.4 |
| Capital employed | 444.0 | 421.5 | 381.5 | 445.5 | 504.9 | 500.2 | 444.0 |
| ROCE | 16.0% | 25.5% | 20.1% | 22.7% | 22.0% | 25.2% | –12.1% |
| Employees | 7,348 | 7,525 | 7,164 | 7,570 | 7,576 | 7,482 | 7,348 |

**Woodworking Machinery and Systems**
Order intake at Woodworking Machinery and Systems was significantly impacted by the cyclical decline in demand in the furniture and timber house sectors. Orders fell by 18.2% compared to the previous year, that had still been dominated by the pandemic-induced boom in the furniture industry. This was also due to the unexpectedly strong decline in investments in production technology for timber construction elements due to the rise in interest rates and the crisis in the construction industry. In terms of individual quarters, the large volume of orders at the end of the year stands out and reflects two major orders in China and Spain. However, we do not yet see any signs of a turnaround and do not expect a general recovery in the market before the end of 2024.

Sales were hardly affected by the decline in orders in 2023, as the division was able to run off a high order backlog of €1,101.7 million (December 31, 2022). Therefore, revenues slightly exceeded the previous year's record (up 1.4%). Service sales grew somewhat more sharply despite the fact that many customers were not operating at full capacity utilization.

The EBIT margin before extraordinary effects widened to 8.0% in 2023 despite the difficult environment. This was due to the high sales, the efficiency improvements of earlier years as well as price increases in 2022 and cost reductions in response to the market slowdown. In the fourth quarter, the division achieved an EBIT margin of 9.1% before extraordinary effects, underscoring its earnings potential.

Looking forward to 2024, we project a sharp decline in sales and earnings as a result of the muted orders. In order to avoid losses, personnel measures were adopted in November involving the reduction of around 600 jobs at HOMAG worldwide and are intended to reduce fixed costs initially by €25 million and, from 2025, by a total of €50 million per year. The extraordinary expenses in this connection amounted to €52.4 million and were largely recognized in the fourth quarter of 2023. As a result of this one-off effect, the EBIT margin narrowed to 4.4% in the year under review.

Under the investment program at HOMAG, which has been ongoing since 2021, capital expenditure increased by 8.1%. The program aims to boost production and logistics efficiency. In 2023, for example, a new logistics center went into operation in Schopfloch. As a result, we no longer require external warehouses and can reduce costs and inventories. The cash flow from operating activities increased slightly to €108.9 million. This was mainly due to the improvement in gross profit before extraordinary effects, while the change in net working capital was similar to that of the previous year. After the high figure achieved in the previous year, ROCE ⟶ page 285 fell as a result of lower EBIT and a slight increase in capital employed.

**Corporate Center**

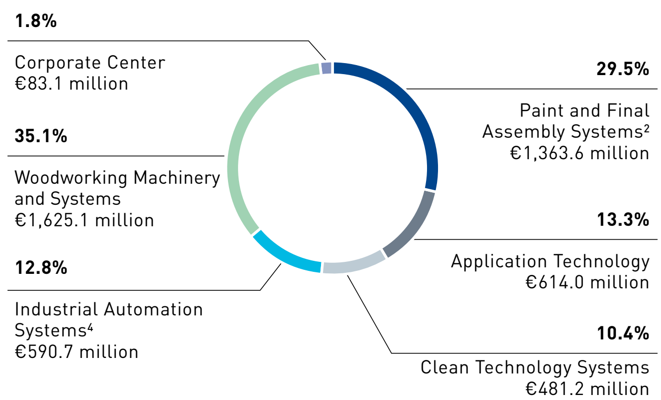
Corporate Center EBIT came to €–43.6 million, compared with €–28.0 million in the previous year. The decline was mainly due to higher expenditure on synergy projects under the OneDürrGroup program as well as transaction costs in connection with the acquisition of BBS Automation. The consolidation effects included in Corporate Center EBIT stood at €–3.3 million (2022: €–1.3 million). Adjusted for extraordinary effects, the Corporate Center's EBIT would have amounted to €–38.8 million. The costs of the Corporate Center are materially covered by income received from the Group companies for recharged payments, as intra-Group services, e.g. in the areas of IT, law, tax and finance, are provided for the Group companies.

## 2.63 — SALES, ORDER INTAKE AND EMPLOYEES (DECEMBER 31, 2023) BY DIVISION

# 4,627.3

SALES (€ MILLION)

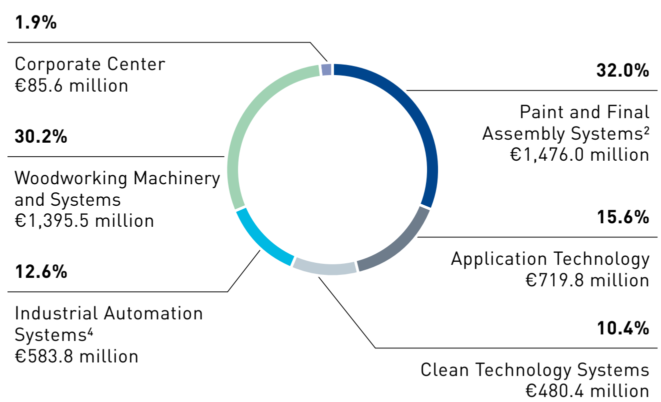
### SALES[1]




# 4,615.5

ORDER INTAKE (€ MILLION)

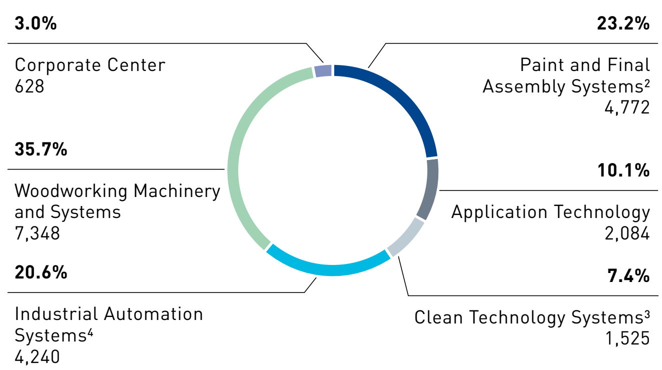
### ORDER INTAKE[1]




# 20,597

EMPLOYEES

### EMPLOYEES




[1] The consolidated figure for sales and order intake does not equal the sum total of the figures for the divisions and the Corporate Center as internal sales and order intake are eliminated for consolidation purposes.
[2] Excluding Teamtechnik Group
[3] Including Ingecal employees since November 17, 2023
[4] BBS Automation consolidated for the first time on August 31, 2023, including Teamtechnik Group

# 4.5 Financial development

## FUNDING AND LIQUIDITY MANAGEMENT

Our central funding and liquidity management is aimed at covering financing and liquidity requirements, optimizing earnings and financing costs as well as mitigating financial risks. The principle of our liquidity management is to always have an adequate volume of cash and cash equivalents available in order to meet payment obligations at any time.

Cash flow from operating activities is the principal source of funding. We reinforce it through disciplined net working capital management, enabling us to tie down resources for no longer than 40 to 50 days. In addition, cash flow should benefit in the future from the increase in sales and margins targeted as part of our mid-cycle goals.

As a rule, debt finance is raised by Dürr AG and made available to the Group companies as required. Liquidity management is another task of Dürr AG. Its cash pooling system serves to consolidate most of the Group's cash and cash equivalents, unless capital flows are restricted by the rules and regulations of individual states. In countries where this is the case (China, for example), our national companies largely obtain their funding locally.

Group Treasury invests surplus funds in compliance with our financial asset management policy. At €1,037.2 million, cash and cash equivalents (including term deposits) at year-end 2023 were up by 19.8% year-on-year (€866.1 million) and accounted for 20.1% of total assets (Dec. 31, 2022: 19.1%).

## FUNDING STRUCTURE

In early April 2023, a tranche of €50 million of our Schuldschein loan placed in 2016 was repaid. On April 6, 2023, we placed a green Schuldschein loan, the proceeds of which (amounting to €300 million) we received on April 20. It consists of tranches subject to fixed and variable interest rates and non-current maturities of four, five, and seven years; the average interest rate amounts to approximately 4.8% p.a. The proceeds are fully reserved for funding sustainable product innovations as well as climate-friendly projects and investments.

On June 12, 2023, we concluded an additional syndicated credit line amounting to €500 million. It serves exclusively as bridge financing for the acquisition of BBS Automation on August 31, 2023, its utilization amounts to €300 million. The volume of the syndicated credit line was accordingly reduced to €300 million after the acquisition was completed in 2023. In view of our continually expected high overall liquidity, we plan to repay it in 2024.

Our funding structure comprised the following elements as of December 31, 2023:

- Sustainability-linked convertible bond: The convertible bond with a value of €150 million placed in September 2020 matures in January 2026. The coupon amounts to 0.75% p.a.; the conversion price owing to the dividend payments made since the time of placement currently amounts to €32.44 per share. The conversion price originally came to €34.22 per share, equivalent to a premium of 40%. The convertible bond is linked to a sustainability component in the form of a separate interest rate derivative. If our EcoVadis sustainability rating does not improve to a certain level, we pay a fixed amount to UniCredit Bank, which will use it to support sustainable projects.

- Five Schuldschein loans, four of which sustainability-linked: In 2019, we were the first company worldwide to place a sustainability-linked Schuldschein loan worth €200 million. As with the Schuldschein loans placed in the subsequent year, its interest rate is linked to our sustainability rating. The tranches mature in no later than ten years; the interest rate at the time of issue amounted to an average of approximately 0.8% p.a. The sustainability-linked Schuldschein loan issued in March 2020 has a volume of €115 million with an average interest rate of approximately 0.9% p.a. at issue. We secured a further €200 million by placing another sustainability-linked Schuldschein loan in December 2020. The interest rate at issue averaged 2.0% p.a., and we received the proceeds in January 2021. Both Schuldschein loans issued in 2020 consist of tranches with maturities of up to ten years. Their interest is linked to our EcoVadis sustainability rating. In addition, there is the above-mentioned green Schuldschein loan amounting to €300 million that we placed in April 2023. A further €100 million is still available from a Schuldschein loan placed in 2016 without a sustainability component (average interest rate 1.6% p.a. on placement, maturing no later than 2026).

- **Syndicated credit line:** In June 2023, we agreed the above-mentioned syndicated credit line in view of the acquisition of BBS Automation, which we utilized to an extent of €300 million on completion of the takeover. The term of this bridge financing is 12 months and can be prolonged twice by 6 months each time.

- **Syndicated loan:** In December 2023, we adjusted the syndicated loan existing since 2019 to our growing volume of business and simultaneously extended its term. The loan now consists of a cash line amounting to €750 million (previously €500 million) and a guarantee line of €500 million (previously: €250 million). The interest payable is linked to the reduction of our $CO_2$ emissions. If, in the process, the Dürr Group reaches a defined target bandwidth, the interest rate will decline by 0.02 percentage points; if it fails to reach the target bandwidth, the interest rate will increase by 0.02 percentage points. The first measurement of target achievement will take place in 2024. Its maturity is scheduled to end in 2028 and can be extended by two years.

- **Leases:** At the end of 2023, leasing liabilities in accordance with IFRS 16 amounted to €118.1 million (Dec. 31, 2022: €94.8 million).

- **Bilateral credit facilities utilized:** Their volume came to €63.9 million as of December 31, 2023 (December 31, 2022: €37.5 million).

- **Other:** We make use of money market and capital market instruments. Off-balance sheet financing instruments in the form of sales of receivables (mainly forfaiting) were used to an extent of €38.7 million in 2023 (Dec. 31, 2022: €0.0 million).

For further information on the deployment of financial instruments, please refer to the subsection entitled "Currency, interest rate and liquidity risks as well as financial instruments for risk mitigation purposes" in chapter 6.1 **"Risks" ⟶ page 113**.

**2.64 — FINANCIAL LIABILITIES (DECEMBER 31)**

| € million | 2023 | 2022 | 2021 |
|---|---|---|---|
| Convertible bond/Schuldschein loan(s) | 1,058.0 | 806.3 | 803.7 |
| Liabilities to banks | 357.0 | 0.9 | 27.0 |
| Leasing liabilities | 118.1 | 94.8 | 95.7 |
| Other interest-bearing financial liabilities | 2.2 | 1.9 | 1.8 |
| Interest deferral | 18.7 | 8.7 | 9.2 |
| **Total** | **1,554.0** | **912.6** | **937.4** |
| of which due within one year | 486.9 | 87.8 | 39.6 |

The significant increase in financial liabilities to €1,554.0 million as of December 31, 2023 (+70.3%) largely resulted from the placement of the green Schuldschein loan amounting to €300 million and the utilization of the syndicated credit line for the acquisition of BBS Automation. At the end of 2023, we had credit and guarantee lines totaling €2,761.2 million at our disposal. Of this sum, €1,086.8 million were utilized, including the syndicated credit line for the takeover of BBS Automation. As in the previous year, the cash line of the syndicated loan remained unutilized. Apart from the guarantee line under the syndicated loan, there are additional guarantee lines amounting to €1,147.3 million.

## FREE CASH FLOW UP YEAR-ON-YEAR

**2.65 — CASH FLOWS**

| € million | 2023 | 2022 | 2021 |
|---|---|---|---|
| Cash flow from operating activities | 287.5 | 264.7 | 257.0 |
| Cash flow from investing activities | –256.6 | 13.3 | –121.9 |
| Cash flow from financing activities | 301.7 | –141.3 | –334.2 |
| Free cash flow | 129.3 | 117.1 | 120.8 |
| Cash conversion rate in % | 117.3 | 87.2 | 142.3 |

**2.66 — CALCULATION OF CASH FLOW FROM OPERATING ACTIVITIES AND FREE CASH FLOW[1]**

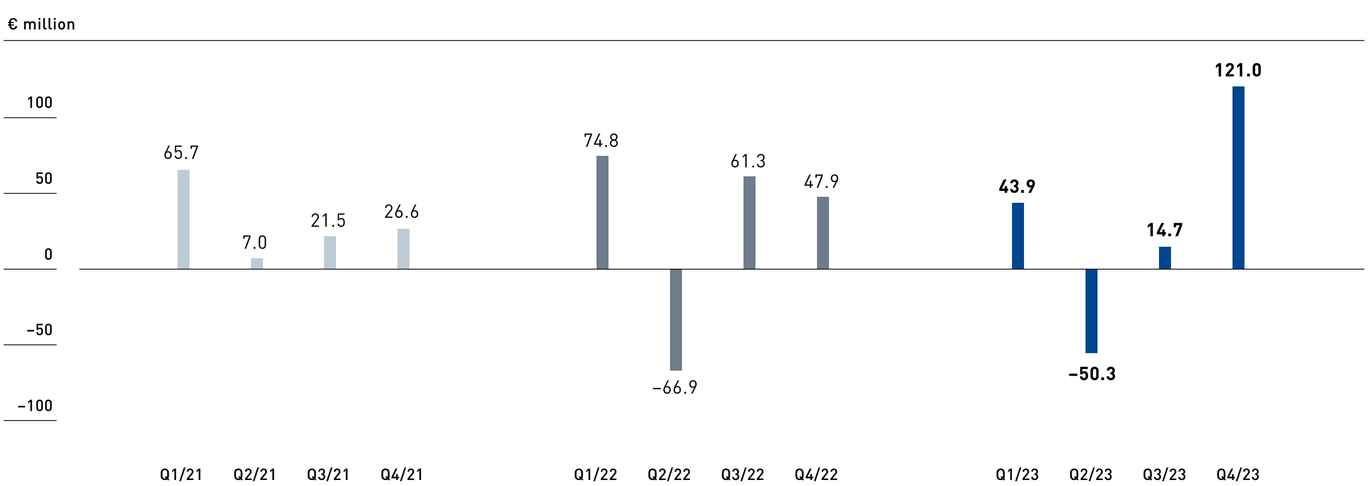
| € million | 2023 | 2022 | 2021 |
|---|---|---|---|
| Earnings before income taxes | 171.3 | 188.1 | 132.6 |
| Depreciation and amortization | 130.8 | 131.6 | 123.7 |
| Net interest income/loss | 24.8 | 19.1 | 42.9 |
| Income tax payments | –83.6 | –59.2 | –45.5 |
| Change in provisions | 32.4 | –47.3 | –18.0 |
| Change in net working capital | –9.2 | 13.9 | 19.9 |
| Other | 21.1 | 18.5 | 1.5 |
| **Cash flow from operating activities** | **287.5** | **264.7** | **257.0** |
| Interest payments (net) | –6.8 | –14.8 | –22.8 |
| Repayment of leasing liabilities | –34.7 | –31.1 | –34.3 |
| Investment in property, plant and equipment, and intangible assets | –116.8 | –101.8 | –79.0 |
| **Free cash flow** | **129.3** | **117.1** | **120.8** |
| Dividend payments | –49.1 | –37.4 | –23.8 |
| Payments for acquisitions | –353.2 | –30.7 | –77.7 |
| Other cash flows[2] | –197.3 | 4.1 | –69.8 |
| **Change in net financial status** | **–470.3** | **53.1** | **–50.5** |

[1] Currency translation effects were eliminated in the cash flow statement. Accordingly, the changes in balance sheet line items indicated cannot be fully reflected in the balance sheet.
[2] Including, inter alia, effects of the consolidation of BBS Automation (above all, takeover and repayment of financial obligations).

**Cash flow from operating activities** improved by €22.8 million in 2023, to €287.5 million. On the one hand, earnings before income taxes declined slightly; on the other, this also included provisions set up, whereas provisions had been reversed in 2022. Compared to the previous year, this resulted in a positive effect of €79.7 million, which was reduced due to higher income tax payments and changes in **net working capital (NWC)** ⟶ **page 285**. NWC increased overall by €129.4 million, to €545.3 million. In addition to a slight operating buildup, this is chiefly attributable to the first-time consolidation of BBS Automation. The turnover time of NWC (days working capital) was 42.4 days at the end of 2023, within the lower half of the target corridor of 40 to 50 days.

**Cash flow from investing activities** amounted to €–256.6 million, down by €269.9 million year-on-year. This change was due to the substantially higher disbursements for acquisitions compared to the previous year. The lion's share of these – namely €303.9 million – related to the takeover of BBS Automation. Additional factors were disbursements for the acquisition of Ingecal and the purchase of equity interests in subsidiaries. In contrast, €150 million in term deposits were liquidated, exceeding the previous year's figure of €104.6 million. Payments for acquisition of property, plant, and equipment as well as intangible assets were up by €15.0 million year-on-year, to €116.8 million. There were no inflows realized by assets available for sale (2022: €6.4 million).

**2.67 — FREE CASH FLOW BY QUARTER**



**Cash flow from financing activities** amounted to €301.7 million (2022: €–141.3 million). It essentially comprised inflows of funds from the green Schuldschein loan placed in April and from the syndicated credit line for the acquisition of BBS Automation. This was offset by outflows of funds from the partial repayment of the Schuldschein loan dating back to 2016, from payment of interest and dividends as well as from the debt redemption of companies acquired (above all, BBS Automation) and of lease liabilities. In the previous year, cash flow from financing activities comprised similarly high outflows from payment of interest and dividends and from repayment of lease liabilities and non-current financial obligations. In addition, a payment was made for the assumption of the remaining equity interests (49%) in the Italian subsidiary CPM.

**Free cash flow** reflects the volume of funds freely available after all expenses in a given period in order to pay dividends, make acquisitions, and/or lower the level of debt. At €129.3 million in 2023, it was slightly higher than the previous year's level of €117.1 million. In this context, the improved operating cash flow and lower interest payments more than offset the higher outflows attributable in particular to investments in property, plant, and equipment as well as intangible assets. In order to assess the adequacy of free cash flow in relation to the financing of our growth, we consider the cash conversion rate. It expresses the ratio of free cash flow to after-tax earnings and is expected to sustainably exceed 80% after completion of the investment program at HOMAG. In 2023, the cash conversion rate rose to 117.3% (2022: 87.2%).

**2.68 — NET FINANCIAL STATUS (DECEMBER 31)**

| | € million | 2023 | 2022 | 2021 |
|---|---|---|---|---|
| + | Checks, cash in hand, and balances with banks | 1,037.1 | 716.1 | 583.1 |
| + | Securities and term deposits | 0.2 | 150.1 | 254.8 |
| – | Convertible bond | 144.9 | 142.5 | 140.2 |
| – | Liabilities to banks | 357.0 | 0.9 | 27.0 |
| – | Schuldschein loans | 913.1 | 663.8 | 663.5 |
| – | Accrued/deferred interest on financial liabilities | 18.7 | 8.7 | 9.2 |
| – | Leasing liabilities | 118.1 | 94.8 | 95.7 |
| – | Other loans | 2.2 | 1.9 | 1.8 |
| = | **Net financial status** | **–516.6** | **–46.4** | **–99.5** |

Net financial debt increased substantially by €470.3 million compared to year-end 2022, to €516.6 million. The key factors in this regard were the payment of the purchase price for BBS Automation and the assumption of financial obligations and lease liabilities of the company. The Dürr Group's overall lease liabilities as of December 2023 rose to €118.1 million (December 31, 2022: €94.8 million). The ratio of net financial debt to EBITDA increased to 1.6 (2022: 0.1), but thus remained below our defined maximum value of 2.0.

## OPERATING PERFORMANCE INDICATORS: ORDER INTAKE, SALES, EBIT MARGIN BEFORE EXTRAORDINARY EFFECTS, ROCE, AND FREE CASH FLOW

**2.69 — PERFORMANCE INDICATORS**

| | | 2023 | 2022 | 2021 |
|---|---|---|---|---|
| Order intake | € million | 4,615.5 | 5,008.4 | 4,291.0 |
| Sales | € million | 4,627.3 | 4,314.1 | 3,536.7 |
| EBIT margin before extraordinary effects | % | 6.1 | 5.4 | 5.6 |
| ROCE | % | 11.2 | 17.3 | 15.5 |
| Free cash flow | € million | 129.3 | 117.1 | 120.8 |

Our key performance indicators are order intake, sales, ROCE and, particularly at Group level, free cash flow. EBIT margin before extraordinary effects has been an additional factor since 2023. In the past, we relied more significantly on the EBIT margin; the adjustment of extraordinary effects facilitates a better assessment of operating profitability and more meaningful period comparisons, however. At the divisional level, an additional focus is on order margins and net working capital as performance indicators. Net working capital, in turn, has a decisive influence on cash flow development.

We also work with non-financial performance indicators that assist us in the Group's management and strategic orientation. Examples are key figures on employee and customer satisfaction, further training, ecology/sustainability, and R&D/innovation. While the non-financial performance indicators are becoming increasingly important, they do not serve a primary role in steering the Company. Instead, they facilitate extended findings on the situation prevailing within the Group, providing information for decision-making on that basis. A detailed analysis of non-financial topics and performance indicators is contained in section 2 **"Group non-financial statement" ⟶ page 42**.

The analysis of order intake and the resulting sales enables us to engage in forward-looking capacity planning. As a rule, sales realization lags six to twelve months behind order intake in systems business; for large paint equipment orders, the lag time is up to 24 months. Order intake for the year 2023 (€4,615.5 million) was within the target corridor (€4,400 to €4,800 million), giving us high visibility with respect to the realization of sales in 2024. The analysis of margins in order intake enables us to estimate the earnings trend in 2024 relatively well. Sales and earnings in the current year, especially in the case of HOMAG, also depend on further development of the order intake and the utilization of production capacities, however.

We measure our profitability in particular by means of the EBIT margin before extraordinary effects. In 2023, it rose to 6.1%, thus reaching the lower end of the target bandwidth (6.0% to 7.0%). This increase chiefly resulted from the improved supply chain situation and the execution of projects with higher margins. After extraordinary effects, the EBIT margin declined to 4.1% and was thus lower than the target bandwidth (4.5% to 5.5%) adjusted in October 2023. The provisions for job cuts set up at HOMAG were the main reason for this. Please refer to chapter 4.3 **"General statement by the Board of Management and target achievement" ⟶ page 83** for the adjustment of the earnings forecast.

ROCE shows whether we generate an appropriate return on our capital employed, and thus represents the basis for efficient capital allocation. Capital employed takes account of all assets except cash and cash equivalents and financial assets, less non-interest-bearing liabilities. Due to the EBIT decline and the increase in capital employed owing to the acquisition of BBS Automation, ROCE in 2023 decreased to 11.2% (previous year: 17.3%).

ROCE (in %) is calculated as follows:

$$\frac{EBIT}{Capital\ employed} \times 100$$

**2.70 — VALUE ADDED**

| | | 2023 | 2022 | 2021 |
|---|---|---|---|---|
| Capital employed (December 31) | € million | 1,715.3 | 1,189.3 | 1,132.8 |
| ROCE | % | 11.2 | 17.3 | 15.5 |
| NOPAT | € million | 134.0 | 144.1 | 123.0 |
| Weighted average cost of capital (WACC) | % | 9.87 | 10.58 | 7.43 |
| Dürr Group Value Added (DGVA) | € million | –35.3 | 18.3 | 38.8 |

Dürr Group Value Added (DGVA) reflects the value added that our Company generates in a fiscal year. Due to the high extraordinary effects in connection with the planned job cuts at HOMAG, we generated negative value added in 2023. The realization of cost savings at HOMAG and our continual focus on margin improvement constitute the basis for a return to positive value added in the future.

We determine capital costs as the weighted average cost rate of equity and borrowing costs before taxes (weighted average cost of capital: WACC). In calculating the cost of equity, a beta factor is considered, derived from capital market data and the capital structure of peer group companies. The borrowing costs comprise a basic – virtually risk-free – interest rate for bonds and a surcharge determined from the credit rating of comparable peer group companies. In 2023, capital costs were slightly lower than the previous year's level.

DGVA is calculated as follows:

*DGVA = NOPAT – (WACC × capital employed)*

- NOPAT = Net Operating Profit After Taxes/EBIT after fictitious taxes
- WACC = Weighted Average Cost of Capital

In the context of the performance indicator ROCE, the rule is that added value is generated when the return on capital employed exceeds the average cost of capital by at least the fictitious tax rate. In 2023, this was the case in all divisions except Industrial Automation Systems. Paint and Final Assembly Systems as well as Clean Technology Systems each achieved a very high ROCE, as the margins increased and the level of capital deployed generally is relatively low in the system business. The low ROCE of Industrial Automation Systems resulted on the one hand from the substantial increase of capital employed owing to the acquisition of BBS Automation. On the other hand, when calculating the ROCE of BBS Automation, EBIT was only taken into account pro rata temporis since the start of consolidation. Accordingly, the lower EBIT generated by the division prior to the consolidation of BBS Automation was taken into account to a disproportionate degree.

**2.71 — ROCE OF THE DIVISIONS**

| % | 2023 | 2022 | 2021 |
|---|---|---|---|
| Paint and Final Assembly Systems | 26.8 | 20.9 | 18.4 |
| Application Technology | 20.2 | 15.8 | 14.1 |
| Clean Technology Systems | 51.9 | 9.0 | 6.6 |
| Industrial Automation Systems[1] | 1.3 | 5.6 | 5.6 |
| Woodworking Machinery and Systems | 16.0 | 25.5 | 20.1 |

[1] BBS Automation consolidated since August 31, 2023

## TOTAL ASSETS INCREASED

**2.72 — KEY BALANCE SHEET FIGURES**

| | | 2023 | 2022 | 2021 |
|---|---|---|---|---|
| Net financial status (Dec. 31) | € million | –516.6 | –46.4 | –99.5 |
| Net financial liabilities in relation to EBITDA | | 1.6 | 0.1 | 0.3 |
| Gearing (Dec. 31) | % | 30.5 | 4.0 | 9.0 |
| Net working capital (NWC) (Dec. 31) | € million | 545.3 | 415.9 | 427.9 |
| Days working capital | Days | 42.4 | 34.7 | 43.6 |
| Inventory turnover | Days | 60.8 | 71.1 | 70.1 |
| Inventory turnover receivables/days sales outstanding | Days | 49.2 | 49.6 | 59.8 |
| Equity assets ratio (Dec. 31) | % | 61.4 | 75.8 | 68.7 |
| Asset coverage (Dec. 31) | % | 125.4 | 140.5 | 140.8 |
| Asset intensity (Dec. 31) | % | 37.2 | 32.7 | 35.3 |
| Current assets to total assets (Dec. 31) | % | 62.8 | 67.3 | 64.7 |
| Degree of asset depreciation | % | 48.2 | 49.3 | 47.6 |
| Depreciation expense ratio | % | 6.8 | 6.9 | 7.0 |
| Cash ratio (Dec. 31) | % | 37.7 | 29.2 | 27.9 |
| Quick ratio (Dec. 31) | % | 59.4 | 52.1 | 54.6 |
| Equity ratio (Dec. 31) | % | 22.8 | 24.8 | 24.2 |
| Total assets (Dec. 31) | € million | 5,156.0 | 4,530.9 | 4,153.6 |

Total assets at the end of 2023 came to €5,156.0 million, up by 13.8% year-on-year. On the assets side, non-current assets increased substantially due to the acquisition of BBS Automation. Current assets likewise rose, which was chiefly attributable to the placement of the green Schuldschein loan and the reversal of term deposits. The increase in contract assets was more or less offset by the reduction in inventories. Total liquidity, which also includes term deposits, amounted to €1,037.2 million as of December 31, 2023 (Dec. 31, 2022: €866.1 million).

### 2.73 — NON-CURRENT AND CURRENT ASSETS (DEC. 31)

| € million | 2023 | in % of total assets | 2022 | 2021 |
|---|---|---|---|---|
| Intangible assets | 1,088.8 | 21.1% | 717.3 | 730.8 |
| Property, plant & equipment | 655.2 | 12.7% | 588.5 | 568.0 |
| Other non-current assets | 172.3 | 3.3% | 176.5 | 165.9 |
| **Non-current assets** | **1,916.3** | **37.2%** | **1,482.3** | **1,464.7** |
| Inventories | 781.4 | 15.2% | 852.5 | 688.8 |
| Contract assets | 674.1 | 13.1% | 617.0 | 457.0 |
| Trade receivables | 598.7 | 11.6% | 559.2 | 558.6 |
| Cash and cash equivalents | 1,037.1 | 20.1% | 716.1 | 583.1 |
| Other current assets | 148.4 | 2.9% | 303.8 | 401.5 |
| **Current assets** | **3,239.7** | **62.8%** | **3,048.6** | **2,689.0** |

### 2.74 — EQUITY (DEC. 31)

| € million | 2023 | in % of total assets | 2022 | 2021 |
|---|---|---|---|---|
| Subscribed capital | 177.2 | 3.4% | 177.2 | 177.2 |
| Other equity | 992.7 | 19.3% | 941.5 | 823.0 |
| **Equity attributable to shareholders** | **1,169.9** | **22.7%** | **1,118.7** | **1,000.1** |
| Non-controlling interest | 7.1 | 0.1% | 5.5 | 5.5 |
| **Total equity** | **1,177.0** | **22.8%** | **1,124.2** | **1,005.6** |

Equity as of December 31, 2023, was up by €52.8 million, or 4.7%, reaching €1,177.0 million. The contribution of after-tax earnings, amounting to €110.2 million, was reduced by the outflow of the dividend paid for 2022 and by negative currency translation effects. As the level of total assets outpaced equity capital growth due to the issue of the Schuldschein loan and the consolidation of BBS Automation, the equity capital ratio declined to 22.8% (Dec. 31, 2022: 24.8%). Our target remains unchanged at 30%.

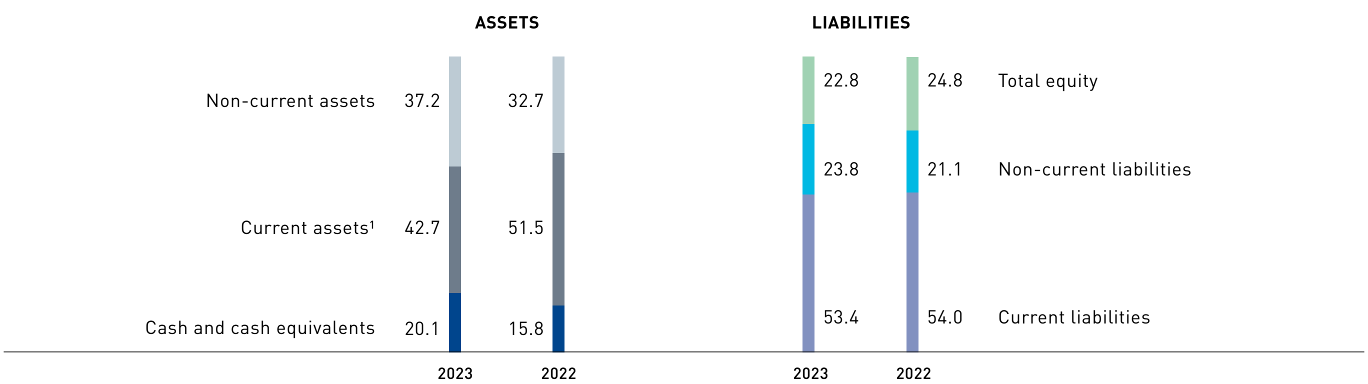
### 2.75 — CURRENT AND NON-CURRENT LIABILITIES (DEC. 31)

| € million | 2023 | in % of total assets | 2022 | 2021 |
|---|---|---|---|---|
| Financial liabilities (incl. convertible bond; Schuldschein loan(s)) | 1,554.0 | 30.1% | 912.6 | 937.4 |
| Provisions (incl. pensions) | 249.3 | 4.8% | 210.0 | 269.4 |
| Contract liabilities | 939.2 | 18.2% | 1,041.7 | 932.8 |
| Trade payables | 603.7 | 11.7% | 606.2 | 373.0 |
| Deferred tax liabilities and income tax liabilities | 130.9 | 2.5% | 121.2 | 104.0 |
| Other liabilities | 502.0 | 9.7% | 515.1 | 531.4 |
| **Total** | **3,979.0** | **77.2%** | **3,406.8** | **3,148.0** |

Current and non-current liabilities since year-end 2022 were up by 16.8% or €572.2 million, to reach €3,979.0 million. This was due above all to the increase in financial liabilities resulting from the issue of the green Schuldschein loan and the utilization of the syndicated credit line arranged for the acquisition of BBS Automation. In contrast, the contract liabilities arising from customers' project payments declined owing to the significantly lower order intake of Woodworking Machinery and Systems. Pension provisions increased slightly to €40.4 million (Dec. 31, 2022: €36.4 million) and accounted for only 0.8% of total assets.

**2.76 — ASSET AND CAPITAL STRUCTURE (DEC. 31)**

%




[1] Excluding cash and cash equivalents

## FURTHER INCREASE IN INVESTMENTS

Investments (including right-of-use assets under leases, excluding acquisitions) rose to €157.1 million in 2023 (2022: €138.5 million). HOMAG's investment program and the construction of the new tooling location in Gengenbach were among the largest projects. Of investments in property, plant, and equipment (€76.9 million), 41% were replacement investments and 59% were investments in expansion. Investments in intangible assets, which include capitalized development costs in addition to the purchase of software and licenses, increased substantially to €38.2 million (2022: €26.8 million).

Equity investments increased significantly due to the acquisitions in 2023, reaching €370.9 million (2022: €39.0 million), of which €353.1 million was effectively disbursed (previous year: €30.7 million). Disbursements essentially relate to the acquisition of BBS Automation and Ingecal.

**2.77 — INVESTMENTS[1] AND DEPRECIATION[2]**

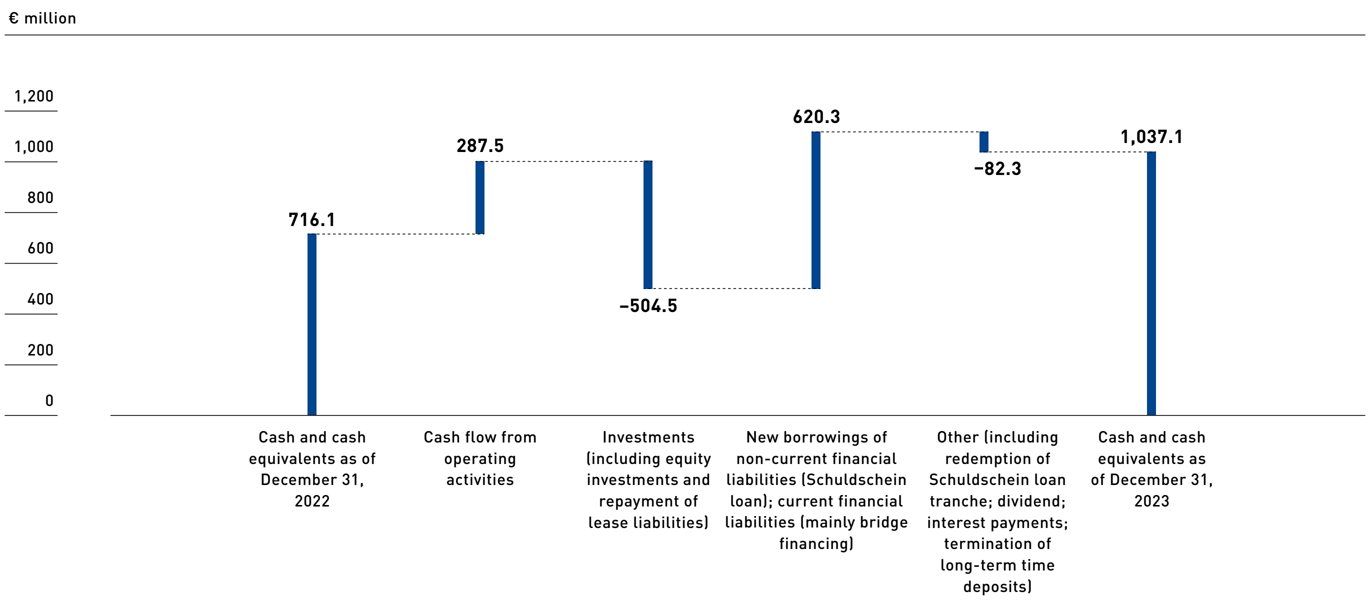
| € million | 2023 | 2022 | 2021 |
|---|---|---|---|
| Investments in property, plant, and equipment | 76.9 | 74.2 | 53.8 |
| Investments in intangible assets | 38.2 | 26.8 | 25.1 |
| Equity investments | 370.9 | 39.0 | 62.2 |
| Investments in right-of-use assets | 42.0 | 37.5 | 28.9 |
| Depreciation and amortization | –130.8 | –131.6 | –123.7 |

[1] The capital expenditures in this overview deviate from the figures in the statements of cash flows according to IFRS. The deviation is essentially due to the fact that the cash and cash equivalents taken over in the course of acquisitions were deducted in the statement of cash flows.
[2] Including impairment losses and reversals. Depreciation and amortization taken into account in the financial result are not included.

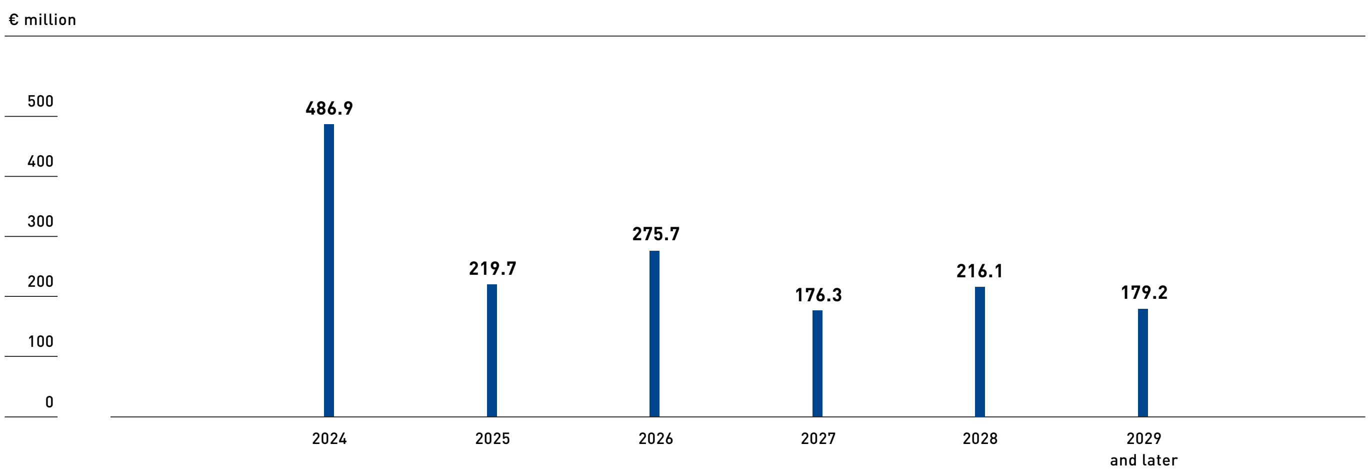
**2.78 — CAPITAL EXPENDITURE ON PROPERTY, PLANT AND EQUIPMENT: REPLACEMENT AND EXTENSION INVESTMENTS**

| € million | 2023 | 2022 | 2021 |
|---|---|---|---|
| Replacement investments | 31.5 | 29.8 | 27.4 |
| Extension investments | 45.4 | 44.4 | 26.5 |
| Investments in property, plant, and equipment | 76.9 | 74.2 | 53.8 |

**2.79 — LIQUIDITY DEVELOPMENT**




**2.80 — MATURITY STRUCTURE OF FINANCIAL LIABILITIES**




Tranches of Schuldschein loans totaling approximately €105 million will mature in 2024. Obligations from the acquisition of property, plant, and equipment amount to €22.4 million.

## OFF-BALANCE SHEET FINANCING INSTRUMENTS AND OBLIGATIONS

Off-balance sheet financing instruments and obligations (excluding liabilities from procurement contracts) accounted for less than 1% of total assets in 2023 and are therefore of lesser importance. Sales of receivables (forfaiting, premature performance under documentary credits) amounted to €38.7 million (Dec. 31, 2022: €0 million).

# 5 EVENTS AFTER THE REPORTING PERIOD

We intend to place a further Schuldschein loan with a sustainability component at the beginning of the second quarter of 2024. Marketing activities to this end commenced at the beginning of March. The proceeds are to be fully used to finance sustainable product innovations and climate-friendly projects. In doing so, we will take account of the EU Taxonomy for classification of environmentally sustainable economic activities and follow our Sustainable Finance Framework. In addition, in view of our expected high overall liquidity, we plan to repay the syndicated credit line taken out in 2023 as bridge financing for the acquisition of BBS Automation. Please also refer to chapter 4.5 **"Financial development" ⟶ page 103** in this regard.

No other events that materially affected, or could materially affect, the Group's assets, liabilities, financial position, and financial performance occurred between the end of the reporting period and the date of preparation of the Group management report on March 18, 2024.

# 6 REPORT ON RISKS, OPPORTUNITIES AND EXPECTED FUTURE DEVELOPMENT

## 6.1 Risks

Our strategy is to manage the risks associated with our entrepreneurial actions so as to achieve a balanced ratio to the opportunities. To this end, we make use of an effective risk management system.

### RISK MANAGEMENT SYSTEM OF THE DÜRR GROUP

#### Scope of application

Our risk management system is deployed throughout the Group. In the case of BBS Automation consolidated since August 31, 2023, an initial risk inventory was carried out, the results of which were included in this risk report. The risk management system has existed in its fundamental structure since 2008 and has since been continually adapted to new requirements. In 2022 and 2023, the Audit Committee of the Supervisory Board had an audit conducted of the appropriateness of the risk management system by an external auditing company in accordance with Auditing Standard 981 of the German Institute of Public Auditors. The audit for 2022 revealed that the rules and regulations of the risk management system are effective, appropriate, and suitable to identify, assess, manage, and monitor the material risks endangering the achievement of Dürr's strategic corporate goals and its related operating targets with an adequate degree of certainty in good time.

#### Objectives

Our risk management system is designed to meet the needs of the mechanical and plant engineering business. It enables us to record, analyze and – to the extent possible – evaluate risks systematically. On this basis, effective countermeasures can be initiated at an early stage to avoid serious individual risks, to transfer transferable risks to third parties where this makes economic sense, and generally to reduce the overall risk. We document all specific risks, provided that they are identifiable and sufficiently concrete. Non-quantifiable strategic risks as well as general risks with a low probability of occurring are not taken into account, unless they are risks with very high damage potential (referred to as extreme risks). We also document and evaluate our opportunities; the relevant information is contained in chapter 6.2 **"Opportunities" ⟶ page 124**.

#### Methods and processes

The risk management system covers all essential business and decision-making processes. We maintain open dealings with risks and encourage employees to identify any misdirected developments at an early stage. The risk management process takes account of all risks of the participating companies. The central risk management team at Dürr AG initiates the nine-stage process every six months. The centerpiece of this standard risk cycle is the risk inventory of the Group's companies. In the risk inventory, individual risks are identified, assessed, and consolidated, i.e. classified into 16 specific risk fields (**⟶ figure 2.81**). The risk fields cover management, core, and supporting processes as well as external risk areas.

The assessment of individual risks is carried out by the risk managers of the operating units and by Dürr AG. They use the risk management manual as well as risk structure spreadsheets to do so. The assessment process consists of three stages: First of all, the damage potential is calculated, i.e. the maximum impact on EBIT and equity that can result from a risk in the following 24 months. Next, we assess the probability of occurrence of a specific risk. In a third step, the effectiveness of possible countermeasures is examined and assessed using a risk-reducing factor.

The bottom line is the net risk potential, i.e. the net equity risk that remains after taking the probability of occurrence and the effectiveness of countermeasures into account. The lower the probability of occurrence and the higher the effectiveness of countermeasures, the more sharply the net risk declines. The net risks of the 16 risk fields correspond to the sum total of net risks of all individual risks assigned to them. Depending on the extent of the net risk, each risk field is assigned to one of the four following categories:

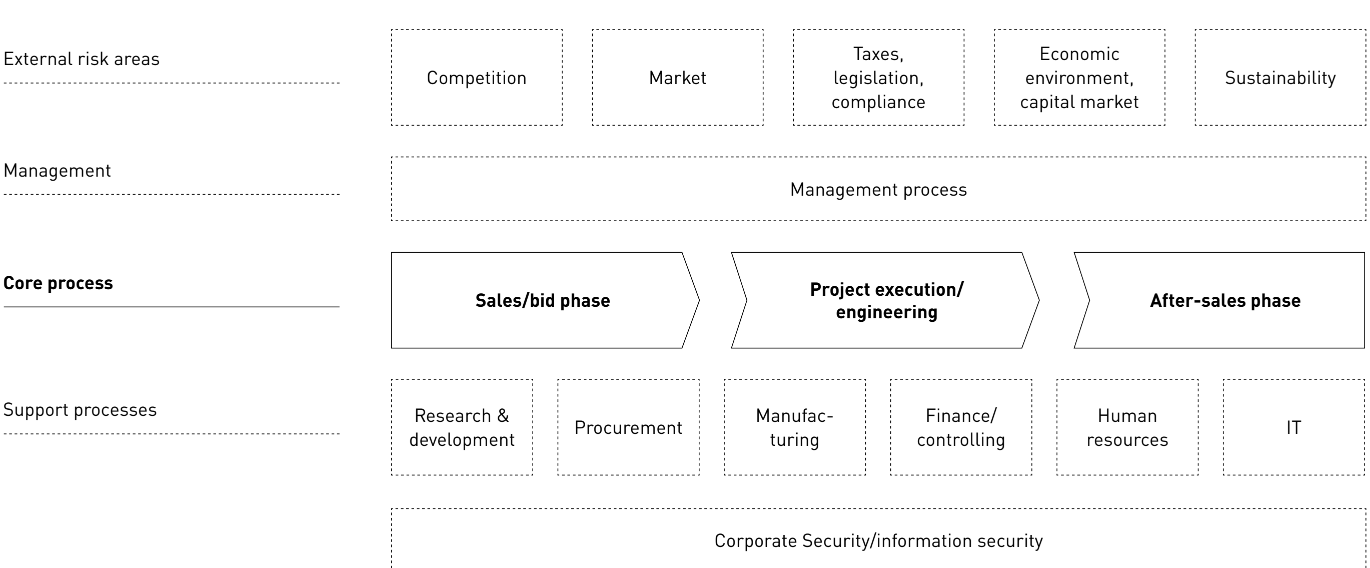
- Very low (≤€5 million)
- Low (>€5 million to ≤€20 million)
- Medium (>€20 million to ≤€40 million)
- High (>€40 million)

The net risks of all 16 risk fields are totaled to produce the Group's entire potential risk exposure (aggregate net equity risk). Interdependencies between material individual risks as well as between net risks of the 16 risk fields are analyzed and included in the overall risk potential. The overall risk potential is subsequently compared to the risk-bearing capacity. The risk-bearing capacity is based on the liquidity expected for the following two years. If the overall risk potential exceeds a certain threshold, the Board of Management is informed in order to initiate risk-reducing measures without delay. Should the overall risk potential exceed the risk-bearing capacity, the company's continued existence is assumed to be in danger.

The Group companies and divisions prepare their risk reports after the risk inventory has been completed. These reports constitute the basis for the Group risk report of Dürr AG, containing information on individual risks and overall risk. Following an analysis by the Board of Management and the Dürr Management Board, the Group risk report is forwarded to the Supervisory Board and then discussed at length by the Audit Committee. Next, the Audit Committee Chair reports to the Supervisory Board.

Acute risks are reported without delay to the Board of Management and the Heads of the relevant divisions. The risk managers of the Group, divisions, and Group companies are responsible for the process of identifying, assessing, managing, and monitoring risks as well as for reporting; in most cases, these are the CFOs of the Group companies or the Heads of the controlling departments. The Internal Audit department is also involved and verifies compliance with the defined processes on a regular basis.

**2.81 — RISK FIELDS OF THE DÜRR GROUP**



## KEY FEATURES OF THE INTERNAL CONTROL SYSTEM/RISK MANAGEMENT SYSTEM FOR THE ACCOUNTING PROCESS

The internal control system (ICS) and the risk management system (RMS) for the accounting process are elements of the Dürr Group's governance functions. The respective system comprises all rules, measures, and procedures that guarantee the reliability of financial reporting with reasonable assurance and ensure that the financial statements of the Group and its companies are prepared in conformity with the IFRS. The Board of Management bears overall responsibility for the ICS/RMS and has set up an appropriate managerial and reporting organization, covering all essential organizational and legal units of the Group. Monitoring of the ICS/RMS is the task of the Internal Audit department and is carried out with the aid of the effectiveness checks of the governance functions. The internal control system takes account of the specific features of Group accounting. The key instruments, controls as well as backup routines for the accounting process are as follows:

- Dürr AG's Accounting Guideline defines the accounting process at the Group companies. It is updated on a regular basis by Group Accounting and covers all IFRS rules and regulations of relevance. Supplementary internal accounting standards describe, for example, the processes of intercompany reconciliation of transactions for goods and services.

- In a multi-stage validation process, we carry out sampling, plausibility checks, and other accounting controls. The operating companies, divisions as well as Group Controlling, Group Accounting, and Internal Audit are involved. The checks relate to various areas, such as reliability and appropriateness of IT systems, completeness of provisions, or evaluation of customer orders where revenue recognition over time is applied. The results of all material control measures are systematically recorded by Dürr AG's Corporate Internal Audit and Internal Controls department and submitted to the Audit Committee of the Supervisory Board. The Audit Committee Chair reports to the Supervisory Board following an in-depth analysis of the documentation of findings.

- All material Group companies document their own internal controls with which they ensure reliable and factual financial reporting. The documentation produced by the main Group companies within the scope of the ICS/RMS is stored with system support. The Internal Audit department verifies the existence and effectiveness of the documented measures and instruments.

- Our ERP systems and the consolidation system include automatic checks to ensure that individual business transactions are duly assigned to the correct balance sheet line items. In addition, plausibility checks are carried out by Group Accounting.

- In the case of micro-entities that cannot themselves ensure a fully comprehensive internal control environment and proper financial reporting, external service providers are used. Local management and the controlling department use plausibility checks and other controls to verify the work of external service providers.

- Only a select group of employees has access to the consolidation system. Access to all data is reserved for only a few employees from Group Accounting and Group Controlling. For other users, access is confined to the data of relevance for their specific activities. Data entered at the level of the Group companies must be checked in a two-stage process – initially by the controlling department of the division responsible and then by Group Accounting.

- Commercial processes that trigger booking entries in the consolidation system are subject to the four-eyes principle. Invoices must be signed off by the Division Head, the Managing Director, or the responsible Board of Management member, depending on the invoice amount.

In order to avoid risks and ensure unobjectionable financial statements, we carefully examine key regulations and new developments in the field of accounting and reporting. Particular weight is assigned to accounting for customer orders for which revenue recognition over time is applied, the impairment test of goodwill, the reliability of qualitative statements in the consolidated management report, including section 3. "Corporate Governance" as well as the implementation of new IFRSs.

Within the scope of the ICS/RMS, we provide regular training sessions for employees of our finance departments, for instance in the application of accounting standards, accounting rules as well as IT systems. In the case of corporate acquisitions, we quickly adjust the accounting processes and familiarize new employees with the ICS/RMS as well as all the relevant processes, content, and systems.

## STATEMENT UNRELATED TO THE MANAGEMENT REPORT

The internal control system and the risk management system are dynamic systems and are continuously adapted to changes in the business model, the nature and scope of business transactions, or responsibilities. As a result, the internal and external audits reveal potential for improvement in individual cases regarding the appropriateness (completeness of suitable controls) and effectiveness (sufficient implementation) of controls. With regard to the assessment of these management systems, the Board of Management has no knowledge that they may not be appropriate or effective in their entirety.

## OVERALL RISK SITUATION

The overall risk potential at the end of 2023 amounted to approximately €572 million, a slight increase of €19 million or 3.5% year-on-year. We noted a substantial decline in procurement risks. In particular, the easing supply chain situation and lower material and energy costs contributed to this development. Economic risks likewise decreased, chiefly due to the measures we took to counter the market weakness at HOMAG and to the elimination of pandemic-related risks. Credit risks in business with new producers of battery-powered electric vehicles were also lowered by taking suitable countermeasures. In contrast, additional and increased risks arose due to the first-time consolidation of BBS Automation as well as in connection with the implementation of cost-cutting measures at HOMAG. Further risks were posed by a tax audit and rising market risks, particularly due to the economic slowdown in China.

The overall risk potential reflects the ongoing challenging conditions in our business. Pandemic and supply-chain-related risks have been replaced by risks from the impacts of inflation and interest rate hikes on economic development. The risk situation due to ongoing political and military conflicts remains unchanged.

“Finance/controlling”, “Market”, and “Taxes/legislation/compliance” were the most important risk areas in absolute terms, followed by the risk areas “Economic environment/capital market” and “Project management/engineering”. The overall risk potential includes the net risk potential of 288 assessed individual risks (previous year: 261 individual risks). The increase is mainly due to taking account of the risks inherent in the acquired BBS Automation. The overall risk potential accounts for slightly more than half of the risk-bearing capacity. However, we do not consider the overall risk potential to be a cause for concern, it still remains very well manageable. This is supported by the measures to adapt to the market downturn at HOMAG and the planned long-term refinancing of the acquisition of BBS Automation, among other factors. No risks are discernible at present that might endanger the Group’s continued existence as a going concern, either individually or collectively with other risks.

**2.82 — RISK FIELDS AND NET RISKS**

| | Net risk | | | |
|---|---|---|---|---|
| Risk field | Very low (≤€5 million) | Low (>€5 to ≤€20 million) | Medium (>€20 to ≤€40 million) | High (>€40 million) |
| Economic environment/ capital market | | | | ■ |
| Sales/bid phase | | ■ | | |
| Project execution/ engineering | | | | ■ |
| Taxes/legislation/ compliance | | | | ■ |
| Market | | | | ■ |
| Research and development | ■ | | | |
| Competition | | | ■ | |
| Procurement | | | | ■ |
| Human resources | | | ■ | |
| IT | | ■ | | |
| Corporate/information security | | | ■ | |
| Manufacturing | | ■ | | |
| Sustainability | | ■ | | |
| After-sales phase | | | ■ | |
| Finance/controlling | | | | ■ |
| Management process | ■ | | | |

## RISK FIELDS AND SIGNIFICANT INDIVIDUAL RISKS

### Economic environment/capital market

The risks arising from the field of “Economic environment/capital market” decreased significantly in 2023. Our measures to counter the market downturn at HOMAG and the elimination of risks due to the coronavirus pandemic were the main reasons for this.

Order intake from the furniture industry fell more sharply than expected in 2023. High inflation led to a significant rise in interest rates and a massive decline in construction investment. As a result, demand for systems for the prefabrication of construction elements also fell. Overall, demand for woodworking machinery was weaker than expected in 2023. We assume that demand will not show the first signs of recovery until the end of 2024 and will stabilize at the low level of recent quarters by then. Nevertheless, there is a risk that demand will continue to fall or remain at its low level for longer than expected. Price cuts are also possible, as competition for the remaining orders could intensify. Both developments could have a negative impact on sales and earnings in 2024. As a countermeasure, we have launched a broad-based cost-cutting program aimed at limiting the impact of weak demand on earnings and boosting HOMAG's resilience in the long term.

We are not significantly affected by the current international trade conflicts, as virtually no punitive tariffs have been imposed on our products. The economy in China, our largest single market, was slow to recover from the consequences of the coronavirus pandemic in 2023. Order intake in China was down on the previous year, as less was invested in exhaust-air purification systems and car production. This increases the risk of underutilization, which could have a negative impact on earnings performance. The risk is regularly monitored and discussed to enable early countermeasures to be taken, for example by intervening with countermeasures such as capacity adjustments or other savings. Nevertheless, there is medium- and long-term growth potential for the automotive and furniture industries in China, as market saturation is far from being reached and per capita incomes continue to rise. China's increasingly nationalistic policy and the experience of Russia's attack on Ukraine are leading many Western countries to reduce their economic dependence on China. An escalation of the conflict with Taiwan with negative effects on the supply chains or an economic slump in China would significantly impact the profit/loss of the Dürr Group.

The direct impact of the war in Ukraine on our business has so far been minimal. While we are complying with all relevant sanctions against Russia, the resulting losses in sales and incoming orders were manageable thanks to the low volumes of the business affected. The indirect effects of the war in Ukraine on our market and procurement environment have meanwhile diminished again. Whereas 2022 was still characterized by high energy costs as well as additional material bottlenecks and price hikes, supply chains in 2023 largely adjusted to the consequences of the war. In Germany, terminals for liquid gas were built in record time to secure the energy supply. The industry is now increasingly sourcing steel from Asia or America to replace supplies from Ukraine and Russia. The situation regarding energy and material prices has accordingly eased somewhat.

Hamas' attack on Israel and the resulting hostilities in the Gaza Strip increase the risk of a widespread conflict in the region, which could have a negative impact on the development of the global economy. The impact on our business is currently very low, as we do not operate in any locations in the region and the volume of business there is negligible.

We can bridge economic downturns in smaller markets relatively well, as our business is internationally balanced. Cyclical fluctuations are discernible at a comparatively late stage within the Dürr Group since our plant engineering business is shaped by long-term investment decisions of the automotive industry. In the early-cycle mechanical engineering business, macroeconomic changes tend to take effect faster.

Economic crises and political conflicts may shock the capital markets, make new financing transactions more expensive, and restrict credit availability. As a result of the interest rate turnaround that began in North America and Europe in 2022, the financing agreed in 2023 has become more expensive compared to previous years.

We classify the risk of a hostile takeover of Dürr AG as relatively low since Heinz Dürr GmbH owns about 26.2% of the company's shares. A further stake of 3.5% is held by the Heinz and Heide Dürr Stiftung, a foundation. On account of the domination and profit and loss transfer agreement with HOMAG Group AG, non-controlling shareholders of HOMAG Group AG receive a guaranteed dividend of €1.01; in addition, we have made them a cash compensation offer amounting to €31.56 per share. Non-controlling shareholders of HOMAG Group AG have valuation proceedings underway to have the amount of the guaranteed dividend and cash compensation appraised by a court of law. According to a ruling handed down by the Regional Court of Stuttgart in August 2019, the cash compensation was to be raised to €31.58 and the guaranteed dividend to €1.03 per share. However, the ruling is not yet final and binding, since shareholders of HOMAG Group AG filed an appeal in October 2019. If the Higher Regional Court of Stuttgart, which will rule at the next level, holds higher amounts to be appropriate, this would give rise to additional expenditure. Shareholders who hold HOMAG shares can tender them to the Dürr Group at the settlement price. Currently, shareholders outside the Dürr Group and the Schuler/Klessmann shareholder group still hold around 3.08 million HOMAG shares.

It cannot be ruled out altogether that information of a confidential nature and/or of relevance to the capital market may prematurely be leaked outside the organization. We protect ourselves from this by substantially restricting the number of persons with access to such information and by instructing the relevant persons with regard to their duties. In addition, we set up project-related insider lists and use secure communication technologies.

**Operating risks: Sales/bid phase**
One risk during the bid phase is that we may not be able to assert margin targets during contract award negotiations in a phase of high competitive intensity. When performing order calculations, there is potential for incorrect cost assessments. To prevent this, we always obtain current market prices on the procurement side and have our calculation assumptions reviewed internally.

**Operating risks: Project execution/engineering**
The risks in the field "Project execution and engineering" have increased significantly year-on-year. The main reasons for this were the newly added risks in connection with the cost-cutting measures at HOMAG and the first-time integration of the risks of BBS Automation. At HOMAG, there is a risk that the measures announced to reduce capacity cannot be implemented as planned. We counter this risk with optimization plans and managers that have been defined for various companies and areas at HOMAG.

In general, there is a risk during project execution that we will not meet deadlines or other commitments. This can lead to additional expenses or to customer payments being postponed. Although project lifetimes are tending to shorten, we assess this risk as controllable. Especially in the paint shop business, thanks to largely standardized products and processes, we are able to handle numerous large-scale projects safely in parallel. However, there is also a risk that we may incur additional costs as a result of delayed performance by customers. In this case, we negotiate supplements with such customers.

In 2022, delivery bottlenecks affected the supply of materials for our production, which led to delays in the completion of machinery and systems. The situation eased significantly in 2023, especially as pandemic-related restrictions were lifted. We generally try to compensate for delays in the project schedule where possible and communicate openly with our customers regarding the progress of projects. As a result of the weak economy, the risk of underutilization has recently increased again.

**Operating risks: After-sales phase**
The spare parts business depends on capacity utilization at our customers' plants, among other factors. If the level of capacity utilization decreases, then the level of demand for spare parts usually declines. Overall, after-sales risks increased year-on-year, with the decline in demand for woodworking machinery making a particular contribution to this. We therefore perceive a higher risk that competition in the service business for woodworking machinery could intensify. Thanks to the recruitment of additional service staff, we have so far been able to keep HOMAG's service business stable despite the weak order situation among furniture manufacturers. We are also focusing on responding even more flexibly and quickly to customer inquiries.

**Taxes, legislation, compliance**
The net risk in the "Taxes/legislation/compliance" field increased significantly in 2023. The decisive factor here is an ongoing audit focusing on transfer prices. We are being supported in this matter by an external consulting firm.

We must observe different national legal norms. To avoid violations, we cooperate with local legal experts and train our employees accordingly. New trade barriers and legislation may increase our costs and reduce our sales opportunities. Changes in tax legislation can lead to higher tax payments and affect our tax receivables and liabilities. There is also a risk of ambiguity in the interpretation of underlying tax legislation. In large system projects, tax and customs risks may occur in cases of complex international delivery processes.

Material legal risks usually arise from warranty claims, claims for damages in cases of production failures, or patent litigation. If we fail to meet our contractual obligations in performing our work, we may be liable to contractual penalties. Before making any contractual representations, we study what liability-related consequences we may face. As a principle, we rule out any commitments that we cannot fulfill. In most cases, the contractual risks in project business are higher than in single machine business. The extension of software business results in increasing risks under VAT law as well as risks relating to violations of third-party property rights. We therefore develop countermeasures in our digital factories, which are implemented by software security experts. A further risk is that of third parties possibly using technical documents in particular for their own purposes if such documents are not appropriately labeled.

Compliance violations, for instance in the field of competition or product liability law, may lead to criminal prosecution, liability risks, and image loss. We are not aware of any serious violations at this time. We protect ourselves by means of a compliance management system, the basic features of which are described at www.durr-group.com in the section on Investors/Corporate Governance/Compliance. The system is monitored on a regular basis and comprises all activities targeted at ensuring that all employees in daily operations behave in conformity with the relevant rules and ethical requirements. It governs responsibilities, communication channels, and measures in three central fields of activity synchronized with one another: preventing, detecting promptly, and responding to compliance violations. In this way, the compliance management system supports employees in avoiding contraventions and resulting risks of liability and criminal convictions. In addition, we take targeted action against corruption risks. Key instruments include internal policies, online training sessions, the four-eyes principle, a whistleblowing system that employees and third parties can use to report misconduct, and the work carried out by the Internal Audit department.

**Market**
The risks in the "Market" field have increased moderately. A possible escalation of the conflict between China and Taiwan could lead to sanctions against China, which would have a negative impact on our business. The economic risks resulting from inflation and rising interest rates have recently increased. This could lead to a decline in demand, weaker capacity utilization and, as a consequence, to personnel adjustments. We monitor economic developments in the individual markets through local sales teams and analyze the situation in monthly management meetings. Should there be a sustained decline in demand, we will consider capacity adjustments and reductions in investments and working capital.

In general, there is still a risk of contract awards or projects being delayed, for instance because new manufacturers of electric vehicles postpone planned investments due to a lack of or delays in financing. It is also possible that demand will not develop as expected and that the competitive situation will deteriorate. This could have a negative impact on incoming orders, sales, and margins. However, business with start-ups in the field of electromobility also offers opportunities. In addition, there are opportunities arising from the increasing localization of automotive production in the wake of trade conflicts and the conversion of automotive production to more resource-efficient processes. The relevant information is contained in chapter 6.2 **"Opportunities" ⟶ page 124**.

In the automotive business, dependency risks may arise since there is a limited number of carmakers worldwide. However, their number has recently grown as new manufacturers of electric vehicles have entered the market. In 2023, 29% of our sales were generated by business with the ten largest customers (previous year: 28%). Outside the automotive industry, the dependency risks are considerably lower as our customer base is very broad.

The risks resulting from complex tendering procedures have increased, as have the liability risks associated with production start-ups and failure to achieve promised performance data. In our markets, we are confronted with price pressure; as a rule, this is most pronounced in paint shop construction for the automotive industry. We react to price pressure with innovation, process optimization, localization, and cost management. After reducing overcapacities in the automotive sector in Germany and Europe in 2020, we have been consistently pursuing a sales strategy based on the "value before volume" principle since 2022. In doing so, we select the projects for which we submit bids more strictly according to margins and customer attractiveness.

In the automotive business, there is a risk of customers enforcing payment terms that are unfavorable to us. The willingness to make higher prepayments for major projects may vary, depending on our customers' liquidity situation. The inflow of funds from prepayments has recently weakened somewhat due to the lower order intake, especially at HOMAG. Chinese customers in particular prefer bank acceptance drafts – a kind of bill of exchange – to conventional prepayments. In corresponding projects, payments from customers also tend to be made later or less evenly over the duration of the project. Payment defaults have not increased significantly; bad debts are rare in particular in the automotive business. When monitoring incoming payments and potential default risks, we focus particularly on the Chinese e-mobility sector and the ongoing consolidation, there. In the course of this consolidation, smaller and financially weaker producers are exiting the market.

Our aim is to defend our leading market positions. In this respect, there is a risk that competitors could reduce our technological lead through their own developments. We currently see this risk as being most pronounced in China. New products and business models that could endanger our position as a whole are not discernible at this time. Disruptive technologies such as electromobility have not led to lower demand for paint, assembly, and testing technology in the automotive industry, either. Instead, the level of demand for final assembly technology is likely to rise since the assembly of electric vehicles partly calls for new processes and systems. In the field of painting technology, there are no serious substitution risks as there still are no alternatives to aluminum, steel, and plastics in large-scale serial car body production. Composite materials deployed in lightweight construction are also painted by conventional means. In furniture production, where wood and chipboard dominate, there are no major substitution risks.

In the course of digitalization, we need to offer our customers high-performing software and IT solutions. Otherwise, competitors from the software industry could come between us and our customers with offers of their own. With our manufacturing execution systems (MES) and a rising number of software and smart products, however, we are well placed to defend our market position. Moreover, we know our customers' production processes very well and incorporate this knowledge into our software products.

**Market: Risks in the emerging markets**
The high business share of emerging markets (38.7% of sales) entails specific risks:

- Cultural and language barriers, insufficient knowledge of suppliers, customers and market customs, and specific legal and general political parameters may give rise to disadvantages.

- The level of staff turnover in the emerging markets is higher than in Germany. Attractive remuneration, our status as world market leader, and targeted career planning help us retain top-performing employees.

- Product and brand piracy is more prolific in the emerging economies than in the established markets. However, due to their complexity, many of our products are difficult to copy to the same standard. Moreover, we protect ourselves through patents.

- Our local product development ensures that regional customer requirements are taken into account. This reduces the acceptance risks for new solutions. We protect ourselves against cost pressure of local competitors by means of a high degree of localization.

**R&D and product liability risks**
With regard to innovations, there is a risk that we may not be able to adequately absorb our development costs through product pricing. Technical problems may also occur in the development of new products, resulting in delays or additional costs. To avoid market acceptance risks, we analyze demand, engage pilot customers in our projects, and develop products with a high return on investment. This also reduces the risk of unexpected impairment on capitalized development costs. We review the patent situation to ensure that new products do not violate any property rights of third parties. To prevent product liability cases, we ensure that our products meet health and safety regulations, and we take out appropriate insurance policies.

**Competition**
In view of our extensive market shares, customers from the automotive industry in particular choose to cooperate with smaller-sized competitors from time to time. This may make our price targets difficult to achieve. Local competitors sometimes undercut our prices. At HOMAG, we are perceiving greater competitive and price pressure, particularly in China. We are countering this by increasing value added locally, tailoring our product development more closely to local needs, further strengthening the stand-alone machinery business, reducing production costs, and securing our technological lead through innovation. Delays in shipping represent a risk in painting robot business, as they can lead to time losses compared to local competitors in the destination country. This risk applies to China, for example. We are not aware of any competitors' products that could endanger our market position. In certain countries, the level of competitive intensity from internationally active competitors has increased further. We have noticed that competitors from the emerging markets are also starting to operate outside their home markets as the trend toward localization of business activities near customers is increasing. In addition, there is a risk that in countries with a strong focus on their domestic economy, local competitors may be given preference in contract awards for political reasons.

**Procurement**
Risks in the "Procurement" field have decreased significantly over the past twelve months. Raw material and energy prices have fallen, and the availability of components has improved substantially. Nevertheless, risks remain, particularly for investments in construction projects, as the availability of building materials and craftspeople remains limited. This can make investments more expensive than originally calculated. To mitigate risks with respect to availability and price, we enter into framework contracts with preferred suppliers and pool our purchasing volumes. In a few cases, dependency risks may arise, which we reduce by broadening our supplier base. For standard bought-in parts, a change in suppliers may make it necessary to amend certain designs and contend with corresponding costs. At some manufacturing locations, fluctuations in orders placed may lead to underutilization. Inventory risks are possible in particular when model changes occur within the product range.

We select and monitor suppliers carefully as a precaution against quality deficiencies or delayed deadlines, which may occur particularly among suppliers in the emerging markets. Moreover, we have reduced our dependency on suppliers in some divisions by extending our in-house manufacturing. We are often unable to pass rising supplier prices on to our customers in full. In the automotive sector, major new contracts with customers have included price escalation clauses since 2022, which we use to hedge against rising costs.

**Manufacturing**
In general, risks such as capacity utilization risk, production competence/quality risk, and production downtime risk are allocated to the "Production" field. Risks in the "Production" field have increased, in particular due to the acquisition of BBS Automation.

**Human resources**

The risks in the "Human resources" field have increased year-on-year. The decisive factor comprised risks in the context of the German Act on Corporate Due Diligence Obligations in Supply Chains, which affect our employees. These include topics such as anti-discrimination and occupational health and safety and the corresponding penalties in the event of violations. In many countries, especially in Europe, the protection of the relevant rights is guaranteed by local legislation. We are therefore focusing our measures in particular on non-European countries. The focus is on the further development of our governance structures and their roll-out for acquisitions such as BBS Automation.

We hire external employees to avoid risks of capacity bottlenecks or overcapacity. As we have numerous highly qualified employees, know-how losses may be incurred when they leave our company. This is why we distribute specialist expertise across a number of persons and promote knowledge transfer. Skills shortages are making recruitment increasingly difficult, especially in the fields of information technology, digitalization, and electrical engineering. To counteract this, we rely on long-term career planning for experts, personnel and university marketing as well as vocational training and work-study programs. Salary hikes during the lifetime of large, long-term projects can result in an additional cost factor; this risk exists above all in the emerging markets. In addition, we cannot completely rule out violations of labor law and collective bargaining arrangements in the Dürr Group.

We have outsourced pension commitments to external pension funds in which other enterprises also participate. Should one of these companies file for insolvency, this would give rise to the risk of co-liability for its benefit obligations. Accordingly, we regularly monitor the financing status of the pension funds and the economic development of the participating companies.

Our pension risks are manageable. The discount rate used for calculating pension obligations in Germany was 3.19% as of December 31, 2023 (December 31, 2022: 3.76%). Pension provisions amounted to €40.4 million.

**Finance and controlling**

This risk field comprises, among others, exchange-rate and credit rating risks, the risks that investments made do not generate the desired return, as well as risks regarding the value of tangible and intangible assets. In addition, geopolitical tensions are leading to tighter foreign exchange restrictions, which may prevent dividends from being paid to Germany.

The risks in the "Finance and controlling" field decreased in 2023. One of the main reasons for this is that we were able to successfully reduce the credit risks in our business with new electric car manufacturers. Among other things, we thoroughly check the solvency in the context of corresponding projects in advance. If this creditworthiness falls below a defined threshold, we monitor receivables closely or do not accept orders at all. In the field of project execution, we make sure that there is a positive balance of cash inflows and outflows. To this end, we align the progress of project execution with the relevant progress payments received. Despite these measures, credit risks remain, in the e-mobility sector this applies particularly to the business in China. Further information on risks in connection with customer payments is provided in the "Market" risk field.

Although transaction risks from exchange rate changes have increased year-on-year, we have recently been able to achieve improvements through increased hedging. Currency translation risks have also increased as the proportion of business outside the euro zone has grown. Nevertheless, we do not hedge them as the effects on the consolidated balance sheet and the consolidated statement of profit or loss are not cash effective. There was also a slight increase in the risk that investments may not produce the desired improvements in earnings. As countermeasures, we have revised the approval process for investments and are focusing on increased investment and project controlling. As a result of the interest rate hikes, the risks relating to the impairment test of goodwill remain elevated. The interest rate risk has decreased compared to the previous year.

**Finance and controlling: Acquisitions/ new fields of activity**
As regards corporate acquisitions, sales, earnings, and synergies may turn out lower than planned. We hedge this risk by means of due diligence audits and integration plans. When entering into new fields of business, misjudgments cannot be ruled out with regard to resources deployed, customer requirements, and price targets as well as developments in demand, the market, and competition. Moreover, problems may arise in the field of technological development. Such misjudgments and problems may increase the risk of impairment on investments, goodwill, book values of equity interests, capitalized development costs, and other intangible assets.

**Corporate and information security, IT, and management processes**
IT risks, such as data loss, hacking, and virus attacks or availability failures, are increasing in the wake of ongoing digitalization. We protect ourselves by means of a Group-wide IT security organization and a robust IT infrastructure equipped with state-of-the-art firewalls and antivirus programs. We use back-up servers and redundant data lines to avoid any outages. We rate the risk of hacker attacks and data theft to which we are exposed as normal for the industry in which we operate; in the past twelve months this risk has seen further growth.

The corporate security team also addresses the defense against increasing cybercrime. To avoid loss or damage, for example from ransomware, we use enhanced authentication standards in electronic payments, security certificates for email messages, secure smartphones, and verified bank connections. In addition, we regularly draw our employees' attention to typical fraud practices. We regularly review the effectiveness of our IT measures for protection against cyberattacks.

Incorrect assignment of IT access privileges gives rise to the risk of data being read or manipulated by unauthorized persons. We protect ourselves by restrictive assignment of rights. Reading and editing rights regarding sensitive data are assigned only to employees who absolutely depend on them to perform their work.

Further risks exist in the implementation of the requirements of the EU General Data Protection Regulation (GDPR). We have therefore formed a team of data protection officers and IT specialists and developed an action plan. In addition to the Group data protection policy, we also inform employees as part of mandatory training courses.

**Sustainability (formerly: Society, environment, health and safety)**
With the introduction of the Supply Chain Due Diligence Act in Germany, the requirements for companies with regard to compliance with human rights have been tightened further. Failure to comply with due diligence requirements could result in sanctions by lawmakers or customers. We counter this risk with a worldwide risk assessment of suppliers and active monitoring. To this end, we have established governance structures and processes in purchasing and appointed a cross-divisional officer.

We have appointed environmental protection officers to ensure reliable compliance with environmental regulations. We also rely on environmental management certifications and policies. Substances that are harmful to health and the environment are used only to a limited extent and subject to strict safety regulations. We counter the risk of accidents at work by carrying out regular safety instructions, compulsory online training, and comprehensive safety standards described in our Health & Safety Policy. In addition, we cooperate with our customers in order to guarantee occupational safety on construction sites.

We have included a new risk in connection with non-compliance with the requirements of the Corporate Sustainability Reporting Directive (CSRD). We set up a project team at an early stage to design the reporting structures and processes in such a way as to ensure timely reporting in line with the CSRD.

## CURRENCY, INTEREST, AND LIQUIDITY RISKS AS WELL AS FINANCIAL INSTRUMENTS FOR RISK MITIGATION PURPOSES

An exact description of currency, interest rate, and liquidity risks is provided in the notes to the consolidated financial statements (⟶ note 41). A Group policy governs management of these risks. The central corporate body is the Financial Risk Committee consisting of the CFO, the Heads of Group Controlling and Group Treasury, as well as the Financial Officers of the divisions. This committee discusses strategic financial issues and prepares resolutions for the Board of Management.

### Hedging foreign currency risks

We use financial derivatives for hedging purposes. In most cases, these are forward exchange contracts used as currency hedges. Their nominal value at the end of 2023 came to €961.1 million (Dec. 31, 2022: €930.3 million). In particular, payment flows were hedged in the key currencies listed under → note 5 of the notes to the consolidated financial statements. The use of financial derivatives can entail risks, such as less favorable deposit conditions and higher financing costs. Moreover, the market value of financial derivatives may decrease if credit risk spreads increase due to changes on the financial markets.

In most cases, we hedge foreign currency risks of orders placed immediately after the relevant contract awards. In principle, we agree a separate (micro) hedge for each larger individual project. In the standard machinery and spare parts business, we also use macro hedges for several bundled orders. Moreover, the use of natural hedges is also permitted, which offset opposing payments (incoming and outgoing) in the same foreign currency. In addition, we reduce export-related transaction risks by increasingly producing goods locally or purchasing in local currency.

All financial derivatives and their underlying transactions are checked and valued on a regular basis. Financial derivatives are mainly used to hedge loans and operating business.

The risks involved in currency translation into euros increased substantially year-on-year in 2023.

### Hedging interest rate risks

We pursue a conservative interest rate and financing strategy comprising three core elements: long-term interest rate and financing certainty, matching maturities, and a prohibition of speculation. At the end of 2023, our financial debt consisted mainly of the Schuldschein loans from 2023, 2020, 2019, and 2016, the convertible bond issued in 2020, the lease liabilities, and the bridge financing for the acquisition of BBS Automation. Although the interest rate risk of our Group financing arrangement increased recently, we continue to assess it as limited.

Interest rate risk management covers all interest-bearing and interest-sensitive balance sheet line items. Regular interest analyses enable risks to be identified at an early stage. Group Treasury is chiefly responsible for borrowing, investment, and interest rate hedges; from a defined scale upward, exceptions must be submitted to the CFO for approval.

### Hedging liquidity risks

We largely cover our liquidity needs from our cash flow. At times of temporary negative cash flows, we are able to use cash and the cash line of the syndicated loan agreed in 2019 and extended in December 2023. Utilization was again not necessary in 2023. Please also refer to chapter 4.5 “Financial development” → page 103 in this regard. Our cash pooling enables liquidity surpluses of individual Group companies to be used for other subsidiaries, provided that national capital transfer regulations permit this practice. This enables us to avoid taking out loans and paying interest expenditure.

### Financing risks

No risks relating to borrowed funding exist at this time. The terms of our Schuldschein loan and the convertible bond contain the usual restrictions and obligations. In the event of a breach of material contractual obligations, insolvency, or a change of control, these debt instruments could be called for payment immediately. Our syndicated loan contains no financial covenants.

### Hedging investment risks

Our Financial Asset Management Policy governs how to deal with investment risks and defines the eligible asset classes and credit rating requirements. As we do not hold any government or corporate bonds, we are not subject to corresponding repayment and impairment risks.

## RATINGS

In 2023, we again did not have any credit ratings carried out to assess our creditworthiness. We continue to evaluate the inclusion of a rating.

# 6.2 Opportunities

## OPPORTUNITY MANAGEMENT SYSTEM

We identify and evaluate new business opportunities with the help of a Group-wide opportunity management system. The divisions play a central role in this: They collect information on new trends and market requirements through their contacts with customers, suppliers, and partners. This information is aggregated to identify opportunity complexes and duly evaluated. Opportunity complexes offering sustained economic potential are analyzed by the Board of Management and the division heads as part of the strategy process. The divisions then integrate the approved opportunity complexes in their strategy and define goals, measures, responsibilities, and schedules.

Identifying and evaluating business opportunities is an ongoing process which is coordinated by the division heads. The Board of Management and the Corporate Development central function are responsible for this at the level of Dürr AG. If opportunities are found to be of major strategic significance, we form multidisciplinary teams to conduct potential analyses and establish the budget.

Joint activities with universities, research institutes, and the Dürr Technology Council also form part of opportunity management. These contacts help us to determine the extent to which new scientific findings may yield opportunities for the Dürr Group. Opportunities may also arise from new legislation, e.g. on emission protection and international trade. Our opportunity management system takes account of global and regional business opportunities as well as the potential offered by specific products, customers, and business models.

## POTENTIAL OFFERED BY OPPORTUNITIES

This subsection now proceeds to describe the material opportunities of the Group and the divisions. The business plan for 2024 and the strategic plan through 2027 incorporate the related earnings potential that these opportunities can realistically be expected to generate. If we are able to make use of the opportunities to a greater extent than assumed, EBIT may substantially exceed the figures budgeted for 2024. However, this additional EBIT potential is achievable only in a best-case scenario.

## STRATEGIC OPPORTUNITIES

**Digitalization:** The digital transformation is opening up new business opportunities. Examples include sales growth in the software segment and the establishment of new business and pricing models that are based, for example, on the value of a digital service for plant availability, the intensity of use, or the number of connected machines. In addition, digitalization allows us to stand apart from our peers.

**Sustainability:** We are benefiting from the trend toward low-consumption and energy-efficient production systems. Many customers are increasingly seeing sustainability as a priority and want to produce on a carbon-neutral basis in the foreseeable future. Our low-consumption solutions can help them to achieve this goal. In addition, we are making it possible to use electricity to operate machines and systems that have previously run on fossil fuels, for example in drying or exhaust-air purification. We believe that our products and services for the sustainable transformation of production processes give us a leading position in our markets. In addition, we offer technologies for manufacturing products that play an important role in the transition to a carbon-neutral society. Examples are production systems for electric vehicles or timber house construction elements.

**Electromobility:** Electromobility offers opportunities for the Dürr Group. For one thing, new producers of electric vehicles are entering the market, something which is broadening our customer base. For another, the automotive incumbents are significantly stepping up plant conversion spending and investments in special production technologies for electric vehicles. We offer e-mobility start-ups turnkey assembly systems and paint shops as well as end-to-end assembly and testing equipment for electric drivetrains; the acquisition of BBS Automation has significantly expanded our range of solutions in this area.

**Timber construction:** By using wood as a sustainable building material, it is possible to significantly reduce the carbon footprint of the construction industry. This is an opportunity for HOMAG, which addresses a large part of the value chain for the production of construction elements with its woodworking machines. The first investors have already built large factories for the automated industrial-scale prefabrication of timber components. However, due to the significantly reduced construction activity in the wake of rising interest rates, order intake in the Construction Elements Solutions segment was significantly lower in 2023 than in the previous year. Interest rates have recently stabilized, with preliminary cuts on the horizon in the United States. As we are convinced of the long-term trend toward building with prefabricated timber components and would like to harness the relevant opportunities, we are investing in the expansion of our capacities.

**Electrode production:** With the emergence of electromobility, business in systems for electrode production is offering good prospects. The market is growing dynamically as large investments are being made in the expansion of production capacities to provide enough batteries for the growing number of electric vehicles. In Europe alone, production capacity for 1,300 to 1,500 gigawatt-hours of battery power is to be installed by 2030, marking an immense increase over 2022 (roughly 120 gigawatt-hours). In November 2023, we added calendering solutions to our range of technology for electrode coating, drying, and solvent recovery by acquiring Ingecal. We have also expanded our expertise in solvent-free dry coating of electrodes through our partnership with LiCAP. We can also make use of Ingecal's calendering technology for this process. We therefore see additional opportunities for growing our business with battery manufacturers. At the same time, we have positioned ourselves, together with our partners Grob and Manz, as suppliers of end-to-end battery plants and have developed a virtual reference factory. Given the numerous investment projects in the European battery cell sector, we see potential for significant sales growth.

**Medtech business:** In 2021, we commenced business in automated systems for the assembly of medical technology products (e.g. inhalers and injection systems) with the acquisition of Teamtechnik and Hekuma. Following the acquisition of BBS Automation and its subsidiary Kahle, we have further expanded our position in this sector. Among other things, Kahle specializes in the assembly of syringes. The medtech market is exhibiting high single-digit growth rates since medical care is expanding as a result of population growth, rising prosperity, and aging populations in many countries. We will continue to scale up this business.

**Service:** Our production technology is used in numerous factories worldwide. This broad installed base offers growth opportunities for us in service business with its higher margins. We are tapping this potential within the framework of our life cycle services strategy. At HOMAG, we recruited service employees in 2021 and 2022 in particular to capture additional business in this area.

**Process excellence:** The quality and efficiency of our processes form a key thrust of efficiency as a strategic field. With the OneDürrGroup programs in particular, we want to harness the potential for improving costs and earnings by optimizing processes and rolling out the latest IT systems.

**Localization/local products:** By expanding our local capacities in key markets, we are improving cost structures and customer proximity. Localizing product development allows us to take better account of regional market requirements.

**Southeast Asia:** Driven by rising per-capita income, Southeast Asia is an attractive growth market in which we will be broadening our footprint. In local automotive business, we intend to intensify our relations with the Japanese automotive industry, which holds a strong market position in Southeast Asia as well.

## OPPORTUNITIES IN THE DIVISIONS

Paint and Final Assembly Systems has been pursuing a consistently margin-oriented course since 2022. This also includes the "value before volume" strategy in selling activities, where preference is given to projects offering high margin potential, while we typically do not bid on projects with insufficient margin potential. The e-mobility transformation and decarbonization offer opportunities in painting and final assembly technology both in terms of plant modernization and the construction of new plants. The focus is not only on automotive incumbents but also on start-ups. Pooling final assembly systems within Paint and Final Assembly Systems has significantly improved customer access and cost structures. The aim is to leverage our sales and service network to grow, especially in the emerging markets. The modular "Paint Shop of the Future" concept is to continue generating impetus for growth in paint shop technology. It replaces the previous line production with flexible painting boxes and driverless transport systems.

Application Technology is benefiting from the trends toward greater automation, digitalization, product individualization, and sustainability. One important opportunity entails the expansion of service and digitalization business by tapping the installed base. The new-generation EcoBell4 atomizer, which uses integrated RFID technology to provide a clear diagnosis of all installed components and thus supports the maintenance and operation of paint shops, can also contribute to this. With the EcoPaintJet and EcoPaintJetPro robot systems for two-tone painting, Application Technology has a disruptive technology that offers our customers new possibilities for product individualization. There are also growth opportunities in business with general industry, in gluing technology, and with application technology solutions for insulating and bonding battery cells for electric vehicles. In addition, we have opportunities for widening market share with individual customers.

Clean Technology Systems is benefiting from stricter emission limits, especially in China. In the medium term, other emerging markets will also offer additional potential. Further growth opportunities are arising from the construction of new semiconductor plants and the expansion of lithium-ion battery production, especially in Europe and North America. With its systems for coating battery electrodes, the division is well positioned to leverage this trend. In addition, our partnership with Grob and Manz is opening up an opportunity for jointly positioning ourselves as a provider of turnkey systems for battery module production. Given the large installed base, growth potential can be harnessed in service, conversion, and spare parts business.

Opportunities are arising for Industrial Automation Systems from the long-term trend in favor of production automation, for example in e-mobility, medical devices, and consumer goods. Automation offers a means of addressing the shortage of skilled workers and facilitates relocation of the production of important goods back to high-wage countries. Following the acquisition of BBS Automation, our automation technology business has reached a critical sales mass of around €500 million. This boosts our chances of customers perceiving us as a relevant supplier in this market and increasingly placing larger orders with us.

E-mobility is also opening up opportunities in balancing technology and in spin test systems for drive components. In the airlines segment, new aircraft turbine construction programs are generating impetus for growth, particularly in China. As well as this, we are benefiting from the growing automation of the balancing process and heightened requirements in measuring and correcting unbalance. Greater use of our locations in China and India offers potential for reducing costs, for example in business in assembly and balancing systems for tire and wheel assemblies.

Woodworking Machinery and Systems has an opportunity for achieving further efficiency gains through optimization measures and for reducing its fixed costs through the adjustments to personnel capacities that have already been initiated. In Schopfloch and Holzbronn, new logistics centers are enhancing warehousing and production efficiency. Further opportunities can be found in timber house construction due to the trend toward using wood as a sustainable building material. As a technology leader, HOMAG is also benefiting from the growing digitalization and automation of furniture production.

# 6.3 Forecast

## MUTED GLOBAL ECONOMIC GROWTH EXPECTED FOR 2024

According to the International Monetary Fund, the prospects for the global economy have recently brightened somewhat. However, the economic recovery is likely to progress at only a slow pace on a global level. Global growth is expected to reach 3.1% in 2024 and 3.2% in 2025. This means that the expected expansion of gross domestic product (GDP) will fall well short of the average of 3.8% for the years from 2000 to 2019. Despite the prevailing risks, macroeconomic conditions are likely to be robust in 2024. Accordingly, the United States as well as several large emerging economies and developing countries are also expected to prove resilient, whereas only slight increases in GDP are expected for the Eurozone and Germany. Against the backdrop of significantly lower inflation rates in some cases, it can be assumed that interest rates have peaked in the United States and the Eurozone. Nevertheless, the US Federal Reserve and the European Central Bank have recently announced that they will be keeping interest rates at their current level for the time being. The first interest rate cuts are expected in the second half of the year. According to Deutsche Bank's estimates, inflation should continue to subside in 2024, dropping to 2.9% in the Eurozone and 2.8% in the United States.

**2.83 — FORECAST GROWTH IN GROSS DOMESTIC PRODUCT**

| % year-on-year change | 2023 | 2024p | 2025p |
|---|---|---|---|
| Global | 3.1 | 3.1 | 3.2 |
| Germany | –0.3 | 0.5 | 1.6 |
| Eurozone | 0.5 | 0.9 | 1.7 |
| Russia | 3.0 | 2.6 | 1.1 |
| United States | 2.5 | 2.1 | 1.7 |
| China | 5.2 | 4.6 | 4.1 |
| India | 6.7 | 6.5 | 6.5 |
| Japan | 1.9 | 0.9 | 0.8 |
| Brazil | 3.1 | 1.7 | 1.9 |

p = projection
Source: International Monetary Fund 01/2024

## TRENDS IN THE MAIN INDUSTRIES IN WHICH OUR CUSTOMERS OPERATE AND KEY BUSINESS ACTIVITIES

The main sectors in which our customers operate are the automotive and woodworking industries. As well as this, business in environmental technology, battery production, and automation is of central importance to us. The persistently muted conditions in the global economy are leaving ever deeper traces on mechanical and plant engineering. Unlike the situation prevailing a year ago, the declining order backlog is increasingly unable to fill the gap in production output. Thus, VDMA expects an increase in equipment spending of around 3% in Germany in 2024, but a decline in production of 4% in real terms.

### Automotive industry

With global automotive production widening significantly in 2023 thanks to large order backlogs, GlobalData now forecasts only a slight increase of just under 1% to 91.4 million units in 2024. This slight growth should be underpinned by almost all regions, with only Asia expected to contract marginally. The outlook for growth is also fairly subdued for the following years: In the period from 2023 to 2030, global production is expected to widen by an annual average of around 1%. In addition to improved consumer confidence, growth is likely to be driven in particular by prosperity gains in the emerging markets. In the same period, electromobility is expected to grow at a disproportionately sharp rate, with average growth rates of around 19% per year projected for the production of battery-powered vehicles.

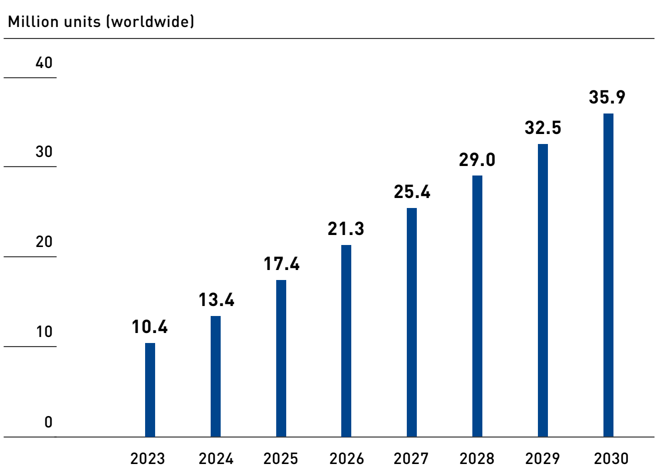
The main drivers of capital spending in the automotive industry continue to be growing demand for production technology for electromobility and the modernization of factories through sustainable technologies. Other goals that our customers are pursuing with their capital spending plans include efforts to reduce unit costs in automotive production and the flexibilization of production for different model types. As well as this, we expect our customers to focus more keenly on the digitalization and automation of production processes. Capital expenditure is focusing on the modernization of existing plants (brownfield) as well as the construction of new production lines (greenfield). Therefore, we expect capital spending to remain stable in the automotive industry. However, macroeconomic uncertainties may cause delays or changes in project plans.

**2.84 — PRODUCTION FORECAST FOR PASSENGER CARS AND LIGHT COMMERCIAL VEHICLES**

| Million units | 2023 | 2024p | 2025p |
|---|---|---|---|
| Global | 90.7 | 91.4 | 94.0 |
| Western Europe | 11.3 | 11.3 | 11.7 |
| Germany | 4.4 | 4.6 | 4.9 |
| Eastern Europe | 6.8 | 6.9 | 7.5 |
| of which EU countries | 4.1 | 4.0 | 4.2 |
| North America (incl. Mexico) | 15.6 | 16.0 | 16.2 |
| United States | 10.3 | 11.0 | 11.1 |
| South America | 2.9 | 3.2 | 3.3 |
| Brazil | 2.2 | 2.4 | 2.6 |
| Asia | 51.8 | 51.6 | 52.7 |
| China | 29.1 | 29.5 | 29.9 |
| Japan | 8.6 | 8.0 | 8.1 |
| India | 5.4 | 5.6 | 5.8 |
| South Korea | 4.1 | 3.9 | 4.0 |

p = projection
Source: GlobalData02/2024

**2.85 — PRODUCTION FORECAST FOR BATTERY-POWERED PASSENGER CARS AND LIGHT COMMERCIAL VEHICLES**




Source: GlobalData, Global Light Vehicle Powertrain Forecast Q4/2023

## Woodworking industry

Faltering housing construction and muted consumer confidence will continue to weigh on the furniture industry in 2024. Given this challenging market environment, spending restraint looks set to persist in the industry. A turnaround will probably not emerge until our customers are sufficiently confident of achieving sustained business growth again. However, this is predicated on improved sales and earnings. As things currently stand, we expect demand to pick up in the fourth quarter of 2024 at the earliest. The VDMA industry association responsible for wood processing machines expects a nominal decline in production of up to 10% for German companies and a loss of 7% in sales in 2024.

Despite this, major trends in furniture production, such as automation, digitalization, and product individualization, remain intact. As we are well positioned in all three areas thanks to HOMAG's integrated production solutions, we see opportunities for growth again and for widening our market share in the medium term.

Business in production technology for sustainable timber houses (Construction Elements Solutions) was significantly impacted by the crisis afflicting the construction industry in 2023. We do not expect any significant improvement in 2024, as high interest rates and material costs will continue to place a damper on construction activity. In the medium and long term, however, we see good prospects for Construction Elements Solutions, as timber houses are climate-friendly, and production can be readily automated. Accordingly, we expect Construction Elements Solutions to widen its contribution to HOMAG's sales to over 20% by 2030, up from 10.5% in 2023. In absolute terms, we expect sales in this segment to increase to around €500 million by 2030. The market for solid-wood construction should expand by an annual average of 6% between 2021 and 2031.

## Environmental technology

Our environmental technology business is benefiting from the increasingly more stringent requirements for air pollution control, especially in the emerging markets. Looking ahead to 2025, the accessible market is expected to widen by an average of 5%. Following the decline in 2023, we therefore expect to see an increase in demand in the various sales markets again in 2024. While growth in Europe and America is primarily being driven by services and the modernization of existing plants, in Asia it is mostly underpinned by new installations.

### Automation technology

Automation technology is one of our main growth sectors. Following on from the acquisition of the automation experts Teamtechnik and Hekuma in 2021, the addition of BBS Automation led to a further significant broadening of our range. Looking ahead to 2026, the automation market accessible to us is expected to widen by an average of 9%. This growth is being driven by the shortage of skilled labor, ever higher quality requirements and quantities in mass production as well as rising prosperity in many economies. Added to that are the trend toward electromobility and – in the field of medical devices – the growth and increasing age of the global population.

We originally defined an increase in sales to up to €500 million in 2030 as a target for automation technology. With the acquisition of BBS Automation, this goal was already achieved in 2023, including pre-consolidation sales. As the joint activities of BBS Automation, Teamtechnik, and Hekuma under one umbrella are opening up further potential for growth, we are now targeting sales of over €800 million by 2030.

### Battery production technology

We see great future potential in production technology for battery electrodes. We want to increase sales in this area to between €300 and €500 million by 2030. The acquisition of French mechanical engineering company Ingecal in November 2023 has once again expanded our range of electrode coating products to include an important technology. The acquisition enables us to additionally supply battery manufacturers with calendering systems. As well as this, we are developing technologies together with Ingecal and our US partner LiCAP for cutting-edge applications in dry coating alongside systems for wet coating. LiCAP is a technology company that is not part of the Dürr Group and has expertise in dry coating materials and processes.

The ongoing partnership with mechanical engineering companies Grob and Manz since 2022 is also benefiting from the expansion of our product portfolio. Together with these two partners, we can execute projects for end-to-end battery factories. The aim is to establish ourselves as a European equipment partner together with Grob and Manz.

## MODERATE SALES GROWTH EXPECTED IN 2024

The outlook for 2024 assumes that growth in the global economy does not fall short of expectations and that the war in Ukraine and combat in the Gaza Strip do not spread to the surrounding regions and do not have any greater impact on the economy than at present. Furthermore, we do not expect to see any material disruptions to supply chains, for example, as a result of the conflict in the Middle East or an escalation of tensions between China and Taiwan. A further premise is that it remains possible to secure energy supplies in Europe and that there are no shortfalls in availability with a severe impact on the economy. Additional risks are described in chapter 6.1 **"Risks" ⟶ page 113**.

For 2024, we expect moderate sales growth for the Group in tandem with a lower EBIT margin before extraordinary effects. Woodworking Machinery and Systems (HOMAG) faces a significant cyclical decline in sales, although this should be more than offset at the Group level by higher sales in the other divisions. The consolidation of BBS Automation for the first full year and growth in the Production Automation Systems business unit should make a significant contribution to this.

With its high real net output ratio, the Woodworking Machinery and Systems division has a large proportion of costs offering little scope for adjustment in the short term. Accordingly, the expected decline in the division's sales will lead to a significant contraction of the EBIT margin before extraordinary effects. We assume that the other divisions will be able to maintain or improve their EBIT margins before extraordinary effects. This is suggested by the operational improvement measures of recent years and the easing of the supply chain situation, among other things. Paint and Final Assembly Systems has also increased margins on its order backlog thanks to its "value before volume" sales strategy. At Industrial Automation Systems, the full-year consolidation of BBS Automation will have a positive impact on the EBIT margin before extraordinary effects. However, the potential improvements in the four other divisions will not be sufficient to fully make up for the lower earnings at Woodworking Machinery and Systems.

Order intake should reach €4,600 to €5,000 million in 2024. Overall, we see solid demand and expect new orders to remain stable at least over the previous year. The full-year consolidation of BBS Automation will make a positive contribution to order intake at Industrial Automation Systems. We expect order intake at Woodworking Machinery and Systems to stabilize at a low level and still assume that demand will not recover until the end of 2024 at the earliest. As for Application Technology, we anticipate a decline in order intake as some orders that we had anticipated for 2024 were brought forward to the fourth quarter of 2023. The project pipeline for Paint and Final Assembly Systems remains stable. However, we expect the economic slowdown in the automotive industry to result in longer planning phases, while the postponement of planned projects cannot be ruled out. Against this backdrop, we project stable to slightly higher order intake for the division and will be retaining our margin-oriented "value before volume" strategy. Clean Technology Systems is expecting higher order intake, underpinned by the growth potential in business with battery production systems among other things.

The target range for Group sales in 2024 is €4,700 to €5,000 million. This translates into a growth rate of approximately 2% to 8%, whereas the forecast that we issued on October 19, 2023, assumed a growth rate of 5% to 10% in 2024. The adjustment of the sales target was necessary as order intake at Paint and Final Assembly Systems was lower in 2023 than planned. Accordingly, the sales potential for 2024 is also somewhat lower. Nevertheless, we expect moderate sales growth for Paint and Final Assembly Systems as well as for Application Technology. Given the high order backlog, we expect moderate to strong sales growth for Clean Technology Systems. Industrial Automation Systems should increase its sales sharply, underpinned in particular by the consolidation of BBS Automation for the first full year. At Woodworking Machinery and Systems, a decline in sales in the low double-digit percentage range is expected, as order intake and order backlog fell sharply in 2023.

Since the target ranges for order intake and sales are closely in sync at Group level, the book-to-bill ratio for 2024 will ultimately depend on short-term economic conditions and demand in our markets. Values greater than 1 or less than 1 are both possible. Total costs (cost of sales and overheads, other operating expenses) will climb for volume- and inflation-related reasons in 2024. The largest cost items will continue to be the cost of materials and personnel expense.

## CONTRACTION IN THE EBIT MARGIN BEFORE EXTRAORDINARY EFFECTS EXPECTED

We project a contraction of the Group's gross margin and EBIT margin before extraordinary effects in 2024. This is due to the significant cyclical decline in sales that we expect for Woodworking Machinery and Systems. Specifically, the Group EBIT margin before extraordinary effects should reach 4.5% to 6.0% (2023: 6.1%). As things currently stand, extraordinary expenses should come to around €45 million (2023: €89.0 million) and primarily comprise purchase price allocation effects and, to a lesser extent, expenses for optimization measures. This results in a target corridor for the EBIT margin of 3.5% to 5.0% (2023: 4.1%).

In the case of Paint and Final Assembly Systems and Clean Technology Systems, we expect EBIT margins before extraordinary effects of at least 6% for 2024. This is in line with the mid-cycle targets for the two divisions. The improvement in earnings will be driven by the good margin quality in the order backlog, among other things. The EBIT margin before extraordinary effects of the Application Technology division is also expected to be in the range of its mid-cycle target in 2024 with around 10%. At Industrial Automation Systems, the full-year consolidation of BBS Automation should contribute to an increase in the EBIT margin before extraordinary effects, as BBS Automation boasts an above-average margin within the Production Automation Systems business unit. However, the division will not yet achieve its mid-cycle target of at least 10% in 2024, as Teamtechnik is still executing older orders with low margins and the integration of the newly established automation business is still ongoing.

The muted sales expected for Woodworking Machinery and Systems in 2024 will likely cause the EBIT margin before extraordinary effects to shrink to between 2.0% and 4.0%. This forecast takes into account the fact that we address capacity utilization shortfalls by adopting cost-reducing flexibilization measures, such as short-time work. Moreover, we will be cutting around 600 jobs in the division, including around 350 in Germany. As a result of the adjustments to personnel capacity, fixed costs are to be reduced by around €50 million by 2025. Half of the savings, i.e. around €25 million, should already take effect in 2024. The aim is to sustainably improve the earnings resilience of Woodworking Machinery and Systems so that future market fluctuations have less of an impact on earnings.

In all divisions, we will continue to widen the share of service business in sales. In this context, the focus is primarily on Woodworking Machinery and Systems. At Industrial Automation Systems, harnessing sales and earnings synergies between BBS Automation and the Teamtechnik Group is also a priority. A negative effect on the Group's earnings could arise from continued high inflation and capacity utilization shortfalls in the event of any temporary dip in demand.

## EARNINGS AFTER TAX ROUGHLY IN LINE WITH THE PREVIOUS YEAR

On the basis of these expectations, earnings after tax should reach €90 to €150 million in 2024 (€110.2 million in 2023). We project a tax rate of around 30% and assume that financial result will weaken due to the financial liabilities arising in connection with the acquisition of BBS Automation. ROCE is expected to reach a range of 9% to 14% and thus remain roughly the same as in 2023 (11.2%).

## DIVIDEND

We will be proposing a dividend of €0.70 per share for the 2023 fiscal year. This is equivalent to 44.0% of Group earnings after tax. Moving forward, the payout ratio should again be in a range of 30% to 40% of Group earnings after tax in accordance with our dividend policy.

## POSITIVE FREE CASH FLOW TARGETED DESPITE EXTRAORDINARY EXPENSES

Despite the extraordinary expenses resulting from the adjustment of personnel capacities at Woodworking Machinery and Systems, we are still aiming for a positive free cash flow across the entire Group in 2024. The target range is €0 to €50 million. We expect higher interest payments and a similar investment intensity as in 2023. With respect to net working capital, we expect an operational change of the same order as in 2023. The target range for days working capital is unchanged at 40 to 50 days. Given the expected cash flow and ample liquidity, we have sufficient financial flexibility to cover operational funding requirements, the cash required for capital expenditure, and the proposed dividend payout.

## CAPITAL EXPENDITURE AND ACQUISITIONS/ DISPOSALS

We expect investments in property, plant, and equipment, intangible assets, and right-of-use assets under leases to amount to between 3.0% and 4.0% of sales in 2024 (2023: 3.4%). Significant capital expenditure projects include, for example, the expansion of our development capacities in battery business and the completion of the new tooling site in Gengenbach. Investments in Woodworking Machinery and Systems are expected to fall slightly, as we were able to complete several site projects in 2023. The main priorities in 2024 will be a new HOMAG plant in Poland as well as modernization measures and the construction of a customer center in Schopfloch. With the acquisition of BBS Automation, we have achieved a significant goal in the development of our portfolio. Even so, we do not rule out smaller complementary investments. At the same time, we continuously review our business portfolio and might dispose of business activities if their growth potential or contribution to earnings does not meet the Group's targets or if they offer insufficient scope for harnessing synergies in the Group.

## NET FINANCIAL POSITION, LIQUIDITY, AND FUNDING

As things currently stand, we project a net financial position of €–540 to €–590 million for the end of 2024. As explained in section 5 **“Events after the reporting period” ⟶ page 112**, we plan to discharge the bridge finance used for the acquisition of BBS Automation, as we assume that overall liquidity will remain high. There are no plans to raise any capital. We have a stable funding position, especially as the syndicated loan agreed in 2019 was expanded at the end of 2023 and renewed until 2028.

## EXPECTATIONS BEYOND 2024

We are aiming to increase sales to more than €6 billion by 2030. The goal is to achieve an average growth rate of 5% to 6% during the period from 2023 to 2030. The mid-cycle target for the EBIT margin before extraordinary effects is 8%. As things currently stand, this target is not likely to be reached before 2026 at the earliest, assuming that the market environment in which HOMAG (Woodworking Machinery and Systems) operates duly recovers. Further prerequisites for achieving our mid-cycle margin target include the reduction in fixed costs at HOMAG, the expansion of the proportion of service business in sales, product standardization, production efficiency enhancements, and the further localization of development and production in our main sales markets.

### 2.86 — OUTLOOK FOR GROUP

| | | 2023 | 2024 target |
|---|---|---|---|
| Order intake | € million | 4,615.5 | 4,600 to 5,000 |
| Sales | € million | 4,627.3 | 4,700 to 5,000 |
| EBIT margin before extraordinary effects | % | 6.1 | 4.5 to 6.0 |
| EBIT margin | % | 4.1 | 3.5 to 5.0 |
| Earnings after taxes | € million | 110.2 | 90 to 150 |
| ROCE | % | 11.2 | 9 to 14 |
| Free cash flow | € million | 129.3 | 0 to 50 |
| Net financial status (December 31) | € million | –516.6 | –540 to –590 |
| Capital expenditure (net of acquisitions) | € million | 157.1 | |
| | % of sales | 3.4 | 3.0 to 4.0 |

### 2.87 — OUTLOOK FOR DIVISIONS

| | Order intake (€ million) | | Sales (€ million) | | EBIT margin before extraordinary effects (%) | |
|---|---|---|---|---|---|---|
| | 2023 | 2024 target | 2023 | 2024 target | 2023 | 2024 target |
| Paint and Final Assembly Systems | 1,476.0 | 1,450 to 1,600 | 1,363.6 | 1,400 to 1,500 | 5.1 | 6.0 to 7.0 |
| Application Technology | 719.8 | 600 to 650 | 614.0 | 620 to 670 | 9.9 | 9.5 to 10.5 |
| Clean Technology Systems | 480.4 | 530 to 580 | 481.2 | 510 to 550 | 6.3 | 6.0 to 7.0 |
| Industrial Automation Systems | 583.8 | 800 to 900 | 590.7 | 820 to 920 | 5.0 | 7.0 to 8.0 |
| Woodworking Machinery and Systems | 1,395.5 | 1,200 to 1,400 | 1,625.1 | 1,350 to 1,450 | 8.0 | 2.0 to 4.0 |

## BOARD OF MANAGEMENT'S OVERALL STATEMENT ON THE ANTICIPATED DEVELOPMENT OF THE GROUP

The project pipeline in automotive business is still stable and includes projects for new construction and modernization investments. We expect the transformation to e-mobility and climate-friendly production processes to continue to drive the capital spending activities of our customers. In battery production technology, we have made progress in coating technology. The acquisition of Ingecal broadens our range for wet coating but at the same time offers important foundations for us to establish ourselves as a supplier of the next-generation dry coating technology. On this basis, we want to expand our business with the battery industry.

In automation business, we see great potential for sales and cost synergies following the acquisition of BBS Automation. Harnessing these synergies is a key goal for 2024. The same applies to the implementation of personnel and cost-cutting measures at Woodworking Machinery and Systems in order to limit the expected margin contraction in 2024 and to strengthen the division's earnings resilience.

Sustainability, electromobility, automation, and digitalization will be the Dürr Group's main growth drivers over the next few years. Thanks to the resource efficiency of our products, the strong software and shop floor expertise of our digital factories, and the previous years' acquisitions, we are very well positioned to benefit from the market opportunities that are emerging.

Group sales should grow to between €4,700 and €5,000 million in 2024. Important drivers for this are the large order backlog in automotive business and in environmental technology as well as the full-year consolidation of BBS Automation. However, we expect the Group's EBIT margin before extraordinary effects to contract to between 4.5% and 6.0% due to the cyclical downturn afflicting HOMAG. The target corridor for the EBIT margin is 3.5% to 5.0%, with extraordinary expenses coming to around €45 million. At €90 to €150 million, earnings after tax are expected to more or less match the level of 2023. In terms of free cash flow, we expect a positive figure of between €0 and €50 million despite the extraordinary payments in connection with the adjustments to personnel capacity at HOMAG, assuming largely constant capital expenditure. We have ample liquidity totaling over €1 billion. In addition, there is an unused cash facility of €750 million under the 2019 syndicated loan, which was expanded in 2023. Net financial debt at the end of 2023 was within the range announced after the acquisition of BBS Automation in absolute terms (€516.6 million) and relative to EBITDA (1.6). Against this backdrop, we are financially well positioned to cover our operational financing requirements and to pay out a dividend.

Looking ahead to 2025, we want to remain on our growth trajectory, and we are aiming for sales of more than €6 billion by 2030. The mid-cycle target for the EBIT margin before extraordinary effects is at least 8%. In order to achieve this, we are prioritizing measures to widen margins on established business and are increasing the share of growth business with its above-average margin potential.

# 7 DÜRR AG (IN ACCORDANCE WITH THE GERMAN COMMERCIAL CODE, HGB)

Dürr AG's annual financial statements are prepared in accordance with the provisions of the German Commercial Code (HGB), whereas the consolidated financial statements are prepared in accordance with IFRS. As the holding company, Dürr AG comprises the Group's central functions and does not engage in any operating business of its own. Its economic condition mainly hinges on the business performance of the Group's operating companies. The most important performance indicator for Dürr AG is net profit for the year. Dürr AG holds shares, directly or indirectly, in 144 companies. The economic environment in which Dürr AG operates is essentially the same as for the Group and is described in chapter 4.1 **"Economic and sector environment" ⟶ page 80**.

## RESULTS OF OPERATIONS

Dürr AG's sales increased by 8.2% to €42.5 million in 2023. The main reason for this was the increase in internal Group transfer payments made by the Group companies to Dürr AG for services provided by Dürr AG as well as higher payments for the use of trademarks due to the greater volume of business. Net other operating expenses came to €–44.2 million, compared with €–27.6 million in the previous year. Although other operating income grew as a result of higher currency translation gains and recharged intragroup expenses for the OneDürrGroup synergy program, other operating expenses increased by a greater rate due to currency translation losses, acquisition-related costs, consulting expenses, and transaction costs in connection with financing measures. On the one hand, the increase of 11.3% in personnel expenses arose from higher salaries. On the other, Dürr AG's workforce expanded as additional employees were recruited in connection with the Group's growth, while certain functions, for example within Human Resources, were transferred from the divisions to Dürr AG.

Net investment income declined substantially to €63.9 million in 2023. One major reason for this was the lower earnings posted by HOMAG Group AG as a result of the extraordinary expenses incurred for the adjustments to personnel capacities at HOMAG. This reduced the amount of earnings transferred from HOMAG Group AG to the intermediate holding company, Dürr Technologies GmbH, whose shares are held by Dürr AG. Moreover, Dürr Technologies GmbH's earnings were adversely affected by write-downs on investments in two subsidiaries. The financial result improved by €11.6 million, reaching positive territory (€4.8 million). We benefited from the sharp rise in interest income, which more than made up for higher interest expense. The increased interest income resulted from the high interest rates and the larger volume of investments. The higher interest expenses were due to the green Schuldschein loan issued in April and the bridge finance for the acquisition of BBS Automation.

Tax expense grew by €4.7 million, mainly because we increased tax provisions with regard to an ongoing tax audit. Reflecting the lower net investment income, net profit for the year fell to €30.5 million, thus dropping below the dividend payment of €48.4 million distributed in May 2023 for the 2022 fiscal year. As a result, net retained profit fell by €18.0 million to €689.4 million.

## NET ASSETS AND FINANCIAL CONDITION

Dürr AG's total assets rose by 23.9% to €2,998.2 million as of December 31, 2023. On the assets side, non-current assets increased by 16.6% to €1,323.3 million due to a rise of €189.4 million in financial assets. This primarily resulted from the increase of €180.1 million in Dürr Technologies GmbH's capital reserve ahead of the acquisition of BBS Automation. Within current assets, receivables and other assets climbed by 10.9% due to heightened funding requirements on the part of some Group companies. The increase of €293.1 million in cash funds reflected the cash inflows

### 2.88 — DÜRR AG INDIVIDUAL FINANCIAL STATEMENTS – STATEMENT OF PROFIT OR LOSS (HGB)

| € million | 2023 | 2022 |
|---|---|---|
| Sales | 42.5 | 39.3 |
| Other operating income | 41.1 | 30.5 |
| Material expense | –2.7 | –2.8 |
| Personnel expense | –25.7 | –23.1 |
| Depreciation and amortization | –0.7 | –0.8 |
| Other operating expenses | –85.3 | –58.1 |
| Net investment income | 63.9 | 151.7 |
| Financial result | 4.8 | –6.8 |
| Income taxes | –7.4 | –2.7 |
| **Net profit for the year** | **30.5** | **127.1** |
| Profit carried forward from the previous year | 658.9 | 580.2 |
| **Net retained profit** | **689.4** | **707.3** |

### 2.89 — DÜRR AG INDIVIDUAL FINANCIAL STATEMENTS – BALANCE SHEET (HGB)

| € million | Dec. 31, 2023 | Dec. 31, 2022 |
|---|---|---|
| **ASSETS** | | |
| **Non-current assets** | | |
| Intangible assets | 3.7 | 4.4 |
| Property, plant, and equipment | 0.1 | 0.1 |
| Financial assets | 1,319.5 | 1,130.0 |
| | **1,323.3** | **1,134.5** |
| **Current assets** | | |
| Receivables and other assets | 978.3 | 881.9 |
| Cash funds | 695.9 | 402.8 |
| | **1,674.2** | **1,284.7** |
| Prepaid expenses, miscellaneous | 0.7 | 0.5 |
| | **1,674.9** | **1,285.2** |
| **Total assets** | **2,998.2** | **2,419.7** |
| **EQUITY AND LIABILITIES** | | |
| **Equity** | | |
| Subscribed capital | 177.2 | 177.2 |
| Capital reserve | 67.6 | 67.6 |
| Net retained profit | 689.4 | 707.3 |
| | **934.1** | **952.1** |
| **Debt capital** | | |
| Provisions | 38.7 | 23.7 |
| Liabilities | 2,025.4 | 1,443.9 |
| | **2,064.1** | **1,467.6** |
| **Total equity and liabilities** | **2,998.2** | **2,419.7** |

as a result of the financing transactions executed in 2023 and the Group's high free cash flow.

On the other side of the balance sheet, equity declined slightly because, as stated above, part of the dividend for 2022 was paid out of net retained profit. The increase in provisions was primarily due to the higher tax provisions. Liabilities rose by 40.3% due to the issuance of the green Schuldschein loan and the bridge finance for the acquisition of BBS Automation. In addition, liabilities to affiliated companies climbed as a result of loans from Group companies.

## RISKS AND OPPORTUNITIES

Dürr AG is exposed to the opportunities and risks of its subsidiaries. The extent of such exposure depends on the size of its share in the respective company. See also the **"Report on risks, opportunities, and expected future development" → page 113** in section 6 of this combined management report. In addition, strain may arise from the contingent liabilities in existence between Dürr AG and its subsidiaries.

## FORECAST

Dürr AG's future economic performance is closely linked to the Group's operating performance. Details of our outlook and plans for our operating business can be found in chapter 6.3 **"Forecast" → page 127**. Looking ahead to 2024, we expect a slight increase in income from internal transfer payments and net investment income and, hence, in Dürr AG's net profit for the year. Dürr AG's full individual financial statements can be found under Investors/Financial Publications/Presentations on our website at www.durr-group.com.

Bietigheim-Bissingen, March 18, 2024

Dürr Aktiengesellschaft
The Board of Management

**Dr. Jochen Weyrauch**

**Dietmar Heinrich**

# REMUNERATION REPORT

# Content of the remuneration report

The remuneration report has been prepared in accordance with the provisions of Section 162 of the German Stock Corporation Act (AktG) and is based in particular on the statutory requirements of that Act. It is a separate report, describing the basic principles that underly the remuneration systems for the Board of Management and the Supervisory Board of Dürr AG as well as the amount and structure of the remuneration.

Due to rounding effects, it is possible that individual figures presented in this report may not add up exactly to the specified total and that the percentages shown do not exactly match the absolute figures.

The report on the remuneration granted and owed to the individual members of the Board of Management and the Supervisory Board in 2022 was approved at the annual general meeting on May 12, 2023, by a majority of 64.43% in accordance with Section 120a (4) of the German Stock Corporation Act. To further optimize the remuneration report for the 2023 financial year, we have increased the transparency. In addition, the remuneration system for the Executive Board was completely revised for the 2023 financial year (see Section entitled "Principles of the remuneration system").

# Remuneration system for the members of the Board of Management

## PRINCIPLES OF THE REMUNERATION SYSTEM

The current remuneration system for the Board of Management of Dürr AG has been in force since January 1, 2023, and applies to all service contracts entered into with the members of the Board of Management since that date. It also applies in principle to all previously signed service contracts of the members of the Board of Management. The remuneration system implements the applicable provisions of the German Stock Corporation Act (Sections 87 and 87a) resulting from the Act on the Transposition of the Second Shareholder Rights Directive (ARUG II) and has been approved and adopted by the Supervisory Board in accordance with these requirements.

The Supervisory Board performs a review of the remuneration system at its own due discretion, however no later than every four years. In 2022, the Supervisory Board considered it necessary to review the previous remuneration system for the Board of Management with regard to the structure of the short-term incentive (STI) and long-term incentive (LTI) and to adjust it following a market analysis. The previous remuneration system contained a sustainability component that was solely short-term. In addition, the variable remuneration became very volatile in the event of any major external market dislocations and relatively quickly caused unreasonably large deviations from the target remuneration, which could be inconsistent with the additional performance demands placed on the Board of Management, especially in critical economic situations.

The new remuneration system for the members of the Board of Management is structured clearly and comprehensibly. It promotes Dürr AG's business strategy and long-term interests and thus contributes to its long-term development. The focus is on strengthening profitable and sustainable growth and this forms the basis for structuring the remuneration system. This is achieved by defining targets for profitability (operating EBIT margin), enterprise value and corporate development (free cash flow, total shareholder return/TSR, share price, and strategic targets) as well as environmental and social sustainability (ESG targets). The financial and non-financial parameters cover different, frequently multi-year periods in order to sustainably support the company's strategic success. Special attention is paid to ensuring that the interests and expectations of the shareholders and proxy advisors match the structure of the remuneration of the Board of Management as closely as possible. The previous remuneration system was compared with the systems of other listed companies and aligned with common, established market practices, such as the number of target indicators, target weighting, or the capping of target achievement.

The remuneration system also very largely takes into account the most recent version of the German Corporate Governance Code (GCGC) in the version of April 28, 2022 as well as the guidelines for sustainable Management Board remuneration developed by the Working Group on "Guidelines for Sustainable Management Board Remuneration (AlfenV)" in their latest version of September 2021.These were drawn up by Supervisory Board Chairs, corporate governance experts as well as investor representatives and academics. Among other things, the system includes variable performance criteria to measure the Group's sustainable development, a clawback clause, a target bonus system, and provisions concerning termination benefits. Other constituent elements are, for example, the distinction between short-term and long-term incentives (one-year and multi-year variable remuneration), remuneration caps, and a deductible on D&O insurance.

The above-mentioned alignment with market practice also required an adjustment of the remuneration cap for the Board of Management. It should be emphasized that the target remuneration of the Board of Management was not adjusted in the realignment of the remuneration system, although a review of the target remuneration was carried out in 2023 (see Section entitled "Service contracts").

The current remuneration system applies in the version approved by a majority of 87.33% of the shareholders at the annual general meeting on May 12, 2023.

## COMPONENTS OF THE REMUNERATION SYSTEM

The remuneration system for the members of the Board of Management consists of fixed and variable remuneration components. The fixed remuneration, which is not tied to

**3.1 — REMUNERATION SYSTEM AND COMPONENTS OF THE REMUNERATION FOR THE BOARD OF MANAGEMENT**

| | | Remuneration components | Structure | Cap | |
|---|---|---|---|---|---|
| Cash | Fixed components | Fixed annual salary | Paid in twelve equal monthly installments | 100% | Maximum total remuneration |
| | | Fringe benefits | Regular and occasion-related non-cash benefits granted | 1% of total target remuneration | |
| | | Company pension | Employer-funded pension contribution | 25% of the annual basic salary | |
| | Variable components | STI (one-year performance period) | Operating EBIT margin[1]: 40%; FCF: 30%; ESG: 15%; Strategy target(s): 15%<br>Annual definition of threshold (0%) and maximum (200%)<br>ESG targets 2023 (each weighting 50%): – Employee satisfaction – Incident rate<br>Strategy target 2023: OneDürrGroup program | Total target achievement capped at 200% | |
| | | LTI (three-year performance period) | Operating EBIT margin[1]: 40%; TSR: 40%; ESG: 20%<br>Annual definition of threshold (0%) and maximum (200%)<br>Number of performance shares × KPI total target achievement (max. 200%) × Average closing price of Dürr AG share[2] = LTI target achievement amount | Total target achievement capped at 200% | |

Obligation to hold shares ("share ownership guidelines")

Penalty and clawback rules for variable components

[1] Calculated from EBIT before extraordinary effects divided by sales before extraordinary effects (adjusted in each case for extraordinary items or developments).
[2] Average closing price of the Dürr share in Deutsche Börse AG's XETRA trading system over the last 60 trading days before the annual general meeting of Dürr AG.

performance, comprises the fixed annual salary, a company pension, and fringe benefits. The variable performance-related remuneration comprises the short-term incentive (STI) and the long-term incentive (LTI) (⟶ **figure 3.1**).

## FIXED, NON-PERFORMANCE-RELATED REMUNERATION COMPONENTS

The fixed, non-performance-related remuneration is made up of the fixed annual salary, a company pension, and fringe benefits.

**Fixed annual salary**
The fixed annual salary is paid in twelve equal monthly amounts. Its amount is based on the tasks and strategic and operational responsibility of the individual member of the Board of Management.

**Company pension**
Under the Dürr Group's pension scheme ("Dürr pension plan"), the members of the Board of Management receive an employer-funded pension contribution of 25% of their fixed annual salary.

**Fringe benefits**
A company car is made available to the members of the Board of Management. In addition, Dürr AG takes out D&O insurance with an appropriate amount of coverage and the statutory deductible for the benefit of the members of the Board of Management as well as accident insurance for the individual members.

## VARIABLE, PERFORMANCE-RELATED REMUNERATION COMPONENTS

The variable, performance-related remuneration is made up of a short-term (STI) and a long-term (LTI) component, resulting in an appropriate incentive system for the implementation of the corporate strategy and for the creation of and growth in sustainable added value. The remuneration model provides a high degree of transparency by linking the performance parameters with clearly defined indicators of earnings, added value, and sustainable development. Dürr AG's sustainable business orientation and its social and ecological responsibility are also reflected in its ESG targets.

The variable remuneration is measured on the basis of the tasks and strategic and operational responsibility of the members of the Board of Management as well as the short and long-term results of the Dürr Group. The proportion of variable remuneration components exceeds the proportion of fixed remuneration components in both target total remuneration and maximum remuneration. At the same time, the LTI accounts for a greater proportion of the total remuneration than the STI. The financial and non-financial performance criteria contribute to the furtherance of Dürr AG's business strategy and long-term development. The method for measuring target achievement is described below.

The Supervisory Board may temporarily make appropriate adjustments, within reasonable limits, to the conditions for payment of the variable remuneration components and other parameters of the variable remuneration components only in the case of exceptional events or developments, such as the acquisition of a company or disposal of a business, in order to neutralize the effects of such exceptional events or developments. General unfavorable market conditions do not constitute exceptional events or developments. The same applies if changes in the accounting rules applicable to the company have a material impact on the parameters relevant for the calculation of the STI and LTI variable remuneration components or in the event that a financial year comprises less than twelve months (short financial year). If exceptional events or developments lead to changes in the payment of the variable remuneration, the reasons for this are described in detail and in a readily understandable manner. No use may be made of any discretionary adjustment options. No special bonuses are paid.

The Supervisory Board may temporarily depart from the remuneration system and its individual components or introduce new remuneration components if this is necessary to safeguard the company's long-term interests. The Supervisory Board reserves the right to make such modifications in exceptional circumstances, such as an economic or corporate crisis and, in doing so, takes account of the proportionality of the remuneration relative to other measures taken in these circumstances and the interests of the shareholders.

**Short-term incentive (short-term remuneration component)**
The short-term, variable remuneration for the members of the Board of Management is a performance-related bonus based on financial and non-financial results for the respective financial year. In 2023, it broke down into 40% operating EBIT margin, 30% free cash flow (FCF), 15% ESG targets, and 15% strategic targets (⟶ **figure 3.2**). The Supervisory Board is able to vary the number of applicable ESG and strategic targets in the STI. The ESG and the strategic targets can be set for the Board of Management in its entirety or separately for each individual member. The greater weighting given to the ESG and strategic targets in the revised

remuneration system reflects the greater emphasis which the new remuneration system places on the implementation of the corporate strategy and on sustainable creation of and growth in added value, including in the STI.

The basis for calculating the operating EBIT margin is earnings before interest, income taxes and income from investments (EBIT). EBIT is adjusted for extraordinary effects such as the effects of acquisitions, restructuring, and other significant extraordinary factors and expressed as a ratio of the likewise adjusted sales of the Dürr Group. The extraordinary effects are disclosed in the management report. By applying the Dürr Group's operating EBIT margin, the company's profitability is duly taken into account in the remuneration of the Board of Management, thus supporting one of the main strategic objectives.

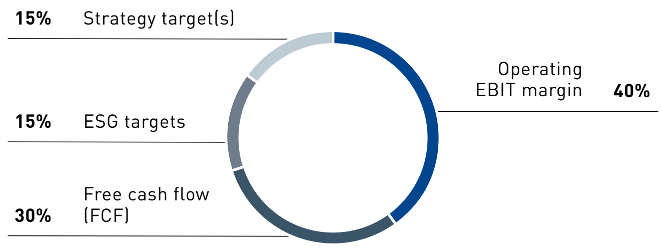
Free cash flow is the freely available cash flow and shows what funds remain for a dividend payout, making acquisitions and, where applicable, reducing debt. It is calculated by deducting the investments, the balance of interest paid and received, and the repayment of lease liabilities from the cash flow from operating activities.

ESG goals are defined as environmental, social, and responsible corporate governance goals. Before the beginning of the financial year, the Supervisory Board determines the ESG performance criteria and the methods for measuring performance for the Board of Management or for each individual member of the Board of Management, as the case may be. Possible performance criteria are composed, for example, of customer satisfaction, employee satisfaction, occupational health and safety, or other ESG criteria. Total ESG target achievement is calculated on the basis of the weighted average target achievement for the individual performance criteria.

The strategic targets are the priority targets defined for the year in question. Before the beginning of the financial year, the Supervisory Board determines, in the same way as it does for the ESG targets, the number of targets, the performance criteria, and the methods for measuring performance for the Board of Management or for each member of the Board of Management, as the case may be. Here, too, total strategic target achievement is calculated on the basis of the weighted average target achievement for the individual performance criteria.

Before the beginning of a financial year, the Supervisory Board determines the individual targets as well as the minimum and

**3.2 — SHORT-TERM INCENTIVE – TARGET WEIGHTING**




maximum target achievement ("threshold" and "maximum"). The target achievement 0% below or upon achievement of the threshold, 200% above or upon achievement of the maximum, and 100% for achievement of the target. It is interpolated on a straight-line basis between threshold and target as well as between target and maximum.

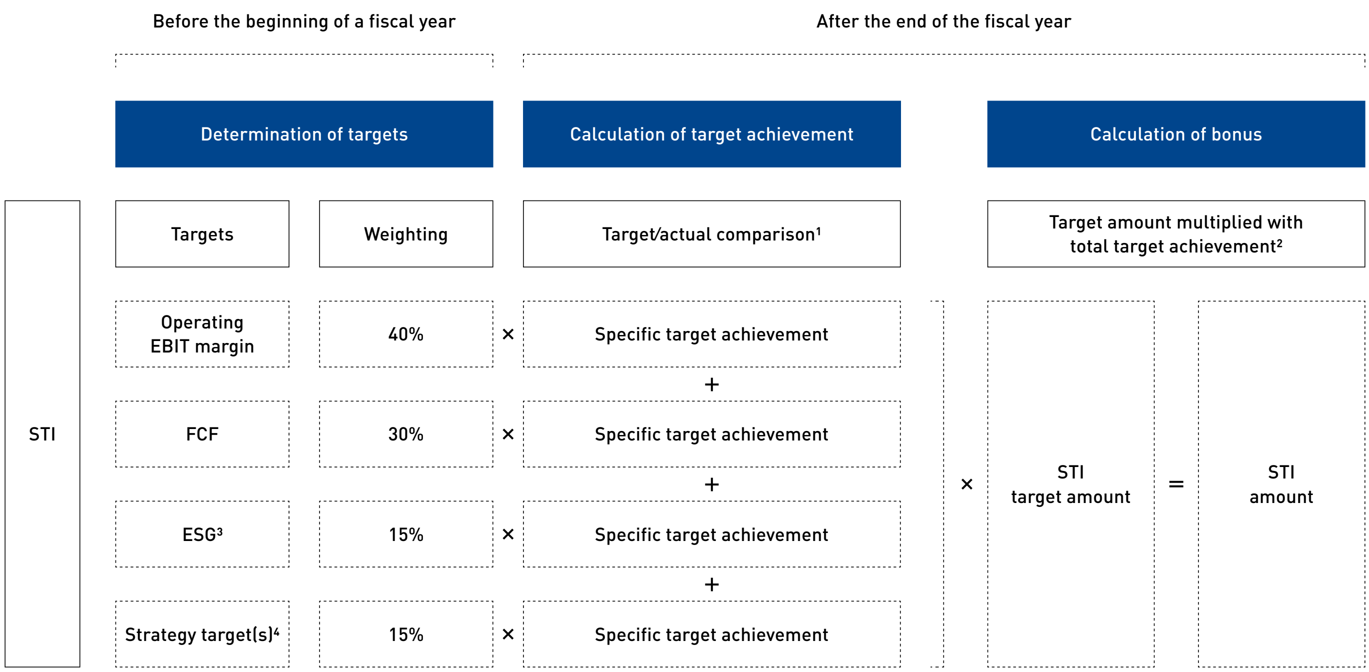
Target achievement is determined by the Supervisory Board after the end of the corresponding financial year. STI target achievement is determined on the basis of the respective achievement of the operating EBIT margin, free cash flow (FCF), the ESG targets, and the strategic targets as well as the defined weighting of these targets. The final STI amount equals the STI target amount multiplied by STI target achievement (→ **figure 3.3**). The target achievement amount accruing under the STI is paid out in May and capped at 200% of the target amount (payout cap).

If the service contract begins or ends during a given financial year, the target achievement amount is reduced on a time-proportionate basis. All claims under the STI arising in a given financial year lapse without any compensation or remuneration if the service contract with the member of the Board of Management is terminated by the company for good cause in accordance with Section 626 of the German Civil Code (BGB).

**Long-term incentive (long-term remuneration component)**

The long-term, variable remuneration for the members of the Board of Management takes the form of a performance share plan that is aligned to the company's sustainable growth. The relevant performance indicators for calculating the amount accruing under the LTI are:

### 3.3 — SHORT-TERM INCENTIVE: CALCULATION OF TARGET ACHIEVEMENT AND STI AMOUNT




[1] Comparison of the targets set before the beginning of the fiscal year with the values achieved in the fiscal year.
[2] The individual target amount for 100% target achievement is determined in accordance with the applicable remuneration structure for the individual members of the Board of Management. Total target achievement level represents the sum of all weighted target achievements.
[3] The ESG sub-targets are redefined annually and composed of environment, social, and governance targets.
[4] The strategic target(s) are priority targets for the respective financial year, which are redefined annually.

a) the performance of the Dürr share between the award and the payment of the LTI,

b) the average operating EBIT margin for the three financial years starting with the year of award,

c) the total shareholder return (TSR) relative to a defined peer group,

d) the achievement of the defined ESG targets during the three financial years.

The operating EBIT margin is defined as the ratio of operating EBIT to the adjusted sales of the Dürr Group (see Section on "Short-term incentive"). An appropriate EBIT margin supports the company's long-term profitability and thus reinforces the long-term implementation of its corporate strategy.

The relative TSR reflects the performance of Dürr AG's share during the three financial years, including dividend payments, compared to a defined peer group consisting of German and Austrian companies (primarily mechanical and plant engineering companies as well as automotive suppliers and engineering service providers).

The inclusion of the share price and the TSR emphasizes the focus on the long-term creation of added value by the company.

The Supervisory Board is able to vary the number of applicable ESG targets in the LTI. The ESG targets promote the alignment of the company's business to sustainability criteria and the social and ecological responsibility of the Dürr Group.

At the date at which the annual LTI tranches are granted, the target amount for the LTI per member of the Board of Management is converted into virtual shares in the company (performance shares) on the basis of the initial reference price of the Dürr share. These are then allocated to the respective members of the Board of Management as a calculation variable. The initial reference price is determined on the basis of the average calculated closing price of the Dürr share for the last 60 trading days before December 31 of a given financial year.

The LTI is paid out in cash after the expiry of the three-year period and the subsequent annual general meeting at which the consolidated financial statements of Dürr AG for the previous financial year are presented. To calculate the LTI total target achievement amount, the number of performance shares is multiplied by the KPI total target achievement (weighted target achievement of the three target variables) and the average calculated closing price of the Dürr share over the 60 trading days before the annual general meeting (⟶ figure 3.5).

Prior to the beginning of a tranche, the Supervisory Board determines the target for the average operating EBIT margin and ESG targets as well as the minimum and maximum target achievement ("threshold" and "maximum"). Target achievement is 0% below or upon achievement of the threshold, 200% above or upon achievement of the maximum, and 100% for achievement of the target. It is interpolated on a straight-line basis between threshold and target as well as between target and maximum.

The targets shown in ⟶ figure 3.4 have been defined for the 2023 to 2025 LTI tranche.

Achievement of the TSR target is subject to fixed corridors. Target achievement is 0% in the event of a deviation of minus 25 percentage points or more from the TSR of the defined peer group. It is 100% if the peer-group TSR is achieved. If the peer-group TSR is exceeded by 25 percentage points or more, the maximum target achievement of 200% applies. It is interpolated on a straight-line basis between threshold and target as well as between target and maximum. The ISS ESG Corporate Rating was selected as the ESG target for the 2023 to 2025 LTI tranche. This benchmarks a company's ESG performance against cross-industry, cross-sectoral, and sector-specific indicators. The "Prime" seal is awarded on an industry-specific basis in recognition of particularly good ESG performance by companies. "Prime" status is awarded for a score of C+ or higher in the industrial machinery and equipment sector.

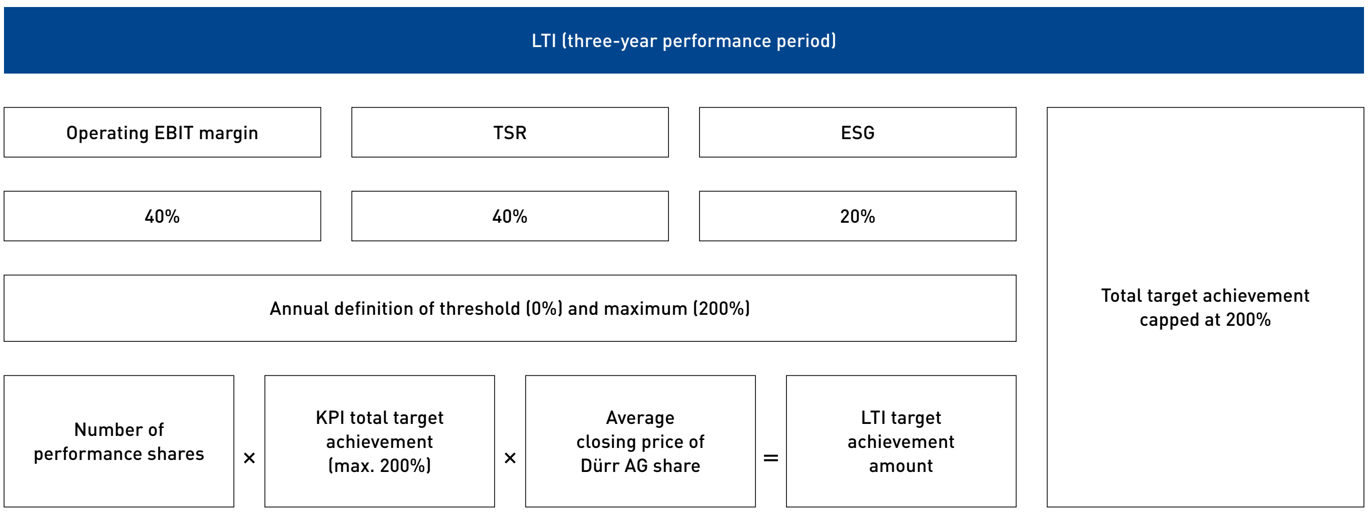
KPI total target achievement is 0% below or upon achievement of the threshold, 200% above or upon achievement of the maximum, and 100% for achievement of the target. It is capped at 200%. The amount accruing under the LTI is capped at 200% of the LTI target (payout cap). Please see ⟶ figure 3.5 for more information.

All rights accruing under the LTI expire without compensation if: the service contract with the member of the Board of Management is validly terminated without notice for good cause prior to payment of the LTI; the member's appointment to the Board of Management is validly revoked for good cause prior to payment of the LTI due to gross breach of duty as defined in Section 84 (4) Sentence 2 of the German Stock Corporation Act; or the appointment is not renewed upon expiry for good cause prior to payment of the LTI

**3.4 — TARGETS FOR THE 2023 TO 2025 LTI TRANCHE**

| Goal | Operating EBIT margin | | TSR | | ESG | |
|---|---|---|---|---|---|---|
| Weighting in % | 40% | | 40% | | 20% | |
| Definition | Average target achievement of the operating EBIT margin for the three financial years | | Total shareholder return (TSR) of Dürr AG in relation to the TSR of a defined peer group | | ISS ESG Corporate Rating<br>Assessment of ESG performance<br>• based on cross-industry and cross-sectoral indicators<br>• based on a 12-point system | |
| Determination of target achievement | Ø Operating EBIT margin | Target achievement | Deviation | Target achievement | Scale | Target achievement |
| | ≤ 2.5% | 0% | ≤ 25%-points | 0% | ≤ C- | 0% |
| | 7.1% | 100% | 0%-points | 100% | C | 100% |
| | ≥ 8.0% | 200% | ≥ 25%-points | 200% | ≥ C+ | 200% |

**3.5 — LONG-TERM INCENTIVE – CALCULATION OF THE TOTAL TARGET ACHIEVEMENT AMOUNT**




in accordance with Section 626 (1) of the German Civil Code for reasons for which the member of the Board of Management is responsible. This also applies if the member of the Board of Management resigns or gives notice of termination of the service contract before payment of the LTI, unless he or she has a justified reason for resigning and/or giving notice of termination of the service contract.

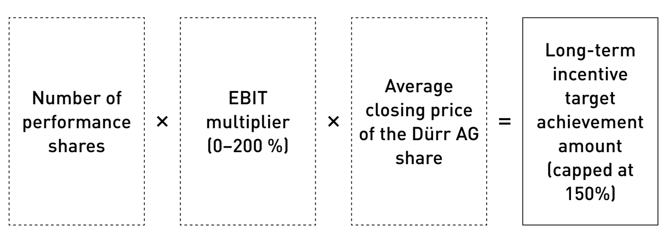
### Previous long-term incentive (long-term remuneration component)

As the long-term variable remuneration was paid out in 2023 under the remuneration system applicable until December 31, 2022, this system is described below (→ figure 3.6).

Under the remuneration system applicable until December 31, 2022, the LTI remuneration was based on the performance of Dürr's share price and the Group's average operating EBIT margin over a three-year period (LTI period). At the date on which the annual LTI tranches were awarded, the target amount for the LTI per member of the Board of Management was converted into virtual shares of the company (performance shares) on the basis of the initial reference price of the Dürr share. These were then allocated to the respective members of the Board of Management as a calculation variable. The initial reference price was determined on the basis of the average calculated closing price of the Dürr share for the last 30 trading days before December 31 of a financial year.

The amount accruing at the end of the three-year LTI period was calculated by multiplying the number of performance shares by an EBIT multiplier and a share price multiplier. The share price multiplier corresponded to the average closing price of the Dürr share in euros on the last 30 trading days prior to the first annual general meeting after the three-year LTI period. The EBIT multiplier was calculated on the basis of the average operating EBIT margin achieved by the Group during the term of the LTI tranche. The EBIT multiplier equaled 0% if target achievement was below the threshold, 200% if target achievement was above the maximum, and 100% if the target was reached. Target achievement and the EBIT multiplier were interpolated on a straight-line basis between threshold and target as well as between target and maximum. The EBIT multiplier was capped at 200%. The target achievement amount for the LTI was capped at 150% of the LTI target amount (payout cap).

**3.6 — PREVIOUS LONG-TERM INCENTIVE – CALCULATION OF THE TARGET ACHIEVEMENT AMOUNT FOR 2023**



## PENALTY AND CLAWBACK RULES

The company may, at its own due discretion, adjust and recover the payments made under the variable remuneration if the audited consolidated financial statements and/or the basis for determining other targets upon which the variable remuneration is based must be subsequently corrected because they prove to be objectively erroneous, and the error has led to a miscalculation of the variable remuneration. The recovery claim equals the difference between the amounts actually paid by the company and the amounts which would have had to be paid under the rules on variable remuneration as per the corrected calculation bases.

In the event of any grossly negligent or intentional breach by a member of the Board of Management of any of his or her material duties of care under Section 93 of the German Stock Corporation Act or any material principles in any internal guidelines issued by the company and, resulting from this, a threat to the business success or reputation of Dürr AG or any of its companies, the Supervisory Board may reduce the variable remuneration components in part or in full (down to zero).

If the correction to the bases for calculating variable remuneration or the breach of the duties of care or of material principles affects several variable remuneration components that have already been paid, the payments may be reclaimed for all variable remuneration components. The recovery claim will lapse three years after payment of the variable remuneration component concerned.

In the 2023 financial year, the Supervisory Board did not make use of either penalty or clawback rules. No circumstances were identified by the Supervisory Board that would have given rise to this.

## MAXIMUM REMUNERATION

The total remuneration for each member of the Board of Management for a financial year is capped at an absolute amount ("maximum remuneration"). The maximum remuneration relates to the fixed annual salary paid in the financial year, the fringe benefits paid in the financial year, including costs for the company pension, the STI earned in the financial year, and the tranche of the LTI commencing in the financial year. It is capped at €5,500,000 for the CEO (2022: €3,890,000) and at €2,900,000 for the CFO (2022: €2,055,000).

**3.7 — MAXIMUM AMOUNTS OF VARIABLE REMUNERATION COMPONENTS**

| Position | Maximum amount under the short-term incentive (€) | | Maximum amount under the long-term incentive (€) | |
|---|---|---|---|---|
| | 2022 | 2023 | 2022 | 2023 |
| CEO | 1,250,000 | 1,666,667 | 1,350,000 | 1,800,000 |
| CFO | 600,000 | 858,333[1] | 675,000 | 900,000 |

[1] The disclosures of the maximum amount of variable remuneration components payable under the STI to CFO Dietmar Heinrich for 2023 relate to the time-proportionate calculation up to July 31, 2023, of €800,000 and from August 1, 2023, of €940,000.

If the total remuneration calculated for a financial year exceeds the maximum remuneration, the amount accruing under the LTI is reduced by the surplus amount. If necessary, the Supervisory Board may, at its own due discretion, reduce other remuneration components. Irrespective of the maximum remuneration, the amount of the individual variable remuneration components is also limited as shown in → table 3.7.

## OBLIGATION TO HOLD SHARES ("SHARE OWNERSHIP GUIDELINES")

The members of the Board of Management are subject to a contractual obligation to permanently hold a significant fixed number of shares in Dürr AG during the term of their office after the end of a three-year accumulation phase. The CEO and the CFO must each hold 12,500 shares. Alongside the LTI, the obligation to hold shares in the company entails an additional share-based component that provides an incentive to work toward increasing the company's enterprise value in the long term beyond the term of the LTI. It was necessary for the first time to demonstrate compliance with this obligation after a three-year accrual period as of December 31, 2023, after which it must be demonstrated annually. The number of shares held as of December 31, 2023, is shown in → table 3.8.

**3.8 — NUMBER OF SHARES HELD BY THE MEMBERS OF THE BOARD OF MANAGEMENT ACTIVE AS OF DECEMBER 31, 2023**

| Member of the Board of Management | Necessary number | End of the accu-mulation phase | Number of shares as of December 31, 2023 |
|---|---|---|---|
| Dr. Jochen Weyrauch | 12,500 | Dec. 31, 2023 | 29,000 |
| Dietmar Heinrich | 12,500 | Dec. 31, 2023 | 17,500 |

### BENEFITS GRANTED AT CONTRACT TERMINATION

**Benefits granted in the event of ordinary expiry of the appointment**
In the event of the ordinary expiry of the appointment, no entitlement to severance payments, special pension contributions, or any other additional payments will be made.

**Benefits granted in the event of withdrawal of a member of the Board of Management**
If the service contract is terminated without good cause, a possible severance payment including fringe benefits for the member of the Board of Management concerned will be limited to a maximum of two annual remuneration amounts and may not exceed the contractual remuneration for the remaining term if the service contract has a remaining term of less than two years (severance cap). The calculation of the severance cap is based on the total remuneration received in the previous financial year and, if applicable, also the expected total remuneration for the current financial year. No severance payment will be made if the service contract is terminated by the member of the Board of Management himself/herself or for good cause for reasons for which the member of the Board of Management is responsible.

**Post-contractual non-compete agreement**
If a post-contractual non-compete clause is agreed upon, any severance payment counts toward the remuneration paid for the acceptance of such non-compete obligation.

**Benefits granted in connection with a change of control**
There are no deviating severance payment commitments in the event of the termination of the service contract due to a change of control.

## Compliance with the remuneration system and determination of target achievement

### FURTHERANCE OF THE COMPANY'S SUSTAINABLE DEVELOPMENT

The remuneration system promotes the furtherance of Dürr AG's business strategy and its long-term interests, thus contributing to its long-term development. The focus is on strengthening the company's profitable and sustainable growth and forms the basis for structuring the remuneration system. The sustainable success of the business strategy is supported by variable, performance-related remuneration components. To this end, different targets aligned to profitability, enterprise value (including TSR), strategic matters of relevance in the applicable financial year, and environmental and social sustainability are applied. The financial and non-financial parameters cover different, frequently multi-year periods in order to sustainably support the company's strategic success.

### COMPLIANCE WITH THE REMUNERATION SYSTEM

The remuneration system applicable to the members of the Board of Management was implemented without any modifications in 2023. The members of the Board of Management receive no loans or advance payments from Dürr AG.

### TARGET ACHIEVEMENT UNDER THE SHORT-TERM INCENTIVE

**Performance criteria for 2023**
The target weighting of the STI for 2023 was: 40% operating EBIT margin target, 30% free cash flow target, and 15% each ESG and strategy targets (⟶ table 3.9).

Operating EBIT came to €273.0 million in 2023. It is derived from the EBIT before extraordinary effects of €280.4 million, adjusted for the EBIT before extraordinary effects of €7.4 million of the BBS Automation Group, which was acquired in 2023. The BBS Automation Group is Rome HoldCo GmbH and its subsidiaries, which have been part of the Dürr Group since August 31, 2023. The Dürr Group's sales, also adjusted for the acquisition, came to €4,520.3 million in 2023. Accordingly, the operating EBIT margin for 2023 was 6.0%. Free cash flow amounted to €129.3 million in 2023. Neither the EBIT nor sales contribution of this acquisition were included in the targets for 2023 set at the beginning of the year and were therefore adjusted. The ESG target for 2023 consisted of two sub-targets, each of which had a weighting of 50%. One of the two sub-targets was oriented to employee satisfaction. For this purpose, an employee survey was carried out by Effectory Deutschland GmbH and yielded a total score of 363 (industry average of 328 points), translating into target achievement of 200%. The second ESG sub-target related to occupational health and safety. Here, the Group-wide incident rate (number of work-related incidents per 1,000 employees per year in accordance with DIN ISO 45001) was determined in 2023, with a target of 176%

achieved on the basis of a measured incident rate of 12.4 (adjusted for the incident rate of the BBS Automation Group). Accordingly, total achievement of the two ESG sub-targets came to 188% in 2023. The strategic target relating to the OneDürrGroup program, which is an improvement program aimed at defining shared business processes for the entire Group and mapping them in appropriate, uniform IT systems, was completed in 2023 with a target achievement of 167% (-0.35 months). With this target, the time required for completion and the quality of execution were compared with the key milestones for target achievement defined for 2023 in the applicable project plans.

### 3.9 — SHORT-TERM INCENTIVE – DETERMINATION OF TARGET ACHIEVEMENT IN 2023

| Name | Description of the performance criterion | Relative weighting of the performance criterion |
|---|---|---|
| | Operating EBIT margin | 40% |
| | Free cash flow (FCF) | 30% |
| | ESG targets | 15% |
| | ESG target 1 employee satisfaction[1] | 7.5% |
| | ESG target 2 work-related incidents - incident rate[3] | 7.5% |
| Dr. Jochen Weyrauch<br>CEO | Strategic target OneDürrGroup program[4] | 15% |
| | Operating EBIT margin | 40% |
| | Free cash flow (FCF) | 30% |
| | ESG targets | 15% |
| | ESG target 1 employee satisfaction[1] | 7.5% |
| | ESG target 2 work-related incidents - incident rate[3] | 7.5% |
| Dietmar Heinrich<br>CFO | Strategic target OneDürrGroup program[4] | 15% |

[1] Measured on the basis of a score derived from the factors of performance environment and commitment in the employee survey in 2023 and calculated by Effectory Deutschland GmbH; an employee survey is usually carried out every three years.
[2] Industry average, calculated by Effectory Deutschland GmbH. Intermediate values are interpolated on a straight-line basis within the bandwidths.
[3] Incident rate, measured on the basis of the number of work-related incidents Group-wide per 1,000 employees per year in accordance with DIN ISO 45001. Based on benchmark of the employers' liability insurance association (2022) = 30 work-related incidents. Intermediate values are interpolated on a straight-line basis within the bandwidths.
[4] The OneDürrGroup program is an improvement program aimed at defining shared business processes for the entire Group and mapping them in appropriate, uniform IT systems. Definition of target achievement: successful implementation of the key milestones within the requisite period and with the requisite quality of execution defined in the respective project plans for 2023. 200% target achievement = earlier achievement of the defined milestones ⩾ 1 month; 150% target achievement = achievement of the milestones in accordance with the project plan deadline; 100% target achievement = delay in the achievement of the milestones by 1 month; 50% target achievement = delay in the achievement of the milestones by 2 months; 0% target achievement = delay in the achievement of the milestones by ⩾ 3 months.

| | Information on performance criteria | | Target achievement | Remuneration |
|---|---|---|---|---|
| a) Minimum target<br>b) Minimum target remuneration | a) Target for 100% target achievement<br>b) Target remuneration for 100% target achievement | a) Maximum target<br>b) Maximum target remuneration | Actual figure for current year | a) Target achievement<br>b) Amount of remuneration for this target |
| a) 3.9%<br>b) €0 | a) 6.0%<br>b) €333,333 | a) 7.0%<br>b) €666,666 | 6.0% | a) 100.0%<br>b) €333,333 |
| a) €–160,000,000<br>b) €0 | a) €40,000,000<br>b) €250,000 | a) €140,000,000<br>b) €500,000 | €129,300,000 | a) 189.3%<br>b) €473,250 |
| | | | | a) 188.0%<br>b) €235,000 |
| a) 10 % less than the industry average<br>b) €0 | a) Industry average²<br>b) €62,500 | a) 10% greater than the industry average<br>b) €125,000 | Total score of 363 (industry average 328 points) | a) 200.0%<br>b) €125,000 |
| a) ≥ 30 work-related incidents in 2023<br>b) €0 | a) 20 work-related incidents in 2023<br>b) €62,500 | a) ≤ 10 work-related incidents in 2023<br>b) €125,000 | 12.4 work-related incidents | a) 176.0%<br>b) €110,000 |
| a) +3 months<br>b) €0 | a) +1 month<br>b) €125,000 | a) –1 month<br>b) €250,000 | –0.35 months | a) 167.0%<br>b) €208,750 |
| a) 3.9%<br>b) €0 | a) 6.0%<br>b) €171,667 | a) 7.0%<br>b) €343,334 | 6.0% | a) 100.0%<br>b) €171,667 |
| a) €–160,000,000<br>b) €0 | a) €40,000,000<br>b) €128,750 | a) €140,000,000<br>b) €257,500 | €129,300,000 | a) 189.3%<br>b) €243,724 |
| | | | | a) 188.0%<br>b) €121,025 |
| a) 10 % less than the industry average<br>b) €0 | a) Industry average²<br>b) €32,188 | a) 10% greater than the industry average<br>b) €64,375 | Total score of 363 (industry average 328 points) | a) 200.0%<br>b) €64,375 |
| a) ≥ 30 work-related incidents in 2023<br>b) €0 | a) 20 work-related incidents in 2023<br>b) €32,188 | a) ≤ 10 work-related incidents in 2023<br>b) €64,375 | 12.4 work-related incidents | a) 176.0%<br>b) €56,650 |
| a) +3 months<br>b) €0 | a) +1 month<br>b) €64,375 | a) –1 month<br>b) €128,750 | –0.35 months | a) 167.0%<br>b) €107,506 |

### Target achievement under the long-term incentive

→ Table 3.10 shows the target achievement for the 2021 to 2023 LTI tranche. Reportable target achievement under the LTI relates to the EBIT multiplier. The payment is derived from the EBIT multiplier and the share price multiplier (see Section entitled "Previous long-term incentive (long-term remuneration component).")

The EBIT multiplier was based on the average operating EBIT margin achieved by the Group during the term of the 2021 to 2023 LTI tranche. The average operating EBIT for the years 2021 to 2023 amounted to €211.1 million. It is calculated from the average EBIT of €191.0 million, which was adjusted for unplanned items averaging €20.1 million per year (2021: €-4.6 million; 2022: €1.6 million; 2023: €63.3 million). The adjustments relate to non-operating items, including in connection with acquisitions, company disposals and restructuring. The Dürr Group's average sales for the years 2021 to 2023, also adjusted accordingly, amounted to €4,081.4 million. The average operating EBIT margin for the LTI tranche 2021 to 2023 thus amounted to 5.2 %.

**3.10 — LONG-TERM INCENTIVE – DETERMINATION OF TARGET ACHIEVEMENT IN 2023**

| | | | Information on performance criteria | | | Target achievement | Share price multiplier |
|---|---|---|---|---|---|---|---|
| Name | Number of performance shares | Description of the performance criterion | a) Minimum target<br>b) Minimum target for EBIT multiplier | a) Target for 100% target achievement<br>b) Target for 100% target achievement of EBIT multiplier | a) Maximum target<br>b) Maximum target for EBIT multiplier | a) EBIT margin achieved<br>b) EBIT multiplier | a) Share price multiplier[1]<br>b) Remuneration |
| Dr. Jochen Weyrauch CEO | 20,392 | Average margin on earnings before interest and taxes (EBIT) in 2021–2023 | a) ≤ 4.0%<br>b) 0% | a) 5.4%<br>b) 100% | a) ≥ 6.0%<br>b) 200% | a) 5.17%<br>b) 83.57% | a) 20.62<br>b) €351,398 |
| Dietmar Heinrich CFO | 14,682 | Average margin on earnings before interest and taxes (EBIT) in 2021–2023 | a) ≤ 4.0%<br>b) 0% | a) 5.4%<br>b) 100% | a) ≥ 6.0%<br>b) 200% | a) 5.17%<br>b) 83.57% | a) 20.62<br>b) €253,002 |
| Ralf Dieter CEO until December 31, 2021 | 29,364 | Average margin on earnings before interest and taxes (EBIT) in 2021–2023 | a) ≤ 4.0%<br>b) 0% | a) 5.4%<br>b) 100% | a) ≥ 6.0%<br>b) 200% | a) 5.17%<br>b) 83.57% | a) 20.62<br>b) €168,668[2] |

[1] The average price over the last 30 trading days prior to the 2024 annual general meeting is applied to calculate the final amount. As this information was not yet available when the annual financial statements were prepared, the average price over the last 30 trading days of the 2023 calendar year is applied here.

[2] The figures for Ralf Dieter's multi-year variable remuneration (LTI) are based on a time-proportionate calculation of 12/36.

# Remuneration in 2023

## REMUNERATION GRANTED AND OWED AS DEFINED IN SECTION 162 OF THE GERMAN STOCK CORPORATION ACT

Under Section 162 (1), Sentence 1, Sentence 2, No. 1 of the German Stock Corporation Act, all fixed and variable remuneration components that were "granted and owed" to the individual members of the Board of Management in the 2022 and 2023 financial years must be disclosed. The figures reported match those reported in the past in accordance with the "remuneration received" model table of the German Corporate Governance Code in the version dated February 7, 2017. This ensures a consistently transparent and comparable presentation of the remuneration of the individual members of Dürr AG's Board of Management.

The STI for 2022 and 2023 as one-year variable remuneration counts as "remuneration owed" because the underlying performance arose before the respective reporting date (December 31). Accordingly, the bonus payment amounts for the reporting year are disclosed notwithstanding the fact that payment is not made until after the end of the respective reporting year. This affords transparent and understandable reporting and preserves the link between performance and remuneration during the reporting period.

The tranches under the LTI due for payment in the respective financial year are structured as multi-year variable remuneration and therefore count as "remuneration granted". This ensures that all conditions precedent or subsequent under the long-term variable remuneration are satisfied and the actual amount of the remuneration instruments can be reported in accordance with the actual remuneration received. The amounts of the pension contributions subject to contractual commitments under the company pension scheme for members of the Board of Management in 2023 are shown as supplementary information below table 3.11 "Remuneration granted and owed" in 2022 and 2023. However, the pension contributions do not represent an actual remuneration received by the members of the Board of Management and are not defined as remuneration granted and owed within the meaning of Section 162 of the German Stock Corporation Act.

The sum total of the "remuneration granted and owed" in 2023 comprises

- the fixed annual salary in 2023,
- the taxable non-cash benefits and other ancillary benefits in 2023,
- the STI determined for 2023 and payable in 2024, and
- the LTI due in 2023 and payable in 2024 (LTI tranche 2021–2023).

→ **Table 3.11** also shows the pension expense for 2022 and 2023.

## 3.11 — "REMUNERATION GRANTED AND OWED" IN 2022 AND 2023

| € | | | DR. JOCHEN WEYRAUCH<br>CEO<br>Date of appointment: January 1, 2017 | | | | DIETMAR HEINRICH<br>CFO<br>Date of appointment: August 1, 2020 | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | 2022 | 2022 (in %) | 2023 | 2023 (in %) | 2022 | 2022 (in %) | 2023 | 2023 (in %) |
| Non-performance-related components | Basic remuneration (fixed remuneration) | | 1,000,000 | 47 | 1,000,000 | 38 | 600,000 | 53 | 616,667[1] | 40 |
| | Fringe benefits (benefits in kind, advances toward insurance, etc.) | | 30,653 | 1 | 30,653 | 1 | 15,996 | 1 | 15,996 | 1 |
| | **Total** | | **1,030,653** | **49** | **1,030,653** | **39** | **615,996** | **54** | **632,663** | **41** |
| Performance-related components | One-year variable remuneration (STI) | | 1,083,333[2] | 51 | 1,250,333 | 47 | 520,000[2] | 46 | 643,922 | 42 |
| | Multi-year variable remuneration (LTI) | LTI 2020–2022 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | | LTI 2021–2023 | 0 | 0 | 351,398 | 13 | 0 | 0 | 253,002 | 17 |
| | Other variable remuneration | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | **Total** | | **1,083,333** | **51** | **1,601,731** | **61** | **520,000** | **46** | **896,924** | **59** |
| **Miscellaneous** | | | | | | | | | | |
| **Amounts reclaimed under Section 162 (1) Sentence 2 Number 4 of the German Stock Corporation Act** | | | **0** | **0** | **0** | **0** | **0** | **0** | **0** | **0** |
| **Total compensation granted and owed as defined in Section 162 of the German Stock Corporation Act** | | | **2,113,986** | **100** | **2,632,384** | **100** | **1,135,996** | **100** | **1,529,584** | **100** |
| Pension expense[3] | | | 250,000 | | 250,000 | | 150,000 | | 154,167 | |
| **Total remuneration** | | | **2,363,986** | | **2,882,384** | | **1,285,996** | | **1,683,753** | |
| **Ratio of fixed to variable remuneration** | | | **118%** | | **80%** | | **147%** | | **88%** | |

## "REMUNERATION GRANTED AND OWED" IN 2022 AND 2023 (CONTINUATION)

| € | | | RALF DIETER<br>CEO until December 31, 2021<br>Date of appointment: January 1, 2005 | | | |
|---|---|---|---|---|---|---|
| | | | 2022 | 2022 (in %) | 2023 | 2023 (in %) |
| Non-performance-related components | Basic remuneration (fixed remuneration) | | 0 | – | – | – |
| | Fringe benefits (benefits in kind, advances toward insurance, etc.) | | 0 | – | – | – |
| | **Total** | | **0** | **–** | **–** | **–** |
| Performance-related components | One-year variable remuneration (STI) | | 0 | – | – | – |
| | Multi-year variable remuneration (LTI) | LTI 2020–2022 | 0 | – | – | – |
| | | LTI 2021–2023 | 0 | – | 168,668 | 100 |
| | Other variable remuneration | | 0 | – | – | – |
| | **Total** | | **0** | **–** | **–** | **–** |
| **Miscellaneous** | | | | | | |
| **Amounts reclaimed under Section 162 (1) Sentence 2 Number 4 of the German Stock Corporation Act** | | | **0** | **–** | **–** | **–** |
| **Total compensation granted and owed as defined in Section 162 of the German Stock Corporation Act** | | | **0** | **–** | **168,668** | **100** |
| Pension expense[3] | | | 0 | – | – | – |
| **Total remuneration** | | | **0** | **–** | **–** | **–** |
| **Ratio of fixed to variable remuneration** | | | **–** | **–** | **–** | **–** |

[1] The disclosures on the basic remuneration for CFO Dietmar Heinrich for 2023 are based on the time-proportionate calculation of €600,000 up until July 31, 2023, and €640,000 from August 1, 2023.
[2] The overall target achievement under the STI was capped at 130% due to the adjustment of the targets during the year.
[3] Additional information. Not classified as remuneration granted or owed as defined in Section 162 of the German Stock Corporation Act.

## REMUNERATION GRANTED IN ACCORDANCE WITH THE GERMAN CORPORATE GOVERNANCE CODE IN THE VERSION DATED FEBRUARY 7, 2017

In the interests of maximum transparency, Dürr AG voluntarily uses the table regarding remuneration as defined in the German Corporate Governance Code, No. 4.2.5, annex table 1, as amended on February 7, 2017, in addition to the information disclosed in the Section entitled "Remuneration granted and owed as defined in Section 162 of the German Stock Corporation Act". The table of "Remuneration granted" as defined in the version of the German Corporate Governance Code dated February 7, 2017, shows the amounts allocated to the individual remuneration elements in 2023, i.e. the fixed remuneration and the targets for the variable remuneration components for 2023 and their relative shares (→ table 3.12).

**3.12 — REMUNERATION GRANTED IN 2022 AND 2023
REMUNERATION GRANTED IN ACCORDANCE WITH THE GERMAN CORPORATE GOVERNANCE CODE IN THE VERSION DATED 7 FEBRUARY 2017**

| | | | DR. JOCHEN WEYRAUCH<br>CEO<br>Date of appointment: January 1, 2017 | | | | DIETMAR HEINRICH<br>CFO<br>Date of appointment: August 1, 2020 | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| € | | | 2022 | 2022 (in %) | 2023 | 2023 (in %) | 2022 | 2022 (in %) | 2023 | 2023 (in %) |
| Non-performance-related components | Basic remuneration (fixed remuneration) | | 1,000,000 | 33 | 1,000,000 | 33 | 600,000 | 37 | 616,667[1] | 37 |
| | Fringe benefits (benefits in kind, advances toward insurance, etc.) | | 30,653 | 1 | 30,653 | 1 | 15,996 | 1 | 15,996 | 1 |
| | **Total** | | **1,030,653** | **34** | **1,030,653** | **34** | **615,996** | **38** | **632,663** | **38** |
| Performance-related components | One-year variable remuneration (STI) | | 833,333 | 28 | 833,333 | 28 | 400,000 | 25 | 429,167[2] | 26 |
| | Multi-year variable remuneration (LTI) | LTI 2022–2024 | 900,000 | 30 | 0 | 0 | 450,000 | 28 | 0 | 0 |
| | | LTI 2023–2025 | 0 | 0 | 900,000 | 30 | 0 | 0 | 450,000 | 27 |
| | Other variable remuneration | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | **Total** | | **1,733,333** | **58** | **1,733,333** | **58** | **850,000** | **53** | **879,167** | **53** |
| **Total** | | | **2,763,986** | **92** | **2,763,986** | **92** | **1,465,996** | **91** | **1,511,830** | **91** |
| Pension expense | | | 250,000 | 8 | 250,000 | 8 | 150,000 | 9 | 154,167 | 9 |
| **Total remuneration** | | | **3,013,986** | | **3,013,986** | | **1,615,996** | | **1,665,996** | |
| **Ratio of fixed to variable remuneration** | | | **74%** | | **74%** | | **90%** | | **89%** | |

[1] The disclosures on the basic remuneration for CFO Dietmar Heinrich for 2023 are based on the time-proportionate calculation of €600,000 up until July 31, 2023, and €640,000 from August 1, 2023.
[2] The disclosures on the one-year variable remuneration (STI) for CFO Dietmar Heinrich for 2023 are based on a time-proportionate calculation of €400,000 up until July 31, 2023, and €470,000 from August 1, 2023.

## DEFINED BENEFIT OBLIGATIONS AND ASSET VALUES

The defined benefit obligations of the defined benefit system of the members of the Board of Management are presented in individualized form below. This relates solely to allocations to pension provisions in accordance with IFRS. → **Table 3.13** shows the defined benefit obligations for the pension entitlement accruing up to and including 2023 and, in addition, the asset values of the pension commitment.

**3.13 — DEFINED BENEFIT OBLIGATIONS AND ASSET VALUES AS OF DECEMBER 31, 2022, AND DECEMBER 31, 2023, IN ACCORDANCE WITH IFRS**

| € | Defined benefit obligations | | Asset values | |
|---|---|---|---|---|
| | 2022 | 2023 | 2022 | 2023 |
| Dr. Jochen Weyrauch | 1,368,673 | 1,834,601 | 579,172 | 844,355 |
| Dietmar Heinrich | 329,660 | 375,654 | 169,504 | 316,897 |
| **Total** | **1,698,333** | **2,210,255** | **748,676** | **1,161,252** |

Pension payments of €586,109 were granted to former members of the Board of Management in 2023 (€561,262 in 2022).

## PERCENTAGE DISTRIBUTION OF REMUNERATION COMPONENTS

The Supervisory Board determines the target total remuneration for the individual members of the Board of Management. This equals the sum of all remuneration components relevant for total remuneration. In the case of the STI and LTI, the target amounts for 100% target achievement ("target amounts of the variable remuneration components") are decisive. The Supervisory Board also determines the target amounts for the variable remuneration components for each financial year. To this end, the Supervisory Board adopts resolutions on the basis of the earnings determined for earlier years as part of budgeting activities for the following year and strategic planning for the upcoming years to define the targets which are to be achieved by the company and the Board of Management in terms of performance criteria.

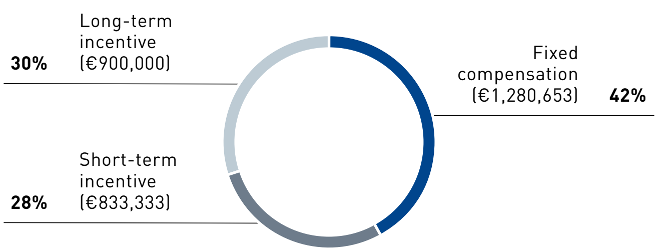
In the case of the CEO, the share of fixed remuneration (fixed annual salary, pension expenses, and fringe benefits) equaled approximately 42% of the target total remuneration and the share of variable target remuneration approximately 58% for 2023. In the case of the CFO, the share of fixed remuneration was approximately 47% of the target total remuneration and the share of variable target remuneration approximately 53%.

With regard to the remuneration granted and owed for 2023 as defined in Section 162 of the German Stock Corporation Act, the share of fixed remuneration (fixed annual salary plus fringe benefits) was approximately 39% of the total remuneration and the share of variable remuneration approximately 61% of the total remuneration for the CEO. In the case of the CFO, the share of fixed remuneration was approximately 41% of the total remuneration and the share of variable remuneration approximately 59%.

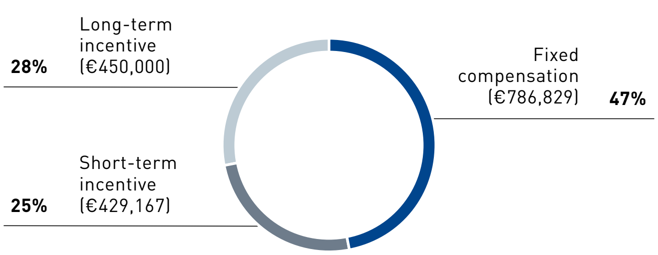
The shares accounted for by the fixed remuneration, the STI (target amount) and the LTI (target amount) in the target total remuneration for 2023 are shown in → **figure 3.14**. For the CEO, the share of the STI (target amount) in the variable target total remuneration thus stood at approximately 48% and the share of the LTI (target amount) at approximately 52% of the variable target total remuneration. In the case of the CFO, the share of the STI (target amount) in the variable target total remuneration stood at approximately 49% and the share of the LTI (target amount) at approximately 51% of the variable target total remuneration.

**3.14 — PERCENTAGE SHARES OF THE REMUNERATION COMPONENTS (TARGET REMUNERATION)**

**SHARES OF REMUNERATION COMPONENTS – CEO**




**SHARES OF REMUNERATION COMPONENTS – CFO**




## COMPARISON OF ANNUAL CHANGES IN THE REMUNERATION OF THE BOARD OF MANAGEMENT

In structuring the remuneration system and determining the remuneration for the members of the Board of Management, the Supervisory Board has also taken into account the remuneration and employment conditions applicable to the employee groups defined within the Group as "senior managers" and "the workforce", particularly with regard to any changes over the last few years. To this end, the Supervisory Board has defined "senior managers" and "the workforce" consistently with the previous years in accordance with the recommendations of the German Corporate Governance Code. In comparing the remuneration of the members of the Board of Management with that of senior managers and the workforce, it also performed a detailed analysis to ensure that the long-term average remuneration of the members of the Board of Management does not increase more quickly than the remuneration paid to senior managers and the workforce. It should be noted that the remuneration of the members of the Board of Management is not adjusted annually. In order to ensure a development that is still in line with the market and adequate in comparison with senior managers and the workforce, higher increases than in the case of annual adjustments may be necessary in the years in which the remuneration of the members of the Board of Management is increased. Moreover, the Supervisory Board regularly performs a review to ensure consistency between the remuneration and fringe benefit systems for the members of the Board of Management on the one hand and senior managers and the workforce on the other in order to support the strategic orientation and management of Dürr AG and its companies.

→ Table 3.15 shows a comparison of the percentage change in the remuneration of the members of the Board of Management with the Dürr Group's earnings performance and changes in the average remuneration of the employees compared with the previous year. In addition, the average personnel expenses are disclosed by reference to the ratio of the Dürr Group's total personnel expenses to the number of employees worldwide. The remuneration of the members of the Board of Management included in the table shows the remuneration granted and owed within the meaning of Section 162 (1), Sentence 1 of the German Stock Corporation Act in the respective financial year. Where members of the Board of Management were only remunerated on a time-proportionate basis in individual financial years, i.e. because their appointment commenced during the year, the remuneration for that financial year was extrapolated on the basis of a full year in the interests of comparability.

**3.15 — COMPARISON OF THE ANNUAL CHANGE IN THE REMUNERATION OF THE BOARD OF MANAGEMENT WITH EARNINGS AND EMPLOYEE SALARIES OVER TIME**

| Annual change | Percentage change in 2023 over 2022 | Percentage change in 2022 over 2021 | Percentage change in 2021 over 2020 | Percentage change in 2020 over 2019 | Percentage change in 2019 over 2018 |
|---|---|---|---|---|---|
| **REMUNERATION OF THE BOARD OF MANAGEMENT** | | | | | |
| Dr. Jochen Weyrauch (CEO from January 1, 2022, date of appointment: January 1, 2017) | +21.9% | +32.2%[1] | +51.1% | –9.7% | –19.5% |
| Dietmar Heinrich (CFO from August 1, 2020) | +30.9% | –5.9% | +53.4% | – | – |
| Ralf W. Dieter (date of appointment: January 1, 2005, date of withdrawal: December 31, 2021) | – | – | +14.9% | –33.3% | –14.3% |
| Pekka Paasivaara[2] (date of appointment: January 1, 2019, date of withdrawal: December 31, 2020) | – | – | – | +284.8% | – |
| Carlo Crosetto[3] (date of appointment: March 1, 2017, date of withdrawal: February 29, 2020) | – | – | – | –38.0% | +17.6% |
| **BUSINESS PERFORMANCE OF THE DÜRR GROUP** | | | | | |
| EBIT (IFRS financial statements) | –7% | +17% | +1,480% | –94% | –16% |
| Net profit for Dürr AG (annual financial statements of Dürr AG under German GAAP) | –76% | –23% | +478% | –171% | –60% |
| **AVERAGE SALARIES OF EMPLOYEES OVER TIME** | | | | | |
| Salaries of all employees (global) over time | +6.2% | +8.1% | +0.7% | –4.9% | +2.9% |
| Average personnel expenses (global) in € k[4] | 2023: 75 | 2022: 71 | 2021: 66 | 2020: 65 | 2019: 68 |

[1] The increase in Dr. Weyrauch's remuneration in 2022 is largely due to the fact that he was appointed CEO of Dürr AG on January 1, 2022.
[2] Including remuneration for the remaining terms of the service contracts with Dürr AG and HOMAG Group AG.
[3] Benefits received under all ongoing LTI tranches upon the termination of the Board of Management service contract in 2019.
[4] Average personnel expenses of the Dürr Group, adjusted for acquisition-related extraordinary effects (2018 and 2019: acquisition of Megtec/Universal; 2020: acquisition of HOMAG China Golden Field and System TM A/S; 2023: acquisition of BBS Automation Group and Amalis Group SAS) and personnel expenses of the Board of Management of Dürr AG.

Earnings are presented on the basis of the Dürr Group's EBIT (earnings before interest and taxes). They are also presented on the basis of Dürr AG's net profit for the year for formal reasons. However, the annual financial statements of Dürr AG are of only secondary importance for the management of the Group.

## REVIEW OF THE APPROPRIATENESS OF THE REMUNERATION OF THE BOARD OF MANAGEMENT

The Supervisory Board conducted a review of the remuneration of the Board of Management in 2023 following the revision of the remuneration system, as announced in the 2022 remuneration report. This entailed a comparison of the (planned) remuneration with the current market practices of comparable companies (MDAX excluding financial sector and defined peer group). The Supervisory Board came to the conclusion that the amount of the remuneration paid to the Board of Management generally corresponds to market practice, but that an adjustment within the range of market practice is reasonable and justifiable within the meaning of Section 87 (1) of the German Stock Corporation Act. The Supervisory Board regularly also relies on external advice to assess the appropriateness of the remuneration of the Board of Management and any pension benefits. Particular attention is paid here to the independence of the external remuneration experts. On the one hand, the amount and structure of the remuneration of the Board of Management relative to the remuneration of senior managers and the workforce as a whole are assessed from an external perspective (vertical comparison). In addition to an analysis of the status quo, the vertical comparison also takes into account changes in remuneration ratios over time. On the other hand, the amount and structure of the remuneration are assessed on the basis of Dürr AG's position within a peer group (horizontal comparison). This peer group is made up of German and

Austrian companies (primarily mechanical and plant engineering companies as well as automotive suppliers and engineering service providers). As well as this, a further comparison is made with companies listed in the MDAX (excluding the financial sector). In addition to fixed remuneration, the horizontal comparison also includes the short- and long-term remuneration components as well as the amount of fringe benefits and payments toward private pension benefits. The peer group was carefully selected by the Supervisory Board in order to avoid any automatic upward change in remuneration. In 2023, this horizontal and vertical comparison (the latter carried out only for senior management under the remuneration review) was performed by an external consulting firm.

Based on the results of the remuneration review, the remuneration of the CEO and the CFO was adjusted with effect from January 1, 2024. Due to the adjustment of the LTI amount, the new remuneration places a greater focus on the Group's long-term development (⟶ see table 3.16). At the same time, the adjustment to the amount of remuneration for the CEO places the company slightly above the median of the MDAX peer group with 115% (median target total remuneration €3,097,000; 3rd quartile target total remuneration €4,839,000). The adjustment covers the period up to the end of 2026.

## SERVICE CONTRACTS

The contracts with the members of the Board of Management are entered into for a period of three years when they join the Board of Management. When the contracts are due for renewal, they are usually extended by a total of five years, which is the maximum permitted by law. Following his appointment as new CEO, Dr. Weyrauch received a service contract with a term from January 1, 2022, until December 31, 2026. Dürr AG's Supervisory Board renewed until September 30, 2026, the service contract with CFO Dietmar Heinrich, which had originally been due to expire on July 31, 2023. Following the renewal of three years and two months, Mr. Heinrich's appointment will terminate when he reaches the age limit of 63 years in accordance with the rules adopted by the Supervisory Board for members of the Board of Management. If the appointment of a member of the Board of Management is revoked for good cause in accordance with Section 84 (4) of the German Stock Corporation Act and this also constitutes good cause for the immediate dismissal of the member of the Board of Management in accordance with Section 626 of the German Civil Code, the service contract will automatically terminate. Please also note the information provided in the Section entitled "Disclosures pursuant to Sections 289a and 315a of the German Commercial Code" in the combined management report.

**3.16 — TARGET REMUNERATION FOR DR. JOCHEN WEYRAUCH AND DIETMAR HEINRICH FROM JANUARY 1, 2024**

| | | DR. JOCHEN WEYRAUCH CEO Date of appointment: January 1, 2017 | | | | DIETMAR HEINRICH CFO Date of appointment: August 1, 2020 | | | |
|---|---|---|---|---|---|---|---|---|---|
| € | | 2023 | 2023 (in %) | 2024 | 2024 (in %) | 2023[1] | 2023 (in %) | 2024 | 2024 (in %) |
| Non-performance-related components | Basic remuneration (fixed remuneration) | 1,000,000 | 37 | 1,150,000 | 36 | 640,000 | 37 | 650,000 | 36 |
| | Fringe benefits (benefits in kind, advances toward insurance, etc.) | 30,653 | 1 | 30,653[2] | 1 | 15,996 | 1 | 15,996[2] | 1 |
| | **Total** | **1,030,653** | **38** | **1,180,653** | **37** | **655,996** | **38** | **665,996** | **37** |
| Performance-related components | One-year variable remuneration (STI) | 833,333 | 25 | 960,000 | 27 | 470,000 | 25 | 480,000 | 27 |
| | Multi-year variable remuneration (LTI) | 900,000 | 28 | 1,100,000 | 27 | 480,000 | 28 | 485,833[3] | 27 |
| | **Total** | **1,733,333** | **53** | **2,060,000** | **54** | **950,000** | **53** | **965,833** | **54** |
| **Total** | | **2,763,986** | **91** | **3,240,653** | **91** | **1,605,996** | **91** | **1,631,829** | **91** |
| Pension expense | | 250,000 | 9 | 322,000 | 9 | 160,000 | 9 | 162,500 | 9 |
| **Total remuneration** | | **3,013,986** | | **3,562,653** | | **1,765,996** | | **1,794,329** | |
| **Ratio of fixed to variable remuneration** | | **74%** | | **73%** | | **86%** | | **86%** | |

[1] The figures for 2023 relate to the target remuneration under the service contract from August 1, 2023.
[2] Assumption: same non-cash benefits as in 2023 (CEO €653, CFO €396).
[3] Pro rata value until September 30, 2026 due to reaching the age limit of 63 years set by the Supervisory Board for members of the Executive Board.

# Outlook for the remuneration system in 2024

Dürr AG's Supervisory Board established the criteria and targets for the performance-related variable remuneration components at the beginning of 2024 (see → **table 3.17**).

**3.17 — 2024 TARGETS FOR SHORT-TERM INCENTIVE (SHORT-TERM REMUNERATION COMPONENT)**

| Target | Operating EBIT margin | | Free Cashflow (FCF) | | ESG target(s) | | Strategy target(s) | |
|---|---|---|---|---|---|---|---|---|
| Weighting in % | 40% | | 30% | | 15% | | 15% | |
| Definition | Operating EBIT margin defined as the ratio of operating EBIT to adjusted sales of the Dürr Group | | Free cash flow is the freely available cash flow and shows the funds remaining to pay a dividend or make acquisitions. | | ESG targets (Weighting each 50 %):<br>• **Customer satisfaction:** Dürr Promoter Score (DPS) – representative survey<br>• **Work-related accidents** (incident rate) per 1,000,000 working hours | | OneDürrGroup program: Successful, timely implementation of the key milestones defined in the respective project plans for 2024 | |
| Determination of target achievement | Operating EBIT margin | Target achievement | Free Cashflow | Target achievement | Customer satisfaction | Target achievement | OneDürrGroup program | Target achievement |
| | ≤ 2.9% | 0% | €k –200,000 | 0% | DPS = 6.00 points | 0% | +3 months | 0% |
| | 4.9% | 100% | €0 | 100% | DPS = 7.68 points | 100% | +1 months | 100% |
| | ≥ 5.9% | 200% | €k 100,000 | 200% | DPS = 9.00 points | 200% | –1 months | 200 % |
| | | | | | Work-related incidents | Target achievement | | |
| | | | | | ≥ 20 incidents | 0% | | |
| | | | | | 11 incidents | 100% | | |
| | | | | | ≤ 5 incidents | 200% | | |

The criteria for the ESG targets in the STI for 2024 will be explained in the 2024 remuneration report. The 2024 remuneration report will also set out target achievement transparently and present in detail the specific method for the calculation of the amount accruing under the STI.

### 3.18 — 2024 TARGETS FOR LONG-TERM INCENTIVE (LONG-TERM REMUNERATION COMPONENT)

| Target | Operating EBIT margin | | TSR | | ESG | |
|---|---|---|---|---|---|---|
| Weighting in % | 40% | | 40% | | 20% | |
| Definition | Average target achievement of the operating EBIT margin for the three financial years | | Total shareholder return (TSR) of Dürr AG in relation to the TSR of a defined peer group | | ISS ESG Corporate Rating<br>Assessment of ESG performance<br>• based on cross-industry and cross-sectoral indicators<br>• based on a 12-point system | |
| Determination of target achievement | Ø Operating EBIT margin | Target achievement | Deviation | Target achievement | Scale | Target achievement |
| | ≤ 2.5% | 0% | ≤ 25%-points | 0% | ≤ C | 0% |
| | 5.7% | 100% | 0%-points | 100% | C+ | 100% |
| | ≥ 8.0% | 200% | ≥ 25%-points | 200% | ≥ B- | 200% |

# Remuneration of the Supervisory Board

## REMUNERATION SYSTEM FOR THE SUPERVISORY BOARD IN 2023

The remuneration system for the Supervisory Board is approved by the annual general meeting on the basis of a proposal submitted by the Supervisory Board and the Board of Management. The rules governing remuneration are laid down in Dürr AG's Articles of Incorporation. In regular intervals of no more than four years, the Supervisory Board checks whether the amount and structure of the remuneration are still consistent with market standards and aptly reflect the tasks of the Supervisory Board as well as the company's position. For this purpose, the Supervisory Board performs a horizontal market comparison. In doing so, it may seek the advice of an external independent expert. The market appropriateness of the remuneration system was reviewed and confirmed in 2022.

The activities performed by the Supervisory Board are continuing to grow in importance. At the same time, it is being required to accumulate more and more expertise in specific areas. To ensure the efficient organization of its work, this prompted the Supervisory Board to look at ways in which individual members can be supported in addressing in detail certain complex topics that are of particular importance for the activities of the Supervisory Board in such a way that they are able to contribute their expertise at the meetings of the Supervisory Board and its committees. As a result, the Supervisory Board decided to make it possible for individual members to be named as experts on specific matters. In this role, they are required to deal more closely and in greater detail with the matters assigned to them and contribute their expertise. Sustainability (ESG – environmental, social, governance) was identified as the first area in which an expert should be appointed due to its particular importance for the activities of the Supervisory Board. Accordingly, Dr. Anja Schuler was elected as sustainability expert with effect from January 1, 2023.

Due to the additional time requirements placed on such experts, the Board of Management and the Supervisory Board considered it appropriate to offer such experts additional remuneration. Although there are no changes as such to the remuneration system for the Supervisory Board, which is otherwise to be adopted in the form approved at the annual general meeting on May 13, 2022, it was supplemented in 2023 with the inclusion of separate expert remuneration. Article 15 of the Articles of Incorporation was amended to reflect this. In this connection, it was also clarified that the members of the Supervisory Board can be included in the financial loss liability insurance taken out in the interests of the company for members of the Board of Management and certain employees. The Articles of Incorporation were also amended to reflect this.

The revised remuneration system for the Supervisory Board was approved by a majority of 99.89% of the votes cast at the annual general meeting on May 12, 2023, in accordance with Section 113 (3) of the German Stock Corporation Act.

## COMPONENTS OF THE SUPERVISORY BOARD REMUNERATION

The members of the Supervisory Board receive fixed remuneration, attendance fees, fringe benefits (consisting of the reimbursement of expenses and insurance cover) and, if they exercise any activities on committees of the Supervisory Board, remuneration for such activities. If an expert topic is assigned, additional expert remuneration is paid (see → **table 3.19**).

**3.19 — COMPONENTS OF THE SUPERVISORY BOARD REMUNERATION**

**Current Remuneration System**

**Fixed remuneration**

| Member | Deputy Chair | Chair |
|---|---|---|
| €56,000 | €84,000 | €168,000 |

**Committee remuneration**

| Audit Committee | | Personnel Committee | | Nominating Committee per session | |
|---|---|---|---|---|---|
| Member | Chair | Member | Chair | Member | Chair |
| €9,000 | €27,000 | €5,000 | €15,000 | €2,500 | €3,750 |

**Expert remuneration**

€11,000

**Attendance fee (except Nominating Committee)**

| Member | Chair |
|---|---|
| €2,000 | €3,000 |

### Remuneration for activities on the Supervisory Board

Each member of the Supervisory Board receives a fixed remuneration of €56,000 per year. The Chair of the Supervisory Board receives three times the aforementioned amount of fixed remuneration paid to an ordinary member of the Supervisory Board and the Deputy Chair and the other Deputy Chair receive one-and-half times the aforementioned amount.

### Remuneration for activities on a committee of the Supervisory Board and on an expert topic

The remuneration paid to the members of the Audit Committee is €9,000 per year, while the members of the Personnel Committee receive €5,000 per year. The Chairs of these two committees receive three times and Deputy Chairs one-and-a-half times that amount. However, the Personnel Committee and the Audit Committee currently do not have any Deputy Chairs. The members of the Nominating Committee do not receive any fixed remuneration but a remuneration of €2,500 per meeting; the Chair receives one-and-a-half times that amount. Experts elected by the Supervisory Board from among its number receive additional remuneration of €11,000 per year.

### Due date and time-proportionate payment

The entire remuneration, including attendance fees, is due for payment once a year after the date of the annual general meeting of the following financial year. If a person is only temporarily a member of the Supervisory Board or a committee during a given year, the remuneration is reduced on a time-proportionate basis rounded to the next full month.

### Attendance fee

Members receive an attendance fee of €2,000 per meeting for meetings of the Supervisory Board, the Audit Committee, and the Personnel Committee as well as any other committees of the Supervisory Board (with the exception of the Nominating Committee). This also applies to any ad-hoc committees. The Chair receives an attendance fee of €3,000.

## Fringe benefits

In addition, the members of the Supervisory Board are reimbursed for any expenses arising in the performance of their duties, which may include any statutory value added tax payable by them. The existing D&O insurance, which is valid throughout the Group, also covers the members of the Supervisory Board. The premium for the entire policy is paid by the company.

### 3.20 — "REMUNERATION GRANTED AND OWED" IN ACCORDANCE WITH SECTION 162 (1), SENTENCE 1 OF THE GERMAN STOCK CORPORATION ACT

| € | Year | Fixed Remuneration | Remuneration for Committee activities | Expert remuneration | Attendance fee | Total |
|---|---|---|---|---|---|---|
| **Gerhard Federer**[1] | **2023** | **198,000** | **43,500** | **0** | **89,000** | **330,500** |
| Chair<br>Personnel Committee/Executive Committee (Chair)<br>Audit Committee<br>Mediation Committee (Chair)<br>Nominating Committee (Chair) | 2022 | 198,000 | 33,750 | 0 | 78,000 | 309,750 |
| **Hayo Raich**[1, 3] | **2023** | **87,000** | **5,000** | **0** | **28,600** | **120,600** |
| Deputy Chair<br>Personnel Committee/Executive Committee (Deputy Chair)<br>Mediation Committee (Deputy Chair) | 2022 | 87,000 | 5,000 | 0 | 26,600 | 118,600 |
| **Arnd Zinnhardt**[2] | **2023** | **74,667** | **27,000** | **0** | **36,000** | **137,667** |
| Additional Deputy Chair (from May 12, 2023)<br>Audit Committee (Chair) | 2022 | 56,000 | 27,000 | 0 | 25,000 | 108,000 |
| **Richard Bauer (until May 12, 2023)** | **2023** | **35,000** | **2,083** | **0** | **8,000** | **45,083** |
| (Second Deputy Chair)<br>Personnel Committee/Executive Committee<br>Mediation Committee<br>Nominating Committee | 2022 | 84,000 | 5,000 | 0 | 28,000 | 117,000 |
| **Mirko Becker**[3] | **2023** | **56,000** | **9,000** | **0** | **32,000** | **97,000** |
| Audit Committee | 2022 | 56,000 | 9,000 | 0 | 22,000 | 87,000 |
| **Dr. Rolf Breidenbach** | **2023** | **56,000** | **3,333** | **0** | **28,000** | **87,333** |
| Personnel Committee (from May 12, 2023) | 2022 | 56,000 | 0 | 0 | 16,000 | 72,000 |
| **Prof. Dr. Dr. Alexandra Dürr** | **2023** | **56,000** | **14,000** | **0** | **28,000** | **98,000** |
| Audit Committee<br>Nominating Committee | 2022 | 56,000 | 11,500 | 0 | 18,000 | 85,500 |
| **Carmen Hettich-Günther**[1, 3] | **2023** | **76,000** | **13,500** | **0** | **37,000** | **126,500** |
| Mediation Committee | 2022 | 76,000 | 10,500 | 0 | 33,000 | 119,500 |
| **Thomas Hohmann** | **2023** | **56,000** | **9,000** | **0** | **32,000** | **97,000** |
| Audit Committee (from 29.09.2021) | 2022 | 56,000 | 9,000 | 0 | 22,000 | 87,000 |
| **Dr. Anja Schuler**[1] | **2023** | **66,000** | **4,500** | **11,000** | **36,000** | **117,500** |
| Sustainability Expert (from January 1, 2023) | 2022 | 66,000 | 3,000 | 0 | 24,000 | 93,000 |
| **Dr. Martin Schwarz-Kocher**[3] | **2023** | **56,000** | **9,000** | **0** | **32,000** | **97,000** |
| Audit Committee | 2022 | 56,000 | 9,000 | 0 | 22,000 | 87,000 |
| **Dr. Astrid Ziegler**[3] | **2023** | **56,000** | **5,000** | **0** | **30,000** | **91,000** |
| Personnel Committee/Executive Committee | 2022 | 56,000 | 5,000 | 0 | 28,000 | 89,000 |
| **Dr. Markus Kerber (from May 12, 2023)** | **2023** | **37,333** | **0** | **0** | **12,000** | **49,333** |
| Mediation Committee<br>Nominating Committee | 2022 | 0 | 0 | 0 | 0 | 0 |
| | **2023** | **910,000** | **144,917** | **11,000** | **428,600** | **1,494,517** |
| **Total** | 2022 | 903,000 | 127,750 | 0 | 342,600 | 1,373,350 |

[1] Also a member of the Supervisory Board of at least one of these companies: Dürr Systems AG, HOMAG Group AG, HOMAG GmbH. Corresponding remuneration components are included in the amounts stated.
[2] In addition, remuneration of €24,000 was paid for consultancy services provided to iTAC Software AG under a consulting agreement.
[3] These employee representatives have undertaken to relinquish their remuneration to the Hans Böckler Foundation in accordance with the guidelines of the German Trade Union Confederation (Deutscher Gewerkschaftsbund).

### 3.21 — COMPARISON OF THE ANNUAL CHANGE IN THE REMUNERATION OF THE SUPERVISORY BOARD WITH EARNINGS AND EMPLOYEE SALARIES OVER TIME

| Percentage change | 2023 over 2022 | 2022 over 2021 | 2021 over 2020 | 2020 over 2019 | 2019 over 2018 | 2018 over 2017 |
|---|---|---|---|---|---|---|
| **CHANGE IN SUPERVISORY BOARD REMUNERATION** | | | | | | |
| **Gerhard Federer[1,2]**<br>Chair of the Supervisory Board from May 28, 2020<br>Audit Committee: Chair from May 4, 2016 to May 28, 2020<br>Audit Committee: Member from September 29, 2021<br>Personnel Committee: Chair from May 28, 2020<br>Nominating Committee: Chair from May 28, 2020 | +7% | +6% | +62% | +20% | +15% | +2% |
| **Karl-Heinz Streibich**<br>Chair of the Supervisory Board from January 1, 2018 to May 28, 2020<br>Personnel Committee: Chair from January 1, 2018 to May 28, 2020 (previously member)<br>Nominating Committee: Chair from January 1, 2018 to May 28, 2020 (previously member) | – | – | – | –16% | 0% | +71% |
| **Hayo Raich[1]**<br>Deputy Chair of the Supervisory Board<br>Personnel Committee: Member | +2% | +12% | +28% | –17% | –2% | –5% |
| **Arnd Zinnhardt (from May 28, 2020)**<br>Additional Deputy Chair of the Supervisory Board from May 12, 2023<br>Audit Committee: Chairman from May 28, 2020 | +27% | +7% | +19% | – | – | – |
| **Richard Bauer**<br>Additional Deputy Chair of the Supervisory Board until May 12, 2023<br>Personnel Committee: Member until May 12, 2023<br>Nominating Committee: Member until May 12, 2023 | –2% | +12% | +23% | –8% | –4% | +61% |
| **Mirko Becker**<br>Audit Committee: Member | +11% | +7% | +27% | –14% | –1% | –7% |
| **Dr. Rolf Breidenbach**<br>Personnel Committee: Member from May 12, 2023 | +21% | +11% | +33% | –18% | –4% | – |
| **Prof. Dr. Dr. Alexandra Dürr**<br>Audit Committee: Member<br>Nomination Committee: Member | +15% | +4% | +21% | –7% | –2% | –11% |
| **Carmen Hettich-Günther[1,3]** | +6% | –2% | +16% | –21% | +3% | +3% |
| **Thomas Hohmann**<br>Audit Committee: Member from September 29, 2021 | +11% | +25% | +45% | –19% | –4% | –7% |
| **Dr. Anja Schuler[1]**<br>Sustainability Expert from January 1, 2023 | +26% | –2% | +18% | –9% | +2% | –3% |
| **Dr. Martin Schwarz-Kocher**<br>Audit Committee: Member | +11% | +7% | +31% | –17% | –1% | –7% |
| **Dr. Astrid Ziegler**<br>Personnel Committee: Member from May 4, 2016 | +2% | +22% | +24% | –15% | –1% | –5% |
| **Dr. Markus Kerber (from May 12, 2023)**<br>Nomination Committee: Member from May 12, 2023 | – | – | – | – | – | – |
| **BUSINESS PERFORMANCE OF THE DÜRR GROUP** | | | | | | |
| EBIT (IFRS financial statements) | –7% | +17% | +1,480% | –94% | –16% | –19% |
| Net profit for Dürr AG (annual financial statements of Dürr AG under German GAAP) | –76% | –23% | +478% | –171% | –60% | –28% |
| **AVERAGE SALARIES OF EMPLOYEES OVER TIME** | | | | | | |
| Salaries of all employees (global) over time | +6.2% | +8.1% | +0.7% | –4.9% | +2.9% | +0.5% |
| | **2023** | **2022** | **2021** | **2020** | **2019** | **2018** |
| Average personnel expenses (global) in € k[4] | 75 | 71 | 66 | 65 | 68 | 67 |

[1] Also a member of the Supervisory Board of at least one of these companies: Dürr Systems AG, HOMAG Group AG, HOMAG GmbH.
[2] Chair of the Supervisory Board of HOMAG Group AG from January 1, 2021, previously second Deputy Chair of the Supervisory Board of HOMAG Group AG from May 15, 2018.
[3] Deputy Chair of the Supervisory Board of HOMAG Group AG from September 28, 2017.
[4] Average personnel expenses of the Dürr Group, adjusted for acquisition-related extraordinary effects (2018 and 2019: acquisition of Megtec/Universal; 2020: acquisition of HOMAG China Golden Field and System TM A/S; 2023: acquisition of BBS Automation Group and Amalis Group SAS) and personnel expenses of the Board of Management of Dürr AG).

## COMPARISON OF ANNUAL CHANGES IN THE REMUNERATION OF THE SUPERVISORY BOARD

→ **Table 3.21** shows a comparison of the percentage change in the remuneration of the members of the Supervisory Board with the Dürr Group's earnings and the change in the average remuneration of the employees compared with the previous year. In addition, average personnel expenses expressed as the ratio of the Dürr Group's total personnel expenses to the number of employees worldwide are indicated. The remuneration granted and owed in the respective financial year was used as the basis for identifying the change in the remuneration of the members of the Supervisory Board. Where members of the Supervisory Board were only remunerated on a time-proportionate basis in individual financial years, i.e. because their appointment commenced during the year, the remuneration for that financial year was extrapolated on the basis of a full year in the interests of comparability. → **Table 3.22** also shows the distribution of the remuneration of the Supervisory Board by mandate and the changes in the index for the remuneration of the Supervisory Board compared to the collective bargaining index. The increase in the remuneration of the Supervisory Board in comparison with the previous year is mainly due to three additional Supervisory Board meetings for M&A activities as well as the remuneration for the new sustainability expert function.

Earnings are presented on the basis of the Dürr Group's EBIT (earnings before interest and taxes). They are also presented on the basis of Dürr AG's net profit for the year for formal reasons. However, the annual financial statements of Dürr AG are of only secondary importance for the management of the Group.

## OUTLOOK FOR SUPERVISORY BOARD REMUNERATION IN 2024

No changes are planned for the remuneration system for the Supervisory Board in 2024.

**3.22 — COMPARISON OF THE REMUNERATION OF THE SUPERVISORY BOARD WITH THE COLLECTIVE BARGAINING INDEX IN GERMANY OVER TIME**

| | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 |
|---|---|---|---|---|---|---|---|
| Total remuneration for Supervisory Board activities in domestic group companies (€ k) | 1,495 | 1,373 | 1,271 | 1,002 | 1,161 | 1,150 | 1,220 |
| Remuneration of the Supervisory Board of Dürr AG (€ k) | 1,336 | 1,233 | 1,097 | 854 | 1,000 | 1,010 | 1,097 |
| Dürr AG Supervisory Board remuneration index (2016 base year) | 122.0 | 112.6 | 100.2 | 78.0 | 91.3 | 92.2 | 100.2 |
| Collective bargaining index[1] | 117.8 | 114.2 | 112.0 | 110.7 | 108.6 | 105.5 | 102.6 |

[1] Total economy, collective bargaining index - monthly earnings with special payments, Federal Statistical Office (Destatis), 2024.

Bietigheim-Bissingen, March 19, 2024

The Board of Management

Dr. Jochen Weyrauch
CEO
of Dürr AG

Dietmar Heinrich
CFO
of Dürr AG

For the Supervisory Board

Gerhard Federer
Chair of the Supervisory Board
of Dürr AG

# CONSOLIDATED FINANCIAL STATEMENTS

# 4.1 — Consolidated statement of profit or loss

of Dürr Aktiengesellschaft, Stuttgart, Germany, January 1 to December 31, 2023

| € k | Note | 2023 | 2022 |
|---|---|---|---|
| Sales revenue | (7) | 4,627,334 | 4,314,066 |
| Cost of sales | (8) | –3,622,228 | –3,375,332 |
| **Gross profit on sales** | | **1,005,106** | **938,734** |
| Selling expenses | (9) | –412,125 | –382,552 |
| General administrative expenses | (10) | –246,369 | –217,682 |
| Research and development expenses | (11) | –151,372 | –136,466 |
| Other operating income | (13) | 51,641 | 48,896 |
| Other operating expenses | (13) | –55,436 | –45,033 |
| **Earnings before investment result, interest and income taxes** | | **191,445** | **205,897** |
| Investment result | (15) | 4,613 | 1,344 |
| Interest and similar income | (16) | 33,095 | 11,487 |
| Interest and similar expenses | (16) | –57,882 | –30,620 |
| **Earnings before income taxes** | | **171,271** | **188,108** |
| Income taxes | (17) | –61,055 | –53,851 |
| **Profit of the Dürr Group** | | **110,216** | **134,257** |
| **thereof attributable to** | | | |
| Non-controlling interests | | –1,765 | 3,230 |
| **Shareholders of Dürr Aktiengesellschaft** | | **111,981** | **131,027** |
| Number of issued shares in thousand | | 69,202.08 | 69,202.08 |
| Earnings per share in EUR (basic) | (27) | 1.62 | 1.89 |
| Earnings per share in EUR (diluted) | (27) | 1.55 | 1.81 |

# 4.2 — Consolidated statement of comprehensive income

of Dürr Aktiengesellschaft, Stuttgart, Germany, January 1 to December 31, 2023

| € k | Note | 2023 | 2022 |
|---|---|---|---|
| **Profit of the Dürr Group** | | **110,216** | **134,257** |
| **Items directly recognized in equity that are not reclassified to profit or loss** | | | |
| Remeasurement of defined benefit plans and similar obligations | (28) | –4,445 | 14,428 |
| attributable deferred taxes | (17) | 983 | –3,961 |
| Changes in the fair value of equity instruments measured at fair value through other comprehensive income | (19) | – | –4,586 |
| attributable deferred taxes | (17) | – | – |
| **Items directly recognized in equity that are likely to be reclassified to profit or loss** | | | |
| Change in fair value of financial instruments used for hedging purposes directly recognized in equity | (41) | 5,694 | 4,703 |
| attributable deferred taxes | (17) | –1,453 | –1,377 |
| Effects of currency translation | | –14,148 | 7,266 |
| **Items of comprehensive income directly recognized in equity after income taxes** | | **–13,369** | **16,473** |
| **Comprehensive income after income taxes** | | **96,847** | **150,730** |
| **thereof attributable to** | | | |
| Non-controlling interests | | –1,811 | 3,335 |
| **Shareholders of Dürr Aktiengesellschaft** | | **98,658** | **147,395** |

# 4.3 — Consolidated statement of financial position

of Dürr Aktiengesellschaft, Stuttgart, Germany, as of December 31, 2023

| € k | Note | December 31, 2023 | December 31, 2022 |
|---|---|---|---|
| **ASSETS** | | | |
| Goodwill | (18, 43) | 730,005 | 504,835 |
| Other intangible assets | (18, 43) | 358,769 | 212,487 |
| Property, plant and equipment | (18, 43) | 655,161 | 588,525 |
| Investment property | (18, 43) | 16,375 | 17,705 |
| Investments in entities accounted for using the equity method | (19, 43) | 18,694 | 17,636 |
| Other financial assets | (19, 43) | 10,460 | 9,693 |
| Trade receivables | (22) | 33,888 | 34,997 |
| Sundry financial assets | (23) | 9,891 | 5,708 |
| Deferred tax assets | (17) | 79,768 | 86,997 |
| Other non-current assets | (25) | 3,243 | 3,715 |
| **Non-current assets** | | **1,916,254** | **1,482,298** |
| | | | |
| Inventories and prepayments | (20) | 781,426 | 852,544 |
| Contract assets | (21) | 674,134 | 616,965 |
| Trade receivables | (22) | 598,650 | 559,190 |
| Sundry financial assets | (23) | 39,123 | 190,516 |
| Cash and cash equivalents | (24) | 1,037,137 | 716,103 |
| Income tax receivables | (17) | 39,007 | 31,794 |
| Other current assets | (25) | 68,795 | 79,297 |
| Assets held for sale | (26) | 1,459 | 2,240 |
| **Current assets** | | **3,239,731** | **3,048,649** |
| **Total assets of the Dürr Group** | | **5,155,985** | **4,530,947** |

| € k | Note | December 31, 2023 | December 31, 2022 |
|---|---|---|---|
| **EQUITY AND LIABILITIES** | | | |
| Subscribed capital | (27) | 177,157 | 177,157 |
| Capital reserves | (27) | 74,428 | 74,428 |
| Retained earnings | (27) | 955,036 | 890,491 |
| Accumulated other comprehensive income | | –36,726 | –23,424 |
| **Total equity attributable to the shareholders of Dürr Aktiengesellschaft** | | **1,169,895** | **1,118,652** |
| Non-controlling interests | | 7,071 | 5,521 |
| **Total equity** | | **1,176,966** | **1,124,173** |
| | | | |
| Provisions for post-employment benefit obligations | (28) | 40,387 | 36,447 |
| Other provisions | (29) | 20,496 | 20,351 |
| Contract liabilities | (30) | 16,469 | 2,719 |
| Trade payables | (31) | 4,664 | 421 |
| Convertible bond and schuldschein loans | (32) | 953,183 | 756,365 |
| Other financial liabilities | (32) | 113,847 | 68,434 |
| Sundry financial liabilities | (33) | 5,914 | 29,284 |
| Deferred tax liabilities | (17) | 69,836 | 43,563 |
| Other non-current liabilities | (34) | 507 | 283 |
| **Non-current liabilities** | | **1,225,303** | **957,867** |
| | | | |
| Other provisions | (29) | 188,451 | 153,235 |
| Contract liabilities | (30) | 922,708 | 1,038,972 |
| Trade payables | (31) | 598,988 | 605,731 |
| Convertible bond and schuldschein loans | (32) | 104,852 | 49,959 |
| Other financial liabilities | (32) | 382,080 | 37,841 |
| Sundry financial liabilities | (33) | 370,089 | 354,615 |
| Income tax liabilities | (17) | 61,040 | 77,652 |
| Other current liabilities | (34) | 125,508 | 130,902 |
| **Current liabilities** | | **2,753,716** | **2,448,907** |
| **Total equity and liabilities of the Dürr Group** | | **5,155,985** | **4,530,947** |

# 4.4 — Consolidated statement of cash flows

of Dürr Aktiengesellschaft, Stuttgart, Germany, January 1 to December 31, 2023

Note (37)

| € k | 2023 | 2022 |
|---|---|---|
| Earnings before income taxes | 171,271 | 188,108 |
| Income taxes paid | –83,619 | –59,177 |
| Net interest | 24,787 | 19,133 |
| Earnings from entities accounted for using the equity method | –2,556 | –636 |
| Dividends from entities accounted for using the equity method | 138 | – |
| Amortization, depreciation, and impairment of non-current assets | 130,801 | 131,578 |
| Loss/gain on the disposal of non-current assets | 123 | –374 |
| Expenses/income from assets classified as held for sale | 816 | –156 |
| Other non-cash income and expenses | –10,003 | 5,139 |
| Changes in operating assets and liabilities | | |
| Inventories | 102,684 | –160,620 |
| Contract assets | 38,725 | –166,145 |
| Trade receivables | 17,660 | –4,878 |
| Sundry financial assets and other assets | 21,062 | –10,745 |
| Provisions | 32,358 | –47,339 |
| Contract liabilities | –108,279 | 105,383 |
| Trade payables | –59,959 | 240,141 |
| Sundry financial liabilities and other liabilities (not related to financing activities) | 11,485 | 25,292 |
| **Cash flow from operating activities** | **287,494** | **264,704** |
| | | |
| Cash payments to acquire intangible assets | –38,176 | –26,828 |
| Cash payments to acquire property, plant and equipment[1] | –78,584 | –74,933 |
| Cash payments to acquire entities accounted for using the equity method | –645 | – |
| Cash payments to acquire other financial assets | –71 | –436 |
| Cash payments for business acquisitions, net of cash acquired | –322,568 | –4,980 |
| Cash receipts from the disposal of non-current assets | 3,470 | 2,664 |
| Cash receipts from/payments for investments in time deposits and current securities | 150,000 | 104,630 |
| Cash receipts from the sale of assets classified as held for sale | – | 6,350 |
| Interest received | 29,989 | 6,812 |
| **Cash flow from investing activities** | **–256,585** | **13,279** |

[1] The item "Cash payments to acquire property, plant and equipment" does not contain cash outflows for additions of right-of-use lease assets, since there are no cash outflows at the time of addition of the right-of-use assets (except for: acquisition-related costs paid and prepayments).

Note (37)

| € k | 2023 | 2022 |
|---|---|---|
| Net movement of current financial liabilities | 321,471 | –1,515 |
| New borrowings of non-current financial liabilities | 299,411 | – |
| Repayment of non-current financial liabilities | –168,771 | –24,468 |
| Repayment of lease liabilities | –34,688 | –31,088 |
| Payments for transactions with the owners of non-controlling interests | –21,914 | –25,293 |
| Dividends paid to shareholders of Dürr Aktiengesellschaft | –48,441 | –34,601 |
| Dividends paid to owners of non-controlling interests | –639 | –2,751 |
| Tendering of shares as part of the settlement offer to the shareholders of HOMAG Group AG | –7,959 | –3 |
| Interest paid | –36,783 | –21,607 |
| **Cash flow from financing activities** | **301,687** | **–141,326** |
| | | |
| Effect of changes in foreign exchange rates | –11,808 | –2,428 |
| Change in cash and cash equivalents | 320,788 | 134,229 |
| | | |
| **Cash and cash equivalents** | | |
| At the beginning of the period | 718,175 | 583,946 |
| At the end of the period | 1,038,963 | 718,175 |
| Net of valuation allowance pursuant to IFRS 9 | –1,826 | –2,072 |
| **Cash and cash equivalents as at the end of the period (consolidated statement of financial position)** | **1,037,137** | **716,103** |

# 4.5 — Consolidated statement of changes in equity

of Dürr Aktiengesellschaft, Stuttgart, Germany, January 1 to December 31, 2023

| € k | Subscribed capital<br>Note (27) | Capital reserves<br>Note (27) | Retained earnings<br>Note (27) |
|---|---|---|---|
| **January 1, 2022** | **177,157** | **74,428** | **787,952** |
| Profit | – | – | 131,027 |
| Other comprehensive income | – | – | – |
| **Comprehensive income after income taxes** | **–** | **–** | **131,027** |
| Dividends | – | – | –34,601 |
| Options of owners of non-controlling interests | – | – | 38,229 |
| Other changes | – | – | –32,116 |
| **December 31, 2022** | **177,157** | **74,428** | **890,491** |
| Profit | – | – | 111,981 |
| Other comprehensive income | – | – | – |
| **Comprehensive income after income taxes** | **–** | **–** | **111,981** |
| Dividends | – | – | –48,441 |
| Options of owners of non-controlling interests | – | – | 14,788 |
| Other changes | – | – | –13,783 |
| **December 31, 2023** | **177,157** | **74,428** | **955,036** |

| Accumulated other comprehensive income | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| Items that are not reclassified to profit or loss | | Items that are likely to be reclassified to profit or loss | | | | | | |
| Remeasurement of defined benefit plans | Remeasurement of equity instruments | Unrealized gain on/loss from cash flow hedges | Changes consolidated group/ reclassifications | Foreign currency translation | Accumulated other comprehensive income | Total equity of the share-holders of Dürr Aktien-gesellschaft | Non-controlling interests | **Total equity** |
| **−34,241** | **–** | **−3,445** | **547** | **−2,285** | **−39,424** | **1,000,113** | **5,474** | **1,005,587** |
| – | – | – | – | – | – | 131,027 | 3,230 | 134,257 |
| 10,367 | −4,586 | 3,326 | – | 7,261 | 16,368 | 16,368 | 105 | 16,473 |
| **10,367** | **−4,586** | **3,326** | **–** | **7,261** | **16,368** | **147,395** | **3,335** | **150,730** |
| – | – | – | – | – | – | −34,601 | −2,751 | −37,352 |
| – | – | – | – | – | – | 38,229 | −1,333 | 36,896 |
| −256 | – | – | −21 | −91 | −368 | −32,484 | 796 | −31,688 |
| **−24,130** | **−4,586** | **−119** | **526** | **4,885** | **−23,424** | **1,118,652** | **5,521** | **1,124,173** |
| – | – | – | – | – | – | 111,981 | −1,765 | 110,216 |
| −3,449 | – | 4,241 | – | −14,115 | −13,323 | −13,323 | −46 | −13,369 |
| **−3,449** | **–** | **4,241** | **–** | **−14,115** | **−13,323** | **98,658** | **−1,811** | **96,847** |
| – | – | – | – | – | – | −48,441 | −639 | −49,080 |
| – | – | – | – | – | – | 14,788 | −318 | 14,470 |
| 43 | – | – | −22 | – | 21 | −13,762 | 4,318 | −9,444 |
| **−27,536** | **−4,586** | **4,122** | **504** | **−9,230** | **−36,726** | **1,169,895** | **7,071** | **1,176,966** |

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE 2023 REPORTING PERIOD

## Basis of presentation

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

**The Company**

Dürr Aktiengesellschaft ("Dürr AG" or the "Company") has its registered offices in Stuttgart, Germany, and is entered in the Commercial Register of the Stuttgart District Court under No. HRB 13677. Its business address is Carl-Benz-Straße 34 in 74321 Bietigheim-Bissingen, Germany. The Dürr Group, which consists of Dürr AG and its subsidiaries, is a mechanical and plant engineering company with distinct competence in automation and digitalization. The Group is one of the global market leaders in almost all of its fields of business. The two major customer groups are the automotive and woodworking industries. In addition, it acts as supplier of production technology for other industries, e.g., the mechanical engineering, chemical, pharmaceutical and battery production industries as well as manufacturers of medical technology products. The Dürr Group serves the market with five global divisions: Paint and Final Assembly Systems offers paint finishing and assembly technology as well as testing and filling technology for the automotive industry. Application Technology manufactures products and systems for automated paint applications as well as sealing and gluing technology. Clean Technology Systems offers systems for purifying exhaust gases, for coating battery electrodes and for noise abatement. Industrial Automation Systems pools the automation systems, balancing and tooling technology businesses as well as the filling technology business for the domestic appliances industry. Woodworking Machinery and Systems develops and manufactures machinery and systems used for wood processing in the production of furniture and kitchens and of building components for climate-friendly timber houses. It should be noted that the Industrial Automation Systems division was formed in the course of the 2023 reporting period. It replaced the former Measuring and Process Systems division, which, together with the automation business, now forms the Industrial Automation Systems activities.

**Accounting policies**

The consolidated financial statements are prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union (EU) at the end of the reporting period and the additional requirements of the German commercial law pursuant to Sec. 315e (1) HGB ["Handelsgesetzbuch": German Commercial Code].

The accounting policies used generally correspond to the policies applied in the prior period. In addition, the Group has applied the new and/or revised standards and the interpretations issued by the International Financial Reporting Standards Committee (IFRIC) that became mandatory for the first time in the 2023 reporting period.

### 4.6 — CHANGES IN ACCOUNTING POLICIES FROM THE ADOPTION OF THE NEW AND REVISED ACCOUNTING STANDARDS AND INTERPRETATIONS

| | First-time application[1] | Adopted by the EU Commission | Impact on the Dürr Group |
|---|---|---|---|
| **AMENDED STANDARDS/INTERPRETATIONS** | | | |
| IAS 1 "Presentation of Financial Statements" – Disclosure of accounting policies (issued on February 12, 2021) | January 1, 2023 | Yes | Immaterial |
| IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors" – Definition of accounting estimates (issued on February 12, 2021) | January 1, 2023 | Yes | None |
| IAS 12 "Income Taxes" – Deferred Tax related to Assets and Liabilities arising from a Single Transaction (issued on May 7, 2021) | January 1, 2023 | Yes | None |
| IAS 12 "Income taxes" – International Tax Reform – Pillar 2 Model Rules (issued on May 23, 2023) | Immediately and January 1, 2023 | Yes | None |
| First-time application of IFRS 17 "Insurance Contracts" and IFRS 9 "Financial Instruments" – Comparative information (issued on December 9, 2021) | January 1, 2023 | Yes | None |
| IFRS 17 "Insurance Contracts" (issued on May 18, 2017) and amendments (issued on June 25, 2020) | January 1, 2023 | Yes | Immaterial |

[1] The standards/amendments are effective for reporting periods beginning on or after the specified date.

### 4.7 — CHANGES IN ACCOUNTING STANDARDS AND INTERPRETATIONS THAT HAVE BEEN PUBLISHED BUT NOT YET ADOPTED IN THE REPORTING PERIOD

| | First-time application[1] | Adopted by the EU Commission | Impact on the Dürr Group |
|---|---|---|---|
| **AMENDED STANDARDS/INTERPRETATIONS** | | | |
| IAS 1 "Presentation of Financial Statements" – Classification of Liabilities as Current or Non-Current (issued on January 23, 2020 and postponement of the effective date (issued on July 15, 2020)) | January 1, 2024 | Yes | None |
| IAS 1 "Presentation of Financial Statements" – Classification of Liabilities with Ancillary Conditions (issued on October 31, 2022) | January 1, 2024 | Yes | None |
| IAS 7 "Cash Flow Statements" and IFRS 7 "Financial Instruments: Disclosures" – Supplier Finance Agreements (issued on May 25, 2023) | January 1, 2024 | No | None |
| IAS 21 "Effects of Changes in Foreign Exchange Rates" – Lack of Exchangeability (issued on August 15, 2023) | January 1, 2025 | No | None |
| IFRS 16 "Leases" – Lease Liability in a sale and leaseback transaction (issued on September 22, 2022) | January 1, 2024 | Yes | None |

[1] The standards/amendments are effective for reporting periods beginning on or after the specified date.

The Group elected not to adopt early standards and IFRIC interpretations which have already been issued but have not yet become effective. Generally speaking, the Dürr Group intends to adopt all standards when they become effective. The requirements of the standards applied have been satisfied in full. The financial statements thus give a true and fair view of the assets, liabilities, financial position, financial performance and cash flows of the Group.

The Dürr Group's reporting period is the calendar year. The consolidated financial statements are prepared in euro; all amounts are presented in € thousand, unless stated otherwise.

All assets and liabilities are measured at historical or amortized cost. Exceptions to this rule are derivative financial instruments measured at fair value, other financial assets as well as financial assets measured at fair value through profit or loss or through other comprehensive income. Put options, liabilities from purchase price installments and obligations from share-based compensation are also measured at fair value.

Assets and liabilities are treated as current if they are realized or settled within twelve months of the end of the reporting period. Within the statement of financial position, assets and liabilities with a remaining term of more than twelve months are presented as non-current. By contrast, deferred tax assets and deferred tax liabilities within the statement of financial position are always reported as non-current. Besides this, liabilities with a remaining term of between one and five years are presented in the notes to the consolidated financial statements as medium-term and those with a remaining term of more than five years as long-term.

## 2. BASIS OF CONSOLIDATION

The consolidated financial statements of the Dürr Group are based on the IFRS financial statements of Dürr AG and of its consolidated entities and entities accounted for using the equity method as of December 31, 2023, prepared in accordance with uniform policies.

Intragroup sales revenue, other income and expenses, all intragroup receivables, liabilities, provisions as well as cash and cash equivalents received and paid are eliminated. Intragroup profits which are not realized by sale to third parties are eliminated. As part of the acquisition accounting according to IFRS 10 “Consolidated Financial statements”, the acquisition cost of the acquired shares of the parent companies is offset against the acquired portion of equity of the subsidiaries.

**Business combinations**

A business combination exists when the Dürr Group obtains control of another entity. Subsidiaries included in the consolidated financial statements for the first time are accounted for using the acquisition method in accordance with IFRS 3 “Business Combinations”. The identifiable assets acquired, liabilities assumed and contingent liabilities are measured in full at their fair values, irrespective of the amount of the Dürr Group’s investment. They are recognized at the values applicable at the time the Dürr Group obtained control of the subsidiary. Differences may arise from the distribution of acquisition cost between the acquired assets, assumed liabilities and contingent liabilities. Any remaining positive difference is shown as goodwill. Negative differences are recognized directly in profit or loss. For business combinations in which less than 100% of the shares are purchased IFRS 3 provides for a choice between the partial goodwill method and the full goodwill method. This option can be exercised for every business combination. The Dürr Group determines the method to be used to recognize the goodwill for each business combination. For information on exercising the option for individual business combinations, please refer to → note 18. Changes in ownership interests in subsidiaries that cause the Group’s interest to increase or decrease without loss of control are treated as transactions between equity owners that do not affect profit or loss.

For business combinations in which less than 100% of the shares are purchased the proportionate share of equity attributable to the owners of non-controlling interests is generally recognized under equity. If there are obligations to acquire non-controlling interests in subsidiaries through put options, a liability is recognized for the put options. The liability is measured at the present value of the exercise amount. It must also be assessed whether the Group currently has access to the economic benefits linked to the shares subject to the put options. If this is the case, then no non-controlling interests are reported under Group equity. Instead, these shares are accounted for as already acquired by the Group by exercising the put options. If the Group does not currently have access to the economic benefits, the share of equity relating to the non-controlling interests is derecognized on every reporting date. Any difference between the non-controlling interests in equity and the liability is offset against the retained earnings of the Dürr Group.

### Entities accounted for using the equity method

Entities over which Dürr AG exercises significant influence (associates) are accounted for using the equity method. Significant influence means the power to participate in the financial and operating policy of the investee. Interests in entities accounted for using the equity method are initially recognized at cost. Costs exceeding the share in the net assets of the entity accounted for using the equity method, after taking into account hidden reserves or encumbrances, are recognized as goodwill. Goodwill resulting from the acquisition of an associate is included in the carrying amount of the entity accounted for using the equity method and is not amortized, but tested instead for impairment as part of the overall carrying amount of the entity accounted for using the equity method.

For subsequent measurement, the Dürr Group's share of the profit or loss of the entity accounted for using the equity method is recorded under investment result in the consolidated statement of profit or loss. The share of other comprehensive income is recognized directly in Group equity. The cumulative changes after the acquisition date increase or decrease the carrying amount of the entity accounted for using the equity method. Dividends received are deducted from the carrying amount. If the losses of an entity accounted for using the equity method attributable to the Group correspond to or exceed the value of the interest in this entity, no further losses are recognized unless the Group has entered into obligations or has made payments for the entity accounted for using the equity method.

Profits from the sale of goods by consolidated entities to entities accounted for using the equity method (intragroup profits), which are not realized by sale to third parties, are eliminated in the profit from entities accounted for using the equity method in proportion of the ownership interest.

## 3. CONSOLIDATED GROUP

Besides Dürr AG, the consolidated financial statements as of December 31, 2023, contain all entities in Germany and other countries which Dürr AG can control directly or indirectly. Under IFRS 10 "Consolidated Financial Statements", control exists if an entity is exposed to or has rights to positive or negative returns from its involvement with another entity. It must also have the ability to affect these variable returns through its power over the investee. Control can exist due to voting rights or prevailing circumstances as a result of contractual arrangements, among other things.

The entities are included in the consolidated financial statements of Dürr AG from the date on which the possibility of control was obtained. For most of the Group companies, control is based on holding the majority of voting rights. For four companies the Dürr Group has the power to exercise control on account of contractual arrangements, even though in each case the Group only holds 50% of the shares or 50% or less of the voting rights in the company. At two of the entities, the Group can enforce a decision in case of parity of votes; at the other two entities, the Dürr Group manages the operations. Consolidation of an entity included in the consolidated financial statements ceases when the Dürr Group loses control over the entity.

### Structured entities

A structured entity is often characterized by restricted activities and a narrow and precisely defined purpose. A key characteristic is that voting rights do not have any significant effect on the returns from this entity. The possibility of control does not result from the majority interest in capital or from voting rights, but rather from contractual arrangements.

In the 2023 reporting period, the consolidated group contained five structured entities. These are lease property companies with properties at the Freiberg am Neckar, Germany, site. The structured entities were founded to finance the acquisition of these properties and the Group is the lessee of these properties. The Group holds a share of the capital in two of the five entities, but not the majority of voting rights.

By means of the lease agreements, the Dürr Group makes decisions on the relevant activity for the residual value realization of the properties based on contractual extension options as well as the purchase options at the residual carrying value for tax purposes. The usage of cash and cash equivalents is also specified in the contractual arrangements. The Dürr Group is thus able to use its control over the properties through the rights from the lease agreements and to influence the amount of the variable returns. Based on the underlying contractual terms and conditions, all five entities are therefore included in the consolidated financial statements as structured entities in accordance with IFRS 10 “Consolidated Financial Statements” and IFRS 12 “Disclosure of Interests in Other Entities”. There are no obligations to provide financial support.

### Entities accounted for using the equity method

Entities over which the Dürr Group exercises significant influence pursuant to IAS 28 “Investments in Associates and Joint Ventures” (associates) as well as joint ventures as defined by IFRS 11 “Joint Arrangements” are accounted for using the equity method. Significant influence is presumed with a share of voting rights ranging from 20% to 50%. Associates are included in the consolidated financial statements using the equity method from the date on which the possibility of significant influence exists. For shares of voting rights below 20%, interests in entities are generally recognized under other financial assets.

**4.8 — NUMBER OF ENTITIES**

| | Dec. 31, 2023 | Dec. 31, 2022 |
|---|---|---|
| **CONSOLIDATED ENTITIES** | | |
| Germany | 36 | 34 |
| Other countries | 101 | 86 |
| **Total** | **137** | **120** |
| **ENTITIES ACCOUNTED FOR USING THE EQUITY METHOD** | | |
| Germany | 1 | – |
| Other countries | 1 | 1 |
| **Total** | **2** | **1** |
| **OTHER FINANCIAL ASSETS** | | |
| Germany | 1 | 2 |
| Other countries | 2 | 2 |
| **Total** | **3** | **4** |

The consolidated financial statements contain 13 entities (prior period: 17) which have non-controlling interests. There are two companies that are only included in the consolidated financial statements at cost on grounds of immateriality. Their contributions to sales revenue, earnings (before taxes) and Group equity are less than 0.02% each. The Dürr Group is not exposed to any risks from these entities due to their size, contribution to sales revenue, complexity and minor activities.

## 4. CHANGES IN THE CONSOLIDATION GROUP

### 4.9 — ADDITIONS OF CONSOLIDATED ENTITIES AND ENTITIES ACCOUNTED FOR USING THE EQUITY METHOD

| Entity | Equity interest[1] | Effective as of | Interest acquired by |
|---|---|---|---|
| GranIT GmbH Grafische und numerische Informationstechniken, Reutlingen/Germany | 26.0% | May 26, 2023 | Acquisition of an entity accounted for using the equity method |
| Rome HoldCo GmbH, Munich/Germany | 100.0% | August 31, 2023 | Acquisition |
| BBS Automation GmbH, Munich/Germany | 100.0% | August 31, 2023 | Acquisition |
| BBS Automation Blaichach GmbH, Sonthofen/Germany | 100.0% | August 31, 2023 | Acquisition |
| BBS Winding S.r.l., Poggibonsi/Italy | 100.0% | August 31, 2023 | Acquisition |
| Kahle Automation S.r.l., Caravaggio/Italy | 84.7% | August 31, 2023 | Acquisition |
| ANT Sp. z o.o., Kraków/Poland | 100.0% | August 31, 2023 | Acquisition |
| BBS Automation Lipany s.r.o., Lipany/Slovakia | 100.0% | August 31, 2023 | Acquisition |
| BBS Automation Chicago Inc., Bartlett (Illinois)/USA | 100.0% | August 31, 2023 | Acquisition |
| Kahle Europea, USA, Inc., Morristown (New Jersey)/USA | 84.7% | August 31, 2023 | Acquisition |
| BBS Automation Guadalajara S. de r.l. de C.V., Jalisco/Mexico | 100.0% | August 31, 2023 | Acquisition |
| BBS Automation India Private Ltd., Pune/India | 100.0% | August 31, 2023 | Acquisition |
| BBS Automation Penang Sdn. Bhd., Penang/Malaysia | 100.0% | August 31, 2023 | Acquisition |
| BBS (China) Automation Co., Ltd., Kunshan/PR China | 100.0% | August 31, 2023 | Acquisition |
| BBS Automation (Kunshan) Co., Ltd., Kunshan/PR China | 100.0% | August 31, 2023 | Acquisition |
| BBS Automation (Suzhou) Co., Ltd., Suzhou/PR China | 100.0% | August 31, 2023 | Acquisition |
| BBS Automation (Tianjin) Co., Ltd., Tianjin/PR China | 100.0% | August 31, 2023 | Acquisition |
| BBS Automation (Xian) Co., Ltd., Xian/PR China | 100.0% | August 31, 2023 | Acquisition |
| ReaLead Intelligent Technology (Kunshan) Co. Ltd., Kunshan/PR China | 100.0% | August 31, 2023 | Acquisition |
| Amalis Group S.A.S., Lyon/France | 100.0% | November 17, 2023 | Acquisition |
| Ingecal S.A.S., Lyon/France | 100.0% | November 17, 2023 | Acquisition |
| Novalia S.A.S., Lyon/France | 100.0% | November 17, 2023 | Acquisition |
| Accoris SARL, Lyon/France | 100.0% | November 17, 2023 | Acquisition |
| Evotech S.A.S., Lyon/France | 100.0% | November 17, 2023 | Acquisition |
| Nixie SARL, Lyon/France | 100.0% | November 17, 2023 | Acquisition |
| Ingecal R&D S.A.S., Lyon/France | 100.0% | November 17, 2023 | Acquisition |

[1] Calculated pro rata

Further information on additions of consolidated entities can be found in ⟶ **note 18**.

### 4.10 — DECONSOLIDATIONS/MERGERS[1]

| Entity | Effective as of | Note |
|---|---|---|
| Schenck Corporation, Deer Park (New York)/USA | January 1, 2023 | Merger with SCHENCK USA CORP., Deer Park (New York)/USA |
| System TM Canada Ltd., Saint John (New Brunswick)/Canada | January 1, 2023 | Merger with HOMAG CANADA INC., Mississauga (Ontario)/Canada |
| Schenck Industriebeteiligungen GmbH, Darmstadt/Germany | January 1, 2023 | Merger with Schenck RoTec GmbH, Darmstadt/Germany |
| Golden Field HOMAG (Shanghai) Trading Co., Limited, Shanghai/PR China | March 17, 2023 | Closure |
| MEGTEC Environmental Limited, Standish/UK | May 21, 2023 | Closure |
| Dürr Universal Europe Ltd., Hinckley/UK | May 21, 2023 | Closure |
| Schenck Limited, Warwick/UK | May 21, 2023 | Closure |
| Dongguan Golden Field Mingfeng Woodwork Machinery Co., Limited, Dongguan/PR China | December 12, 2023 | Closure |

[1] Futura GmbH, which was accounted for at cost, was merged into HOMAG GmbH with retroactive effect from January 1, 2023. Aviva Vermögensverwaltung GmbH i.L. (in liquidation) ceased to exist as of September 25, 2023.

## 5. CURRENCY TRANSLATION

Financial statements denominated in the foreign currency of the subsidiaries included in the consolidation are translated into euro on the basis of the functional currency concept pursuant to IAS 21 "The Effects of Changes in Foreign Exchange Rates". For the majority of foreign subsidiaries in the Group, the functional currency is the local currency since these entities operate independently from a financial, economic, and organizational viewpoint. According to this concept, assets and liabilities are thus translated at closing rates, while income and expenses are generally translated at average rates. Any currency translation differences are recorded without effect on profit or loss in accumulated other comprehensive income.

In the separate financial statements of Dürr AG and its subsidiaries, receivables and liabilities in a currency other than the euro are measured at the historical rate; current transactions are translated at the current exchange rate. Any exchange rate gains and losses at the end of the reporting period are included in the statement of profit or loss. For actual figures of the exchange rate gains and losses recognized through profit or loss, please refer to → **notes 8 and 13**.

### 4.11 — SIGNIFICANT EXCHANGE RATES

| | Closing rate | | Average rate | |
|---|---|---|---|---|
| in relation to one euro | **Dec. 31, 2023** | Dec. 31, 2022 | **2023** | 2022 |
| Pound sterling (GBP) | 0.8691 | 0.8868 | 0.8688 | 0.8546 |
| Chinese renminbi (CNY) | 7.8372 | 7.4355 | 7.6447 | 7.0871 |
| Danish krone (DKK) | 7.4529 | 7.4365 | 7.4512 | 7.4397 |
| Hong Kong dollar (HKD) | 8.6532 | 8.3204 | 8.4839 | 8.2265 |
| Indian rupee (INR) | 92.1420 | 88.1567 | 89.4801 | 82.6898 |
| Korean won (KRW) | 1,430.1870 | 1,338.1861 | 1,418.5580 | 1,353.6974 |
| Mexican peso (MXN) | 18.7711 | 20.8858 | 19.0718 | 21.0768 |
| Polish złoty (PLN) | 4.3420 | 4.6858 | 4.5261 | 4.6891 |
| US dollar (USD) | 1.1077 | 1.0676 | 1.0834 | 1.0506 |

In the separate financial statements of the foreign subsidiaries, goodwill is translated at the rate prevailing at the end of the Group's reporting period. The hidden reserves identified in acquisitions are accounted for using the functional currency of the acquired entity.

## 6. RECOGNITION AND MEASUREMENT POLICIES

**Revenue recognition pursuant to IFRS 15 "Revenue from Contracts with Customers"**
The Dürr Group generates most of its sales revenue from the production and delivery of customer-specific plant and machinery. For these contracts, the sales revenue and planned gross margin is realized in accordance with the percentage of completion method (PoC method) in line with the percentage of completion of a contract over the performance period. The criteria of IFRS 15 for this are: the asset does not have any other alternative use and, at the same time, the Group has an enforceable right to payment for work already performed. The progress toward satisfaction of a performance obligation is calculated on the basis of the costs incurred in relation to the total estimated costs (cost-to-cost method). This ensures that both sales revenue and the associated costs are systematically recorded and therefore the profit or loss from the contract is recognized in the period incurred over which the control over the goods or services is transferred. Customer payments are contractually agreed and based on the progress of projects and on milestones set. This keeps the time that elapses between customer payments and progress toward satisfaction of a performance obligation to a minimum. The Group came to the conclusion that the input-based method is best suited for determining the percentage of completion as the Group uses IT-supported calculation methods and, with the help of division-specific project controlling, is able to reliably estimate planned costs and monitor total costs.

Where it is not possible to give a reliable estimation of the progress toward complete satisfaction of a performance obligation based on output factors or input factors, the zero-profit method (ZP method) is applied as long as it can be assumed that the Dürr Group can recover the costs incurred from satisfying the performance obligation. With the ZP method sales revenue and the associated costs are realized in equal amounts until it is possible to reliably estimate the progress toward complete satisfaction of a performance obligation. Thus the gross margin is at least partially recognized in profit and loss at a later stage of the contract.

The other portion of sales revenue from contracts with customers is generated from both the sale of standard machines, spare parts, and other goods as well as the rendering of services. This sales revenue is recognized at the date on which the customer obtains control over the promised asset. This is usually the point in time when the machine is delivered to the customer, at which point the customer obtains legal title to the machine or has inspected it. Services provided are recognized at the time rendered as sales revenue recognized over time. For standard machines and spare parts, the customer makes the payment upon receiving the invoice, which is done following delivery or acceptance, depending on the contractual arrangements. Progress payments are also demanded from the customer.

**Performance obligations**
The Group divides its contracts with customers into performance obligations, separating them based on contractual terms into performance obligations that are either satisfied at a point in time or over time. The customer contracts are analyzed for separable performance obligations. In addition to the performance obligation to produce a machine or plant for the customer, separable performance obligations in the Paint and Final Assembly Systems, Application Technology and Clean Technology Systems divisions as well as in the Production Automation Systems business unit within the Industrial Automation Systems division mainly include spare parts packages and partial modifications. In the Woodworking Machinery and Systems division and the Measuring and Process Systems business unit within the Industrial Automation Systems division, it is primarily the assembly and commissioning activities that need to be defined as independently identifiable performance obligations.

**Intangible assets**
Intangible assets comprise goodwill, franchises, brand names, industrial rights and similar rights, internally generated software, capitalized development costs as well as acquired customer relationships, orders and technological know-how. Purchased and internally generated intangible assets are recognized pursuant to IAS 38 "Intangible Assets" if, in addition to other criteria, it is probable that a future economic benefit will flow to the entity from the use of the asset, and the cost of the asset can be reliably determined.

Intangible assets are recognized at cost. Intangible assets with a finite useful life are amortized over their useful life using the straight-line method, unless they are impaired. Goodwill and other intangible assets with indefinite useful lives are not amortized. Other intangible assets are tested once annually to determine whether events and circumstances still justify the assumption that they have an indefinite useful life. If this is not the case, the estimated useful life is changed on a prospective basis from indefinite to finite in accordance with the requirements of IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors". Assets whose useful life changed from indefinite to definite are reviewed for impairment in the same reporting period. Also, once a year, or if there is any evidence that an intangible asset with an indefinite useful life or an intangible asset that is not yet ready for use may be impaired, an impairment test is performed. In addition to goodwill, the Dürr Group recognizes brand names as further intangible assets with mostly indefinite useful lives. If a brand name is used in the entire cash-generating unit to which a goodwill is allocated, the brand name is also tested for impairment at the level of the corresponding cash-generating unit as part of the impairment test of goodwill. The recoverability of the HOMAG China and iTAC brands is tested separately for impairment each year as these brand names are tested for impairment at the level of different, smaller cash-generating units.

In the Group, development costs are only recognized as internally generated intangible assets if the conditions set forth in IAS 38 are satisfied. These include the following criteria:

- Technical feasibility of completing the intangible asset so that it will be available for use or sale
- The probability of a future economic benefit arising from the use of the asset
- The ability to measure reliably the expenditure attributable to the intangible asset during its development.

Cost is the sum of all directly attributable expenditure incurred from the date when the intangible asset first meets the recognition criteria. Development costs which do not meet these criteria, as well as research costs, are recognized immediately as an expense. Amortization of capitalized development costs is disclosed under cost of sales in the statement of profit or loss.

**4.12 — USEFUL LIVES OF INTANGIBLE ASSETS (ESTIMATED)**

| | Years |
|---|---|
| Brand names with a definite useful life (BBS Automation, Teamtechnik, Kahle, DUALIS) | 4 to 6 |
| Capitalized development costs | 3 to 9 |
| Franchises, industrial rights and similar rights | 2 to 20 |
| Customer relationships | 4 to 10 |
| Technological know-how | 5 to 15 |
| Other brand names | indefinite |

More information on the brand names is provided in → note 18.

### Investment property

Properties are allocated to investment property if a change in use has occurred, which is substantiated by their being occupied by another party after the end of owner-occupation or the inception of an operating lease with another party.

Investment property is recognized initially at (amortized) cost, including transaction costs. The carrying amount contains the costs for investments to replace an existing investment property at the time these costs are incurred, provided the recognition criteria are satisfied, and excludes the costs of day-to-day servicing of an investment property. Subsequent to initial recognition, investment properties are measured at amortized cost.

Investment property is derecognized when it is sold or retired from active use and no future economic benefit is expected upon its disposal. Gains or losses arising from the retirement or disposal of investment property are recognized in the year of retirement or disposal.

### Property, plant and equipment

Property, plant and equipment are accounted for at cost less straight-line depreciation over their useful life. Cost comprises all production costs that are directly attributable to the production process.

**4.13 — USEFUL LIVES OF PROPERTY, PLANT AND EQUIPMENT (ESTIMATED)**

| | Years |
|---|---|
| IT hardware | 2 to 5 |
| Machines and equipment | 2 to 40 |
| Furniture and fixtures | 2 to 25 |
| Buildings, hereditary building rights and leasehold improvements | 3 to 50 |
| Land | indefinite |

The cost of property, plant and equipment includes expenditures for replacements which extend useful lives or increase capacity. The historical cost of assets that are either sold or scrapped is derecognized, as is the accumulated depreciation. Any gains or losses from derecognition are determined as the difference between the net disposal proceeds and the carrying amount and recognized through profit or loss as other operating income or expenses in the period in which the item is derecognized. Costs of minor repairs and maintenance are recognized immediately in profit or loss.

### Government grants

In accordance with IAS 20 "Accounting for Government Grants and Disclosure of Government Assistance", government grants are only recorded if it is reasonably certain that the conditions attached to the grants will be fulfilled and the grants actually awarded. Grants that relate to an investment are deducted from the carrying amount of the subsidized asset. Grants related to income are recognized as deferred income and released in the correct period.

### Leases

Several entities in the Dürr Group lease land, buildings, technical equipment, and machines as well as office and operating equipment, mainly vehicles. Three entities rent out properties to external lessees.

A lease is a contract that transfers the right to use an asset (the leased asset) for a period of time in exchange for consideration. For these leases, the Dürr Group as lessee generally accounts for right-of-use assets and the corresponding payment obligations over the lease term as lease liabilities from the commencement date. The right-of-use assets are recognized under property, plant and equipment or investment property, while the lease liabilities are recognized as part of financial liabilities (→ **notes 18, 32, 37, 40, and 41**). Lease liabilities correspond to the present value of the lease payments made over the lease term. These comprise the fixed payments, variable payments (if linked to an index or interest rate), and the exercise price of a purchase option if it is reasonably certain that the option will be exercised. In order to ensure that the terms are flexible, some leases for land and buildings in particular contain options to extend or terminate the lease. Depending on whether it is reasonably certain that the option will be exercised or will not be exercised, the optional periods are taken into account accordingly when determining the lease term. For discounting, the interest rate implicit in the lease is used if it can be determined. Otherwise, the incremental borrowing rate is used. Right-of-use assets are measured at cost and comprise the amount of the lease liabilities, restoration obligations, and rent prepayments.

Lease liabilities and right-of-use assets are subsequently measured at amortized cost. The lease liability is measured using the effective interest method, i.e., the lease payments are apportioned between finance charges and redemption of the lease liability. This is done so as to achieve a constant rate of interest over the period on the remaining balance of the lease liability. → **Notes 16 and 37** contain disclosures on interest expenses and interest payments from leases.

The lease liability is remeasured if the lease agreement is modified or changes are made to the lease payments, lease term, or estimates regarding the exercise of purchase options. The right-of-use assets are amortized on a straight-line basis over the shorter of the lease term and their estimated useful lives and adjusted for any remeasurements of the lease liability.

**4.14 — USEFUL LIVES OF RIGHT-OF-USE-ASSETS (ESTIMATED)**

| | Years |
|---|---|
| Vehicles | 1 to 7 |
| IT hardware | 1 to 10 |
| Machines and equipment | 1 to 25 |
| Land, buildings, hereditary building rights, office space | 1 to 90 |

The Dürr Group makes use of the following exemptions and practical expedients:

- For short-term leases and leases of low-value assets, the lease payment is recognized through profit or loss.
- IFRS 16 "Leases" is not applied to intangible assets.
- Lessees do not separate lease and non-lease components.

Furthermore, intragroup leases are recognized through profit or loss in the segment reporting pursuant to IFRS 8 "Operating Segments" and not in the statement of financial position.

Leases in which the Dürr Group is the lessor relate to investment property. For these leases, the opportunities and risks remain within the Group. The lease payments are recognized by the lessor separately from non-lease components on a straight-line basis as sales revenue from lease agreements.

### Impairment testing for intangible assets and property, plant and equipment including right-of-use assets

All intangible assets with an indefinite useful life, intangible assets which are not yet ready for use, and goodwill are generally tested for impairment at the end of each reporting period. Other intangible assets and property, plant and equipment including right-of-use assets are reviewed for impairment whenever events or changes in circumstances indicate that an asset may be impaired, i.e., that the carrying amount of an asset may not be recoverable. Investment property that is largely rented to third parties is also subjected to an impairment test at least once a year.

An impairment loss is recognized through profit or loss if the recoverable amount of the asset falls short of its carrying amount. The recoverable amount is the higher of an asset's fair value less costs to sell and the value in use. The fair value less costs to sell is the amount recoverable from the disposal of an asset carried out at arm's length less costs to sell. The value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. The recoverable amount is determined for each asset individually or, if that is not possible, for the cash-generating unit to which the asset belongs. Goodwill acquired from business combinations is allocated to the cash-generating units or groups of cash-generating units. Due to the internal management and reporting structures, these correspond to the Dürr Group's divisions or business units within its divisions. To determine the estimated cash flows of each group of cash-generating units, basic assumptions have to be made. These include assumptions regarding financial planning and the interest rates used for discounting.

Impairment losses recognized in prior periods are reversed against profit or loss if they cease to exist or have decreased. The reversal of an impairment loss or the reduction of an impairment loss of an asset is, however, only recognized to the extent that it does not exceed the carrying amount that would have applied if the amortization or depreciation had been recorded and no impairment losses had been recognized. Impairments on goodwill may not be reversed.

Other comments on intangible assets, property, plant and equipment and right-of-use assets can be found in → note 18.

### Financial instruments

A financial instrument is a contract that gives rise to both a financial asset of one entity and a financial liability or equity instrument of another entity. Pursuant to IFRS 9 "Financial Instruments", financial instruments are classified in the following categories:

- Financial assets measured at amortized cost
- Financial assets measured at fair value through other comprehensive income
- Investments in equity instruments measured at fair value through other comprehensive income
- Financial assets measured at fair value through profit or loss
- Investments in equity instruments measured at fair value through profit or loss
- Financial liabilities measured at amortized cost
- Financial liabilities measured at fair value through profit or loss.

Purchases or sales of financial assets are recognized using trade date accounting. The Dürr Group does not perform any offsetting for financial instruments.

### Financial assets

Financial assets are classified in accordance with IFRS 9 based on the business model used to manage financial assets and on the basis of the characteristics of the contractual cash flows of the financial assets. The objective of the Dürr Group's business model is to hold financial assets in order to collect contractual cash flows. With regard to the characteristics of the contractual cash flows, it is examined whether the contractual terms of the financial assets give rise on specific dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The financial assets in the portfolio are measured at amortized cost provided that the business model is complied with and the contractual cash flows fulfill the condition above.

The business model for financial assets measured at fair value through other comprehensive income (debt instruments) includes both the holding and sale of financial assets. The contractual terms that have to be met give rise solely to payments of principal and interest on the principal amount outstanding on specific dates.

Equity instruments are generally classified as measured at fair value through profit or loss at initial recognition. However, upon initial recognition an irrevocable option may be exercised to classify equity instruments as measured at fair value through other comprehensive income. This option may only be exercised if the equity instruments are not held for trading and if they do not represent contingent consideration in a business combination. The Dürr Group generally holds its equity interests for strategic reasons as a way of expanding the Group's business operations. Focus is not placed on the intention to generate significant amounts of short-term gains on sale. Any fluctuations in the measurement of investments should therefore have no impact on the statement of profit or loss. Accordingly, equity instruments are classified as measured at fair value through other comprehensive income. Gains or losses of equity instruments in this category recognized through other comprehensive income are never reclassified to profit or loss. At Parker Engineering Co., Ltd. and Teamtechnik Production Technology Sp. z o.o., a put option accounted for through profit or loss is held in addition to the investment. In order to keep the economic effect on the statement of profit or loss to a minimum here too, both the investments and the related options are classified at fair value through profit or loss. Parker Engineering Co., Ltd. and Teamtechnik Production Technology Sp. z o.o. are recognized in the statement of financial position under other financial assets while the options are recognized under sundry financial liabilities and sundry financial assets respectively.

Financial assets that do not satisfy the conditions for being classified as measured at amortized cost/at fair value through other comprehensive income are to be classified as measured at fair value through profit or loss. The Dürr Group does not currently make use of the option to measure financial assets at fair value through profit or loss at initial recognition.

### Loss allowances and impairment of financial assets

The Dürr Group uses an impairment model based on the expected credit loss model, which is applicable for all financial assets (debt instruments) that are measured at amortized cost or at fair value through other comprehensive income. The expected credit loss model distinguishes between the general approach and the simplified approach. The general approach allocates the financial assets to three risk stages and is mainly applicable for cash and cash equivalents as well as sundry financial assets. For contract assets, trade receivables and lease receivables, the simplified model is applied and thus the first of the three risk levels is not considered.

Under the general model, the Dürr Group allocates the financial assets to the individual risk stages. The allocation is based on past due criteria and historically proven, qualitative internal and external risk assessments of the individual debtors. These assessments are applicable for all classes of financial assets. Provided that the non-derivative financial assets were not already impaired upon acquisition, the assets are allocated to stage 1. In general, a financial instrument is also allocated to stage 1 if it is deemed to be investment grade by external rating agencies.

If there has been a significant increase in the credit risk since initial recognition, the assets are allocated to stage 2. A number of qualitative and quantitative criteria are used to assess whether the credit risk has increased significantly since a financial asset was recognized for the first time. This involves, for example, examining whether the total comprehensive income of the debtor has deteriorated significantly or whether it is expected to do so. Financial assets are allocated to stage 2 at the latest when contractual payment is more than 30 days past due.

Financial assets are allocated to stage 3 or their default is assumed if circumstances occur that could impair the ability of a certain debtor to meet their financial obligations. For all financial assets, this means observing the criteria of being 90 days past due as well as using qualitative credit ratings for debtors. For example, the likelihood of insolvency or any other financial reorganization of the debtor results in the financial assets being allocated to stage 3.

In deviation from the past due criteria mentioned above, trade receivables and contract assets which are measured in accordance with the simplified approach are allocated to stage 3 when more than twelve months past due. This appropriately reflects the industry-specific experience and payment patterns for long-term projects in the plant and machinery construction sector.

Financial assets are derecognized as soon as reasonable information is available that indicates that they are uncollectable, such as insolvency proceedings coming to an end or following a court decision. Further explanations on the valuation and impairment of financial assets can be found in → note 41.

### Financial liabilities

Financial liabilities generally give rise to the obligation to deliver settlement in cash or another financial asset. They particularly include, for example, trade payables, liabilities to banks, convertible bonds, Schuldschein loans, obligations from options, derivative financial liabilities and other financial liabilities.

After initial measurement, financial liabilities carried at amortized cost are subsequently measured at amortized cost using the effective interest method. Financial liabilities measured at fair value through profit or loss include financial liabilities held for trading and contingent consideration recognized in a business combination to which IFRS 3 applies. Derivatives are deemed to be held for trading unless they are designated and effective hedging instruments. Gains or losses on financial liabilities held for trading are recognized through profit or loss.

The Dürr Group has not yet made use of the option to designate financial liabilities upon initial recognition as financial liabilities at fair value through profit or loss.

### Derivative financial instruments and hedge accounting

The Dürr Group uses derivative financial instruments such as forward exchange contracts in order to hedge against currency risks. For accounting for hedges, the Dürr Group continues to apply the regulations of IAS 39 "Financial Instruments: Recognition and Measurement".

Derivative financial instruments are measured at fair value on initial recognition and in subsequent periods. Recognition of these changes – whether through profit or loss or through other comprehensive income (hedge reserve) – depends on whether the derivative financial instrument is part of an effective hedge in accordance with IAS 39. Changes in fair value are recognized through profit or loss unless the special criteria of IAS 39 for hedge accounting are satisfied.

Depending on the nature of the hedged item, hedging instruments are classified as follows:

- Fair value hedges, when hedging the exposure to changes in the fair value of a recognized asset, liability, unrecognized firm commitment, or an identifiable part of such assets, liabilities, or firm commitment that could affect profit or loss;
- Cash flow hedges, if they hedge exposure to variability in cash flows that is attributable to a recognized asset or liability or a forecast transaction and could affect profit or loss; or
- Hedges of a net investment in a foreign operation. They are treated in the same manner as cash flow hedges.

### Fair value hedge accounting

In the case of fair value hedges, the carrying amount of a hedged item is adjusted through profit or loss by the profit or loss that is attributable to the hedged exposure. In addition, the derivative financial instrument is remeasured at its fair value. Gains or losses arising as a result are likewise recognized through profit or loss. In a perfect hedge, the fluctuation in fair value recognized through profit or loss for the hedged item practically offsets that of the hedging instrument. For fair value hedges that relate to hedged items carried at amortized cost, the adjustments of the carrying amount are released to profit or loss over their term until maturity. Every adjustment of the carrying amount of a hedged financial instrument is released to profit or loss using the effective interest method. The amount can be released as soon as an adjustment is made. It is released at the latest when the hedged item ceases to be adjusted for the changes in fair value that are attributable to the hedged exposure. If the hedged item is derecognized, the unamortized fair value is recognized immediately in the statement of profit or loss.

If an unrecognized firm commitment is designated as a hedged item, the subsequent accumulated change in its fair value that is attributable to the hedged risk is recognized as an asset or liability with a corresponding gain or loss in the profit or loss of the period. The changes in the fair value of the hedging instrument are likewise recognized in the profit or loss of the period. However, this does not apply if foreign exchange exposure is hedged, as that is treated as a cash flow hedge. Hedge accounting is discontinued when the hedging instrument is settled prematurely or matures or no longer qualifies for hedge accounting.

### Cash flow hedge accounting

In the case of cash flow hedges, the effective portion of the gain or loss on a hedging instrument is recognized directly in equity. The ineffective portion is recognized through profit or loss. Amounts that are recognized directly in equity are reclassified to profit or loss in the period in which the hedged item affects the net profit or loss for the period. Where the hedged item is the cost of a non-financial asset or non-financial liability, the amounts taken to equity are transferred to the initial carrying amount of the non-financial asset or non-financial liability. If the forecast transaction is no longer expected to occur, any amounts previously taken to equity are reclassified to the net profit or loss for the period. When the hedge is settled prematurely or matures, the amounts previously disclosed remain a separate item in equity until the forecast transaction occurs. The same applies if the hedging instrument is exercised without replacement or rollover, or if the criteria for cash flow hedge accounting are no longer in place. If the forecast transaction is no longer expected to occur, the amount is recognized through profit or loss. Further explanations on derivative financial instruments are given in → **note 41**.

**Other financial assets**
Other financial assets include non-current investments in equity instruments. They include shares in entities that are classified at fair value through profit or loss or through other comprehensive income.

**Inventories**
Inventories of materials and supplies, work in process from the manufacture of standard machines, and finished goods and merchandise are recognized at the lower of cost or net realizable value at the end of the reporting period. As a rule, a moving average value is used. Write-downs are recorded for obsolete and slow-moving inventories.

Costs of conversion comprise direct materials costs, direct labor costs as well as an appropriate portion of production-related overheads and depreciation. The overhead markups are determined on the basis of average capacity utilization. Borrowing costs are included, provided that they relate to qualifying assets.

**Contract assets**
For the Dürr Group, contract assets represent a legal claim to consideration in exchange for goods or services that are subject to conditions other than the simple term of payment. To the extent that costs have been incurred on contracts, but the amounts cannot yet be billed under the terms of the contracts as the payment claim is still conditional, they are reported as contract assets together with the corresponding estimated earnings. The contract assets contain directly allocable contract costs as well as, to an appropriate degree, production-related overheads and estimated earnings that can be derived from the agreed transaction price. In order to adequately portray the credit risk of the respective customer, a corresponding loss allowance is recognized in accordance with IFRS 9. The loss allowance is determined using the same methods as for trade receivables.

**Trade receivables/sundry non-derivative financial assets**
Receivables and sundry non-derivative financial assets constitute a contractual right to receive cash or another financial asset at a future point of time.

Receivables and non-derivative financial assets are carried at amortized cost less loss allowances and impairments. To determine the impairment and loss allowance the Group assesses the recoverability of the financial assets by referring to a number of factors. For this purpose, credit risks are segmented using common credit risk characteristics.

A central monitoring and local collection management system counters the risk of bad debts. This system includes regular credit ratings, the conclusion of credit insurance policies, and – particularly in the export business – issuing letters of credit. Further information on impairment and loss allowances can be found in the section on impairment and loss allowances of financial assets.

**Cash and cash equivalents**
Cash and cash equivalents include cash, demand deposits, and other short-term, highly liquid financial assets with an original term to maturity of less than three months. They are recognized at nominal value less loss allowance. The loss allowance is formed on the basis of current market data and internal risk assessments. Further information on loss allowances can be found in the section on the impairment and loss allowances of financial assets.

**Other assets**
Other assets comprise capitalized assets that cannot be allocated to any other category.

Costs of obtaining a contract that have arisen in connection with customer contracts are recognized at the amount incurred under other assets. Usually, the contractually agreed commissions are a percentage of the contract value. They require judgment only to a small degree. Only in some cases the amount of the commission is variable and depends on the estimated gross margin of the contract. The costs of obtaining a contract are generally amortized in line with the percentage of completion of the underlying goods and services. For customer contracts that are invoiced when control is transferred, the costs of obtaining a contract are amortized entirely at this point in time. Impairment losses on recognized costs of obtaining a contract are recognized directly in profit or loss if the residual carrying amount of the capitalized costs of obtaining a contract are higher than the remaining portion of consideration less costs that are directly in connection with delivering the goods or rendering the services and were not yet expensed.

**Non-current assets held for sale and disposal groups**
Non-current assets held for sale and disposal groups relate to fixed assets or current and non-current assets that can be sold in their present condition and whose sale is highly probable. The disposal group also relates to liabilities that are directly connected to the assets. Their carrying amounts must mainly be recovered by sale and not through continuing use.

Non-current assets held for sale and disposal groups are recognized as a separate item in the statement of financial position under current assets. The sale should be expected to qualify for recognition as a completed sale within one year from the date of reclassification.

Pursuant to IFRS 5 "Non-current assets held for sale and discontinued operations", a non-current asset, provided that it is classified as held for sale or belongs to a disposal group classified as held for sale, is not depreciated but instead recognized at fair value less costs to sell, if the fair value is lower than the carrying amount.

**Accumulated other comprehensive income**
This item presents changes in equity, including the deferred taxes thereon, other than those arising from capital transactions with owners (e.g. capital increases or distributions). These include exchange differences (including the effects of the measurement of hyperinflationary currency in Turkey), accumulated actuarial gains and losses from the remeasurement of post-employment benefits and similar obligations as well as gains and losses from the measurement of financial assets and derivative financial instruments (cash flow hedges) measured at fair value.

**Convertible bond**
Pursuant to IAS 32 "Financial Instruments: Presentation", the conversion option vested in the convertible bond issued in the 2020 reporting period represents an equity instrument that was recognized in equity net of issue costs. The liability component is classified as a financial liability at amortized cost. At the time of initial recognition, the proportionate issue costs were deducted; the difference between that amount and the nominal value is allocated using the effective interest method to the financial liability as an interest expense over the term of the bond. The right of early redemption on the part of Dürr AG represents an embedded derivative, although one that is not separated pursuant to IFRS 9 as it is considered to be closely related to the host contract.

**Earnings per share**
Basic earnings per share are calculated by dividing the earnings relating to the shareholders of Dürr AG by the weighted average number of shares outstanding during the reporting period. To determine diluted earnings per share, both the earnings attributable to the shareholders of Dürr AG and the weighted average of the number of shares outstanding are adjusted so as to take all dilutive effects into account that would result from the conversion of potential ordinary shares.

**Borrowing costs**
Borrowing costs include interest and similar expenses, other finance costs and the costs incurred in connection with borrowings.

In accordance with IFRS 9 "Financial Instruments", borrowing costs incurred in connection with the issue of the convertible bond and the Schuldschein loans are deducted on the liabilities' side of the consolidated statement of financial position. Calculated using the effective interest method, borrowing costs are amortized over the terms of the convertible bond and Schuldschein loans.

**Post-employment benefits**
The defined benefit plans guarantee the beneficiary a monthly old-age pension or non-recurring payment upon leaving the company. These benefit plans are funded by the entities as well as by the employees. In accordance with IAS 19 "Employee Benefits", provisions for post-employment benefits are measured using the projected unit credit method. For this purpose, the future obligations are measured on the basis of the pro rata employee benefit obligations at the end of the reporting period. Provisions for post-employment benefit obligations are calculated taking into account development assumptions (e.g., relating to salary trends or pension increases) for those factors which affect the benefit amount.

Defined benefit cost is divided into service cost and net interest, which are recognized through profit or loss, and remeasurements, which are recognized directly in equity after deducting deferred taxes. Pursuant to the criteria of IAS 19, provisions for post-employment benefit obligations covered by assets held by a long-term benefit fund or by qualifying insurance policies are offset against the related plan assets, taking account of the asset ceiling. In addition to qualifying insurance policies, assets of an external insurance company or a fund are recognized as plan assets under IAS 19, if these assets can be used exclusively to pay or fund employee benefits and are protected from potential creditors.

**Other provisions**
Other provisions are recorded pursuant to IAS 37 "Provisions, Contingent Liabilities and Contingent Assets" and IAS 19 "Employee Benefits", if the obligation to a third party results from a past event that is expected to lead to an outflow of economic benefits and can be reliably determined. Provisions for restructuring are recognized only to the extent that a detailed formal plan has been prepared and communicated to the parties concerned. Other provisions represent uncertain liabilities, which were recognized on the basis of a best estimate of the amount needed to settle the obligations. These estimates are based on assumptions made by the management, including experience and, where appropriate, assessments by independent experts. If the amount of the provision can only be determined within a range, the most probable figure is used. If there is no difference in the level of probability, the weighted average is taken. Provisions with a remaining term of more than one year are discounted at market interest rates which reflect the risk and period until the obligation is settled.

**Contract liabilities**
Contract liabilities constitute an obligation to the customer when progress billings issued and payments received from customers are collected or fall due before the promised service is rendered. Contract liabilities from progress billings issued and payments received from customers are offset against the services as soon as they are rendered. If a contract contains several separate performance obligations, only one contract asset or contract liability from this contract is determined on a net basis.

**Liabilities**
Trade payables and sundry financial liabilities are recorded at amortized cost. Other liabilities are recorded at the settlement amount. Liabilities that do not lead to an outflow of resources in the following year are discounted at market interest rates as of the end of the reporting period.

At the inception of the lease, liabilities from leases are carried at the present value of the lease payments. Further information is contained in the section on leases.

**Income taxes and deferred taxes**
The Dürr Group operates in a large number of countries and is consequently subject to different tax jurisdictions. The anticipated current and deferred income taxes have to be determined for each taxable entity.

Deferred taxes are accounted for using the balance sheet liability method according to IAS 12 "Income Taxes". This involves creating deferred tax items for all temporary accounting and measurement differences between the carrying amounts for IFRS purposes and the tax bases of the assets and liabilities. They are not created if the taxable temporary difference arises from goodwill or the initial recognition of other assets and liabilities in a transaction (that is not a business combination) which affects neither the IFRS accounting profit nor the taxable profit or loss. Moreover, for leases where the Dürr Group is a lessee, already on the commencement date of the lease the Group recognizes:

- deferred tax assets on lease liabilities to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences can be utilized, and

- deferred tax liabilities on right-of-use assets in property, plant and equipment or investment property.

Deferred tax liabilities are recognized for all taxable temporary differences arising from investments in subsidiaries or associates, and interests in joint ventures, unless the parent can control the reversal of the temporary difference and the temporary difference will probably not reverse in the foreseeable future. Further, deferred tax assets for future economic benefits from tax-related interest and loss carryforwards and unused tax credits are taken into account if it is highly probable that they will be used.

Deferred tax assets and deferred tax liabilities are measured taking into account the respective local income tax rates which are expected to apply in the individual countries at the time of realization based on tax laws that have been enacted or substantively enacted. Deferred tax assets are reversed if it is more probable that the tax benefit will be forfeited than that it will be utilized.

Deferred tax assets are recognized to the extent that they are likely to be used. The probability of their being used in the future is assessed taking into account various factors, such as future taxable profit in the planning periods, effects on earnings from the reversal of temporary differences, tax planning, and profit actually generated in the past. The Group uses a planning horizon of four years. Management reviews the deferred tax assets for impairment at the end of each reporting period. As these reviews are sometimes based on assumptions about the future, the actual values may diverge from estimates. These are then adjusted through other comprehensive income or through profit or loss, depending on how they were initially recognized. Based on past experience and the expected future income, the Dürr Group assumes that the corresponding benefits will be realized from the deferred tax assets.

Deferred tax assets and deferred tax liabilities are netted if, and only if, the entity has a legally enforceable right to offset current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to income taxes levied on the same taxable entity by the same taxation authority. Deferred taxes are recorded as tax income or expense in the statement of profit or loss unless they relate to items recorded through other comprehensive income; in this case, the deferred taxes likewise are recorded through other comprehensive income. Deferred tax assets from temporary differences in excess of deferred tax liabilities are only recognized to the extent that they can be utilized against future taxable profits.

For the cases where there is uncertainty regarding the application of tax regulations, the Dürr Group proceeds as follows: IFRIC 23 "Uncertainty over Income Tax Treatments" is used to assess the probability with which the relevant tax authority with full knowledge of the matter will follow the position taken in the tax returns. Particularly, judgment is required for the following uncertainties:

- Should each tax treatment be considered independently or together with other tax treatments?
- Which assumptions need to be made for tax authorities' examination?
- What are the potential effects of a deemed tax field audit?
- How should changes in matters, for example, due to new information be handled?

The Dürr Group examines continuously whether it needs to be applied in such cases, primarily because the Group operates in a number of jurisdictions. Indications of uncertain tax positions may be seen in the area of transfer pricing, which the Dürr Group intends to reduce through the application of the internal control system and documentation of transfer pricing. The Dürr Group, therefore, expects that the tax authorities will basically accept the tax treatment of the Group.

In December 2021, the Organization for Economic Cooperation and Development (OECD) published Global Anti-Base Erosion rules (GloBE). The rules provide for a coordinated tax system to ensure that multinational groups of companies with revenue of more than €750 million are subject to a minimum tax rate of 15%. This tax rate is applicable to the income generated in each country in which they operate. This tax system is also referred to as "Pillar 2". The Dürr Group is subject to these GloBE rules.

In March 2023, the International Accounting Standards Board (IASB) amended its provisions for the accounting of income taxes (IAS 12) and introduced a temporary exemption from the accounting of deferred taxes under the Pillar 2 model rules. Accordingly, the Dürr Group does not present any Pillar 2-related deferred tax assets and liabilities.

The Dürr Group has implemented procedures and systems to systematically collect and evaluate information from all Group companies and to determine whether the Group operates in a legal system in which it may have to pay additional taxes under Pillar 2. An assessment based on the relevant information for the 2023 reporting period showed that the minimum tax rate of 15% is complied with for most countries in which the Dürr Group operates. The temporary safe harbor rules apply for the remaining countries so that there are no additional taxes under Pillar 2. The Dürr Group will update these assessments at regular intervals.

**Share-based payment**

The share-based payment transactions pursuant to IFRS 2 "Share-based Payment" cover remuneration systems that are settled in cash. For the measurement, the Dürr Group calculates the fair value of the share-based payment transactions upon initial recognition, at each reporting date and on the settlement date. Until they are settled, the fair value is accumulated over the period through profit or loss and recognized in sundry financial liabilities. Changes in fair value are recognized in personnel expenses in the statement of profit or loss.

**Contingent liabilities**

Contingent liabilities are possible obligations that arise from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity. Contingent liabilities can arise from a present obligation that results from past events but is not recognized because:

- it is not probable that an outflow of resources embodying economic benefits will be required to settle this obligation or
- the amount of the obligation cannot be measured with sufficient reliability.

A contingent liability is not disclosed if the possibility of an outflow of resources embodying economic benefits is remote; otherwise, information is provided in the notes to the financial statements. Contingent liabilities assumed in a business combination are recognized at the acquisition date even if it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation. Contingent liabilities recognized in a business combination are initially measured at fair value.

**Accounting in hyperinflationary economies**

In order to reflect changes in spending capacity as at the reporting date, the carrying amounts of non-monetary assets and liabilities, equity attributable to shareholders, and the profit or loss of the Dürr Group of subsidiaries in countries with highly inflationary currencies are translated using a general price index in accordance with IAS 29 "Financial Reporting in Hyperinflationary Economies". Monetary assets and liabilities that have already been presented in the unit of measure applicable on the reporting date are not restated. Effects of the measurement of hyperinflationary currency of the Turkish subsidiary are shown in other operating income and expenses within currency exchange gains and losses.

**Use of assumptions and estimates**

The preparation of the consolidated financial statements pursuant to IFRSs requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the end of the reporting period and the reported amounts of revenues and expenses during the reporting period. Actual figures may diverge from these estimates.

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period that risk causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period are discussed below.

**Significant accounting judgments when applying IFRS 15**

**Determining the transaction price**

The transaction price is the amount of the consideration the Dürr Group expects to receive from its customers in exchange for transferring goods or rendering services. The transaction price of the individual performance obligations is determined using their stand-alone selling prices. The Group breaks down the transaction price agreed in the contract in proportion to the stand-alone selling prices. Variable consideration is only taken into account where it is highly probable that it will not result in a significant decrease in realized sales revenue until there is no longer any uncertainty in connection with the variable consideration. When determining the transaction price, it must therefore be assessed whether the contractual arrangements provide for variable consideration. The Dürr Group has variable consideration in the form of discounts, rebates, and price escalation clauses. The price escalation clauses provide for the contractually agreed transaction price to be based on inflation and commodity price indices. Either the expected value method or the most likely amount method is used when estimating the variable consideration. The method used is the one with which the Group can provide the most reliable estimate of the consideration. The Group came to the conclusion that the most likely amount method is the most suitable method for estimating variable consideration. If it is assumed that a rebate will be granted upon concluding the contract, the transaction price is adjusted to the most likely amount. The same applies if it is expected upon concluding the contract that the customer will claim the discount. If, in the case of contracts with price escalation clauses, the realized sales revenue is unlikely to be canceled, the respective change in the index is considered in the transaction price. The most likely amount is calculated as the single most likely amount in a range of possible considerations. In determining the transaction price, the time value of money also needs to be considered if the timing of payments agreed to by the parties to the contract provides the customer (payment after receipt of goods or services) or the entity (payment before transfer of goods or services) with a significant benefit of financing the transfer of goods or services to the customer. In those cases where it is assumed upon initiating the contract that the period between customer payments and transfer of control over the asset is less than one year, the Group has decided to make use of the simplification rule not to adjust the transaction price for significant financing components.

#### Determining the percentage of completion

The majority of orders in the Dürr Group are accounted for using the percentage of completion method and sales revenue is recorded over time in accordance with the criteria of IFRS 15. A precise assessment of the degree of completion is essential for determining the percentage of completion using the PoC method. The key estimation parameters include total contract revenues and contract costs, the remaining costs of completion and the contract risks. These estimates are reviewed and adjusted regularly. The zero-profit method (ZP method) provides for sales revenue and the associated costs being realized in equal amounts until it is possible to reliably estimate the progress toward complete satisfaction of a performance obligation. Thus the gross margin is at least partially recognized in profit and loss at a later stage of the contract.

As the PoC method and the ZP method are based on estimates, the estimates of the expenses required for completion may have to be adjusted subsequently due to prevailing uncertainties. Such adjustments to costs and income are recognized in the period in which the adjustments are determined. Provisions for onerous contracts are recognized at contract level and taken into account in the period in which the losses are identified; they are recognized as provisions pursuant to the requirements of IAS 37.

#### Contract amendments

Revenue recognition from the production and delivery of plant and machinery also takes into account amounts that the Group seeks to collect from customers or others for errors or changes in contract specifications or design, contract change orders in dispute or not yet negotiated as to both scope and price, or other customer-related causes of unanticipated additional contract costs, claims and pending change orders. These are carried at the estimated amount provided their realization is highly probable and they can be reliably estimated. Pending change orders involve the use of estimates. Therefore, it is possible that adjustments to the estimated recoverable amounts of recorded pending change orders will be made in the future.

### Other accounting judgments

#### Impairment of intangible assets with indefinite useful life

The Group tests goodwill and brands with indefinite useful life for impairment at least once a year. This requires an estimation of the value in use of the cash-generating units or groups of cash-generating units to which the goodwill and the brands are allocated. To do this, management is required to make an estimate of the expected future cash flows from the cash-generating units. The Dürr Group generally assumes a planning horizon of four years, unless it is reasonable to assume a longer period. In addition, it is necessary to choose a suitable discount rate in order to calculate the present value of these cash flows. Please refer to → note 18 for further details.

### Leases

Leases on buildings and office space in particular contain options to extend or terminate the lease. The measurement of the lease liability requires an assumption about whether it is reasonably certain that these options will be exercised. The Group takes into account all facts and circumstances that have an impact on these options being exercised or not.

If the interest rate implicit in the lease cannot be determined, the incremental borrowing rate is used. This is derived for different terms of country-specific interest rate swaps and adjusted for a risk premium for leases.

### Loss allowance and impairment of financial assets

During the recognition and measurement of financial assets, estimates and assumptions regarding the creditworthiness of debtors are necessary. Under the expected credit loss model, the measurement of allowances for financial assets is subject to various assumptions and uncertainties. In particular, estimates are to be made about expected payment defaults, incoming payments and the collateral available. Please refer to ⟶ **note 41** for further details.

### Pensions and other post-employment benefit plans

The cost of defined benefit plans is determined using actuarial calculations. This involves making assumptions about discount rates, future salary increases, mortality rates, and future pension increases (rate of pension progression). The mortality tables published by Heubeck-Richttafeln-GmbH (Heubeck 2018 G) are used to determine the post-employment benefit obligations. These tables are based on statistics from statutory pension insurance as well as the German Federal Statistics Office, and therefore reflect developments regarding life expectancy. The discount rates used are based on the market yields of high-quality, fixed-interest corporate bonds. The future pension increases in Germany follow the development in gross wages. In addition, the changes in the contribution rate in pension insurance and the development of the ratio of persons making contributions and pensioners are taken into account through the so-called sustainability factor. Due to the long-term nature of these plans, such assumptions are subject to significant uncertainty. Please refer to ⟶ **note 28** for further details.

### Development costs

Development costs are capitalized in accordance with the presented accounting policy. In order to evaluate the recoverability of the capitalized development costs, management is required to make assumptions regarding the expected future cash generation of the assets, interest rates to be applied, and the expected period of benefits.

### Options in connection with the domination and profit and loss transfer agreement with HOMAG Group AG

Based on the domination and profit and loss transfer agreement that came into force in the 2015 reporting period, Dürr Technologies GmbH has the possibility to issue instructions to the corporate bodies of HOMAG Group AG and to recognize the entire profit of HOMAG Group AG as well as the obligation to absorb any losses. In return, the Dürr Group is required to make a compensation payment pursuant to Sec. 304 AktG ["Aktiengesetz": German Stock Corporations Act] of €1.18 (gross) per HOMAG share (€1.01 (net) after deducting corporate income tax and solidarity surcharge; before individual tax burden of the shareholder) for each reporting period as well as a settlement payment pursuant to Sec. 305 AktG of €31.56 per HOMAG share. Since then, Dürr Technologies GmbH has guaranteed a dividend equivalent to the compensation payment. The domination and profit and loss transfer agreement could have been terminated for the first time as of December 31, 2020, but it was not. The domination and profit and loss transfer is extended by one year at a time unless terminated by one of the contracting parties subject to notice of six months before expiration. As of December 31, 2023, Dürr Technologies GmbH's interest in the subscribed capital of HOMAG Group AG was 66.3% (prior period: 64.9%).

In the 2019 reporting period, the Stuttgart Regional Court made a provisional decision in the arbitration proceedings initiated by the shareholders of HOMAG Group AG, and ruled that the settlement for shareholders of HOMAG Group AG should be raised from €31.56 to €31.58. The Stuttgart Regional Court also decided that the compensation payment should be raised from €1.18 to €1.19 (gross) per HOMAG share (after deducting corporate income tax and solidarity surcharge from €1.01 to €1.03 (net); before individual tax burden of the shareholder). Due to an appeal filed against the Stuttgart Regional Court's decision, the ruling has not become effective. Until the final decision in the arbitration proceedings is made, the figures determined originally for compensation payment and settlement are still valid. In principle, there may be further adjustments to the settlement and compensation payments in connection with the claims of the minority shareholders of HOMAG Group AG and for the duration of the arbitration proceedings.

The pool agreement between Dürr Technologies GmbH and the Schuler/Klessmann shareholder group, which holds 14.05% of the shares of HOMAG Group AG, was renewed in the 2021 reporting period and extended until December 31, 2029. The new agreement secures a call option for the Dürr Group from January 1, 2029, as well as a preemptive right for the acquisition of all shares of the shareholder group Schuler/Klessmann. In addition, this agreement of the shareholder group Schuler/Klessmann has secured a put option since October 1, 2021, with which it may offer all shares for sale to the Dürr Group. The exercise price of €31.56 per share corresponds to the Dürr Group's original cash settlement offer for the HOMAG minority shareholders. This amount may change if the Stuttgart Higher Regional Court, which is currently reviewing the amount of the cash settlement, sets another amount. The shares of the Schuler/Klessmann shareholder group are measured at the expected exercise price of €31.58 per share. For measurement it is also assumed that the Schuler/Klessmann shareholder group will not exercise its put option and the Dürr Group will exercise its call option at the earliest possible date. Consequently, the liability also includes all expected annual compensation payments.

For further information on the recognition of the sundry financial liability for the obligation to acquire shares as well as to pay the compensation claims in connection with the domination and profit and loss transfer agreement entered into with HOMAG Group AG, please refer to → **notes 16, 33, 36, and 37**.

### Options in connection with non-controlling interests

As part of consolidating System TM A/S in the 2020 reporting period as well as Kallesoe Machinery A/S and Roomle GmbH in the 2021 reporting period, options for the sale of the shares held by non-controlling interests were measured at the present value of the estimated exercise amount in accordance with IAS 32 and recognized as a sundry financial liability. The present value of the exercise amount is determined at the end of each reporting period. This requires an estimate of future earnings to be made. The options of the entities acquired in the 2021 reporting period contain personnel expense components that are earned pro rata over the period until the options are exercised. Please refer to → **note 12** for further details.

### Share-based payment

The measurement of cash-settled share-based payment transactions is based on the anticipated share price at the end of the contractual term and earnings ratios over the duration of the program. Historical share prices are used to determine the fair value. The earnings ratios used are based on internal forecasts. The actual share prices and earnings ratios may deviate from the assumptions made.

Estimates and assumptions are also required for the recognition and measurement of contingent liabilities and other provisions; the same applies to determining the fair value of long-lived items of property, plant and equipment and intangible assets.

## Effects of geopolitical risks

### Estimates and accounting judgments

The estimates and judgment are subject to increased uncertainty in the context of existing geopolitical risks, in particular the ongoing war in Ukraine, the conflict in the Middle East, and tensions between China and Taiwan.

For any necessary update of estimates and accounting judgments in connection with the aforementioned risks, available information on anticipated economic developments was taken into account. The assumptions made are based on current knowledge and the best available information.

# Notes to the items of the consolidated financial statements

# Notes to the consolidated statement of profit or loss

The disclosures for the 2023 reporting period include the values of the entities acquired as of the respective date of first-time consolidation.

## 7. SALES REVENUE

**4.15 — SALES REVENUE**

| € k | 2023 | 2022 |
|---|---|---|
| Sales revenue recognized over time from contracts with customers | 2,789,459 | 2,527,469 |
| Sales revenue recognized at a point in time from contracts with customers | 1,833,773 | 1,782,461 |
| Sales revenue from lease agreements | 4,102 | 4,136 |
| **Total sales revenue** | **4,627,334** | **4,314,066** |
| thereof | | |
| Sales revenue with the automotive industry | 2,211,120 | 1,972,414 |
| Sales revenue with the wood processing industry | 1,616,097 | 1,594,569 |

Services account for 28% of sales revenue (prior period: 28%) and break down as shown in → table 4.16.

**4.16 — SALES REVENUE FROM SERVICES**

| € k | 2023 | 2022 |
|---|---|---|
| Spare parts | 572,303 | 537,214 |
| Modifications | 504,742 | 467,746 |
| Other | 230,358 | 213,761 |
| **Total sales revenue from services** | **1,307,403** | **1,218,721** |

In the 2023 reporting period, an amount of €723,196 thousand (prior period: €677,097 thousand) was recognized as sales revenue, which, at the beginning of the reporting period, had still been included in contract liabilities. In future periods, sales revenue from currently unsatisfied or partially unsatisfied performance obligations of €4,201,233 thousand (prior period: €4,014,017 thousand) will be realized. Thereof, an estimated €3,214,194 thousand will be recognized as sales revenue in the 2024 reporting period (prior period: €3,148,428 thousand – 2023 reporting period).

In the 2023 reporting period, sales revenue of €42,788 thousand (prior period: €58,715 thousand) was recognized for performance obligations that had already been satisfied or partially satisfied in past periods.

Further information on the breakdown of sales revenue by division and region can be found in segment reporting under → note 38.

## 8. COST OF SALES

**4.17 — COST OF SALES**

| € k | 2023 | 2022 |
|---|---|---|
| Cost of materials | 1,870,936 | 1,720,256 |
| Personnel expenses | 895,989 | 807,641 |
| Amortization, depreciation, and impairment of non-current assets | 94,257 | 90,913 |
| Exchange gains | −104,476 | −74,205 |
| Exchange losses | 118,269 | 77,583 |
| Write-downs of trade receivables | 3,165 | 1,416 |
| Additions to and releases of loss allowances on trade receivables and contract assets | 14,899 | 7,894 |
| Other cost of sales | 729,189 | 743,834 |
| **Total cost of sales** | **3,622,228** | **3,375,332** |
| Gross margin % | 21.7 | 21.8 |

Total amortization, depreciation, and impairment of non-current assets include an amount of €14,622 thousand (prior period: €12,883 thousand) that is attributable to the amortization of capitalized development costs.

For further information about amortization, depreciation and impairment as well as loss allowances on trade receivables, please refer to → note 22.

## 9. SELLING EXPENSES

Selling expenses comprise all direct selling costs and overheads. These generally include all personnel expenses, cost of materials, amortization, and depreciation as well as other costs relating to sales. In addition, selling expenses include amortization and impairment losses on capitalized costs of obtaining a contract.

### 4.18 — SELLING EXPENSES

| € k | 2023 | 2022 |
|---|---|---|
| Personnel expenses | 285,245 | 274,160 |
| Amortization, depreciation, and impairment of non-current assets | 9,404 | 11,659 |
| Amortization, and impairment on costs of obtaining a contract | 22,032 | 19,068 |
| Restructuring and personnel measures | 10,075 | 992 |
| Other selling expenses | 85,369 | 76,673 |
| **Total selling expenses** | **412,125** | **382,552** |

For additional information about costs of obtaining a contract, please refer to → **note 25**.

## 10. GENERAL ADMINISTRATIVE EXPENSES

General administrative expenses comprise personnel expenses and non-personnel expenses of the central administrative functions, which are not attributable to contract processing, production, sales, or research and development.

### 4.19 — GENERAL ADMINISTRATIVE EXPENSES

| € k | 2023 | 2022 |
|---|---|---|
| Personnel expenses | 146,169 | 141,904 |
| Amortization, depreciation, and impairment of non-current assets | 19,589 | 16,381 |
| Restructuring and personnel measures | 5,451 | –1,221 |
| Other administrative expenses | 75,160 | 60,618 |
| **Total general administrative expenses** | **246,369** | **217,682** |

## 11. RESEARCH AND DEVELOPMENT COSTS

Research and development costs include all the costs of those activities undertaken to gain new scientific or technical knowledge, to develop new products, or to improve products and manufacturing processes. They comprise both personnel expenses and non-personnel expenses and are included in profit or loss on the date they are incurred. Research and development costs are reduced by those development expenses that qualify for recognition as assets pursuant to IAS 38 "Intangible Assets".

### 4.20 — RESEARCH AND DEVELOPMENT COSTS

| € k | 2023 | 2022 |
|---|---|---|
| Personnel expenses | 99,409 | 92,875 |
| Amortization, depreciation, and impairment of non-current assets | 7,551 | 8,039 |
| Capitalized development costs | –33,946 | –23,574 |
| Restructuring and personnel-related measures | 7,778 | 12 |
| Other research and development costs | 70,580 | 59,114 |
| **Total research and development costs** | **151,372** | **136,466** |

## 12. PERSONNEL EXPENSES

The expense items of the statement of profit and loss contain the personnel expenses according to → **table 4.21**.

### 4.21 — PERSONNEL EXPENSES

| € k | 2023 | 2022 |
|---|---|---|
| Wages and salaries | 1,197,096 | 1,106,619 |
| Social security contributions | 229,716 | 209,961 |
| **Total personnel expenses** | **1,426,812** | **1,316,580** |
| thereof post-employment benefits | 80,182 | 73,847 |

The options of the entities acquired in the 2021 reporting period contain personnel expense components that are earned pro rata over the period until the options are exercised. The measurement of the vested options and the acquisition of the remaining 25% of the shares in Teamtechnik Maschinen und Anlagen GmbH resulted in income of €3,629 thousand in the 2023 reporting period (prior period: expenses of €1,587 thousand).

## 13. OTHER OPERATING INCOME AND EXPENSES

**4.22 — OTHER OPERATING INCOME AND EXPENSES**

| € k | 2023 | 2022 |
|---|---|---|
| **OTHER OPERATING INCOME** | | |
| Exchange gains | 32,628 | 30,159 |
| Income from purchase price adjustments | 5,844 | 1,046 |
| Government grants | 5,380 | 4,249 |
| Reimbursements from damage claims | 1,124 | 1,310 |
| Income from canteens | 1,063 | 655 |
| Rental income | 1,051 | 1,180 |
| Gains on disposal of non-current assets | 830 | 1,218 |
| Income from the release of provisions for litigation | 457 | 4,901 |
| Others | 3,264 | 4,178 |
| **Total other operating income** | **51,641** | **48,896** |
| **OTHER OPERATING EXPENSES** | | |
| Exchange losses | 38,849 | 38,312 |
| Expenses from transaction costs in connection with acquisitions | 7,226 | – |
| Expenses for other local taxes | 2,823 | 2,403 |
| Expenses for canteens | 1,579 | 1,161 |
| Losses on disposal of non-current assets | 953 | 844 |
| Expenses for the disposal of assets classified as held for sale | 819 | – |
| Others | 3,187 | 2,313 |
| **Total other operating expenses** | **55,436** | **45,033** |

Besides the reversal of provisions recognized in prior periods for litigation, there are no other material income or expense items relating to other periods.

## 14. GOVERNMENT GRANTS

Government grants of €8,001 thousand to reimburse expenditures of the Group were recognized in the 2023 reporting period (prior period: €4,397 thousand). The increase is particularly attributable to government grants awarded for energy cost reduction. Conditions are attached to the government grants. At present it can be assumed that these conditions will be met.

## 15. INVESTMENT RESULT

The investment result includes earnings from the entities accounted for using the equity method, income from distributions received from investments, profit or loss from the measurement of investments and options associated therewith, as well as currency effects from hedging dividend payments.

The proportionate earnings of Nagahama Seisakusho Ltd., which is located in Osaka, Japan, and accounted for using the equity method, amounted to €615 thousand (prior period: €2,577 thousand). In the prior period, there was an impairment of €1,941 thousand on the carrying amount of the entity accounted for using the equity method due to a lower fair value. This impairment was reversed in the 2023 reporting period. The earnings from the entity accounted for using the equity method, therefore, amounted to €2,556 thousand (prior period: €636 thousand). The proportionate earnings from GranIT GmbH, which is located in Reutlingen, Germany, and accounted for using the equity method, totaled €0 thousand. The measurement of the other investments and options resulted in income of €1,275 thousand (prior period: €197 thousand).

## 16. NET INTEREST

### 4.23 — NET INTEREST

| € k | 2023 | 2022 |
|---|---|---|
| Interest and similar income | 33,095 | 11,487 |
| Interest and similar expenses | –57,882 | –30,620 |
| thereof | | |
| Interest expenses on Schuldschein loans | –26,428 | –9,385 |
| Interest expenses from the convertible bond | –1,125 | –1,125 |
| Interest expense for the bridge loan concerning the acquisition of the BBS Automation Group | –4,800 | – |
| Interest expenses arising from subsequent accounting of the domination and profit and loss transfer agreement entered into with HOMAG Group AG | –10,310 | –6,247 |
| Interest expenses from leases | –4,503 | –3,375 |
| Amortization of transaction costs, premium from convertible bond issuance, Schuldschein loans, syndicated loan and bridge loan | –3,661 | –2,949 |
| Net interest expenses from the measurement of defined benefit plans | –1,284 | –494 |
| Other interest expenses | –5,771 | –7,045 |
| **Net interest** | **–24,787** | **–19,133** |

The increase in interest income is due to higher interest on bank balances.

## 17. INCOME TAXES

The income taxes relate to the German corporate income tax including a solidarity surcharge, trade tax on income and comparable taxes levied at foreign subsidiaries. The current taxes incurred by foreign subsidiaries are recognized at the tax rates and regulations of the respective national tax law. In Germany, deferred taxes are calculated using a tax rate of 29.1% (prior period: 29.1%).

### 4.24 — COMPOSITION OF TOTAL TAX EXPENSE

| € k | 2023 | 2022 |
|---|---|---|
| **CURRENT INCOME TAXES** | | |
| Income tax expense – Germany | 8,161 | 13,199 |
| Income tax expense – other countries | 63,263 | 62,767 |
| Adjustment for prior periods | –11,102 | –8,405 |
| **Total current income tax expense** | **60,322** | **67,561** |
| **DEFERRED TAXES** | | |
| Deferred tax expense – Germany | 1,717 | 1,561 |
| Deferred tax income – other countries | –9,662 | –23,879 |
| Adjustment for prior periods | 8,678 | 8,608 |
| **Total deferred tax expense/income** | **733** | **–13,710** |
| **Total tax expense** | **61,055** | **53,851** |

→ Table 4.25 shows the reconciliation of theoretical income tax expense to the actual income tax expense reported by the Dürr Group. For the 2023 reporting period, the German corporate income tax law provided for a statutory tax rate of 15.0% (prior period: 15.0%) plus the solidarity surcharge of 5.5% (prior period: 5.5%). The average trade tax burden amounted to 13.3% for the 2023 reporting period (prior period: 13.3%). This means that the reconciliation is based on an overall tax rate in Germany of 29.1% (prior period: 29.1%). For the foreign entities, the respective country-specific income tax rates range from 8.75% to 38.1% (prior period: 8.75% to 38.1%).

**4.25 — RECONCILIATION OF THE INCOME TAX EXPENSE**

| € k | 2023 | 2022 |
|---|---|---|
| **Earnings before income taxes** | **171,271** | **188,108** |
| Theoretical income tax expense in Germany of 29.1% (prior period: 29.1%) | 49,840 | 54,739 |
| Adjustments of income taxes incurred in prior periods | –2,424 | 203 |
| Non-deductible operating expenses and withholding taxes | 14,446 | 13,566 |
| Foreign tax rate differential | –7,091 | –6,403 |
| Unrecognized deferred tax assets especially on unused tax losses | 13,640 | 4,264 |
| Subsequent recognition of deferred taxes on unused tax losses and changes in deferred taxes on impairment losses | –2,659 | –7,318 |
| Change in tax rates | 692 | –553 |
| Tax-exempt income | –5,753 | –4,335 |
| Other | 364 | –312 |
| **Effective income tax expense** | **61,055** | **53,851** |

### Deferred taxes

Pursuant to IAS 12 "Income Taxes", a deferred tax asset should be recognized on unused tax losses and other deductible temporary differences only to the extent that it is probable that future taxable profit will be available against which the unused tax losses can be offset. In calculating the possibilities for utilizing tax losses, the Dürr Group uses a four-year planning horizon and takes into account the minimum taxation rule applicable in certain countries. Losses arising in Germany from the period prior to establishing the tax group are not recognized.

Total interest and tax loss carryforwards amounted to €398,367 thousand as of December 31, 2023 (prior period: €213,213 thousand). Interest and tax loss carryforwards, for which no deferred tax assets were recognized, came to €136,805 thousand (prior period: €79,916 thousand) and primarily exist in Germany and France. In Germany, trade tax loss carryforwards, for which no deferred taxes were recognized, amount to €54,055 thousand (prior period: €29,934 thousand). The unused trade tax loss can be currently carried forward for an indefinite period of time. Part of the interest and tax loss carryforwards not recognized in the amount of €4,272 thousand will expire within the next ten years (prior period: €5,294 thousand). At present, the remaining unused tax losses do not lapse.

Other deductible temporary differences of €2,003 thousand were not recognized as of December 31, 2023 (prior period: €2,314 thousand).

Deferred tax assets and deferred tax liabilities are netted if, and only if, the entity has a legally enforceable right to offset current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on the same taxable entity.

The income taxes and withholding taxes on distributable profits from subsidiaries are reported under deferred tax liabilities if it can be assumed that these profits will be subject to the corresponding taxation, or if there is a plan not to reinvest these profits permanently. No deferred tax liabilities were recognized on temporary differences in connection with shares in subsidiaries and associates of €629,511 thousand (prior period: €385,487 thousand). The Dürr Group assumes that no reserves will be distributed to the respective parent in the tax group while the consolidated tax group is in place.

### Current income tax liabilities

As of December 31, 2023, all current income tax liabilities of €61,040 thousand (prior period: €77,652 thousand) were due within one year.

### 4.26 — DEFERRED TAX ASSETS AND LIABILITIES

| | Consolidated statement of financial position | | Consolidated statement of profit or loss | |
|---|---|---|---|---|
| € k | Dec. 31, 2023 | Dec. 31, 2022 | 2023 | 2022 |
| **DEFERRED TAX ASSETS** | | | | |
| Accounting for intangible assets | 2,217 | 2,341 | –124 | –655 |
| Remeasurement of property, plant and equipment | 1,128 | 1,913 | –785 | 64 |
| Loss allowances on receivables | 3,043 | 2,606 | 437 | 693 |
| Financial liabilities from right-of-use assets and interest/currency transactions | 26,241 | 45,555 | –19,314 | –5,710 |
| Contract assets/liabilities and inventories | 53,527 | 64,878 | –11,351 | 13,358 |
| Other assets and other liabilities | 9,090 | 5,521 | 3,569 | 492 |
| Post-employment benefits | 12,773 | 12,299 | 474 | –2,142 |
| Provisions not recognized for tax purposes | 26,942 | 14,293 | 12,649 | –9,804 |
| Interest and tax loss carryforwards | 65,727 | 33,654 | 32,073 | 1,285 |
| **Total deferred tax assets** | **200,688** | **183,060** | | |
| Netting | –120,920 | –96,063 | | |
| **Net deferred tax assets** | **79,768** | **86,997** | | |
| **DEFERRED TAX LIABILITIES** | | | | |
| Accounting for intangible assets | –73,857 | –34,700 | –39,157 | 3,204 |
| Capitalized development costs | –14,202 | –15,383 | 1,181 | 623 |
| Tax-deductible impairment of goodwill | –8,685 | –10,823 | 2,138 | –2,430 |
| Remeasurement of the property, plant and equipment including right-of-use assets | –43,464 | –39,079 | –4,385 | 24 |
| Measurement of shares in subsidiaries | –9,624 | –8,731 | –893 | 663 |
| Contract assets/liabilities and inventories | –24,570 | –18,273 | –6,297 | 8,715 |
| Other assets and other liabilities | –16,354 | –12,637 | –3,717 | –1,484 |
| **Total deferred tax liabilities** | **–190,756** | **–139,626** | | |
| Netting | 120,920 | 96,063 | | |
| **Net deferred tax liabilities** | **–69,836** | **–43,563** | | |
| | | | | |
| Reconciliation effect from first-time consolidation | | | 29,902 | – |
| Translation effects from deferred tax items | | | 2,357 | 1,476 |
| Effects recognized through other comprehensive income | | | 470 | 5,338 |
| **Deferred tax expense/income** | | | **–773** | **13,710** |

# Notes to the consolidated statement of financial position: assets

## 18. INTANGIBLE ASSETS AND PROPERTY, PLANT AND EQUIPMENT

Details regarding the changes in the Group's intangible assets and property, plant and equipment are presented in the statement of changes in non-current assets in → note 43.

### Amortization, depreciation and impairments

Amortization, depreciation and impairment of non-current assets is shown in the statement of profit or loss in the cost of sales and functional costs.

In the HOMAG Group, property, plant and equipment of €696 thousand were reduced to the lower value in use. In addition, property, plant and equipment of €248 thousand were impaired as part of the restructuring measures in the Russian entities due to the Ukraine war (prior period: property, plant and equipment and intangible assets of €448 thousand).

In the prior period, the annual impairment test for the recoverability of the iTAC brand revealed an impairment loss of €1,394 thousand. For further information on the impairment test, please refer to the section on the impairment test of brand names.

**4.28 — IMPAIRMENT**

| € k | 2023 | 2022 |
|---|---|---|
| Cost of sales | –577 | –448 |
| Selling expenses | –93 | –1,394 |
| General administrative expenses | –861 | –367 |
| Research and development costs | – | – |
| **Total impairment losses** | **–1,531** | **–2,209** |

### Intangible assets

In addition to goodwill, intangible assets with an indefinite useful life also include brands of €63,716 thousand (prior period: €69,392 thousand). The Dürr Group intends to continue using these brand names in the future. At the time of the takeover of the BBS Automation Group, the brands BBS Automation and Kahle were recognized with an indefinite useful life. For the BBS Automation, Kahle, and Teamtechnik brands with a total carrying amount of €45,625 thousand, the useful life was changed from indefinite to definite in the 2023 reporting period for brand strategy reasons.

**4.27 — AMORTIZATION AND DEPRECIATION**

| | 2023 | | | 2022 | | |
|---|---|---|---|---|---|---|
| € k | Intangible assets | Property, plant and equipment | Total depreciation and amortization | Intangible assets | Property, plant and equipment | Total depreciation and amortization |
| Cost of sales | –39,233 | –54,447 | –93,680 | –38,070 | –52,395 | –90,465 |
| Selling expenses | –939 | –8,372 | –9,311 | –1,347 | –8,918 | –10,265 |
| General administrative expenses | –816 | –17,912 | –18,728 | –1,401 | –14,613 | –16,014 |
| Research and development costs | –971 | –6,580 | –7,551 | –1,804 | –6,235 | –8,039 |
| **Total depreciation and amortization** | **–41,959** | **–87,311** | **–129,270** | **–42,622** | **–82,161** | **–124,783** |

**Impairment test of brands with an indefinite useful life**

Like goodwill, the brand names are part of the net assets of a cash-generating unit. The Dürr Group tests these brand names for impairment at the end of each reporting period. If a brand name is used in the entire cash-generating unit to which a goodwill is allocated, the brand name is also tested for impairment at the level of the corresponding cash-generating unit as part of the impairment test for goodwill. The brand names HOMAG China and iTAC are used in different, smaller cash-generating units. These brand names are therefore tested for impairment at the level of the smaller cash-generating units.

For the impairment test of the brand names, the calculation scheme used to determine a value in use is the same as for the goodwill impairment test. Similarly, identical planning assumptions are used. The cost of capital (discount rate) is also taken into account in accordance with the same methodology. Detailed explanations of the calculation scheme and the applied parameters are provided in the following section on the impairment test for goodwill.

In the 2022 reporting period, the annual impairment test for the recoverability of the iTAC brand revealed an impairment loss of €1,394 thousand. The impairment was mainly due to the development of the interest rate environment. This resulted in significantly higher total capital costs and a lower value in use. There was no indication that the impairment loss shall be reversed in the 2023 reporting period.

Irrespective of the current economic situation and the expectations for the future, the Dürr Group conducted sensitivity analyses of the recoverability of the HOMAG China and iTAC brands. The same assumptions were used as for the sensitivity analyzes on the recoverability of goodwill. The sensitivity analyses found that, from today's perspective, no impairment loss needs to be recognized on the HOMAG China brand even under these assumptions. Based on the sensitivity analysis, the iTAC brand would have incurred an additional impairment loss of up to €2,390 thousand. Detailed explanations of the procedure and the assumptions of the sensitivity analysis are provided in the following section on the impairment test for goodwill.

**Impairment test for goodwill**

The Dürr Group generally tests goodwill for impairment at the end of each reporting period.

For impairment testing, the goodwill acquired from business combinations is allocated to the groups of cash-generating units  at the level at which the goodwill is monitored for internal management purposes. The groups of cash-generating units correspond to the divisions Paint and final Assembly Systems, Application Technology, Clean Technology Systems, and Woodworking Machinery and Systems as well as the business units Measuring and Process Systems and Production Automation Systems within the Industrial Automation Systems division. Since the 2023 reporting period, Production Automation Systems has been composed of the Teamtechnik Group and the BBS Automation Group, each of which represents groups of cash-generating units. In the prior period, it only comprised the Teamtechnik Group. The monitoring of the acquired goodwill of the BBS Automation Group for internal management purposes takes place at the level of Production Automation Systems. Except for the period of detailed cash flow forecasts, the calculation scheme is identical for all groups of cash generating units, as the main parameters affect all groups.

The recoverable amount is determined by calculating the value in use. The calculation is based on detailed cash flow forecasts for a planning period of four years. Detailed cash flow forecasts for Production Automation Systems were based on a period of four years with subsequent extrapolation until 2032 to take into account the anticipated above-average level of growth in sales revenue and earnings in the field of automation technology. The Dürr Group expects a significantly increasing demand for high-performance automation solutions in the fields of e-mobility, medical products, and consumer goods. Since Production Automation Systems will not reach a steady state after four years, a longer and more detailed planning period than for the other groups of cash-generating units is assumed. The pre-tax discount rate for the cash flow forecasts per group of cash-generating units is provided in ⟶ **table 4.29**. Cash flows after the detailed planning period are extrapolated at an individual growth rate that reflects long-term inflation expectations and does not exceed the long-term average growth rate of the respective markets. The growth rate of the Production Automation Systems business unit was determined using external market analyses. The individual growth rates are shown in ⟶ **table 4.30**.

### Planned gross profit margins

The planned gross profit margins are determined in the bottom-up planning of the executive directors of the Group's entities. They are based on the figures determined in the previous reporting periods taking anticipated price and cost developments as well as efficiency increases into account.

### Cost of capital (discount rate)

The cost of capital is the weighted average cost of debt and equity before taxes. The cost of equity is calculated on the basis of an interest rate for quasi risk-free government bonds plus the current market risk premium. In addition, a weighted country-specific risk premium and the weighted long-term inflation expectations of the respective currency zones are taken into account for each group of cash-generating units. When calculating the cost of equity, a beta factor is used, which is derived from capital market data and the capital structure of benchmark companies. For this purpose, an individual group of comparable companies is used for each group of cash-generating units. The borrowing costs are based on a base interest rate for government bonds in addition to country-specific risks and a mark-up derived from the credit rating of benchmark companies.

**4.29 — PRE-TAX DISCOUNT RATES**

| % | 2023 | 2022 |
|---|---|---|
| Paint and Final Assembly Systems | 12.30 | 13.40 |
| Application Technology | 14.97 | 15.54 |
| Clean Technology Systems | 11.26 | 10.57 |
| Measuring and Process Systems | 12.28 | 11.63 |
| Production Automation Systems | 11.75 | 11.83 |
| Woodworking Machinery and Systems | 14.18 | 16.09 |

**4.30 — GROWTH RATES AFTER THE PLANNING PERIOD**

| % | 2023 | 2022 |
|---|---|---|
| Paint and Final Assembly Systems | 1.22 | 1.31 |
| Application Technology | 1.21 | 1.26 |
| Clean Technology Systems | 1.09 | 1.12 |
| Measuring and Process Systems | 1.12 | 1.12 |
| Production Automation Systems | 1.75 | 1.03 |
| Woodworking Machinery and Systems | 1.11 | 1.12 |

### Increase in the price of raw materials

For all groups of cash-generating units, future increases in the price of upstream products and raw materials, which are required in the Group, are derived from the expected increase in the prices of those commodities needed to manufacture the goods or materials. These, in turn, are determined from the forecast price indices of the countries from which the upstream products and raw materials are procured by the respective Group entities.

### Increase in wage and salary costs

In the four-year plan, the German subsidiaries have assumed annual average salary increases of 3.07% p.a. from 2024 onward (prior period: 3.24% p.a. from 2023 onward). The foreign subsidiaries have all used the applicable local rate of increase for the respective planning period. Both German and foreign subsidiaries are allocated to each group of cash-generating units of the Dürr Group.

### Results of the impairment test

The impairment test found that no impairment loss needs to be recognized for goodwill. Each of the calculated values in use of the groups of cash-generating units exceeded the assigned net assets.

### Sensitivity analysis of goodwill

Irrespective of the current economic situation and the expectations for the future, the Dürr Group conducted sensitivity analyses of the recoverability of the goodwill. The impact of the following scenarios deemed possible by management was examined:

- Reduction of 10% in the earnings before interest and taxes (EBIT) in all planned years from 2024 (compared to the approved company plans),
- Increase of 1.00 percentage points in the discount rate,
- Decrease of 0.25 percentage points in the growth rate for the terminal value.

When assessing which changes to the key assumptions used for the impairment testing of goodwill are deemed possible, particular consideration was given to the economic conditions as well as the history of deviations of the actual manifestations of the assumptions from expectations. Except for Production Automation Systems, the sensitivity analyses found that, from today's perspective, even under these assumptions no impairment loss needs to be recognized on goodwill in any of the groups of cash-generating units. For Production Automation Systems, an impairment loss on goodwill as shown in → table 4.31 would have to be recognized in each case in compliance with the remaining calculation parameters.

#### 4.31 — SENSITIVITY ANALYSIS GOODWILL PRODUCTION AUTOMATION SYSTEMS

| € k | 2023 | 2022 |
|---|---|---|
| EBIT reduction of 10% | –38,459 | –4,599 |
| Increase of 1.00 percentage points in the discount rate | –56,579 | –7,094 |
| Decrease of 0.25 percentage points in the growth rate for the terminal value | – | – |

### Development of goodwill

→ Table 4.32 shows the development of goodwill, broken down by businesses and divisions.

In the context of the acquisition of BBS Automation, the division structure of the Dürr Group was changed in the third quarter of 2023. The new Industrial Automation Systems division consists of the previous Measuring and Process Systems division (balancing, filling and tooling technology) and the Production Automation Systems business unit (automation business of BBS Automation, Teamtechnik, and Hekuma).

The tooling business was transferred from Woodworking Machinery and Systems to Measuring and Process Systems as at January 1, 2022. The product portfolio comprises metal, wood, and composite processing tool systems for lathes, machining centers, and transfer lines. The objective of the reallocation is to further expand the industrial and automotive business outside the wood industry. Therefore, on January 1, 2022, goodwill of €8,261 thousand was reclassified from Woodworking Machinery and Systems to Measuring and Process Systems.

#### 4.32 — DEVELOPMENT OF GOODWILL

| € k | Carrying amount as of Jan. 1, 2022 | Exchange difference | Reclassification | Carrying amount as of Dec. 31, 2022 | Exchange difference | Additions | Reclassification | Carrying amount as of Dec. 31, 2023 |
|---|---|---|---|---|---|---|---|---|
| **Paint and Final Assembly Systems division** | **152,776** | **883** | **–** | **153,659** | **–800** | **–** | **–** | **152,859** |
| **Application Technology division** | **68,240** | **356** | **–** | **68,596** | **–113** | **–** | **–** | **68,483** |
| **Clean Technology Systems division** | **66,545** | **934** | **–** | **67,479** | **–1,233** | **11,382** | **–** | **77,628** |
| Measuring and Process Systems | 61,406 | 632 | 8,261 | 70,299 | –396 | – | – | 69,903 |
| Production Automation Systems | 21,402 | – | – | 21,402 | – | 216,632 | – | 238,034 |
| **Industrial Automation Systems division** | **82,808** | **632** | **8,261** | **91,701** | **–396** | **216,632** | **–** | **307,937** |
| **Woodworking Machinery and Systems division** | **131,548** | **113** | **–8,261** | **123,400** | **–302** | **–** | **–** | **123,098** |
| **Dürr Group** | **501,917** | **2,918** | **–** | **504,835** | **–2,844** | **228,014** | **–** | **730,005** |

Goodwill of €216,632 thousand is attributable to the acquisition of BBS Automation in 2023, of €105,719 thousand to the acquisition of the HOMAG Group in 2014, of €11,192 thousand to the acquisition of the iTAC entities in 2015, of €49,129 thousand to the acquisition of the Megtec and Universal entities in 2018, of €12,770 thousand to the acquisition of System TM A/S, and of €11,382 thousand to the acquisition of Ingecal in 2023. Of historical acquisitions, sales, and restructuring, an amount of €98,453 thousand today is attributable to the acquisition of former Alstom entities and €93,832 thousand to the acquisition of the former Schenck Group.

The change in goodwill from additions in the 2023 reporting period is explained below.

### Acquisitions in the 2023 reporting period

The values of the hidden reserves identified as part of the purchase price allocation are based on estimates of future sales revenue, profit/loss, growth forecasts, and other available information, as well as assumptions and estimates of management. Likewise, the recognition and the amount of conditional purchase price obligations is based on the estimation of the contractually agreed ratios.

#### BBS Automation Group

In order to continue to strengthen the activities in the area of automation technology, Dürr Technologies GmbH with registered offices in Stuttgart, Germany, acquired on August 31, 2023, 100% of the shares in Rome HoldCo GmbH located in Munich, Germany, and its subsidiaries (BBS Automation Group). BBS Automation offers automated systems for the production of components for different industries such as e-mobility/automotive, pharmaceuticals, and consumer goods. The plants manufacture electronic components, batteries, and brake and lighting elements, as well as medical devices such as syringes, inhalers and injection systems, hearing aids, and electric toothbrushes. Especially for large contracts, customers are increasingly seeking cooperation with powerful automation partners. The Dürr Group meets this demand by bundling BBS Automation, Teamtechnik, and Hekuma under the roof of the Dürr Group. In addition, it is the Group's priority to realize revenue and earnings synergies between BBS Automation and the Teamtechnik Group.

The entities were initially consolidated applying the acquisition method pursuant to IFRS 3 "Business Combinations". The goodwill from the first-time consolidation of the acquired activities and the acquired net assets are presented in → table 4.33.

**4.33 — GOODWILL ACQUISITION BBS AUTOMATION GROUP**

| € k | 2023 |
|---|---|
| Purchase price paid in cash | 318,879 |
| Conditional purchase price obligation | – |
| Fair value of net assets | –104,302 |
| Plus share of net assets not relating to the Dürr Group | 2,055 |
| **Goodwill** | **216,632** |

The goodwill reflects the earnings prospects in the area of automation technology. It was allocated to the Production Automation Systems business unit within the Industrial Automation Systems division and is not tax deductible. If the EBITDA (earnings before interest, taxes, depreciation, and amortization) of the BBS Automation Group exceeds €40,800 thousand for the 2023 reporting period, an additional consideration of up to a maximum of €40,000 thousand is to be paid. The calculation of the consideration is based on ten times the difference between the defined EBITDA and excess EBITDA. As of December 31, 2023, no conditional consideration was recognized as the EBITDA is expected to fall below the threshold.

The allocation of the purchase price to the acquired assets and liabilities is as follows.

**4.34 — PURCHASE PRICE ALLOCATION BBS AUTOMATION GROUP**

| € k | Fair values at the date of acquisition |
|---|---|
| Intangible assets | 143,211 |
| Property, plant and equipment | 38,112 |
| Other financial assets | 2 |
| Deferred tax assets | 14,709 |
| Inventories and prepayments | 39,019 |
| Contract assets | 102,088 |
| Receivables and other assets | 74,444 |
| Cash and cash equivalents | 14,910 |
| Non-current liabilities | –63,855 |
| Deferred tax liabilities | –42,452 |
| Current liabilities | –215,886 |
| **Net assets** | **104,302** |

The carrying amounts after acquisition correspond to the fair value as of the date of first-time consolidation. The significant adjustments in the context of purchase price allocations were mainly made to intangible assets for which technological know-how, customer relationships, the order backlog, and the brand were recognized. The fair value of technological know-how and the brand was measured using the relief from royalty method while that of customer relationships and the order backlog was measured using the residual value method (multi-period excess earnings method). Contractual gross receivables amount to €63,946 thousand, the payments of which are estimated to not be recoverable in the amount of €626 thousand. No contingent liabilities were recognized in the first-time consolidation.

**4.35 — ACQUISITION BBS AUTOMATION GROUP: HIDDEN RESERVES IDENTIFIED IN THE ACQUIRED INTANGIBLE ASSETS**

| € k | Fair value |
|---|---|
| Customer relationships | 54,353 |
| Technological know-how | 32,618 |
| Brand name | 40,022 |
| Order backlog | 12,825 |
| **Total** | **139,818** |

→ Table 4.36 shows the outflow of cash and cash equivalents for the acquisition of the BBS Automation Group.

**4.36 — PURCHASE PRICE PAYMENT AND CASH OUTFLOW**

| € k | 2023 |
|---|---|
| Purchase price paid in cash | 318,879 |
| Less cash acquired | –14,938 |
| **Net cash outflow – cash flow from investing activities** | **303,941** |

Acquisition-related costs of €6,787 thousand were incurred for the transaction, which were recognized through profit or loss in other operating expenses in the 2023 reporting period as well as in the statement of cash flows within cash flow from operating activities.

**4.37 — EARNINGS CONTRIBUTION OF THE BBS AUTOMATION GROUP FROM THE DATE OF FIRST CONSOLIDATION**

| € k | 2023 |
|---|---|
| Sales revenue | 107,066 |
| Earnings after income taxes | –7,074 |

The earnings after income taxes also includes the effects of the amortization of the hidden reserves identified.

Had the BBS Automation Group already been included in the consolidated group as of January 1, 2023, the sales revenue of the Dürr Group and earnings after income taxes would have amounted to €4,805,632 thousand and €106,475 thousand, respectively. Effects of the alignment of accounting and measurement policies and of transaction-related financing costs were adjusted.

### Ingecal

In order to expand its product portfolio in the growth business with production technology for battery electrodes, Dürr Systems S.A.S., Lisses, France, acquired 100% of the shares in Amalis Group S.A.S., Lyon, France, on November 17, 2023. Amalis Group S.A.S. is the holding company of the operating Ingecal S.A.S. and its other subsidiaries. Thanks to its acquisition of the French mechanical engineering company Ingecal, Dürr can now also supply calendering systems to the battery industry. These play a key role in the coating of electrode foils for lithium-ion batteries. The calendering systems of the French company are suitable for both wet and dry coating. Dry coating offers considerable advantages in terms of costs, energy consumption, and $CO_2$ emissions and can also be used for the production of future solid-state batteries.

The entities were initially consolidated applying the acquisition method pursuant to IFRS 3 "Business Combinations". The goodwill from the first-time consolidation of the acquired activities and the acquired net assets are presented in → table 4.38.

**4.38 — GOODWILL ACQUISITION INGECAL**

| € k | 2023 |
|---|---|
| Purchase price paid in cash | 18,388 |
| Purchase price obligation | 2,216 |
| Fair value of net assets | –9,222 |
| **Goodwill** | **11,382** |

The goodwill reflects the earnings prospects in the area of battery production. It was allocated to the Clean Technology Systems division and is not tax deductible. The purchase price obligation for Ingecal is based on a fixed amount representing a proportion of the total purchase price. The purchase price obligation is expected to be paid in the 2024 reporting period and has a fixed amount.

The allocation of the purchase price to the acquired assets and liabilities is as follows.

#### 4.39 — PURCHASE PRICE ALLOCATION INGECAL

| € k | Fair values at the date of acquisition |
|---|---:|
| Intangible assets | 8,862 |
| Property, plant and equipment | 5,084 |
| Inventories and prepayments | 1,813 |
| Contract assets | 3,267 |
| Receivables and other assets | 5,024 |
| Cash and cash equivalents | 1,689 |
| Non-current liabilities | –5,862 |
| Deferred tax liabilities | –2,159 |
| Current liabilities | –8,496 |
| **Net assets** | **9,222** |

The carrying amounts after acquisition correspond to the fair value as of the date of first-time consolidation. The adjustments in the course of the purchase price allocation mainly relate to intangible assets for which technological know-how, customer relationships, and order backlog were recognized. The fair value of technological know-how was measured using the relief from royalty method while that of customer relationships and order backlog were measured using the residual value method. Contractual gross receivables amount to €4,348 thousand whereby it is estimated that contractual payments of €33 thousand will not be recoverable. No contingent liabilities were recognized in the first-time consolidation.

#### 4.40 — ACQUISITION INGECAL: HIDDEN RESERVES IDENTIFIED IN ACQUIRED INTANGIBLE ASSETS

| € k | Fair value |
|---|---:|
| Customer relationships | 2,213 |
| Technological know-how | 5,566 |
| Order backlog | 855 |
| **Total** | **8,634** |

→ Table 4.41 shows the outflow of cash and cash equivalents for the acquisition of Ingecal.

#### 4.41 — PURCHASE PRICE PAYMENT AND CASH OUTFLOW

| € k | 2023 |
|---|---:|
| Purchase price paid in cash | 18,388 |
| Less cash acquired | –1,689 |
| **Net cash outflow – cash flow from investing activities** | **16,699** |

The acquisition-related costs incurred in the context of the acquisition amounted to €439 thousand, which were recognized through profit or loss in other operating expenses in the 2023 reporting period as well as in the statement of cash flow within cash flow from operating activities.

Had Ingecal already been included in the consolidated group as of January 1, 2023, the Dürr Group's sales revenue and profit would have amounted to €4,640,143 thousand and €110,748 thousand, respectively.

## Property, plant and equipment

### Prepayments and assets under construction

Items of property, plant and equipment are recognized as assets under construction if costs for own or third-party work have already been incurred but they had not been completed by the end of the reporting period. As of December 31, 2023, prepayments in the amount of €20,617 thousand were related, in particular, to the Schopfloch, Holzbronn, Herzebrock, and St. Johann-Lonsingen sites in Germany and Southfield (Michigan), USA, for the construction of new buildings, the modernization of infrastructure and machinery. In the prior period, the prepayments made related to the construction of new buildings, the modernization of infrastructure, and new machinery.

### Land and buildings

The Group invested €14,185 thousand in property in the 2023 reporting period. Most of it was spent on the construction or completion of new buildings at the Holzbronn site in Germany, and on the modernization of infrastructure at the Schopfloch and Southfield sites. In the prior period, an amount of €13,458 thousand was invested in property, mainly for the construction or completion of new buildings in Schopfloch and Radom, Poland, as well as for the modernization of buildings and infrastructure at the Holzbronn and Southfield sites.

### Right-of-use assets

→ Table 4.42 shows the additions and depreciation of the right-of-use lease assets contained in property, plant and equipment.

Accumulated cost as well as accumulated depreciation and impairment contain the values for right-of-use assets that had already been accounted for as finance leases as of December 31, 2018, where these still exist. → Note 32 contains the disclosures on lease liabilities, → note 37 contains the explanations on the statement of cash flows.

The Dürr Group exercises the practical expedient to not recognize short-term leases and leases of low-value assets in the statement of financial position.

**4.42 — RIGHT-OF-USE-ASSETS INCLUDED IN PROPERTY, PLANT AND EQUIPMENT**

| € k | Land and buildings | Technical equipment and machines | Other equipment, furniture and fixtures | Dürr Group |
|---|---|---|---|---|
| **Accumulated cost as of December 31, 2023** | **235,501** | **937** | **40,586** | **277,024** |
| thereof additions | 24,590 | 165 | 17,155 | 41,910 |
| **Accumulated depreciation as of December 31, 2023** | **142,598** | **549** | **20,339** | **163,486** |
| thereof depreciation for the period | 22,899 | 168 | 11,601 | 34,668 |
| **Net carrying amount as of December 31, 2023** | **92,903** | **388** | **20,247** | **113,538** |
| | | | | |
| **Accumulated cost as of December 31, 2022** | **200,490** | **898** | **36,947** | **238,335** |
| thereof additions | 25,155 | 347 | 10,808 | 36,310 |
| **Accumulated depreciation as of December 31, 2022** | **130,324** | **523** | **22,571** | **153,418** |
| thereof depreciation for the year | 20,451 | 153 | 10,432 | 31,036 |
| **Net carrying amount as of December 31, 2022** | **70,166** | **375** | **14,376** | **84,917** |

**4.43 — EXPENSE FOR SHORT-TERM LEASES AND LEASES OF LOW-VALUE ASSETS**

| € k | 2023 | 2022 |
|---|---|---|
| Expense for short-term leases | 3,342 | 3,153 |
| Expense for leases of low-value assets | 2,737 | 2,840 |

### Investment property

The Dürr Group distinguishes between property that is largely owner-occupied and property that is mostly used by third parties. A property is considered to be largely used by third parties if the space used by the company itself is insignificant. Investment property comprises both property owned by the Dürr Group as well as property that is sublet under operating leases. The Dürr Group uses the cost model to measure all investment property. The investment property comprises a group of buildings as well as part of the infrastructure area of Schenck Technologie- und Industriepark GmbH in Darmstadt, Germany, which are allocated to the Measuring and Process Systems business unit within the Industrial Automation Systems division.

**4.44 — INCOME AND EXPENSES FROM INVESTMENT PROPERTY**

| € k | 2023 | 2022 |
|---|---|---|
| Rental income in the reporting period | 3,438 | 3,340 |
| Future rental income expected based on the existing agreements | 7,491 | 7,179 |
| Directly attributable expenditure | 1,181 | 1,149 |
| Directly attributable expenditure for vacant property | 132 | 185 |

Self-owned buildings are depreciated using the straight-line method of depreciation over their useful life ranging between 20 and 50 years.

The composition of the group of properties accounted for pursuant to IAS 40 “Investment Property” changed marginally compared to the prior period. More information is contained in → note 43.

As of December 31, 2023, the fair value came to €44,690 thousand (prior period: €46,480 thousand) and is allocated to level 3 in the fair value hierarchy. For more information on the fair value hierarchy levels, please see → note 36. An internal calculation prepared on an annual basis is used to determine the fair value of the investment properties; no appraiser was consulted in determining the values. The fair value of the properties is calculated using capitalized income from the cash-generating unit based on market rents adjusted downward by risk discounts customary for the region. A vacancy rate of 10% (prior period: 10%) and a property yield of 5.6% (prior period: 5.6%) were used in the calculation.

**4.45 — DEVELOPMENT OF INVESTMENT PROPERTY**

| € k | Investment property owned by the Dürr Group | Right-of-use assets for investment property | Dürr Group |
|---|---|---|---|
| **Accumulated cost as of December 31, 2023** | **42,129** | **6,839** | **48,968** |
| thereof additions | 379 | 118 | 497 |
| **Accumulated depreciation as of December 31, 2023** | **27,032** | **5,561** | **32,593** |
| thereof depreciation for the period | 790 | 552 | 1,342 |
| **Net carrying amount as of December 31, 2023** | **15,097** | **1,278** | **16,375** |
| | | | |
| **Accumulated cost as of December 31, 2022** | **43,041** | **6,721** | **49,762** |
| thereof additions | 360 | 1,163 | 1,523 |
| **Accumulated depreciation as of December 31, 2022** | **27,048** | **5,009** | **32,057** |
| thereof depreciation for the period | 827 | 471 | 1,298 |
| **Net carrying amount as of December 31, 2022** | **15,993** | **1,712** | **17,705** |

→ **Notes 32 and 37** contain disclosures on the lease liabilities and lease payments.

## 19. INVESTMENTS IN ENTITIES ACCOUNTED FOR USING THE EQUITY METHOD AND OTHER FINANCIAL ASSETS

### Entities accounted for using the equity method

**Nagahama Seisakusho Ltd.**

The company Nagahama Seisakusho Ltd. has its registered office in Osaka, Japan, and offers machinery, systems, and services in the area of balancing technology.

**4.46 — CONDENSED STATEMENT OF FINANCIAL POSITION OF NAGAHAMA SEISAKUSHO LTD.**

| € k | Dec. 31, 2023 | Dec. 31, 2022 |
|---|---|---|
| Non-current assets | 37,693 | 37,789 |
| Current assets | 28,470 | 32,743 |
| Non-current liabilities | 21,854 | 24,004 |
| Current liabilities | 8,587 | 7,771 |
| Equity | 35,722 | 38,757 |
| | | |
| Shareholding Dürr Group | 50.0% | 50.0% |
| Equity attributable to the Dürr Group | 17,861 | 19,379 |
| Exchange difference | 197 | 198 |
| Carrying amount of the investment | 18,049 | 17,636 |

**4.47 — FURTHER FINANCIAL INFORMATION ON NAGAHAMA SEISAKUSHO LTD.**

| € k | 2023 | 2022 |
|---|---|---|
| Sales revenue | 27,610 | 22,289 |
| Earnings after income taxes | 1,247 | 5,153 |
| | | |
| Cash flow from operating activities | 3,001 | –4,792 |
| Cash flow from investing activities | –5,830 | –8,042 |
| Cash flow from financing activities | 381 | –1,171 |
| | | |
| Dividends received from Nagahama Seisakusho Ltd. | 138 | – |

The reporting period of the company ends September 30; it is included using the equity method on the basis of the figures contained in the financial statements from that date. Significant effects that occurred between that date and December 31 are considered. As in the prior period, the associate had no material contingent liabilities as of December 31, 2023. At present, there are no significant restrictions with respect to dividend distributions.

The carrying amounts of the entity accounted for using the equity method are influenced by currency effects. In addition, there was a reversal of €1,941 thousand on an impairment loss recognized in the prior period. In the 2022 reporting period an impairment loss of €1,941 thousand was recognized due to a lower fair value. For further information on the companies included in the Dürr Group please refer to → **notes 3, 4, and 44**.

### GranIT GmbH

In the 2023 financial period, 26% of the shares in GranIT GmbH Grafische und numerische Informationstechnologie, located in Reutlingen, Germany, were acquired at a purchase price of €645 thousand.

### Other financial assets

As of December 31, 2023, other financial assets primarily included the investments in Teamtechnik Production Technology Sp. z o.o. with a carrying amount of €2,586 thousand (prior period: €1,213 thousand) and in Parker Engineering Co., Ltd. with a carrying amount of €7,802 thousand (prior period: €8,455 thousand). ADAMOS GmbH, which was included in the prior period, was dissolved by shareholder resolution as of August 31, 2023. The investment in the company was fully impaired in the 2022 reporting period. The impairment was recognized in equity without affecting income.

## 20. INVENTORIES AND PREPAYMENTS

**4.48 — INVENTORIES AND PREPAYMENTS**

| € k | Dec. 31, 2023 | Dec. 31, 2022 |
|---|---|---|
| Materials and supplies | 362,313 | 386,652 |
| less valuation allowances | –54,133 | –46,709 |
| Work in process | 185,195 | 209,281 |
| less valuation allowances | –9,174 | –9,393 |
| Finished goods and merchandise | 222,222 | 242,276 |
| less valuation allowances | –25,340 | –27,336 |
| Prepayments | 101,459 | 98,889 |
| less valuation allowances | –1,116 | –1,116 |
| **Total inventories and prepayments** | **781,426** | **852,544** |

Total valuation allowances on inventories increased to €89,763 thousand (prior period: €83,438 thousand) after taking into account exchange rate differences and consumption. The addition to valuation allowances in the 2023 reporting period amounted to €28,112 thousand (prior period: €24,414 thousand) and was recognized through profit or loss.

## 21. CONTRACT ASSETS

**4.49 — DEVELOPMENT OF LOSS ALLOWANCES ON CONTRACT ASSETS**

| | 2023 | | 2022 | |
|---|---|---|---|---|
| € k | Stage 2 | Stage 3 | Stage 2 | Stage 3 |
| **As of January 1** | **2,956** | **1,311** | **1,285** | **608** |
| Exchange difference | –59 | –195 | –46 | –49 |
| Additions | | | | |
| newly acquired | 1,021 | 7,776 | 2,266 | 752 |
| already in the portfolio | 225 | 259 | 339 | – |
| Change in risk parameters | – | – | – | – |
| Reversals | –2,299 | – | –888 | – |
| Utilization | –1 | – | – | – |
| Reclassifications | 43 | –43 | – | – |
| **As of December 31** | **1,886** | **9,108** | **2,956** | **1,311** |

The change in the loss allowances on contract assets with a gross value of €685,128 thousand (prior period: €621,232 thousand) is primarily attributable to the fact that the composition of customers, the respective business volume with them, and their credit ratings have changed.

## 22. TRADE RECEIVABLES

### 4.50 — DEVELOPMENT OF LOSS ALLOWANCES ON TRADE RECEIVABLES

| € k | 2023 | | 2022 | |
|---|---|---|---|---|
| | Stage 2 | Stage 3 | Stage 2 | Stage 3 |
| **As of January 1** | **3,125** | **29,712** | **1,876** | **27,287** |
| Exchange difference | –81 | –1,347 | –25 | –553 |
| Additions | | | | |
| newly acquired | 2,780 | 9,455 | 2,478 | 6,822 |
| already in the portfolio | 14 | 1,442 | 242 | 1,171 |
| Change in risk parameters | – | – | – | – |
| Reversals | –2,853 | –2,921 | –1,359 | –3,929 |
| Utilization | –7 | –1,553 | –12 | –1,161 |
| Reclassifications | 10 | –10 | –75 | 75 |
| **As of December 31** | **2,988** | **34,778** | **3,125** | **29,712** |

The changes in the loss allowances on trade receivables are also due to a change in the receivables volume, a change in the composition of customers as well as changes in credit ratings. Please refer to → note 6 for further details.

Receivables of €3,165 thousand (prior period: €1,416 thousand) were derecognized in the 2023 reporting period, whereby €1,560 thousand (prior period: €1,173 thousand) had already been written down in the past. The derecognition of the remaining €1,605 thousand (prior period: €243 thousand) was recognized through profit or loss in the 2023 reporting period.

### 4.51 — TRADE RECEIVABLES BY MATURITY

| € k | Dec. 31, 2023 | | Dec. 31, 2022 | |
|---|---|---|---|---|
| | Stage 2 | Stage 3 | Stage 2 | Stage 3 |
| **Gross value** | **608,084** | **62,220** | **576,639** | **50,385** |
| thereof | | | | |
| not due | 381,336 | – | 371,413 | – |
| less than 1 month | 108,068 | – | 88,470 | – |
| between 1 and 3 months | 63,474 | – | 67,741 | – |
| between 3 and 6 months | 31,170 | – | 25,298 | – |
| between 6 and 9 months | 12,655 | – | 14,933 | – |
| between 9 and 12 months | 11,381 | – | 8,784 | – |
| more than 12 months/ stage 3 | – | 62,220 | – | 50,385 |
| Allowance | –2,988 | –34,778 | –3,125 | –29,712 |
| **Net carrying amount** | **605,096** | **27,442** | **573,514** | **20,673** |

In stage 2, a provision matrix is used to calculate loss allowances. Receivables in stage 3 were impaired based on an individual risk assessment. Receivables in stage 2 are subject to the risk level with a low credit risk (not credit impaired), while receivables in stage 3 are subject to the risk level with a high credit risk (credit impaired).

## 23. SUNDRY FINANCIAL ASSETS

### 4.52 — SUNDRY FINANCIAL ASSETS

| | Dec. 31, 2023 | | | Dec. 31, 2022 | | |
|---|---|---|---|---|---|---|
| € k | Total | Current | Non-current | Total | Current | Non-current |
| Derivative financial assets | 19,123 | 17,938 | 1,185 | 14,945 | 13,442 | 1,503 |
| Rent deposits and other collateral provided | 7,841 | 3,299 | 4,542 | 14,641 | 11,370 | 3,271 |
| Time deposits and other financial receivables | 37 | 37 | – | 149,998 | 149,998 | – |
| Remaining sundry financial assets | 22,013 | 17,849 | 4,164 | 16,640 | 15,706 | 934 |
| **Total sundry financial assets** | **49,014** | **39,123** | **9,891** | **196,224** | **190,516** | **5,708** |

The remaining sundry financial assets include credit balances with suppliers of €10,408 thousand (prior period: €7,610 thousand) and receivables from employees totaling €1,928 thousand (prior period: €2,228 thousand).

With regard to sundry financial assets, there are no significant indications that the debtors will not be able to meet their payment obligations. Accordingly, sundry financial assets are primarily allocated to stage 1.

## 24. CASH AND CASH EQUIVALENTS

Cash and cash equivalents are allocated to credit risk rating grades.

The credit risk rating grades are based on internal and external risk assessments. With regard to cash and cash equivalents, there are no significant indications that the debtors will not be able to meet their payment obligations. For further information on credit risk, please refer to → **note 41**.

### 4.53 — CASH AND CASH EQUIVALENTS COMBINED BY CREDIT RISK RATING GRADE

| | Dec. 31, 2023 | | | Dec. 31, 2022 | | |
|---|---|---|---|---|---|---|
| € k | Stage 1 | Stage 2 | Stage 3 | Stage 1 | Stage 2 | Stage 3 |
| Investment grade AAA to A- | 925,093 | – | – | 594,405 | – | – |
| Investment grade BBB+ to BBB- | 66,693 | – | – | 102,530 | – | – |
| Sub-investment grade | 47,177 | – | – | 21,240 | – | – |
| **Gross value** | **1,038,963** | **–** | **–** | **718,175** | **–** | **–** |
| Loss allowance pursuant to IFRS 9 | –1,826 | – | – | –2,072 | – | – |
| **Net carrying amount** | **1,037,137** | **–** | **–** | **716,103** | **–** | **–** |

**4.54 — DEVELOPMENT OF LOSS ALLOWANCES ON CASH AND CASH EQUIVALENTS**

| | 2023 | | | 2022 | | |
|---|---|---|---|---|---|---|
| € k | Stage 1 | Stage 2 | Stage 3 | Stage 1 | Stage 2 | Stage 3 |
| **As of January 1** | **2,072** | **–** | **–** | **802** | **–** | **–** |
| Exchange difference | –34 | – | – | –20 | – | – |
| Additions | | | | | | |
| newly acquired | 342 | – | – | 1,365 | – | – |
| already in the portfolio | – | – | – | – | – | – |
| Change in risk parameters | – | – | – | – | – | – |
| Reversals | –554 | – | – | –75 | – | – |
| Utilization | – | – | – | – | – | – |
| Reclassifications | – | – | – | – | – | – |
| **As of December 31** | **1,826** | **–** | **–** | **2,072** | **–** | **–** |

## 25. OTHER ASSETS

**4.55 — OTHER ASSETS**

| | Dec. 31, 2023 | | | Dec. 31, 2022 | | |
|---|---|---|---|---|---|---|
| € k | Total | Current | Non-current | Total | Current | Non-current |
| Tax reimbursement claims without income taxes | 41,800 | 41,639 | 161 | 52,803 | 52,647 | 156 |
| Costs of obtaining a contract | 11,754 | 11,465 | 289 | 14,485 | 14,100 | 385 |
| Rent, maintenance cost and royalties | 11,635 | 9,872 | 1,763 | 8,246 | 6,893 | 1,353 |
| Remaining other assets | 6,849 | 5,819 | 1,030 | 7,478 | 5,657 | 1,821 |
| **Total other assets** | **72,038** | **68,795** | **3,243** | **83,012** | **79,297** | **3,715** |

The costs of obtaining a contract included in other assets comprise sales commissions in connection with customer contracts that would not have been incurred, had the contract not been concluded.

## 26. ASSETS HELD FOR SALE

**Assets sold in the 2022 reporting period**

At the location in Goldkronach, Germany, real estate and additional plant and equipment classified as held for sale were sold on January 28, 2022, with sales proceeds and income amounting to €2,790 thousand and €68 thousand, respectively. An impairment loss of €472 thousand recorded in the prior period had previously been released through profit or loss in the 2021 reporting period. The property, plant and equipment were allocated to the Clean Technology Systems division.

As an additional part of the capacity and location adjustments initiated in the 2020 reporting period, real estate and additional property, plant and equipment at the location in Wolfsburg, Germany, were classified as held for sale and sold on February 4, 2022, with sales proceeds and income amounting to €3,560 thousand and €88 thousand, respectively. The property, plant and equipment were allocated to the Application Technology division.

**Assets held for sale**

As part of capacity adjustments, a real estate and other property, plant and equipment are available for sale in the USA at the Muscoda (Wisconsin) site. The measurement of assets at fair value resulted in an expense of €815 thousand in the 2023 reporting period (prior period: €0 thousand). The assets held for sale are allocated to the Clean Technology Systems division.

In addition, a training facility is available for sale at the Gqeberha site in South Africa. The measurement of the asset at fair value resulted in an expense of €1 thousand. The asset held for sale is allocated to the Application Technology division.

**4.56 — ASSETS HELD FOR SALE**

| € k | Dec. 31, 2023 | Dec. 31, 2022 |
|---|---|---|
| Land and buildings | 1,105 | 1,974 |
| Other property, plant and equipment | 354 | 266 |
| **Total assets held for sale** | **1,459** | **2,240** |

# Notes to the consolidated statement of financial position: equity and liabilities

## 27. EQUITY ATTRIBUTABLE TO SHAREHOLDERS OF DÜRR AKTIENGESELLSCHAFT

**Subscribed capital (Dürr AG)**

As of December 31, 2023, the capital stock of Dürr AG came to €177,157 thousand (prior period: €177,157 thousand) and was made up of 69,202,080 no-par value shares (prior period: 69,202,080 no-par value shares). Each share represents a share of €2.56 in the subscribed capital and is made out to the bearer. The shares issued were fully paid in.

**Authorizations**

**Authorization for acquisition and sale of treasury shares (Dürr AG)**

In the annual general meeting held on May 12, 2023, the Board of Management was authorized to buy back treasury shares once or several times for any permitted purpose, subject to legal restrictions, by May 11, 2028. This authorization is limited to a total of 10% of the share capital at the time the resolution of the annual general meeting was adopted or 10% of the share capital at the time the authorization is exercised, if this is lower. The treasury shares can be acquired via the stock exchange or by means of a public offer to sell to all shareholders or by means of a public invitation to tender addressed to all shareholders. The Board of Management was also authorized, subject to the approval of the Supervisory Board, to grant the holders of options and/or convertible bonds issued by the Company or one of its subsidiaries a subscription right to the shares in the event of a sale of treasury shares by means of an offer to all shareholders to the extent that they would be entitled to after exercising the option or conversion right or after fulfilling the conversion obligation. Furthermore, the Board of Management was authorized, subject to the approval of the Supervisory Board, to sell its treasury shares in a manner other than via the stock exchange or by means of an offer to all shareholders, if the shares are sold for cash payment at a price that is not significantly lower than the stock market price of same-class shares of the Company at the time of sale. The Board of Management did not make use of this authorization in the 2023 reporting period. Until May 12, 2023, there was no authorization to acquire and sell shares of Dürr AG.

### Authorized capital (Dürr AG)

The annual general meeting on May 10, 2019, authorized the Board of Management, subject to the approval of the Supervisory Board, to increase the capital stock once or several times by a maximum amount of €53,147 thousand in exchange for cash contributions and/or contributions in kind by May 9, 2024, by issuing up to 20,760,624 no-par value shares made out to the bearer. By resolution passed on May 12, 2023, the annual general meeting repealed this authorization and replaced it with a new authorization to issue up to €53,147 thousand of the share capital once or several times by May 11, 2028 with the approval of the Supervisory Board by issuing up to 20,760,624 new, no-par-value shares made out to the bearer against cash and/or non-cash contributions. The Board of Management was also authorized, subject to the approval of the Supervisory Board, to preclude the subscription right of the shareholders in certain cases. The Board of Management neither exercised the authorization granted until May 12, 2023 nor the authorization granted since then in the 2023 reporting period.

### Conditional capital (Dürr AG)

The annual general meeting on May 10, 2019, authorized the Board of Management, subject to the approval of the Supervisory Board, to issue once or several times until May 9, 2024, bearer or registered convertible bonds, warrant-linked bonds, or income bonds, or combinations of these instruments with or without fixed maturity. For this purpose, the subscribed capital was conditionally increased by a maximum of €17,716 thousand by issue of up to 6,920,208 new no-par value shares made out to the bearer. The Board of Management was also authorized, with the approval of the Supervisory Board, to preclude the subscription right of shareholders under certain circumstances and with defined limits.

On the basis of the authorization for the contingent capital increase, on September 24, 2020, Dürr AG issued a convertible bond with a nominal amount of €150,000 thousand. For further information please refer to → **note 32** as well as to the arrangements in the event of a change in control following a takeover bid contained in section 3 **"Corporate Governance" → page 76** of the combined management report.

By resolution passed on May 12, 2023, the annual general meeting authorized the Board of Management, subject to the approval of the Supervisory Board, to issue once or several times by May 11, 2028 bearer or registered convertible bonds, warrant-linked bonds, or income bonds, or combinations of these instruments with or without fixed maturity, representing a total nominal amount of up to €400,000 and to grant conversion rights to or impose a conversion obligation on holders or creditors of bond warrants or convertible income bonds, respectively, for up to 6,920,208 no-par value bearer shares of the Company, representing a proportionate maximum amount of €17,716 thousand of the share capital in accordance with the provisions of these bonds. The Board of Management did not make use of this authorization in the 2023 reporting period.

### Capital reserve (Dürr AG)

The capital reserve primarily includes share premiums and amounted to €74,428 thousand as of December 31, 2023 (prior period: €74,428 thousand). The capital reserve is subject to the restrictions on disposal of Sec. 150 AktG.

With the convertible bond being placed in the 2020 reporting period, the conversion option was classified as an equity instrument in accordance with IAS 32 and recognized directly in equity. After deducting transaction costs, this equity instrument amounts to a total of €10,043 thousand. Pursuant to IAS 12, deferred tax assets resulting from temporary differences between the liability components of the convertible bond of €2,933 thousand were recognized and offset against the equity components.

### Retained earnings

Retained earnings contain the profits generated in the past by the entities included in the consolidated financial statements that have not been distributed. They totaled €955,036 thousand as of December 31, 2023 (prior period: €890,491 thousand). The change was chiefly owing to the addition of the profit for the period, the recognition and measurement of options attributable to non-controlling interests, the increase in the shareholding of entities previously already included in the consolidated financial statements, and the distribution of the dividend for the 2022 reporting period.

### Restriction on distribution, transfer, and withdrawal in the separate financial statements of Dürr AG (Sec. 253 (6) HGB)

Due to the legal regulations on the measurement of provisions in the separate financial statements of Dürr AG prepared in accordance with the German commercial law, there are restrictions on distribution. A difference of €71 thousand (prior period: €383 thousand) arises from the recognition of provisions according to the respective average market interest rate from the past ten reporting periods and from the recognition of provisions according to the respective average market interest rate from the past seven reporting periods; this amount is subject to a restriction on distribution.

### Dividends

In accordance with the AktG, the distribution is measured based on net retained profit as reported by Dürr AG in its separate financial statements prepared in accordance with the provisions of German GAAP. In the 2023 reporting period, Dürr AG distributed a dividend to its shareholders of €0.70 per share from the net retained profit recorded in 2022 (prior period: €0.50 per share). The total amount distributed came to €48,441 thousand (prior period: €34,601 thousand). Based on the financial performance in the 2023 reporting period, the Board of Management of Dürr AG recommends that the Supervisory Board shall propose to the annual general meeting that a dividend of €0.70 per share will be paid, which translates into a total distribution amount of €48,441 thousand.

### Earnings per share

Earnings attributable to the shareholders of Dürr Aktiengesellschaft amounted to €111,981 thousand (prior period: €131,027 thousand). The average number of shares amounted to 69,202,080 shares in the reporting period (prior period: 69,202,080 shares). This resulted in basic earnings per share of €1.62 in the 2023 reporting period (prior period: €1.89). Diluted earnings per share result from the potential correction of the Group earnings and the number of shares upon exercising the convertible instruments. Diluted earnings per share amounted to €1.55 (prior period: €1.81) and are attributable to the potentially dilutive effects of the convertible bond.

### Disclosures on capital management

The primary objective of capital management is to support business operations, ensure a healthy capital ratio and increase business value.

The Dürr Group monitors its capital on a monthly basis using a so-called gearing ratio, which reflects the ratio of net financial debt to equity and is defined as the ratio of net financial debt to equity and net financial debt. As of December 31, 2023, the ratio was 30.5% as a result of the acquisition of the BBS Automation Group, compared to 4.0% in the prior period. The Dürr Group is of the opinion that this is a temporary increase and that the key figure will again fall below 30% in the medium term.

**4.57 — GEARING RATIO**

| € k | Dec. 31, 2023 | Dec. 31, 2022 |
|---|---|---|
| Cash and cash equivalents | –1,037,137 | –716,103 |
| Time deposits and further financial assets | –204 | –150,141 |
| Convertible bond and Schuldschein loans | 1,058,035 | 806,324 |
| Liabilities to banks | 356,989 | 895 |
| Lease liabilities | 118,087 | 94,799 |
| Remaining other financial liabilities | 20,851 | 10,581 |
| **Net financial debt** | **516,621** | **46,355** |
| | | |
| Equity | 1,176,966 | 1,124,173 |
| Net financial debt | 516,621 | 46,355 |
| **Equity and net financial debt** | **1,693,587** | **1,170,528** |
| | | |
| Net financial debt | 516,621 | 46,355 |
| Equity and net financial debt | 1,693,587 | 1,170,528 |
| **Gearing ratio** | **30.5%** | **4.0%** |

## 28. PROVISIONS FOR POST-EMPLOYMENT BENEFIT OBLIGATIONS

The Group's post-employment benefits include defined contribution plans and defined benefit plans.

### Defined contribution plans

In the case of defined contribution plans, the Dürr Group pays contributions to state or private insurance institutions. Other than the subsidiary liability of the employer regarding its company pension plans, there are no other legal or constructive obligations for the Dürr Group. A claim from the subsidiary liability is currently unlikely. The contributions are recognized when they fall due as a personnel expense within the functional costs.

The post-employment benefits available to the employees of the German entities of the Dürr Group include a life insurance program in line with the respective remuneration group, for which the Group recognized contributions of €916 thousand (prior period: €879 thousand) as an expense. In addition, the Group paid contributions of €54,183 thousand (prior period: €49,196 thousand) to the German statutory pension scheme, which likewise constitutes a defined contribution plan.

The US subsidiaries contribute to external pension funds for trade union employees. In the 2023 reporting period, pension expenses for these employees amounted to €3,461 thousand (prior period: €2,325 thousand). Payments for other defined contribution plans in other countries, including state pension systems, amounted to €17,592 thousand (prior period: €15,688 thousand).

In addition, the US subsidiaries of the Group have a "401(k)" profit-sharing plan for certain employees. Profit-sharing is based on the years of service and the employees' remuneration. The Dürr Group's contribution is discretionary and is determined annually by management. In the 2023 reporting period, expenses came to around €4,823 thousand (prior period: €4,534 thousand).

**Defined benefit plans**

Pension entitlements have been granted to individual former members of the Board of Management of Dürr AG and the members of the management board and general managers of German subsidiaries based on their most recent fixed salary and years of service.

Some non-pay scale employees of the German subsidiaries of the Dürr Group, including the members of the Board of Management of Dürr AG, Carl Schenck AG, Dürr Systems AG and HOMAG Group AG, are also offered the possibility to convert employee contributions into a benefit obligation in addition to ongoing employer contributions (pension plan of the Dürr Group). Under these plans, employees of the Dürr Group are entitled to convert certain parts of their future pay into an entitlement to future supplementary company benefits. To secure and finance the resulting obligations, the Group has taken out employer's pension liability insurance for the life of the beneficiaries or invests to a small extent in balanced funds comprising shares and bonds. The Dürr Group has the exclusive right to the respective benefits. This therefore does not represent any significant actuarial risk or investment risk for the Dürr Group. The amount of post-employment benefits equals the benefit paid out under the employer's pension liability insurance concluded by the company, which consists of a guaranteed pension and the divisible surplus allocated by the insurance company. For the funds investment, the benefits paid out later correspond to the balance of the fund. The Dürr Group reports the benefit obligations net of assets.

At the German entities of the Dürr Group, those employees who were employed at the Schenck entities at the time of the takeover were entitled to post-employment benefits. These are based on years of service. The payments provided for by the pension plans comprise fixed amounts plus an element that is dependent on years of service.

A US entity has a pension plan covering all non-union employees at that subsidiary. This plan was closed in 2003 and the claims for active employees were frozen at that time. The amount of the future pension benefits is based on the average salaries earned and length of service before the pension entitlements were frozen in 2003.

A subsidiary in the US has a roughly 35% share in a local multi-employer plan which is maintained jointly with other non-affiliated metal-working companies. Furthermore, this subsidiary has a stake in a US-wide pension plan. The defined benefit plans are accounted for as defined contribution plans as it is not possible to allocate the share of obligations and plan assets to the individual member companies. The risks from the two multi-employer plans differ from plans tailored to a specific company with regard to jointly managed pension assets, which can potentially also be used to cover obligations of other participating employers. If participating plan sponsors discontinue current contribution payments, the remaining plan sponsors collectively take over the unfunded deficit; withdrawing from the plan is, however, regularly subject to a withdrawal fee to limit the risk for the remaining plan sponsors. The beneficiaries of the plans are members of a trade union. The contributions are calculated on the basis of the number of production hours worked by members. A temporary shortfall in capacity utilization as well as lower returns on plan assets meant there have been deficits in the past. There has no longer been a deficit in the local pension plan since March 31, 2018. In the US-wide pension plan, the total deficit amounted to around €1,422,142 thousand as of January 1, 2023 (prior period: €1,456,054 thousand). The Dürr Group has a roughly 0.2% stake in this US-wide plan. For the following year, the Group expects contributions of €2,414 thousand (prior period: €3,203 thousand) to be made to the pension plans.

Moreover, in some countries there are plans that provide for payouts in the context of post-employment benefits as well as a number of minor pension plans.

### Post-employment benefit plan participants and risk management

Provisions for post-employment benefits are recognized for obligations from future and current post-employment benefits to eligible current and former employees as well as their surviving dependents. Pension plans vary according to local legal, tax, and economic conditions and are usually based on employees' years of service as well as their remuneration. In the 2023 reporting period, there were obligations in place for 4,659 eligible persons (prior period: 4,123), thereof 4,021 active employees (prior period: 3,492), 181 former employees with vested rights (prior period: 186), as well as 457 retired employees and surviving dependents (prior period: 445).

The defined benefit plans are largely financed via provisions which have corresponding qualifying fund assets as plan assets that are offset against the obligations. The plan assets mostly exist in the form of employer's pension liability insurance policies pledged to beneficiaries.

In order to take adequate account of risks associated with post-employment benefit obligations, the Dürr Group established the Corporate Pension Committee (CPC) several years ago. This committee convenes regularly and reviews and assesses all global post-employment benefit plans within the Dürr Group. Regular participants of the CPC are the Chief Financial Officer of Dürr AG as well as the heads of the central functional areas Human Resources, Accounting & Controlling, Compensation & Benefits, Treasury and Legal.

Furthermore, to minimize the risk from pension obligations, no new defined benefit pensions have been granted in Germany for several years if their value is largely not hedged by external counter-financing. At the same time, the current pension plans are largely financed through deferred compensation.

### Development of defined benefit plans

**4.58 — CHANGES IN THE PRESENT VALUE OF DEFINED BENEFIT OBLIGATIONS**

| € k | Dec. 31, 2023 | Dec. 31, 2022 |
|---|---|---|
| Defined benefit obligation at the beginning of the period | 118,833 | 139,768 |
| Exchange difference | 202 | 1,109 |
| Current service cost | 2,721 | 3,359 |
| Past service costs | –178 | – |
| Interest expenses | 3,426 | 1,762 |
| Remeasurement of the defined benefit obligation | 5,083 | –19,129 |
| thereof actuarial gains and losses from changes in demographic assumptions | 237 | –1 |
| thereof actuarial gains and losses from changes in financial assumptions | 4,174 | –21,770 |
| thereof experience adjustments | 672 | 2,642 |
| Employee contributions | 1,178 | 1,359 |
| Benefits paid | –7,852 | –9,255 |
| Changes in the consolidated group | 695 | – |
| Other | 52 | –140 |
| **Defined benefit obligation at the end of the period** | **124,160** | **118,833** |

### 4.59 — CHANGE IN PLAN ASSETS

| € k | Dec. 31, 2023 | Dec. 31, 2022 |
|---|---|---|
| Fair value of plan assets at the beginning of the period | 88,791 | 91,125 |
| Exchange difference | –27 | 850 |
| Interest income | 2,322 | 1,280 |
| Expense from plan assets excluding amounts contained in net interest | –745 | –1,207 |
| Employer contributions | 1,786 | 2,073 |
| Employee contributions | 1,178 | 1,359 |
| Benefits paid | –5,234 | –6,707 |
| Changes in the consolidated group | – | – |
| Other | 28 | 18 |
| **Fair value of plan assets at the end of the period** | **88,099** | **88,791** |
| Effect of asset ceiling | –3,579 | –4,778 |
| **Plan assets taking into account the asset ceiling** | **84,520** | **84,013** |
| **Funded status[1]** | **39,640** | **34,820** |

[1] Difference between the present value of the defined benefit obligation and the plan assets, taking into account the asset ceiling

### 4.60 — FUNDED STATUS

| € k | Dec. 31, 2023 | Dec. 31, 2022 |
|---|---|---|
| Present value of funded benefit obligations | 116,041 | 112,976 |
| Plan assets taking into account the asset ceiling | 84,520 | 84,013 |
| **Defined benefit obligation in excess of plan assets** | **31,521** | **28,963** |
| Present value of non-funded benefit obligations | 8,119 | 5,857 |
| **Funded status[1]** | **39,640** | **34,820** |

[1] Difference between the present value of the defined benefit obligation and the plan assets, taking into account the asset ceiling

### 4.61 — ITEMS OF THE STATEMENT OF FINANCIAL POSITION FOR ACCOUNTING FOR POST-EMPLOYMENT BENEFIT OBLIGATIONS

| € k | Dec. 31, 2023 | Dec. 31, 2022 |
|---|---|---|
| Provisions for post-employment benefit obligations | 40,387 | 36,447 |
| Other assets | 747 | 1,627 |
| **Funded status[1]** | **39,640** | **34,820** |

[1] Difference between the present value of the defined benefit obligation and the plan assets, taking into account the asset ceiling

At the end of the reporting period, the fair value of plan assets breaks down as shown in → **table 4.62**.

### 4.62 — COMPOSITION OF PLAN ASSETS

| € k | Dec. 31, 2023 | Dec. 31, 2022 |
|---|---|---|
| Employer's pension liability insurance | 67,709 | 69,106 |
| Fixed-interest securities | 13,343 | 13,766 |
| Shares | 4,619 | 3,685 |
| Real estate | 2,257 | 2,170 |
| Other | 171 | 64 |
| **Plan assets** | **88,099** | **88,791** |

The plan assets of the German entities mainly consist of employer's pension liability insurance policies which guarantee the amount. These employer's pension liability insurance policies have been invested mainly in fixed-interest securities. When selecting the issuers, the factors considered include the individual rating by international agencies and the equity capitalization of the issuers. The aim of the investment strategy is long-term capital accumulation on the one hand, and ongoing interest income on the other. This leads to slightly greater volatility. As part of a balanced approach, the portfolio mix contains debt and equity securities. The long-term growth in plan assets should be achieved primarily by means of fixed-interest securities which will also secure ongoing interest income. Equity instruments also make up a share of the investment portfolio.

With the exception of shares, fixed-interest securities, and real estate, there are no listed prices on an active market. Where employer's pension liability insurance belongs to plan assets as qualifying insurance policies and exactly match the benefits, the present value of the covered obligations applies as their fair value. Otherwise, the fair value of plan assets is generally calculated on the basis of the market expectations prevailing on that date.

The expenses for defined benefit plans recognized through profit or loss comprise the items listed in → table 4.63.

**4.63 — SHARE OF EXPENSES FROM DEFINED BENEFIT PLANS RECOGNIZED THROUGH PROFIT OR LOSS**

| € k | 2023 | 2022 |
|---|---|---|
| Current service cost | 2,721 | 3,359 |
| Past service costs | –178 | – |
| Net interest expenses | 1,284 | 494 |
| Other | 22 | 25 |
| **Net expenses from defined pension plans** | **3,849** | **3,878** |

The asset ceiling resulted in a change of €1,200 thousand (prior period: € –3,497 thousand) in total comprehensive income. Of this amount, €1,379 thousand (prior period: € –3,486 thousand) was recognized through other comprehensive income and € –179 thousand (prior period: € –11 thousand) through profit or loss.

The reporting date for the measurement of projected benefit obligations and plan assets is December 31; the measurement date for expenses from defined benefit plans is January 1. In addition to the assumptions on life expectancy based on the Heubeck 2018 G biometric mortality tables for the German Group companies, the rates in → table 4.64 were used as a basis for calculating the defined benefit obligation and the fair value of the plan assets.

**4.64 — AVERAGE RATES USED FOR CALCULATING OBLIGATIONS**

| | 2023 | | 2022 | |
|---|---|---|---|---|
| % | Germany | Rest of world | Germany | Rest of world |
| Discount rate | 3.19 | 4.04 | 3.76 | 4.32 |
| Long-term salary increases | 3.00 | 3.54 | 3.00 | 3.74 |

The rate of pension progression, which has a significant impact on the defined benefit obligations as of the end of the reporting period in Germany, came to 2.25% in the 2023 reporting period (prior period: 2.25%). The average rates are calculated on the basis of the weighted average of the defined benefit obligations.

The weighted average duration of the post-employment benefit obligations is 12 years (prior period: 11 years). For the 2024 reporting period, employers are expected to make contributions of €2,172 thousand to the plan assets.

→ Table 4.65 gives an overview of the payments for defined benefit plans expected in the coming reporting periods.

**4.65 — EXPECTED PAYMENTS FROM THE DEFINED BENEFIT PLANS**

| € k | 2024 | 2025 | 2026 | 2027 | 2028 | 2029 to 2033 | Total |
|---|---|---|---|---|---|---|---|
| Expected payments from the defined benefit plans | 7,841 | 8,052 | 7,590 | 7,602 | 7,661 | 41,032 | **79,778** |

### Sensitivity analyses

The material actuarial assumptions for the valuation of post-employment benefit obligations are the discount rate and, for obligations in Germany, also the rate of pension progression. By hedging the significant risks with employer's pension liability insurance policies, the longevity risk for the obligations in Germany plays only a minor role.

→ **Table 4.66** shows how the defined benefit obligation is influenced by potential changes to the respective assumptions using sensitivity analyses.

**4.66 — SENSITIVITIES – CHANGES IN THE DEFINED BENEFIT OBLIGATION**

| € k | Dec. 31, 2023 | Dec. 31, 2022 |
|---|---|---|
| **DISCOUNT RATE** | | |
| +1 percentage point | –8,011 | –7,374 |
| –1 percentage point | 9,687 | 8,882 |
| **RATE OF PENSION PROGRESSION** | | |
| +0.25 percentage points | 1,417 | 1,347 |
| –0.25 percentage points | –1,363 | –1,296 |

There are dependencies between the actuarial assumptions. The sensitivity analyses do not take these dependencies into account.

## 29. OTHER PROVISIONS

The contract-related provisions mainly consist of provisions for after-sales expenses, warranties, and onerous contracts in the order backlog. Around 72% (prior period: 65%) of the contract-related provisions relate to provisions for warranties and onerous contracts in the order backlog. The calculation of the contract-related provisions is largely based on expected losses from pending delivery and service transactions, mainly due to the increase in material prices and transport costs, as well as on statutory or contractual warranty claims and was performed using past experience and taking current circumstances into account.

The personnel provisions mainly contain obligations for the phased retirement scheme and provisions for long-service awards. These provisions are derived from actuarial calculation methods. Sundry provisions relate to various identifiable specific risks and uncertain liabilities for which there is uncertainty as to the date and future costs and for which the amount can be estimated reliably.

As of December 31, 2023, sundry provisions largely contain provisions for restructuring and personnel-related measures of €50,354 thousand (prior period: €2,871 thousand). The majority of these obligations are attributable to personnel capacity adjustments of the HOMAG Group. The associated provision includes severance pay for HOMAG employees. In addition, following the acquisition of the BBS Automation Group in the 2023 reporting period, the Dürr Group has initiated measures for site optimization in the Industrial Automation Systems division. The restructuring provision in the Paint and Final Assembly Systems division is attributable to the reduction in operating activities in the Russian entities following the Ukraine war. → **Table 4.68** shows the provisions for restructuring and optimization measures per division.

### 4.67 — OTHER PROVISIONS – CHANGES

| € k | Contract-related provisions | Personnel provisions | Sundry provisions |
|---|---|---|---|
| **As of January 1, 2023** | **131,405** | **32,369** | **9,812** |
| Changes in the consolidated group | 2,576 | – | 237 |
| Exchange difference | –1,979 | –28 | –422 |
| Utilization | –39,161 | –9,715 | –3,121 |
| Reversals | –30,811 | –504 | –1,611 |
| Additions | 55,842 | 12,302 | 51,756 |
| Reclassifications | –458 | 93 | 365 |
| **As of December 31, 2023** | **117,414** | **34,517** | **57,016** |

### 4.68 — PROVISIONS FOR RESTRUCTURING AND PERSONNEL-RELATED MEASURES PER DIVISION

| € k | Dec. 31, 2023 | Dec. 31, 2022 |
|---|---|---|
| Paint and Final Assembly Systems | 213 | 5 |
| Application Technology | 5 | 70 |
| Clean Technology Systems | – | 106 |
| Industrial Automation Systems | 2,391 | 160 |
| Woodworking Machinery and Systems | 47,745 | 2,530 |
| **Total provisions for restructuring and personnel-related measures** | **50,354** | **2,871** |

### 4.69 — OTHER PROVISIONS – EXPECTED UTILIZATION

| | Dec. 31, 2023 | | | Dec. 31, 2022 | | |
|---|---|---|---|---|---|---|
| € k | Total | Current | Non-current | Total | Current | Non-current |
| Contract-related provisions | 117,414 | 117,340 | 74 | 131,405 | 130,382 | 1,023 |
| Personnel provisions | 34,517 | 15,451 | 19,066 | 32,369 | 14,846 | 17,523 |
| Sundry provisions | 57,016 | 55,660 | 1,356 | 9,812 | 8,007 | 1,805 |
| **Total provisions** | **208,947** | **188,451** | **20,496** | **173,586** | **153,235** | **20,351** |

Those other provisions that are expected to be used within the next twelve months are classified as current. The payments for non-current provisions are expected to be incurred within the next two to five years.

## 30. CONTRACT LIABILITIES

Contract liabilities constitute obligations for the Dürr Group to transfer goods or services to a customer for which the customer has already paid or to which the customer has a claim. This relates to contracts for which customer payments received or due exceed the project status. Regular progress payments are typically agreed in the mechanical and plant engineering sector based on the progress of the project. In most cases a customer payment is already due before work commences. This results in the customer having to prefinance the project in the ordinary course of business. During the project, further payments are invoiced based on project milestones reached. In the 2023 reporting period, there were no notable deviations from this typical relationship between performance and customer payment. This is reflected in the disclosure of the balance as a contract liability.

## 31. TRADE PAYABLES

**4.70 — TRADE PAYABLES**

| € k | Total | Current | Total non-current | Medium-term | Long-term |
|---|---|---|---|---|---|
| Trade payables | 603,652 | 598,988 | 4,664 | 4,664 | – |
| (2022) | (606,152) | (605,731) | (421) | (421) | (–) |
| **Dec. 31, 2023** | **603,652** | **598,988** | **4,664** | **4,664** | **–** |
| (Dec. 31, 2022) | (606,152) | (605,731) | (421) | (421) | (–) |

## 32. CONVERTIBLE BOND, SCHULDSCHEIN LOANS AND OTHER FINANCIAL LIABILITIES

All interest-bearing liabilities of the Group are shown in this item.

**4.71 — FINANCIAL LIABILITIES**

| € k | Total | Current | Total non-current | Medium-term | Long-term |
|---|---|---|---|---|---|
| Convertible bond | 144,934 | – | 144,934 | 144,934 | – |
| (2022) | (142,549) | (–) | (142,549) | (142,549) | (–) |
| Schuldschein loans | 913,101 | 104,852 | 808,249 | 640,716 | 167,533 |
| (2022) | (663,775) | (49,959) | (613,816) | (481,267) | (132,549) |
| Liabilities to banks | 356,989 | 327,514 | 29,475 | 29,412 | 63 |
| (2022) | (895) | (670) | (225) | (225) | (–) |
| Lease liabilities | 118,087 | 35,442 | 82,645 | 71,027 | 11,618 |
| (2022) | (94,799) | (28,077) | (66,722) | (53,333) | (13,389) |
| Remaining other financial liabilities | 20,851 | 19,124 | 1,727 | 1,727 | – |
| (2022) | (10,581) | (9,094) | (1,487) | (1,487) | (–) |
| **Dec. 31, 2023** | **1,553,962** | **486,932** | **1,067,030** | **887,816** | **179,214** |
| (Dec. 31, 2022) | (912,599) | (87,800) | (824,799) | (678,861) | (145,938) |

Remaining other financial liabilities largely contain loans from employees to HOMAG Group entities and liabilities for deferred interest for the convertible bond and the Schuldschein loans.

### Financing of the Group

#### Convertible bond

On September 24, 2020, Dürr AG issued an unsubordinated, unsecured convertible bond with a term until January 15, 2026, at a nominal value of €150,000 thousand. It is divided into denominations of €100 thousand each. The convertible bond can be converted at the current conversion price into 4,623,792 new no-par value bearer shares of Dürr AG.

The convertible bond was issued at its full nominal amount and bears interest with an annual payable coupon of 0.75% p.a. A sustainability component in the form of a separate interest rate derivative is linked to the convertible bond, but it has no effect on the conversion ratio. The conversion price is currently €32.44 per share. The original conversion price was €34.22 per share, which corresponded to a premium of 40% over the reference share price of €24.44. The convertible bond was offered exclusively to institutional investors for purchase. The offer was not valid for the USA, Canada, Japan, and Australia, as well as other jurisdictions in which the offer or sale of the convertible bond is prohibited by law.

Dürr AG is authorized to repay the convertible bond at its nominal value, plus accrued interest, in accordance with the conditions of the convertible bond at any time since February 5, 2024, if the share price over a particular period of time reaches or exceeds 130% of the conversion price at that time or if 15% or less of the total nominal value of the convertible bond is outstanding.

#### Schuldschein loans

Dürr AG placed a green Schuldschein loan for the first time on April 6, 2023. On April 20, 2023, Dürr AG received the proceeds of €300,000 thousand, all of which is designated for financing sustainable product innovations and climate-friendly projects. In this context, the Dürr Group takes into account the EU taxonomy for classifying ecologically sustainable economic activities and adheres to its own Sustainable Finance Framework. The green Schuldschein loan consists of tranches with long-term maturities of four, five and seven years. The average interest rate on issue was around 4.8% per annum for both fixed and floating rate tranches. The interest rate for the green Schuldschein loan is linked to the sustainability rating of Dürr AG, which was drawn up by the ISS ESG agency, and grows if the target is not achieved.

On December 14, 2020, Dürr AG placed its third sustainability-linked Schuldschein loan of €200,000 thousand. Dürr AG received the loan amount on January 14, 2021, after deducting transaction costs. The average interest rate was at 2.0% p.a. The Schuldschein loan is split into tranches with terms of up to 10 years, with an average term of 6.25 years. The loan served to refinance the corporate bond of €300,000 thousand, which was repaid in April 2021.

On March 26, 2020, Dürr AG placed an additional sustainability Schuldschein loan of €115,000 thousand. The payment of interest for this Schuldschein loan is again pegged to the sustainability rating of the Dürr Group. The average interest rate was at 0.9% p.a. On April 6, 2020, Dürr AG received the total volume of €115,000 thousand, which is split into tranches with terms of five, seven, and ten years.

On June 19, 2019, Dürr AG placed a sustainability-linked Schuldschein loan of €200,000 thousand. The average interest rate was at 0.8% p.a. On July 4, 2019, Dürr AG received the funds, which are split into tranches with terms of five, six, eight, and ten years.

For the issued sustainability-linked Schuldschein loans, the interest is dependent on the sustainability rating of the Dürr Group, prepared by EcoVadis. This means that the interest rate falls or rises depending on whether the sustainability rating of the Dürr Group improves or deteriorates. In the 2022 reporting period, the rating improved, which is why interest rates decreased as planned by 0.02% p.a. and by 0.05% p.a. respectively.

On March 24, 2016, Dürr AG issued a Schuldschein loan of €300,000 thousand. The funds were received on April 6, 2016. The total volume is split into three tranches with terms of five, seven, and ten years. The average interest rate upon being issued was around 1.6% p.a. In return for taking out the Schuldschein loan in March 2020, the variable-rate tranches of €100,000 thousand of the Schuldschein loan from 2016 were prematurely redeemed in April 2020. An amount of €1,000 thousand was offset against the cash payment of the Schuldschein loan from December 2020. Dürr AG repaid additional tranches of €49,000 thousand and €50,000 thousand in April 2021 and April 2023, respectively.

### Bridge loan BBS Automation Group

In order to ensure financing for the acquisition of the BBS Automation Group, a syndicated credit line of €500,000 thousand was concluded on June 12, 2023. This credit line is used exclusively for the interim financing of the purchase price. The amount withdrawn was €300,000 thousand. As of August 31, 2023, the credit line has been reduced to the level of the amount withdrawn. In view of the expectation of a continuously high overall liquidity, the Dürr Group plans to repay the credit line in 2024.

### Syndicated loan

As part of its sustainability-linked refinancing, Dürr AG concluded a syndicated loan of €750,000 thousand on July 25, 2019. The syndicated loan came into effect on August 7, 2019. It is split into a cash line of €500,000 thousand and a bank guarantee of €250,000 thousand. In December 2023, the cash line and the bank guarantee facility were increased by €250,000 thousand to €750,000 thousand and by €250,000 thousand to €500,000 thousand, respectively. Twelve banks from Europe, Asia, and the USA belong to the syndicate.

The interest on the cash line of the syndicated loan is based on the current interest rate level and the ratio of EBITDA (earnings before interest, taxes, depreciation and amortization) to net financial debt. In addition, the syndicated loan contains a sustainability component: If the Dürr Group achieves a defined target range in reducing its $CO_2$ emissions, the interest rate decreases, but if it does not reach the target range, it increases. This is due to the $CO_2$ emissions in the scopes 1, 2, and 3 of the internationally recognized Greenhouse Gas Protocol. Scope 1 relates to emissions released directly within the company, scope 2 to emissions at energy suppliers, and scope 3 to emissions in the supply chain and released when using Dürr Group products at the customers. The measurement will take place for the first time in 2025 for the year 2024. The interest rate is adjusted by 0.02% if measurements exceed or fall below the defined ratios.

The syndicated loan is intended for general corporate financing (cash line) and to cover other obligations from the mechanical and plant engineering vis a vis third parties (bank guarantee). The original term was agreed until July 25, 2024, but in July 2021 and December 2023 Dürr AG extended the term prematurely by another two years. The new maturity date is December 2028.

### Other loans

As part of the acquisition of the BBS Automation Group, loans and liabilities to credit institutions amounting to €144,994 thousand were taken over, of which €117,955 thousand were repaid as of December 31, 2023. The loans that have not yet been repaid have a medium-term maturity. As part of the acquisition of Ingecal, liabilities of €2,562 thousand due to credit institutions were taken over. The loans also have a medium-term maturity. In December 2022, liabilities to banks of €22,435 thousand were repaid prematurely at three lease property companies and the financing was transferred to intra-group loans. The lease property companies are included in the Dürr Group as structured entities.

### Credit lines and bank guarantees

As of the reporting date, a withdrawal of €206,888 thousand (prior period: €183,814 thousand) was made from the bank guarantee of Dürr AG's syndicated loan. The cash line of the syndicated loans of Dürr AG was not utilized in the 2023 and 2022 reporting periods. An amount of €300,000 thousand was withdrawn from the credit line for the bridge financing of the acquisition of the BBS Automation Group. In addition, Dürr AG has bilateral credit lines of €63,927 thousand in place (usable for working capital or bank guarantees), bank guarantee facilities of €1,147,288 thousand, and other smaller credit lines with various banks and insurance firms. The majority of the credit lines and bank guarantee facilities are not bound to any particular purpose and serve to generally fund the Group as well as project management.

**4.72 — CREDIT LINES AND BANK GUARANTEES**

| € k | Dec. 31, 2023 | Dec. 31, 2022 |
|---|---|---|
| Total amount of credit lines/bank guarantees available | 2,761,215 | 1,850,522 |
| Total amount withdrawn from credit lines/bank guarantees | 1,086,775 | 610,718 |
| thereof due within one year | 556,115 | 361,826 |
| thereof due in more than one year | 530,660 | 248,892 |

### Lease liabilities

The leases mainly have terms of between one year and ten years, in some cases the contracts have a term of more than 15 years. Potential cash outflows of €18,930 thousand (prior period: €25,209 thousand) are not included in the lease liabilities as it is not reasonably certain that the extension options will be exercised. Variable lease payments of €82 thousand (prior period: €165 thousand) were recognized through profit or loss. To a small extent, the contracts contain price adjustment clauses based on consumer price indices. Any related adjustments to the lease installments resulting from future changes in the consumer price indices are not included in the lease liability as at the end of the reporting period.

## 33. SUNDRY FINANCIAL LIABILITIES

**4.73 — SUNDRY FINANCIAL LIABILITIES**

| € k | Total | Current | Total non-current | Medium-term | Long-term |
|---|---|---|---|---|---|
| Derivative financial liabilities | 10,338 | 9,022 | 1,316 | 1,316 | – |
| (2022) | (8,540) | (7,605) | (935) | (935) | (–) |
| Obligations to employees | 135,826 | 134,765 | 1,061 | 1,061 | – |
| (2022) | (120,424) | (118,486) | (1,938) | (1,938) | (–) |
| Obligations from options | 201,708 | 199,455 | 2,253 | 2,253 | – |
| (2022) | (223,258) | (203,609) | (19,649) | (19,649) | (–) |
| Liabilities from purchase price installments | 6,259 | 6,259 | – | – | – |
| (2022) | (15,111) | (9,739) | (5,372) | (5,372) | (–) |
| Remaining sundry financial liabilities | 21,872 | 20,588 | 1,284 | 1,284 | – |
| (2022) | (16,566) | (15,176) | (1,390) | (470) | (920) |
| **Dec. 31, 2023** | **376,003** | **370,089** | **5,914** | **5,914** | **–** |
| (Dec. 31, 2022) | (383,899) | (354,615) | (29,284) | (28,364) | (920) |

Obligations from options of €191,944 thousand (prior period: €195,012 thousand) relate to the sundry financial liabilities recognized under the domination and profit and loss transfer agreement with HOMAG Group AG for the acquisition of shares as well as to pay the compensation entitlements. In addition, the options relate to non-controlling interests of €9,764 thousand (prior period: €28,246 thousand). In the 2023 reporting period, the remaining 25% of the shares in Teamtechnik Maschinen und Anlagen GmbH were taken over and the option was derecognized. In addition, the option to acquire the remaining shares in Techno-Step GmbH, Böblingen, Germany, was exercised. In the 2022 reporting period, the option to acquire the remaining shares in CPM S.p.A., Beinasco, Italy, was exercised. In this context, liabilities of €613 thousand related to purchase price installments were recognized (prior period: €7,025 thousand). For further information on the purchase price installments please refer to → **note 36**.

## 34. OTHER LIABILITIES

**4.74 — OTHER LIABILITIES**

| € k | Total | Current | Total non-current | Medium-term | Long-term |
|---|---|---|---|---|---|
| Tax liabilities not relating to income taxes | 41,519 | 41,519 | – | – | – |
| (2022) | (43,009) | (43,009) | (–) | (–) | (–) |
| Liabilities relating to social security | 10,900 | 10,900 | – | – | – |
| (2022) | (9,836) | (9,836) | (–) | (–) | (–) |
| Obligations to employees | 68,754 | 68,426 | 328 | 328 | – |
| (2022) | (67,812) | (67,812) | (–) | (–) | (–) |
| Remaining other liabilities | 4,842 | 4,663 | 179 | 157 | 22 |
| (2022) | (10,528) | (10,245) | (283) | (283) | (–) |
| **Dec. 31, 2023** | **126,015** | **125,508** | **507** | **485** | **22** |
| (Dec. 31, 2022) | (131,185) | (130,902) | (283) | (283) | (–) |

## 35. SHARE-BASED PAYMENT

There is a share-based long-term incentive (LTI) program in place for the members of the Board of Management of Dürr AG and top level management of the Dürr Group. The program takes the form of tranches that are issued every year and have a term of three years each. The payments will be made upon expiration of the contractual term in each case after the following annual general meeting. Starting with the tranche 2023 – 2025, the LTI classification was changed.

Until the LTI tranche 2022 – 2024, the beneficiaries received an individually defined number of Dürr phantom shares (performance share units – PSUs). This number was calculated per tranche for the members of the Board of Management of Dürr Aktiengesellschaft and based on the ratio of the contractually promised LTI target value and the average share price of the last 30 trading days prior to the start of a tranche. For all other participants in the LTI program, the number of PSUs granted was based on the respective contractual commitment. The settlement is calculated based on the number of phantom shares, the rounded share price on the closing date (share price multiplier), and an EBIT multiplier based on the average EBIT margin generated over the entire term of the tranche. There is a cap for the EBIT multiplier. Furthermore, payment is capped individually in each case.

Since the LTI tranche 2023 – 2025, the number of Dürr phantom shares per tranche has been calculated using the ratio of the contractually promised LTI target value and the average share price of the last 60 trading days prior to the start of a tranche. The settlement is calculated based on the number of phantom shares, the rounded share price on the closing date (share price multiplier), an EBIT multiplier according to the average EBIT margin achieved for the three financial years of the tranche, the total shareholder return (TSR) relative to a defined benchmark group, and the achievement of the defined ESG target over the tranche period. The EBIT multiplier, the TSR and the ESG target have a maximum limit. In addition, the maximum payout amount (cap) is 200% of the LTI target value.

As of December 31, 2023, 205,901 phantom shares have been issued for the aforementioned group of persons from all current tranches (prior period: 208,724 PSUs). At the end of the term of the incentive program, the benefits accrued are settled in cash for both classifications specified.

In the 2023 reporting period, expenses of €209 thousand (prior period: €507 thousand) under the LTI program were recorded in general administrative expenses. The amount reported under sundry financial liabilities as of December 31, 2023, came to €2,104 thousand (prior period: €1,895 thousand).

## 36. OTHER NOTES ON FINANCIAL INSTRUMENTS

### Measurement of financial instruments by category

Based on the relevant items of the statement of financial position, the relationship between the categories of financial instruments pursuant to IFRS 9, classification pursuant to IFRS 7 and the carrying amounts of financial instruments are presented in → table 4.75.

**4.75 — MEASUREMENT OF FINANCIAL INSTRUMENTS BY CATEGORY**

| | | Amount recognized at | | |
|---|---|---|---|---|
| € k | Carrying amount as of Dec. 31, 2023 | Amortized cost | Fair value (through other comprehensive income) | Fair value (through profit or loss) |
| **ASSETS** | | | | |
| Cash and cash equivalents | 1,037,137 | 1,037,137 | – | – |
| Trade receivables | 632,538 | 632,538 | – | – |
| Other financial assets | 10,460 | – | – | 10,460 |
| Sundry financial assets | 29,891 | 29,468 | – | 423 |
| Derivative financial assets | | | | |
| Derivatives not used for hedging | 2,373 | – | – | 2,373 |
| Derivatives used for hedging | 16,750 | – | 14,571 | 2,179 |
| **EQUITY AND LIABILITIES** | | | | |
| Trade payables | 603,652 | 603,652 | – | – |
| Convertible bond | 144,934 | 144,934 | – | – |
| Schuldschein loans | 913,101 | 913,101 | – | – |
| Liabilities to banks | 356,989 | 356,989 | – | – |
| Lease liabilities[1] | 118,087 | 118,087 | – | – |
| Remaining other financial liabilities | 20,851 | 20,851 | – | – |
| Obligations from options | 201,708 | 200,592 | – | 1,116 |
| Liabilities from purchase price installments | 6,259 | – | – | 6,259 |
| Other sundry financial liabilities | 157,698 | 157,698 | – | – |
| Derivative financial liabilities | | | | |
| Derivatives not used for hedging | 2,859 | – | – | 2,859 |
| Derivatives used for hedging | 7,479 | – | 7,093 | 386 |
| **THEREOF COMBINED BY MEASUREMENT CATEGORY IN ACCORDANCE WITH IFRS 9** | | | | |
| Financial assets measured at amortized cost | 1,699,143 | 1,699,143 | – | – |
| Investments in equity instruments measured at fair value through other comprehensive income | – | – | – | – |
| Financial assets measured at fair value through profit or loss | 2,796 | – | – | 2,796 |
| Investments in equity instruments measured at fair value through profit or loss | 10,460 | – | – | 10,460 |
| Financial liabilities measured at amortized cost | 2,397,817 | 2,397,817 | – | – |
| Financial liabilities measured at fair value | 10,234 | – | – | 10,234 |

[1] Lease liabilities are accounted for pursuant to IFRS 16 and are therefore not included in any of the above categories pursuant to IFRS 9.

### 4.75 — MEASUREMENT OF FINANCIAL INSTRUMENTS BY CATEGORY

| € k | Carrying amount as of Dec. 31, 2022 | Amount recognized at: Amortized cost | Fair value (through other comprehensive income) | Fair value (through profit or loss) |
|---|---|---|---|---|
| **ASSETS** | | | | |
| Cash and cash equivalents | 716,103 | 716,103 | – | – |
| Trade receivables | 594,187 | 594,187 | – | – |
| Other financial assets | 9,693 | – | 25 | 9,668 |
| Sundry financial assets | 181,279 | 181,136 | – | 143 |
| Derivative financial assets | | | | |
| Derivatives not used for hedging | 3,979 | – | – | 3,979 |
| Derivatives used for hedging | 10,966 | – | 9,374 | 1,592 |
| **EQUITY AND LIABILITIES** | | | | |
| Trade payables | 606,152 | 606,152 | – | – |
| Convertible bond | 142,549 | 142,549 | – | – |
| Schuldschein loans | 663,775 | 663,775 | – | – |
| Liabilities to banks | 895 | 895 | – | – |
| Lease liabilities[1] | 94,799 | 94,799 | – | – |
| Remaining other financial liabilities | 10,581 | 10,581 | – | – |
| Obligations from options | 223,258 | 221,915 | – | 1,343 |
| Liabilities from purchase price installments | 15,111 | – | – | 15,111 |
| Other sundry financial liabilities | 136,990 | 136,990 | – | – |
| Derivative financial liabilities | | | | |
| Derivatives not used for hedging | 1,151 | – | – | 1,151 |
| Derivatives used for hedging | 7,389 | – | 6,315 | 1,074 |
| **THEREOF COMBINED BY MEASUREMENT CATEGORY IN ACCORDANCE WITH IFRS 9** | | | | |
| Financial assets measured at amortized cost | 1,491,426 | 1,491,426 | – | – |
| Investments in equity instruments measured at fair value through other comprehensive income | 25 | – | 25 | – |
| Financial assets measured at fair value through profit or loss | 3,979 | – | – | 3,979 |
| Investments in equity instruments measured at fair value through profit or loss | 9,811 | – | – | 9,811 |
| Financial liabilities measured at amortized cost | 1,782,857 | 1,782,857 | – | – |
| Financial liabilities measured at fair value | 17,605 | – | – | 17,605 |

[1] Lease liabilities are accounted for pursuant to IFRS 16 and are therefore not included in any of the above categories pursuant to IFRS 9.

In order to make the fair value measurement of financial instruments comparable, a fair value hierarchy has been established in the IFRSs with the following three levels:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1)
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly (level 2)
- Inputs that are not based on observable market data (level 3).

The financial instruments measured at fair value by the Dürr Group break down as follows according to the fair value hierarchy levels:

### 4.76 — ALLOCATION TO THE FAIR VALUE HIERARCHY LEVELS

| € k | Dec. 31, 2023 | Fair value hierarchy Level 1 | Level 2 | Level 3 |
|---|---|---|---|---|
| **ASSETS AT FAIR VALUE – THROUGH OTHER COMPREHENSIVE INCOME** | | | | |
| Other financial assets | – | – | – | – |
| Derivatives used for hedging | 14,571 | – | 14,571 | – |
| **ASSETS AT FAIR VALUE – THROUGH PROFIT OR LOSS** | | | | |
| Other financial assets | 10,460 | 72 | – | 10,388 |
| Sundry financial assets | 423 | 95 | – | 328 |
| Derivatives not used for hedging | 2,373 | – | 2,373 | – |
| Derivatives used for hedging | 2,179 | – | 2,179 | – |
| **LIABILITIES AT FAIR VALUE – THROUGH OTHER COMPREHENSIVE INCOME** | | | | |
| Derivatives used for hedging | 7,093 | – | 7,093 | – |
| **LIABILITIES AT FAIR VALUE – THROUGH PROFIT OR LOSS** | | | | |
| Obligations from options | 1,116 | – | – | 1,116 |
| Liabilities from purchase price installments | 6,259 | – | – | 6,259 |
| Derivatives not used for hedging | 2,859 | – | 2,859 | – |
| Derivatives used for hedging | 386 | – | 386 | – |

| € k | Dec. 31, 2022 | Fair value hierarchy Level 1 | Level 2 | Level 3 |
|---|---|---|---|---|
| **ASSETS AT FAIR VALUE – THROUGH OTHER COMPREHENSIVE INCOME** | | | | |
| Other financial assets | 25 | – | – | 25 |
| Derivatives used for hedging | 9,374 | – | 9,374 | – |
| **ASSETS AT FAIR VALUE – THROUGH PROFIT OR LOSS** | | | | |
| Other financial assets | 9,668 | – | – | 9,668 |
| Sundry financial assets | 143 | 143 | – | – |
| Derivatives not used for hedging | 3,979 | – | 3,979 | – |
| Derivatives used for hedging | 1,592 | – | 1,592 | – |
| **LIABILITIES AT FAIR VALUE – THROUGH OTHER COMPREHENSIVE INCOME** | | | | |
| Derivatives used for hedging | 6,315 | – | 6,315 | – |
| **LIABILITIES AT FAIR VALUE – THROUGH PROFIT OR LOSS** | | | | |
| Obligations from options | 1,343 | – | – | 1,343 |
| Liabilities from purchase price installments | 15,111 | – | – | 15,111 |
| Derivatives not used for hedging | 1,151 | – | 1,151 | – |
| Derivatives used for hedging | 1,074 | – | 1,074 | – |

As of the end of each reporting period, an assessment is made as to whether there were reclassifications between the different hierarchy levels or measurement categories. No reclassifications were made between the fair value hierarchy levels or measurement categories in the 2023 reporting period.

Potential climate-related matters, including legislation, that may have an impact on measuring the fair value of assets and liabilities in the annual financial statements were taken into account in the fair value measurement. Risks resulting from climate-related matters are included as key assumptions if they have a material impact on measuring the recoverable amount. There are currently no known risks from climate-related matters when measuring the fair value that could have a material impact on the consolidated financial statements.

Measurement at fair value of the financial instruments of levels 1, 2, and 3 held as of December 31, 2023, gave rise to the following total gains and losses:

### 4.77 — TOTAL GAINS AND LOSSES ON ASSETS

| € k | 2023 | 2022 |
|---|---|---|
| **RECOGNIZED THROUGH PROFIT OR LOSS** | | |
| Investments in equity instruments measured at fair value through profit or loss | 720 | –4,099 |
| Financial assets measured at fair value through profit or loss | 328 | – |
| Derivative financial instruments | 5,027 | 184 |
| **RECOGNIZED IN EQUITY** | | |
| Investments in equity instruments measured at fair value through other comprehensive income | – | –4,586 |
| Derivative financial instruments | 1,416 | 19 |

### 4.78 — TOTAL GAINS AND LOSSES ON LIABILITIES

| € k | 2023 | 2022 |
|---|---|---|
| **RECOGNIZED THROUGH PROFIT OR LOSS** | | |
| Liabilities from purchase price installments | 5,844 | 840 |
| Obligations from options | 227 | 4,305 |
| Derivative financial instruments | –66 | –564 |
| **RECOGNIZED IN EQUITY** | | |
| Derivative financial instruments | –4,317 | 248 |

### 4.79 — DEVELOPMENT OF ASSETS OF FAIR VALUE HIERARCHY LEVEL 3

| € k | 2023 | 2022 |
|---|---|---|
| **As of January 1** | **9,693** | **18,454** |
| Additions | – | – |
| Disposals | –25 | –67 |
| Change in fair value | 1,048 | –8,694 |
| **As of December 31** | **10,716** | **9,693** |

The changes in the fair value of the assets reported in level 3 were reported in the investment result through profit or loss.

### 4.80 — DEVELOPMENT OF LIABILITIES OF FAIR VALUE HIERARCHY LEVEL 3

| € k | 2023 | 2022 |
|---|---|---|
| **As of January 1** | **16,454** | **19,911** |
| Exchange difference | –150 | 38 |
| Additions | 12,097 | 7,775 |
| Disposals | –14,955 | –6,125 |
| Change in fair value | –6,071 | –5,145 |
| **As of December 31** | **7,375** | **16,454** |

The changes in the fair value of the liabilities reported in level 3 were recognized through profit or loss and amounted to € –6,071 thousand (prior period: € –5,145 thousand).

### Valuation techniques

The fair value of the derivative financial assets and liabilities allocated to level 2 of the fair value hierarchy is based on daily observable spot foreign exchange rates and interest yield curves. In connection with IFRS 13 "Fair Value Measurement", both the counterparty and own default risks have been taken into account in the measurement. Input factors to take into account for the counterparty credit risk are credit default swaps (CDSs), observable on the markets, of the credit institution involved in the respective transaction. If there is no CDS for a single credit institution, a synthetic CDS is derived from other observable market data (such as rating information). The counterparty credit risk is minimized by diversifying the portfolio and selecting the counterparties carefully. To calculate its own risk of default, the Dürr Group uses information received from credit institutions and insurance companies to derive a synthetic CDS for the Group.

The fair value of the options, contingent purchase price installments, and other financial assets allocated to level 3 in the fair value hierarchy is calculated based on contractual arrangements or internal data. This primarily includes historical results, accounting data, and forward-looking planning data of each company on which the amount of the financial liabilities depends. The fair value of financial assets is derived from contractual arrangements of a selling price and a fixed interest component. The assumptions are regularly reviewed and adjusted if necessary. If applicable, unwinding effects resulting from a convergence with the maturity date are also included in the valuation.

### Sensitivity level 3

The fair values of investments in equity instruments, contingent purchase price installments, and options allocated to the level 3 in the fair value hierarchy are subject to the fluctuations described below in the event of an assumed change in input parameters.

The purchase price obligation for Ingecal is based on a fixed amount representing a proportion of the total purchase price. The purchase price obligation is expected to be paid in the 2024 reporting period and has a fixed amount.

The fair value of the contingent purchase price components of Cogiscan Inc. is based on the average sales revenue of the 2021 to 2024 reporting periods, on the average EBIT of the 2021 and 2022 reporting periods, and the expectations by management. The contingent purchase price components are only paid if the average sales revenue or average EBIT exceed the agreed thresholds. The actual and budget figures are currently below the thresholds, so that the expected amount of payment is €0 thousand.

The fair value of the conditional purchase price components of CPM S.p.A. is based on a fixed amount and a proportion of the reported equity of the 2022 reporting period. The purchase price is paid in two tranches. The first tranche was paid in the 2023 reporting period.

The conditional purchase price components of Hekuma GmbH were paid in the 2023 reporting period.

The fair value of the contingent purchase price components of the HOMAG China Golden Field Group is based on the sales revenue and earnings of the group for the 2020 and 2021 reporting periods. The purchase price was finally determined in the 2022 reporting period and is paid in tranches. The first tranche was paid in the 2022 reporting period.

The calculation of the fair value of Parker Engineering Co., Ltd. is largely based on estimates by management on the development of the future free cash flows of the company. The value of the related put option is based on the company's pro rata equity and would fluctuate up or down in the event of an assumed change in the future free cash flows.

The calculation of the fair value of Teamtechnik Production Technology Sp. z o.o. is largely based on estimates by management on the development of the future free cash flows of the company. The value of the related put option is based on the company's estimated business figures at the time of exercising the option and would fluctuate up or down in the event of an assumed change in the future free cash flows. In the 2023 reporting period, the exercise price contractually agreed for the first time exceeds the fair value, which means that the option is capitalized as sundry financial asset.

**4.81 — FAIR VALUES OF INVESTMENTS IN EQUITY INSTRUMENTS, CONTINGENT PURCHASE PRICE INSTALLMENTS AND OPTIONS**

| | Dec. 31, 2023 | | | Dec. 31, 2022 | | |
|---|---|---|---|---|---|---|
| | Carrying amount | Sensitivity analysis | | Carrying amount | Sensitivity analysis | |
| € k | | +10% | –10% | | +10% | –10% |
| Ingecal | 2,216 | 2,216 | 2,216 | – | – | – |
| Cogiscan Inc. | – | – | – | 3,087 | 3,087 | 1,039 |
| CPM S.p.A. | 613 | 613 | 613 | 7,025 | 7,025 | 7,025 |
| Hekuma GmbH | – | – | – | 750 | 750 | 750 |
| HOMAG China Golden Field Group | 3,430 | 3,430 | 3,430 | 4,249 | 4,249 | 4,249 |
| Parker Engineering Co., Ltd. | 7,802 | 8,409 | 7,195 | 8,455 | 9,160 | 7,751 |
| Parker Engineering Co., Ltd. – option | 1,116 | 1,723 | 509 | 1,071 | 1,775 | 366 |
| Teamtechnik Production Technology Sp. z o.o. | 2,586 | 2,845 | 2,328 | 1,213 | 1,334 | 1,091 |
| Teamtechnik Production Technology Sp. z o.o. – option[1] | 328 | 69 | 586 | 272 | 394 | 151 |

[1] in the 2023 reporting period shown as sundry financial asset. In the prior period, it was reported within sundry financial liabilities.

Dividends of €45 thousand (prior period: €114 thousand) related to investments held in the portfolio were recognized in the 2023 reporting period.

### Fair values of financial instruments carried at amortized cost

→ Table 4.82 shows the fair value of the financial assets and liabilities carried at cost or amortized cost. The fair value of financial instruments not carried at amortized cost approximates their carrying amount.

**4.82 — FAIR VALUES OF FINANCIAL INSTRUMENTS CARRIED AT AMORTIZED COST**

| | Dec. 31, 2023 | | Dec. 31, 2022 | |
|---|---|---|---|---|
| € k | Fair value | Carrying amount | Fair value | Carrying amount |
| **ASSETS** | | | | |
| Cash and cash equivalents | 1,037,137 | 1,037,137 | 716,103 | 716,103 |
| Trade receivables | 632,538 | 632,538 | 594,187 | 594,187 |
| Sundry financial assets | 29,468 | 29,468 | 181,136 | 181,136 |
| **EQUITY AND LIABILITIES** | | | | |
| Trade payables | 603,652 | 603,652 | 606,152 | 606,152 |
| Convertible bond | 136,500 | 144,934 | 162,390 | 142,549 |
| Schuldschein loans | 892,187 | 913,101 | 605,483 | 663,775 |
| Liabilities to banks | 356,427 | 356,989 | 950 | 895 |
| Remaining other financial liabilities | 20,851 | 20,851 | 10,581 | 10,581 |
| Obligations from options | 187,390 | 200,592 | 212,408 | 221,915 |
| Other sundry financial liabilities | 157,698 | 157,698 | 136,990 | 136,990 |
| **THEREOF COMBINED BY MEASUREMENT CATEGORY IN ACCORDANCE WITH IFRS 9** | | | | |
| Financial assets measured at amortized cost | 1,699,143 | 1,699,143 | 1,491,426 | 1,491,426 |
| Financial liabilities measured at amortized cost | 2,354,705 | 2,397,817 | 1,734,954 | 1,782,857 |

Cash and cash equivalents, trade receivables, sundry financial assets, trade payables, as well as other sundry financial liabilities mostly fall due within the short term. Consequently, their carrying amounts at the end of the reporting period approximate their fair value.

The fair value of non-current liabilities is based on the current interest rate for borrowing at similar terms and conditions with comparable due date and credit rating. With the exception of the convertible bond, Schuldschein loans, liabilities to banks, and obligations from options, the fair value of liabilities approximates the carrying amount.

The fair value of the convertible bond (fair value hierarchy level 1) is calculated by multiplying the nominal value with the quoted price at the end of the reporting period. As of the reporting date, the convertible bond was listed at 91.00% (prior period: 108.26%), which translates into a market value of €136,500 thousand (prior period: €162,390 thousand).

The fair value of the Schuldschein loans as well as liabilities to banks (fair value hierarchy level 2) is determined by discounting the cash flows as of the measurement date with discount rates with matching terms.

The obligations from options measured at amortized cost (level 3 in the fair value hierarchy) primarily relate to the sundry financial liabilities recognized under the domination and profit and loss transfer agreement with HOMAG Group AG for the acquisition of shares as well as to settle the compensation entitlements. The sundry financial liabilities are recognized through profit or loss in the subsequent measurement. The expected term of the arbitration proceedings as well as the expected amount of the compensation payment and cash settlement determine the measurement of the option. Due to an initial ruling of the Stuttgart Regional Court, which is not yet legally binding, the expected compensation payment was raised from €1.01 to €1.03 (net) and the expected cash settlement from €31.56 to €31.58. On account of the new pool agreement concluded with the shareholder group Schuler/Klessmann in the 2021 reporting period and the initial ruling of the Stuttgart Regional Court, the price of the shares was increased from €25.00 to the expected exercise price of €31.58 in the 2021 reporting period and the term assumed for the measurement was adjusted, causing the liability to increase accordingly. Compared to expectations in the prior period, the term of the arbitration proceedings was extended by six months. The fair value is determined using a net present value model based on the cash settlement including compensation payment as well as the legal minimum interest rate and a discount rate with a matching term. The difference between the fair value and the carrying amount is due to the fact that the fair value takes into account changes in the actual interest rate environment, while the discount rate used for measurement at amortized cost remains mostly unchanged over the term.

The net present value model is also used to calculate the fair value of the other obligations classified at amortized cost from options held by non-controlling interests for the sale of their shares.

## Net gains and losses by measurement category

### 4.83 — NET GAINS AND LOSSES BY MEASUREMENT CATEGORY 2023

| € k | From interest | From subsequent measurement: At fair value | From subsequent measurement: Currency translation | From subsequent measurement: Loss allowance | From disposals | Net gain or loss |
|---|---|---|---|---|---|---|
| Financial assets measured at amortized cost | 32,500 | – | –17,356 | –9,254 | –1,596 | 4,294 |
| Investments in equity instruments measured at fair value through profit or loss | – | 1,048 | – | – | – | 1,048 |
| Investments in equity instruments measured at fair value through other comprehensive income | – | – | – | – | –25 | –25 |
| Financial liabilities measured at amortized cost | –51,939 | – | –3,214 | – | – | –55,153 |
| Financial liabilities measured at fair value through profit or loss | –24 | 6,493 | – | – | 14,955 | 21,424 |
| **Total** | **–19,463** | **7,541** | **–20,570** | **–9,254** | **13,334** | **–28,412** |

### 4.84 — NET GAINS AND LOSSES BY MEASUREMENT CATEGORY 2022

| € k | From interest | From subsequent measurement: At fair value | From subsequent measurement: Currency translation | From subsequent measurement: Loss allowance | From disposals | Net gain or loss |
|---|---|---|---|---|---|---|
| Financial assets measured at amortized cost | 11,424 | – | –8,619 | –7,893 | –243 | –5,331 |
| Investments in equity instruments measured at fair value through profit or loss | – | –4,099 | – | – | – | –4,099 |
| Investments in equity instruments measured at fair value through other comprehensive income | – | –4,586 | – | – | –67 | –4,653 |
| Financial liabilities measured at amortized cost | –25,554 | – | –4,073 | – | – | –29,627 |
| Financial liabilities measured at fair value through profit or loss | – | 5,524 | 382 | – | 6,125 | 12,031 |
| **Total** | **–14,130** | **–3,161** | **–12,310** | **–7,893** | **5,815** | **–31,679** |

### Financial assets which are subject to an enforceable master netting arrangement or a similar agreement

Some derivative financial instruments concluded with credit institutions are subject to certain contractual netting agreements which allow the Dürr Group, in the event of a credit institution filing for insolvency, to offset certain financial assets against certain financial liabilities.

### 4.85 — DERIVATIVE FINANCIAL ASSETS SUBJECT TO NETTING AGREEMENTS, ENFORCEABLE MASTER NETTING ARRANGEMENTS AND SIMILAR AGREEMENTS

| € k | Dec. 31, 2023 | Dec. 31, 2022 |
|---|---|---|
| Gross amounts of financial assets | 19,123 | 29,463 |
| Gross amounts of financial liabilities netted in the statement of financial position | – | –14,518 |
| **Net amounts of financial assets reported in the statement of financial position** | **19,123** | **14,945** |
| Associated amounts from financial instruments not netted in the statement of financial position | –5,016 | –3,232 |
| **Net amount** | **14,107** | **11,713** |

**4.86 — DERIVATIVE FINANCIAL LIABILITIES SUBJECT TO NETTING AGREEMENTS, ENFORCEABLE MASTER NETTING ARRANGEMENTS AND SIMILAR AGREEMENTS**

| € k | Dec. 31, 2023 | Dec. 31, 2022 |
|---|---|---|
| Gross amounts of financial liabilities | 10,338 | 23,058 |
| Gross amounts of financial assets netted in the statement of financial position | – | –14,518 |
| **Net amounts of financial liabilities reported in the statement of financial position** | **10,338** | **8,540** |
| Associated amounts from financial instruments not netted in the statement of financial position | –5,016 | –3,232 |
| **Net amount** | **5,322** | **5,308** |

### Pledges

At the end of the reporting period, financial assets of €4,524 thousand (prior period: €13,669 thousand) were pledged as cash collaterals or in the form of land charges.

## 37. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

The consolidated statement of cash flows shows how the cash and cash equivalents changed in the 2023 reporting period as a result of cash received and paid, and thus provides information on the sources and use of cash and cash equivalents. The consolidated statement of cash flows prepared in accordance with IAS 7 "Statement of Cash Flows" makes a distinction between the cash flows from operating, investing, and financing activities.

The cash presented in the statement of cash flows contains all of the Group's cash and cash equivalents, i.e., cash in hand, checks, and bank balances, with an original term to maturity of less than three months. The loss allowance to be recognized on cash and cash equivalents under IFRS 9 is eliminated from non-cash income and expenses in the statement of cash flows.

Cash of €102,915 thousand (prior period: €75,488 thousand) is restricted due to the restrictions on capital transfers, mainly in several Asian countries.

### Cash flow from operating activities

The cash flow from operating activities is derived indirectly from the earnings of the Group. Income tax payments are added to earnings before income taxes that are also adjusted for net interest and non-cash items. The latter includes amortization, depreciation and impairment of non-current assets, the profit from entities accounted for using the equity method, and the net gain or loss on the disposal of property, plant and equipment. To derive the cash flow from operating activities, changes in the items of the statement of financial position that result from operating activities are then considered. Effects from foreign currency translation and changes in the consolidated group are eliminated. Changes in operating assets and liabilities contained in the consolidated statement of cash flows therefore do not necessarily match the changes in the related items of the consolidated statement of financial position.

In the 2023 reporting period, the amortization, depreciation, and impairment of non-current assets reported in the consolidated statement of cash flows increased by €1,941 thousand due to reversals included in the investment result. In the prior period the amortization, depreciation, and impairment of non-current assets decreased by €1,941 thousand. The cash flow from operating activities includes effects of non-recourse financing and premature settlement of letters of credit of €38,724 thousand (prior period: €0 thousand).

**4.87 — OTHER NON-CASH EXPENSES AND INCOME**

| € k | 2023 | 2022 |
|---|---|---|
| Result from contingent purchase price installments | 5,332 | 840 |
| Expenses/income from assets classified as held for sale | –816 | 156 |
| Loss allowances on cash and cash equivalents | 212 | –1,290 |
| Loss allowances on financial assets and other investments | –2,594 | 2,419 |
| Result from the acquisition of Hekuma GmbH | 512 | –750 |
| Measurement of options of owners of non-controlling interests | –6,124 | –3,531 |
| Currency translation differences and other | 12,665 | –2,827 |
| **Total other non-cash income and expenses** | **9,187** | **–4,983** |

### Cash flow from investing activities

The cash flow from investing activities is derived from actual cash flows. This relates mainly to the cash outflows for investments made in non-current assets, investments of free cash, and acquisitions. Cash outflows for the acquisition of property, plant and equipment are divided into €45,774 thousand (prior period: €44,537 thousand) for expansion investments and €32,810 thousand (prior period: €30,396 thousand) for replacement investments. Cash inflows arise from the disposal of non-current assets and interest received. The investment of free cash in time deposits results in cash inflows of €150,000 thousand (prior period: cash inflows of €104,630 thousand).

Accounting for leases pursuant to IFRS 16, the cash flow from investing activities only shows a cash outflow for prepayments and acquisition-related costs, because the addition of right-of-use assets does not involve cash outflow, except in the above mentioned cases. The payments for leases are reported under cash flow from financing activities.

In addition to the acquisitions carried out in the 2023 reporting period, the cash flow from investing activities includes the payment of purchase price components related to acquisitions carried out in previous periods. The payments for acquisitions less cash acquired amount to €322,568 thousand (prior period: €4,980 thousand). Please refer to → **note 18** for explanations on the paid acquisition prices paid less cash acquired.

Explanations on income from the disposal of assets held for sale can be found in → **note 26**.

### Cash flow from financing activities

The cash flow from financing activities is also derived from actual cash flows. It contains dividends and cash paid to shareholders and non-controlling interests, interest paid for the convertible bond, the Schuldschein loans, and the other financing activities. It also includes the payments made to settle liabilities under the terms of leases and other non-current loans. The line item "Net movement of current financial liabilities" mainly contains cash inflows and outflows from overdraft facilities.

On April 20, 2023, Dürr AG received the proceeds of €298,861 thousand under the first green Schuldschein loan (after deduction of transaction costs). On the other hand, there was a repayment of €50,000 thousand in relation to another tranche of the 2016 Schuldschein loan in April 2023. As part of the acquisition of the BBS Automation Group, the Dürr Group received €300,000 thousand as part of a bridge financing scheme. In contrast, loans and liabilities at various credit institutions and other parties were repaid in the amount of €117,955 thousand.

In the 2023 reporting period, the Dürr Group had cash outflows of €23,114 thousand (prior period: €26,293 thousand) from transactions with the owners of non-controlling interests. On the other hand, the Group received cash of €1,200 thousand (prior period: €1,000 thousand) from the capital increase at two entities with non-controlling interests.

**4.88 — TRANSACTIONS WITH OWNERS OF NON-CONTROLLING INTERESTS FROM INCREASING EQUITY INTERESTS**

| € k | 2023 | 2022 |
|---|---|---|
| Techno-Step GmbH | 5,187 | – |
| BBS Automation Group | 9,881 | – |
| Teamtechnik Group | 4,900 | – |
| CPM S.p.A. | 3,146 | 26,220 |
| Stimas S.r.l. | – | 73 |
| **Total** | **23,114** | **26,293** |

Pursuant to IAS 7 "Statement of Cash Flows", the cash outflow for the increase in equity interests is contained in the cash flow from financing activities under the item "Payments for transactions with owners of non-controlling interests", as the entities were already previously fully consolidated in the Dürr Group. In addition, the Dürr Group acquired additional shares in HOMAG Group AG owned by the non-controlling shareholders at a value of €7,959 thousand (prior period: €3 thousand).

Interest paid includes the payment of the guaranteed dividend of €5,563 thousand (prior period: €5,563 thousand) to the owners of non-controlling interests of HOMAG Group AG, as the conclusion of the domination and profit and loss transfer agreement has led to the situation where outside shareholders according to IFRS accounting are not considered as owners of non-controlling interests. Interest payments related to lease liabilities in the 2023 reporting period amounted to €4,492 thousand (prior period: €3,372 thousand).

According to IAS 7, the reconciliation in → **table 4.89** presents the changes in liabilities from financing activities. These are defined as liabilities whose cash inflows and outflows are recognized in the statement of cash flows as cash flows from financing activities. This includes liabilities related to the acquisition of non-controlling interests. Assets that serve to hedge non-current liabilities are also presented here.

### 4.89 — CHANGES IN LIABILITIES FROM FINANCING ACTIVITIES

| € k | Carrying amount as of Jan. 1 | With cash effect | With non-cash effect | | | | | Carrying amount as of Dec. 31 |
|---|---|---|---|---|---|---|---|---|
| | | | Exchange difference | Changes in the consolidated group | Addition | Changes in fair value | Other changes | |
| Convertible bond | 152,592 | – | – | – | – | – | 2,385 | 154,977 |
| (2022) | (150,265) | (–) | (–) | (–) | (–) | (–) | (2,327) | (152,592) |
| Schuldschein loans | 663,775 | 248,861 | – | – | – | – | 465 | 913,101 |
| (2022) | (663,478) | (–) | (–) | (–) | (–) | (–) | (297) | (663,775) |
| Liabilities to banks | 895 | 304,062 | 355 | 51,205 | – | – | 472 | 356,989 |
| (2022) | (26,959) | (–26,060) | (–4) | (–) | (–) | (–) | (–) | (895) |
| Lease liabilities | 94,799 | –34,688 | –2,144 | 22,184 | 40,388 | – | –2,452 | 118,087 |
| (2022) | (95,670) | (–31,088) | (–214) | (–) | (36,781) | (–) | (–6,350) | (94,799) |
| Liabilities from options | 143,130 | –21,383 | –10 | – | – | 1,144 | – | 122,881 |
| (2022) | (176,965) | (–29,561) | (–) | (–) | (–) | (2,751) | (–7,025) | (143,130) |
| Liabilities from purchase price install-ments for non-controlling interests | 7,025 | –3,146 | – | – | – | –3,266 | – | 613 |
| (2022) | (–) | (–) | (–) | (–) | (–) | (–) | (7,025) | (7,025) |
| Liabilities from accrued interest | 8,655 | –8,655 | – | 63 | 18,631 | – | – | 18,694 |
| (2022) | (9,229) | (–8,600) | (–) | (–) | (8,026) | (–) | (–) | (8,655) |
| Sundry liabilities from financing activities | 1,926 | –96,201 | – | 96,288 | – | – | 144 | 2,157 |
| (2022) | (1,849) | (77) | (–) | (–) | (–) | (–) | (–) | (1,926) |
| **Total 2023** | **1,072,797** | **388,850** | **–1,799** | **169,740** | **59,019** | **–2,122** | **1,014** | **1,687,499** |
| (Total 2022) | (1,124,415) | (–95,232) | (–218) | (–) | (44,807) | (2,751) | (–3,726) | (1,072,797) |

The Group has unused credit lines and bank guarantees of €1,674,440 thousand (prior period: €1,239,804 thousand). The credit lines and bank guarantee facilities are regularly not bound to any particular purpose and serve to generally fund the Group as well as project management. More information on the financing of the Group can be found in → **note 32**. A breakdown of the cash flows from operating activities, investing activities, and financing activities by Group division can be found in → **note 38**. An explanation of the statement of cash flows can be found in the section on **"Financial development"** → **page 103** in the combined management report.

# Other notes

## 38. SEGMENT REPORTING

The segment reporting was prepared according to IFRS 8 "Operating Segments". Based on the internal reporting and organizational structure of the Group, the data contained in the consolidated financial statements is presented by division. The presentation of segments is designed to provide details on the financial performance and financial position of individual activities.

The reporting is based on the divisions of the Group. As of December 31, 2023, the Dürr Group consisted of the Corporate Center and five operating divisions, each with global responsibility for its products and results. Paint and Final Assembly Systems plans and builds paint systems and final assembly lines for the automotive industry. The division also offers testing technology, assembly products, and filling technology for final vehicle assembly. Application Technology develops and manufactures products and systems for the automated application of paint, sealants, and adhesives. Clean Technology Systems offers systems for purifying exhaust gases, for coating battery electrodes, and for noise abatement. Industrial Automation Systems combines the automation systems business and the balancing, filling, and tooling technology. It should be noted that the Industrial Automation Systems division was formed in the course of the 2023 reporting period. It replaced the former Measuring and Process Systems division, which, together with the automation business of the Teamtechnik Group and BBS Automation Group, now forms the Industrial Automation Systems activities. Woodworking Machinery and Systems develops and manufactures machinery and systems used for wood processing in the production of furniture and kitchens. The division also focuses on systems for the production of building components for climate-friendly timber houses. The Corporate Center mainly comprises the holding companies Dürr AG and Dürr Technologies GmbH as well as Dürr Group Services GmbH (prior period: Dürr IT Service GmbH), which performs IT and HR services throughout the Group. A detailed description of the activities of the individual divisions can be found in the section **"The Group at a glance" ⟶ page 24** in the combined management report. Transactions between the divisions are carried out at arm's length.

The segment reporting under IFRS 8 is based on the internal reporting. The revenue and EBIT of each of the five divisions are individually monitored by management in order to make decisions on the allocation of resources to determine the profitability of the units and to measure the development of the segments. The Group financing (including financial expenses and income) and income taxes are controlled across the Group and are not allocated to the individual business segments.

The revenue from contracts with customers is recognized for each division in accordance with IFRS 15 and categorized into over-time and point-in-time revenue. Only the Woodworking Machinery and Systems division records revenue from contracts with customers largely at the time of the transfer of control, which is due to the high degree of standardization of the machines and the associated possible alternative use. All other divisions primarily generate revenue over time due to their contractual conditions.

Intra-group leases are not capitalized but recognized as expenses or income.

### 4.90 — SEGMENT REPORTING

| € k | Paint and Final Assembly Systems | Application Technology | Clean Technology Systems | Industrial Automation Systems | Woodworking Machinery and Systems | **Total segments** | Reconcilia-tion[1] | **Dürr Group** |
|---|---|---|---|---|---|---|---|---|
| **2023** | | | | | | | | |
| Sales revenue recognized over time from contracts with customers | 1,247,586 | 438,492 | 396,703 | 363,643 | 343,035 | 2,789,459 | – | 2,789,459 |
| Sales revenue recognized at a point in time from contracts with customers | 106,450 | 173,416 | 82,902 | 197,410 | 1,273,062 | 1,833,240 | 533 | 1,833,773 |
| Sales revenue from lease agreements | – | – | – | 4,102 | – | 4,102 | – | 4,102 |
| Sales revenue with other divisions | 9,584 | 2,132 | 1,641 | 25,527 | 8,958 | 47,842 | –47,842 | – |
| **Total sales revenue** | **1,363,620** | **614,040** | **481,246** | **590,682** | **1,625,055** | **4,674,643** | **–47,309** | **4,627,334** |
| thereof from services | 422,699 | 236,940 | 157,858 | 134,047 | 365,507 | 1,317,051 | –9,648 | 1,307,403 |
| **EBIT** | **67,356** | **59,990** | **25,343** | **11,254** | **71,068** | **235,011** | **–43,566** | **191,445** |
| **EBIT before extraordinary effects** | **69,013** | **60,598** | **30,310** | **29,548** | **129,695** | **319,164** | **–38,759** | **280,405** |
| Earnings from entities accounted for using the equity method | – | – | – | 2,556 | – | 2,556 | – | 2,556 |
| Cash flow from operating activities | 63,799 | 85,253 | 61,996 | 29,166 | 108,917 | 349,131 | –61,637 | 287,494 |
| Cash flow from investing activities | –1,589 | –12,174 | –22,456 | –321,173 | –45,689 | –403,081 | 146,496 | –256,585 |
| Cash flow from financing activities | –11,959 | –87,170 | –43,965 | 319,793 | –79,384 | 97,315 | 204,372 | 301,687 |
| Amortization and depreciation | –24,377 | –13,567 | –9,309 | –32,323 | –46,906 | –126,482 | –2,788 | –129,270 |
| Impairment losses on intangible assets and property, plant and equipment | –59 | –597 | – | –179 | –696 | –1,531 | – | –1,531 |
| Non-cash expenses and income | 5,270 | –935 | –1,122 | 5,425 | 5,048 | 13,686 | –4,499 | 9,187 |
| Additions to intangible assets | 12,682 | 4,999 | 14,269 | 222,851 | 10,335 | 265,136 | 1,054 | 266,190 |
| Additions to property, plant and equipment including rights of use | 15,543 | 14,354 | 6,043 | 20,822 | 60,459 | 117,221 | 1,751 | 118,972 |
| Investments in entities accounted for using the equity method | – | – | – | 18,049 | 645 | 18,694 | – | 18,694 |
| Assets (as of Dec. 31) | 821,172 | 552,830 | 343,386 | 1,208,338 | 1,132,314 | 4,058,040 | –58,171 | 3,999,869 |
| Liabilities (as of Dec. 31) | 641,263 | 271,745 | 309,713 | 324,965 | 676,907 | 2,224,593 | 187,675 | 2,412,268 |
| Employees (as of Dec. 31) | 4,772 | 2,084 | 1,525 | 4,240 | 7,348 | 19,969 | 628 | 20,597 |

[1] The number of employees, amortization and depreciation, additions to intangible assets and property, plant, and equipment, as well as non-cash expenses and income and point-in-time sales revenue from contracts with customers reported in the reconciliation column relate to the Corporate Center.

### 4.90 — SEGMENT REPORTING

| € k | Paint and Final Assembly Systems[2] | Application Technology | Clean Technology Systems | Industrial Automation Systems[2] | Woodworking Machinery and Systems | **Total segments** | Reconciliation[1,2] | **Dürr Group** |
|---|---|---|---|---|---|---|---|---|
| **2022** | | | | | | | | |
| Sales revenue recognized over time from contracts with customers | 1,168,564 | 429,595 | 377,108 | 216,393 | 335,809 | 2,527,469 | – | 2,527,469 |
| Sales revenue recognized at a point in time from contracts with customers | 92,850 | 156,279 | 77,711 | 196,377 | 1,258,760 | 1,781,977 | 484 | 1,782,461 |
| Sales revenue from lease agreements | – | – | – | 4,136 | – | 4,136 | – | 4,136 |
| Sales revenue with other divisions | 5,092 | 752 | 1,258 | 31,039 | 7,574 | 45,715 | –45,715 | – |
| **Total sales revenue** | **1,266,506** | **586,626** | **456,077** | **447,945** | **1,602,143** | **4,359,297** | **–45,231** | **4,314,066** |
| thereof from services | 391,024 | 208,636 | 150,489 | 121,403 | 356,874 | 1,228,426 | –9,705 | 1,218,721 |
| **EBIT** | **51,826** | **48,863** | **5,787** | **19,961** | **107,489** | **233,926** | **–28,029** | **205,897** |
| **EBIT before extraordinary effects** | **55,923** | **48,822** | **11,424** | **18,556** | **124,781** | **259,506** | **–27,349** | **232,157** |
| Earnings from entity accounted for using the equity method | – | – | – | 636 | – | 636 | – | 636 |
| Cash flow from operating activities | 38,500 | 32,463 | 85,236 | 21,639 | 104,437 | 282,275 | –17,571 | 264,704 |
| Cash flow from investing activities | –15,036 | –4,864 | –942 | –31,744 | –59,528 | –112,114 | 125,393 | 13,279 |
| Cash flow from financing activities | –77,433 | 14,725 | –63,306 | 10,039 | –21,207 | –137,182 | –4,144 | –141,326 |
| Amortization and depreciation | –24,351 | –13,384 | –9,663 | –20,314 | –54,680 | –122,392 | –2,391 | –124,783 |
| Impairment losses on intangible assets and property, plant and equipment | –1,394 | – | – | – | –815 | –2,209 | – | –2,209 |
| Non-cash expenses and income | –808 | –301 | 368 | –261 | –3,364 | –4,366 | –617 | –4,983 |
| Additions to intangible assets | 7,822 | 4,000 | 1,795 | 5,984 | 6,342 | 25,943 | 885 | 26,828 |
| Additions to property, plant and equipment including rights of use | 21,181 | 10,051 | 5,107 | 14,323 | 59,145 | 109,807 | 1,907 | 111,714 |
| Investment in entity accounted for using the equity method | – | – | – | 17,636 | – | 17,636 | – | 17,636 |
| Assets (as of Dec. 31) | 869,604 | 558,882 | 342,795 | 582,235 | 1,257,180 | 3,610,696 | –64,784 | 3,545,912 |
| Liabilities (as of Dec. 31) | 694,163 | 265,333 | 296,797 | 203,052 | 800,837 | 2,260,182 | 207,577 | 2,467,759 |
| Employees (as of Dec. 31) | 4,555 | 2,040 | 1,363 | 2,591 | 7,525 | 18,074 | 440 | 18,514 |

[1] The number of employees, amortization and depreciation, additions to intangible assets and property, plant, and equipment, as well as non-cash expenses and income and point-in-time sales revenue from contracts with customers reported in the reconciliation column relate to the Corporate Center.
[2] The business activities of the Teamtechnik Group were transferred from the Paint and Final Assembly Systems division to Industrial Automation Systems division on September 1, 2023. The disclosures for the 2022 reporting period and as of December 31, 2022 have been adjusted accordingly.

**4.91 — RECONCILIATION OF SEGMENT FIGURES TO THE FIGURES OF THE DÜRR GROUP**

| € k | 2023 | 2022[1] |
|---|---|---|
| EBIT of the segments | 235,011 | 233,926 |
| EBIT of the Corporate Center | –40,281 | –26,743 |
| Elimination of consolidation entries | –3,285 | –1,286 |
| **EBIT of the Dürr Group** | **191,445** | **205,897** |
| Investment result | 4,613 | 1,344 |
| Interest and similar income | 33,095 | 11,487 |
| Interest and similar expenses | –57,882 | –30,620 |
| **Earnings before income taxes** | **171,271** | **188,108** |
| Income taxes | –61,055 | –53,851 |
| **Profit of the Dürr Group** | **110,216** | **134,257** |
| | | |
| € k | Dec. 31, 2023 | Dec. 31, 2022 |
| Segment assets | 4,058,040 | 3,610,696 |
| Assets of the Corporate Center | 1,268,102 | 1,074,546 |
| Elimination of consolidation entries | –1,326,273 | –1,139,330 |
| Cash and cash equivalents | 1,037,137 | 716,103 |
| Time deposits and further financial assets | 204 | 150,141 |
| Income tax receivables | 39,007 | 31,794 |
| Deferred tax assets | 79,768 | 86,997 |
| **Total assets of the Dürr Group** | **5,155,985** | **4,530,947** |
| | | |
| Segment liabilities | 2,224,593 | 2,260,182 |
| Liabilities of the Corporate Center | 251,200 | 254,391 |
| Elimination of consolidation entries | –63,525 | –46,814 |
| Convertible bond and Schuldschein loans | 1,058,035 | 806,324 |
| Liabilities to banks | 356,989 | 895 |
| Remaining other financial liabilities | 20,851 | 10,581 |
| Income tax liabilities | 61,040 | 77,652 |
| Deferred tax liabilities | 69,836 | 43,563 |
| **Total liabilities of the Dürr Group[2]** | **3,979,019** | **3,406,774** |

[1] The business activities of the Teamtechnik Group were transferred from the Paint and Final Assembly Systems division to Industrial Automation Systems division on September 1, 2023. The disclosures for the 2022 reporting period and as of December 31, 2022 have been adjusted accordingly.
[2] Consolidated total assets less total equity

## Regional segmentation

Sales revenue is allocated to regions in → table 4.92 based on the location of the project or delivery locations. The Group's assets are allocated on the basis of the location of the subsidiary reporting these assets. In accordance with IFRS 8.33 they include all non-current assets of the Group except for financial instruments, deferred tax assets, and post-employment benefit assets.

In the 2023 reporting period, 9.85% of sales revenue were generated with the largest customer compared to 4.60% in the prior period. The second- and third-largest customers accounted for 4.69% (prior period: 4.49%) and 3.49% (prior period: 2.87%), respectively. With the three largest customers, sales revenue was generated in all divisions aside from the Woodworking Machinery and Systems division. Entities that are known to be under common control are considered as one customer.

**4.92 — REGIONAL SEGMENTATION**

| € k | Germany | Other European countries | USA | Other North, Central and South American countries | China | Other Asian countries/ Africa/ Australia | Dürr Group |
|---|---|---|---|---|---|---|---|
| **2023** | | | | | | | |
| Sales revenue with customers | 752,707 | 1,339,274 | 1,055,003 | 372,755 | 749,748 | 357,847 | 4,627,334 |
| Additions to property, plant and equipment | 67,121 | 18,675 | 12,140 | 4,926 | 9,835 | 6,275 | 118,972 |
| Non-current assets (as of Dec. 31) | 1,107,058 | 328,060 | 156,645 | 46,758 | 112,315 | 30,295 | 1,781,131 |
| Employees (as of Dec. 31) | 9,410 | 3,373 | 1,581 | 1,420 | 3,216 | 1,597 | 20,597 |
| | | | | | | | |
| **2022** | | | | | | | |
| Sales revenue with customers | 640,088 | 1,192,092 | 934,014 | 255,966 | 961,406 | 330,500 | 4,314,066 |
| Additions to property, plant and equipment | 57,262 | 21,500 | 7,857 | 4,271 | 7,527 | 13,297 | 111,714 |
| Non-current assets (as of Dec. 31) | 776,382 | 263,258 | 149,618 | 44,465 | 79,733 | 29,675 | 1,343,131 |
| Employees (as of Dec. 31) | 8,850 | 3,059 | 1,484 | 1,226 | 2,525 | 1,370 | 18,514 |

## 39. RELATED PARTY TRANSACTIONS

Related parties comprise members of the Supervisory Board and the Board of Management. Some members of the Supervisory Board of Dürr AG hold high-ranking positions in other entities. Business transactions between the Dürr Group and these entities relate exclusively to delivery and service transactions as part of the ordinary business activities of the Dürr Group and are carried out at arm's length. For further information about members of the Board of Management and the Supervisory Board of Dürr AG, please refer to → note 42.

Related parties include entities accounted for using the equity method and non-consolidated subsidiaries of the Dürr Group as well as entities for which Dürr AG represents an associate.

**4.93 — RELATED PARTY TRANSACTIONS**

| € k | 2023 | 2022 |
|---|---|---|
| **DELIVERY AND SERVICE TRANSACTIONS** | | |
| Associates | 1,725 | 484 |
| Non-consolidated subsidiaries | – | – |
| Other related party | 90 | 64 |
| Members of the Supervisory Board | 24 | 93 |
| **Total delivery and service transactions** | **1,839** | **641** |

**4.94 — RELATED PARTY BALANCES**

| € k | Dec. 31, 2023 | Dec. 31, 2022 |
|---|---|---|
| **RECEIVABLES FROM RELATED PARTIES** | | |
| Associates | 86 | 30 |
| Non-consolidated subsidiaries | – | – |
| Other related party | – | – |
| Members of the Supervisory Board | – | – |
| **Total receivables** | **86** | **30** |
| | | |
| **LIABILITIES TO RELATED PARTIES** | | |
| Associates | 44 | 99 |
| Non-consolidated subsidiaries | 1,040 | 1,058 |
| Other related party | 15 | 15 |
| Members of the Supervisory Board | – | 12 |
| **Total liabilities** | **1,099** | **1,184** |

Total remuneration of the management – comprising the Supervisory Board and the Board of Management – amounts to €5,274 thousand (prior period: €5,479 thousand). In the 2023 reporting period, a dividend of €12,711 thousand was distributed to Heinz Dürr GmbH (prior period: €9,079 thousand).

## 40. CONTINGENT LIABILITIES AND OTHER FINANCIAL OBLIGATIONS

**4.95 — CONTINGENT LIABILITIES**

| € k | Dec. 31, 2023 | Dec. 31, 2022 |
|---|---|---|
| Obligations from warranties and guarantees | 1,675 | 1,694 |
| Other | 2,850 | 332 |
| **Total contingent liabilities** | **4,525** | **2,026** |

The Dürr Group assumes that these contingent liabilities will not lead to any liabilities or cash outflows.

Besides liabilities, provisions, and contingent liabilities, the Group has other financial obligations for the acquisition of property, plant and equipment of €22,433 thousand (prior period: €11,686 thousand). There were also purchase commitments stemming from procurement agreements on a customary scale.

As of December 31, 2023, there were obligations of €4,446 thousand (prior period: €6,910 thousand) for leases that the Dürr Group has already entered into but that have not commenced yet. As of December 31, 2023, obligations for short-term leases amounted to €1,062 thousand (prior period: €1,337 thousand).

## 41. RISK MANAGEMENT AND DERIVATIVE FINANCIAL INSTRUMENTS

The Group operates in countries in which there are political and economic risks. These risks did not have any material effect on the Group in the 2023 reporting period. The Dürr Group may be involved in litigation, including product liability, in the ordinary course of business. There are no matters pending that the Board of Management expects to be material in relation to the Group's business or financial position. Provision has been made for expected litigation costs. The Group is generally exposed to financial risks. These include mainly credit risks, liquidity risks, and exposure to interest rate changes or currency risks. The regulations for a Group-wide risk policy are set forth in the Group's guidelines. Detailed information on the risk management system of the Dürr Group can be found in the **"Risk report" ⟶ page 113** in the combined management report.

### Credit risk

Credit risk relates to the possibility that business partners may fail to meet their obligations in a transaction involving non-derivative and derivative financial instruments and that capital losses could be incurred as a result.

For a loss allowance to be recognized pursuant to IFRS 9, the credit risks of the individual debtors are firstly segmented using common credit risk characteristics. Determining the loss allowance requires a diversified analysis of the debtors. Information on delayed payment and current market information, such as credit default swaps, future assessments by management, and external ratings, among other things, are used for the analysis. This involves dividing the respective debtors into important and less important debtors measured in terms of the volume of the business relationship. As the economic development of the Dürr Group hinges to a large extent on the willingness of the automotive industry to invest, some automotive manufacturers are for example classified as important debtors. Despite their modest number, the Dürr Group generates a significant portion of sales revenue in business with these debtors. Using the simplified approach, this information is processed and used to derive loss allowance rates. These are applied throughout the Group as provision matrices. With the general approach, the loss allowance rates for important debtors are calculated on an individual basis. However, for less important debtors, clusters are formed to calculate the loss allowance rates.

The quantification of the expected credit losses primarily relates to three risk parameters: probability of default, loss given default, and exposure at default. Depending on the debtor and maturity, the calculated amount of the loss allowance rates ranges from virtually 0% to 0.52%. The credit risks and associated loss allowance rates are regularly reviewed and adjusted accordingly.

In order to minimize the credit risk, credit ratings are performed for new customers, while the payment patterns of regular customers are analyzed on an ongoing basis. Furthermore, the Group analyzes publicly available market information and publications for certain customer groups for which an increased risk of default may arise. The Dürr Group uses respective terms of payment as well as credit insurance policies such as letters of credit and trade credit insurance policies to further limit the risk of default. The maximum credit risk is shown by the carrying amount of financial assets recognized in the statement of financial position.

Further explanations on the impairment of financial assets can be found in → **note 6**.

**4.96 — CARRYING AMOUNTS OF RECEIVABLES SECURED AGAINST DEFAULT**

| € k | Dec. 31, 2023 | Dec. 31, 2022 |
|---|---|---|
| Letters of credit | 5,842 | 7,556 |
| Trade credit insurance policies | 2,436 | 1,001 |
| **Total** | **8,278** | **8,557** |

In connection with the investment of cash and cash equivalents, investments as part of financial asset management, and the portfolio of derivative financial assets, the Group is exposed to losses from credit risks should the credit institutions and companies fail to meet their obligations. The Dürr Group manages the resulting risk position by diversifying the portfolio and selecting the counterparties carefully. No cash and cash equivalents, investments of active asset management, or derivative financial assets were past due as a result of credit defaults.

### Dependence of business on few customers

Due to the concentration of certain divisions on the automotive industry, a significant portion of the Group's receivables are due from comparably few automobile manufacturers. Generally these receivables are not secured by bank guarantees or other collateral. As of December 31, 2023, 31.0% (prior period: 33.0%) of the trade receivables were due from the ten largest customers. The Dürr Group does not see any concentration of credit risk from its business relations with individual debtors or groups of debtors. Due to the various divisions of the Group, each with its own different customer base, the level of diversity displayed among the Group's customers can be classified as high compared to pure-play automotive suppliers.

### Liquidity risk

Liquidity risk is the risk that the Group may not be in a position to meet its obligations in the future, or to meet them at a reasonable price, when they fall due.

The liquidity situation is secured by available cash and cash equivalents as well as the credit lines which the Group can draw on. The liquidity situation is monitored and managed by means of a liquidity plan with a planning horizon of 18 months, coupled with a short-term liquidity forecast. In addition, use of cross-border cash pooling structures has improved the structure of the statement of financial position through liquidity pooling, reduced the volume of borrowed funds, and thus helped to enhance the financial result. At the same time, the liquidity situation is more transparent. Moreover, excess liquidity at individual entities within the Group can be used to finance the cash needs of other Group entities internally. In operations, the liquidity risk is addressed by actively managing current assets so as to counteract any fluctuations during the year. Please refer to → **note 6** for further details.

There are also financial guarantees of €1,675 thousand (prior period: €1,694 thousand). They were issued as part of sales financing to customers. The Group does not currently expect this to result in any significant cash outflows.

→ **Table 4.97** shows the contractually agreed (undiscounted) interest and principal payments for non-derivative financial liabilities.

### 4.97 — INTEREST AND PRINCIPAL PAYMENTS FOR FINANCIAL LIABILITIES

| € k | Carrying amount as of Dec. 31, 2023 | Cash flows | | | |
|---|---|---|---|---|---|
| | | Current | Total non-current | Medium-term | Long-term |
| **Non-derivative financial liabilities** | | | | | |
| Trade payables | 603,652 | 598,988 | 4,664 | 4,664 | – |
| Convertible bond | 144,934 | 1,125 | 152,250 | 152,250 | – |
| Schuldschein loans | 913,101 | 62,755 | 984,864 | 804,702 | 180,162 |
| Liabilities to banks | 356,989 | 327,514 | 29,475 | 29,412 | 63 |
| Lease liabilities | 118,087 | 39,543 | 95,335 | 79,640 | 15,695 |
| Remaining other financial liabilities | 20,851 | 19,124 | 1,727 | 1,727 | – |
| Obligations from options | 201,708 | 199,455[1] | 2,253 | 2,253 | – |
| Liabilities from purchase price installments | 6,259 | 6,259 | – | – | – |
| Other sundry financial liabilities | 157,698 | 155,353 | 2,345 | 2,345 | – |

| € k | Carrying amount as of Dec. 31, 2022 | Cash flows | | | |
|---|---|---|---|---|---|
| | | Current | Total non-current | Medium-term | Long-term |
| **Non-derivative financial liabilities** | | | | | |
| Trade payables | 606,152 | 605,731 | 421 | 421 | – |
| Convertible bond | 142,549 | 1,125 | 153,375 | 153,375 | – |
| Schuldschein loans | 663,775 | 61,221 | 652,190 | 512,867 | 139,323 |
| Liabilities to banks | 895 | 670 | 225 | 225 | – |
| Lease liabilities | 94,799 | 29,860 | 75,993 | 59,922 | 16,071 |
| Remaining other financial liabilities | 10,581 | 9,094 | 1,487 | 1,487 | – |
| Obligations from options | 223,258 | 203,609[1] | 19,649 | 19,649 | – |
| Liabilities from purchase price installments | 15,111 | 9,739 | 5,372 | 5,372 | – |
| Other sundry financial liabilities | 136,990 | 133,662 | 3,328 | 2,408 | 920 |

[1] The cash flows for obligations from options relate primarily to the sundry financial liability recognized in connection with the domination and profit and loss transfer agreement with HOMAG Group AG. The expected cash flows were classified as current. However, the options can also be exercised with differing terms. Please refer to note 6 for further details.

The following table shows the liquidity analysis of the Group for derivative financial instruments based on the contractual maturities. The table is based on the undiscounted net cash inflows and outflows of those derivative instruments that are offset on a net basis as well as the undiscounted gross cash inflows and outflows of those derivatives that need to be offset on a gross basis.

**4.98 — CONTRACTUALLY AGREED UNDISCOUNTED CASH FLOWS OF DERIVATIVE FINANCIAL INSTRUMENTS WITH NEGATIVE MARKET VALUE**

| € k | Total Dec. 31, 2023 | Cash flows Current | Total non-current | Medium-term | Long-term |
|---|---|---|---|---|---|
| **DERIVATIVE FINANCIAL LIABILITIES** | | | | | |
| **Gross settlement** | | | | | |
| Cash outflows | 336,165 | 308,752 | 27,413 | 27,413 | – |
| Cash inflows | 328,805 | 302,734 | 26,071 | 26,071 | – |
| **Net settlement** | | | | | |
| Cash outflows | 225 | 217 | 8 | 8 | – |
| Cash inflows | – | – | – | – | – |

| € k | Total Dec. 31, 2022 | Cash flows Current | Total non-current | Medium-term | Long-term |
|---|---|---|---|---|---|
| **DERIVATIVE FINANCIAL LIABILITIES** | | | | | |
| **Gross settlement** | | | | | |
| Cash outflows | 350,665 | 316,414 | 34,251 | 34,251 | – |
| Cash inflows | 342,348 | 308,186 | 34,162 | 34,162 | – |
| **Net settlement** | | | | | |
| Cash outflows | 20 | 20 | – | – | – |
| Cash inflows | – | – | – | – | – |

**Foreign currency risk**

Currency risks exist in particular where receivables or liabilities are carried or will arise in the ordinary course of business in a currency other than the functional currency of the entity. Foreign exchange risks are hedged where they affect the cash flows of the Group. Foreign exchange risks that do not affect the cash flows of the Group (i.e., the risks from translating the items from the statement of financial position of foreign operations to the euro, the Group's reporting currency), however, are generally not hedged. Forward exchange transactions are entered into to hedge exchange rate fluctuations from cash flows relating to forecast purchase and sales transactions with original terms of up to 50 months (prior period: 60 months). The maximum residual term of derivatives for hedging currency risks as at the reporting date is 28 months (prior period: 29 months).

Regarding the presentation of market risks, IFRS 7 "Financial Instruments: Disclosures" requires sensitivity analyses showing how profit or loss and equity would have been affected by hypothetical changes in the relevant risk variables. The periodic effects are determined by relating the hypothetical changes of the risk variables to the financial instruments as of the end of the reporting period. The presentation is based on the assumption that the portfolio at the end of the reporting period was representative for the whole year. Currency risks as defined by IFRS 7 arise from financial instruments that are denominated in a currency other than the functional currency and are of a monetary nature; exchange differences from the translation of financial statements to the Group's currency are not taken into account. All currencies other than the functional currency in which the Dürr Group holds financial instruments are relevant risk variables.

Material non-derivative monetary items which constitute currency risks for the Group are cash, trade receivables and payables, as well as contract assets. Non-derivative financial instruments that could give rise to currency risks are usually hedged by derivative financial instruments that are accounted for as fair value hedges. In the process, both the change in the derivative financial instrument and the change in the value of the hedged item, regarding the hedged risks, are recognized through profit or loss. In addition, the Group is exposed to currency risks from derivatives that are embedded, in accordance with IAS 39, in effective cash flow hedges of fluctuation in payments caused by exchange rates. Exchange rate changes concerning the currencies underlying these transactions affect the currency reserve in equity and the fair value of the hedges.

The analyses of the Group's sensitivity to fluctuations in foreign exchange rates use the currency pairs that are relevant for the Dürr Group. This involves projecting the impact of a hypothetical 10% appreciation, or depreciation respectively, of the euro against the US dollar, the Chinese renminbi, the Danish krone, the pound sterling, the Indian rupee, the Mexican peso, the Swiss franc, the Korean won, the Polish zloty as well as an appreciation or depreciation of the US dollar against the Mexican peso, Korean won and Malaysian ringgit.

### 4.99 — IMPACT ON THE STATEMENT OF PROFIT OR LOSS AND EQUITY

| | Dec. 31, 2023 | | Dec. 31, 2022 | |
|---|---|---|---|---|
| € k | Impact on the statement of profit or loss | Impact on the hedge reserve in equity | Impact on the statement of profit or loss | Impact on the hedge reserve in equity |
| **EUR/CHF** | | | | |
| EUR +10% | 560 | – | 842 | – |
| EUR –10% | –684 | – | –1,022 | – |
| **EUR/CNY** | | | | |
| EUR +10% | 7,487 | 7,799 | 11,408 | 6,422 |
| EUR –10% | –9,143 | –9,533 | –13,904 | –7,778 |
| **EUR/DKK** | | | | |
| EUR +10% | –5,420 | –670 | –3,411 | –745 |
| EUR –10% | 6,462 | 1,129 | 5,100 | 1,211 |
| **EUR/GBP** | | | | |
| EUR +10% | 1,990 | 129 | 437 | 162 |
| EUR –10% | –2,431 | –157 | –520 | –196 |
| **EUR/INR** | | | | |
| EUR +10% | –614 | – | –749 | – |
| EUR –10% | 751 | – | 921 | – |
| **EUR/KRW** | | | | |
| EUR +10% | 70 | 480 | –100 | –1,023 |
| EUR –10% | –86 | –587 | 129 | 1,268 |
| **EUR/MXN** | | | | |
| EUR +10% | –532 | 2,616 | 242 | 2,370 |
| EUR –10% | 650 | –3,198 | –290 | –2,845 |
| **EUR/PLN** | | | | |
| EUR +10% | –2,773 | –4,617 | –210 | –7,030 |
| EUR –10% | 3,393 | 5,643 | 307 | 8,694 |
| **EUR/USD** | | | | |
| EUR +10% | 2,289 | 8,753 | 2,845 | 9,896 |
| EUR –10% | –2,796 | –10,699 | –3,433 | –12,018 |
| **USD/CNY** | | | | |
| USD +10% | –943 | –643 | –95 | –368 |
| USD –10% | 1,153 | 772 | 117 | 453 |
| **USD/KRW** | | | | |
| USD +10% | –26 | –957 | –47 | 843 |
| USD –10% | 32 | 1,171 | 63 | –1,255 |
| **USD/MXN** | | | | |
| USD +10% | –2,563 | –2,683 | –3,989 | –1,157 |
| USD –10% | 2,874 | 3,536 | 4,890 | 1,628 |
| **USD/MYR** | | | | |
| USD +10% | –859 | – | – | – |
| USD –10% | 1,048 | – | – | – |

**Interest rate risk**
Interest rate risks arise from fluctuations in interest rates that could have a negative impact on the assets, liabilities, financial position, and financial performance of the Group. Interest rate fluctuations lead to changes in net interest and in the carrying amounts of the interest-bearing assets and liabilities. The maximum residual term of derivatives for hedging interest risks as at the reporting date is 25 months (prior period: 34 months).

The Dürr Group has cash and security and other deposits that are subject to fluctuation in interest rates as of December 31, 2023. A hypothetical increase in these interest rates of 25 base points per year would have caused a €2,264 thousand (prior period: €1,614 thousand) increase in interest income. A hypothetical decrease of 25 base points per year would have caused a €2,264 thousand (prior period: €1,614 thousand) decrease in interest income.

**Other price risks**
In the presentation of market risks, IFRS 7 also requires disclosures on the effects of hypothetical changes in the risk variables on the price of financial instruments. The main risk variables include stock market prices and indices. Please refer to → **note 36** for more information on the price risk of the financial assets, equity instruments, options, and the contingent purchase price installments disclosed as a level 3 financial instrument.

**Use of derivative financial instruments**
Derivative financial instruments are used in the Group to minimize the risks concerning changes in exchange rates and interest rates on cash flows and the change in the fair value of receivables and liabilities. Hedging allows the amount of the expected cash inflow/outflow in the functional currency to be estimated in advance. This generally involves fully hedging all payments for which there is significant economic risk from changes in the exchange and interest rate. The Dürr Group is exposed to a replacement risk in the event of non-performance by counterparties (credit institutions) relating to the financial instruments. Derivative financial instruments, mainly forward contracts, are only entered into to hedge the operating business and to hedge loans. In hedging the operating business, derivative financial instruments are entered into on the basis of internal estimates of progress and payment dates. In order to ensure the effectiveness of the hedging relationships, various features/parameters, such as expected date and volume of payment between the hedged item and corresponding hedge, are reviewed and adjusted if necessary. Any ineffectiveness may result, for example, from various different credit risks and delays in contract processing. However, any hedges entered into are expected to be highly effective in offsetting changes in fair value or cash flows. They are assessed on an ongoing basis to determine that they actually have been highly effective throughout the periods for which they were designated. All financial derivatives as well as the respective hedged transactions are subject to regular internal control and measurement in accordance with the directive of the Board of Management. The hedged transactions are primarily included in the following items of the statement of financial position: trade receivables and trade payables, contract assets, dividend payments. The hedging relationships from cash flow and fair value hedges did not result in any significant ineffectiveness.

The changes in value of the hedged transactions therefore run counter to the developments of derivatives. At the inception of the hedge, the hedging relationship and the entity's risk management objective and strategy for undertaking the hedge are formally documented. This documentation contains identification of the hedging instrument, the related hedged item or transaction, the nature of the risk being hedged, and how the entity will assess the hedging instrument's effectiveness in offsetting the exposure to changes in the hedged item's fair value or the hedged item's cash flows attributable to the hedged risk.

Depending on their market value at the end of the reporting period, derivative financial instruments are reported under sundry financial assets (positive market value) or sundry financial liabilities (negative market value) respectively.

### 4.100 — SCOPE AND FAIR VALUE OF FINANCIAL INSTRUMENTS

| € k | Nominal value | | Positive market value | | Negative market value | | Change in the fair value to recognize ineffectiveness | |
|---|---|---|---|---|---|---|---|---|
| | **Dec. 31, 2023** | Dec. 31, 2022 | **Dec. 31, 2023** | Dec. 31, 2022 | **Dec. 31, 2023** | Dec. 31, 2022 | **Dec. 31, 2023** | Dec. 31, 2022 |
| Interest rate swaps not used for hedging | 150,000 | – | – | – | – | – | – | – |
| Forward exchange contracts | 961,055 | 930,315 | 19,123 | 14,945 | –10,338 | –8,540 | 8,785 | 6,405 |
| thereof in connection with cash flow hedges | 456,422 | 537,900 | 14,571 | 9,374 | –7,093 | –6,315 | 7,478 | 3,059 |
| thereof in connection with fair value hedges | 78,636 | 110,750 | 2,179 | 1,592 | –386 | –1,074 | 1,793 | 518 |
| thereof not used for hedging | 425,997 | 281,665 | 2,373 | 3,979 | –2,859 | –1,151 | –486 | 2,828 |

The fair value of the financial instruments was estimated using the following methods and assumptions. The fair values of the forward exchange contracts were estimated at the present value of cash flows on the basis of the difference between the contractually agreed forward exchange rates and the forward rate prevailing at the end of the reporting period. The fair values of the interest hedges are estimated as the discounted value of expected future cash flows based on current market parameters.

### 4.101 — NOMINAL VALUES OF HEDGING INSTRUMENTS

| € k | **Total** | Current | **Total non-current** | Medium-term | Long-term |
|---|---|---|---|---|---|
| Interest rate swaps not used for hedging | 150,000 | – | 150,000 | 150,000 | – |
| (2022) | (–) | (–) | (–) | (–) | (–) |
| Forward exchange contracts | 961,055 | 890,781 | 70,274 | 70,274 | – |
| (2022) | (930,315) | (833,024) | (97,291) | (97,291) | (–) |
| thereof in connection with cash flow hedges | 456,422 | 411,581 | 44,841 | 44,841 | – |
| (2022) | (537,900) | (448,804) | (89,096) | (89,096) | (–) |
| thereof in connection with fair value hedges | 78,636 | 77,937 | 699 | 699 | – |
| (2022) | (110,750) | (109,735) | (1,015) | (1,015) | (–) |
| thereof not used for hedging | 425,997 | 401,263 | 24,734 | 24,734 | – |
| (2022) | (281,665) | (274,485) | (7,180) | (7,180) | (–) |

**4.102 — AVERAGE EXCHANGE RATES OF CONCLUDED FORWARD EXCHANGE TRANSACTIONS FOR MAJOR CURRENCY PAIRS**

| | Average rate | | Closing rate | |
|---|---|---|---|---|
| € k | Dec. 31, 2023 | Dec. 31, 2022 | Dec. 31, 2023 | Dec. 31, 2022 |
| EUR/CHF | 0.9443 | 0.9884 | 0.9266 | 0.9851 |
| EUR/CNY | 7.6881 | 7.2000 | 7.8372 | 7.4355 |
| EUR/DKK | 7.4307 | 7.4292 | 7.4529 | 7.4365 |
| EUR/GBP | 0.8694 | 0.8679 | 0.8691 | 0.8868 |
| EUR/INR | 91.2646 | 87.6317 | 92.1420 | 88.1567 |
| EUR/KRW | 1,420.2496 | 1,385.7777 | 1,430.1870 | 1,338.1861 |
| EUR/MXN | 21.7107 | 22.2910 | 18.7711 | 20.8858 |
| EUR/PLN | 4.5746 | 4.9229 | 4.3420 | 4.6858 |
| EUR/USD | 1.0954 | 1.0716 | 1.1077 | 1.0676 |
| USD/CNY | 7.0160 | 6.9101 | 7.0752 | 6.9647 |
| USD/KRW | 1,306.1644 | 1,275.4275 | 1,291.1321 | 1,253.4527 |
| USD/MXN | 18.3463 | 20.4024 | 16.9460 | 19.5633 |
| USD/MYR | 4.5185 | – | 4.5890 | 4.4050 |

## Accounting and disclosure of derivative financial instruments and hedge accounting

Currency hedges that clearly serve to hedge future cash flows from foreign exchange transactions and which meet the requirements of IAS 39 in terms of documentation and effectiveness are accounted for as cash flow hedges. Such derivative financial instruments are recognized at fair value. Changes in fair value that impact hedge effectiveness are recognized directly through other comprehensive income until the hedged item is realized. Upon realization of the future transaction (hedged item), the effects recorded through other comprehensive income are transferred to profit or loss and recognized in sales revenue or cost of sales, other operating income and expenses or in net interest in the statement of profit or loss.

**4.103 — DISCLOSURES OF FORWARD EXCHANGE CONTRACTS IN CASH FLOW HEDGES**

| € k | Forward exchange contracts | |
|---|---|---|
| | Dec. 31, 2023 | Dec. 31, 2022 |
| Change in the fair value of the hedged item | –7,478 | –3,059 |
| Hedge reserve | 6,621 | 849 |
| Reclassification from hedge reserve to profit or loss | | |
| Hedged items through profit or loss | –2,790 | 1,281 |
| Hedged items no longer expected | – | – |

**4.104 — DISCLOSURES OF FORWARD EXCHANGE CONTRACTS IN FAIR VALUE HEDGES**

| € k | Assets | | Liabilities | |
|---|---|---|---|---|
| | Dec. 31, 2023 | Dec. 31, 2022 | Dec. 31, 2023 | Dec. 31, 2022 |
| Carrying amount of the hedged items | 11,795 | 8,193 | 6,362 | 10,420 |
| Cumulative fair value hedge adjustment | 1 | 49 | –13 | –13 |
| Statement of financial position item | Trade receivables | Trade receivables | Trade payables | Trade payables |

The changes in value of the hedged items correspond to the accumulated amount of fair value hedge adjustments.

**4.105 — RECONCILIATION HEDGE RESERVE IN EQUITY**

| € k | 2023 | 2022 |
|---|---|---|
| **As of January 1** | **849** | **–3,851** |
| Exchange difference | 75 | – |
| Additions and changes in value | 7,327 | 3,572 |
| Reclassification to other statement of financial position items | 1,160 | –153 |
| Reclassification to profit or loss | –2,790 | 1,281 |
| thereof | | |
| Sales revenue | – | – |
| Cost of sales | –333 | 1,272 |
| Other operating income | – | 9 |
| Other operating expenses | –2,457 | – |
| Interest and similar income | – | – |
| Interest and similar expenses | – | – |
| **As of December 31** | **6,621** | **849** |

In the 2023 reporting period, the determination methods did not result in any significant inefficiencies for fair value hedges and cash flow hedges. Any inefficiencies are disclosed in sales revenue or cost of sales in the statement of profit or loss. The reclassification amount did not contain any significant result for which the hedged item was no longer expected.

The effects on earnings (before income taxes) expected for the 2024 reporting period from the amount recognized through other comprehensive income at the end of the reporting period comes to €5,324 thousand. In subsequent reporting periods, accumulated effects on earnings of €1,176 thousand are expected.

In the 2023 reporting period, no hedging options were used; for forward exchange contracts, no distinction was made between forward and spot elements.

The changes in the fair value of all derivative financial instruments that do not meet the requirements for hedge accounting in accordance with IAS 39 are recognized through profit or loss at the end of the reporting period.

## 42. ADDITIONAL NOTES

### Declaration of compliance with the German Corporate Governance Code pursuant to Sec. 161 AktG

The declaration of compliance prescribed by Sec. 161 AktG was submitted by the Board of Management and the Supervisory Board of Dürr AG in Bietigheim-Bissingen, Germany, on September 27, 2023, and made accessible to the shareholders on the internet. For additional information, please refer to the combined management report.

### Headcount

The number of employees in the Dürr Group breaks down as of December 31, 2023, and as an average over the 2023 reporting period as shown in → **tables 4.106 and 4.107**.

**4.106 — EMPLOYEES AS OF THE END OF THE REPORTING PERIOD**

| | Dec. 31, 2023 | Dec. 31, 2022 |
|---|---|---|
| Wage-paid employees | 8,453 | 7,898 |
| Salaried employees | 10,823 | 9,349 |
| **Employees excluding interns/trainees/others** | **19,276** | **17,247** |
| Interns/trainees/others | 1,321 | 1,267 |
| **Total employees** | **20,597** | **18,514** |

**4.107 — AVERAGE HEADCOUNT DURING THE YEAR**

| | 2023 | 2022 |
|---|---|---|
| Wage-paid employees | 8,188 | 8,048 |
| Salaried employees | 9,963 | 8,911 |
| **Employees excluding interns/trainees/others** | **18,151** | **16,959** |
| Interns/trainees/others | 1,279 | 1,211 |
| **Total employees** | **19,430** | **18,170** |

### Fees payable to the auditor of the consolidated financial statements

→ **Table 4.108** shows the audit fees payable to the auditor of the consolidated financial statements, Deloitte GmbH Wirtschaftsprüfungsgesellschaft, recorded as an expense for the 2023 reporting period.

**4.108 — AUDITOR'S FEES**

| € k | 2023 | 2022 |
|---|---|---|
| Auditor's fees | 1,888 | 1,466 |
| Other assurance services | 84 | 91 |
| Tax advisory services | – | – |
| Other services | – | – |
| **Total** | **1,972** | **1,557** |

The auditor's fees relate to the audit of the consolidated financial statements and the separate financial statements of Dürr AG and its affiliated companies included in the consolidated financial statements. The auditor's fees also include fees for voluntary audits of separate financial statements of €110 thousand (prior period: €116 thousand).

As in the prior period, the fees for non-audit services relate to voluntary audits and other assurance services. These fees amounted to €194 thousand in the 2023 reporting period (prior period: €207 thousand).

As in the prior period, other assurance services largely related to the review of the consolidated non-financial statement and the assurance engagement concerning the remuneration report.

**Subsequent events**

At the beginning of the second quarter of 2024, the Dürr Group intends to issue another Schuldschein loan with a sustainability component. The related marketing activities started at the beginning of March. All of the proceeds shall be used for the financing of sustainable product innovations and climate-friendly projects. In this context, the Dürr Group will consider the EU taxonomy for classifying ecologically sustainable economic activities and adhere to its own Sustainable Finance Framework. In addition, in anticipation of the high overall liquidity, the Group plans to repay the syndicated credit line, which was raised in 2023 as a bridge financing for the acquisition of BBS Automation.

Between the beginning of the current reporting period and March 18, 2024, there were no further events that could have a material influence on the assets, liabilities, financial position, and financial performance of the Group.

**Authorization for issue and publication of the consolidated financial statements as of December 31, 2023**

The consolidated financial statements and combined management report of Dürr AG prepared by the Board of Management as of December 31, 2023, were authorized for issue to the Supervisory Board at the meeting of the Board of Management on March 18, 2024, and are scheduled for publication in the 2023 annual report on March 20, 2024.

## MEMBERS OF THE BOARD OF MANAGEMENT

**Dr. Jochen Weyrauch**
Chairman of the Board of Management

- ▪ Homag Group AG, Schopfloch, Germany [1, 2] (Additional Deputy Chairman)
- ▪ iTAC Software AG, Montabaur, Germany [1] (Chairman until August 31, 2023)
- » Dürr Paintshop Systems Engineering (Shanghai) Co. Ltd., Shanghai, PR China [1] (Supervisor)

**Dietmar Heinrich**
Chief Financial Officer

- ▪ Carl Schenck AG, Darmstadt, Germany [1] (Chairman)
- ▪ Dürr Systems AG, Stuttgart, Germany [1] (Chairman)
- ▪ Homag Group AG, Schopfloch, Germany [1, 2]

▪ Membership in statutory supervisory boards
» Membership in comparable German and foreign control bodies (of business entities)
[1] Group boards
[2] listed (open market)

The members of the Board of Management were remunerated as shown in → table 4.109.

**4.109 — REMUNERATION OF BOARD OF MANAGEMENT**

| € k | 2023 | 2022 |
|---|---|---|
| Short-term employee benefits (excluding share-based payment) | 3,382 | 3,183 |
| Post-employment benefits | 400 | 400 |
| Termination benefits | – | – |
| Share-based payments | –27 | 429 |
| **Total remuneration** | **3,755** | **4,012** |

**Disclosures pursuant to Sec. 314 (1) no. 6 HGB**
Total remuneration of the Board of Management of Dürr AG for the 2023 reporting period amounted to €733 thousand (prior period: €4,534 thousand). In the 2023 reporting period, the members of the Board of Management received 45,245 phantom shares under the performance share plan (prior period: 35,396 phantom shares). The fair value in the 2023 reporting period amounted to €1,350 thousand (prior period: €1,350 thousand) at the time the performance share plan tranche allocated was granted.

Former members of the Board of Management received pension payments of €586 thousand in the 2023 reporting period (prior period: €627 thousand). The pension obligations for this group of persons amount to €2,402 thousand in the 2023 reporting period (prior period: €2,033 thousand).

Individualized disclosures on the remuneration of the members of the Board of Management are presented in the remuneration report → page 136.

## MEMBERS OF THE SUPERVISORY BOARD

**Gerhard Federer [1, 2, 4, 5]**
Independent consultant, Gengenbach, Germany
Chairman

- ▪ Homag Group AG, Schopfloch, Germany [6] (Chairman)

**Hayo Raich [1, 3, 4]**
Full-time Chairman of the Group Works Council of Dürr AG, Stuttgart, Germany
Full-time Chairman of the Works Council of Dürr Systems AG, Stuttgart, Germany, at the Bietigheim-Bissingen site
Deputy Chairman

- ▪ Dürr Systems AG, Stuttgart, Germany (Deputy Chairman)

**Arnd Zinnhardt [2]**
Entrepreneur, Königstein im Taunus, Germany
Additional Deputy Chairman (since May 12, 2023)

- ▪ Aareon AG, Mainz, Germany
- ▪ Grant Thornton AG (Wirtschaftsprüfungsgesellschaft), Düsseldorf, Germany
- » Blinqx BV, Barendrecht, Netherlands, (since January 26, 2024)

**Richard Bauer [1, 4, 5]**
(until May 12, 2023)
Supervisory Board member, Wentorf near Hamburg, Germany
Additional Deputy Chairman

- ▪ Körber AG, Hamburg, Germany (Chairman)

**Mirko Becker [2, 3]**
Full-time Deputy Chairman of the Group Works Council of Dürr AG, Stuttgart, Germany
Full-time Deputy Chairman of the Works Council of Dürr Systems AG, Stuttgart, Germany, at the Bietigheim-Bissingen site

**Dr. Rolf Breidenbach** [1]
Supervisory Board member, Dortmund, Germany

- ▪ Brose International SE, Bamberg, Germany
- ▪ MAHLE GmbH, Stuttgart, Germany (until July 31, 2023)
- ▪ STIHL AG, Waiblingen, Germany (additional Deputy Chairman) (since April 19, 2023)
- ▪ ZF Friedrichshafen AG, Friedrichshafen, Germany
- » Kongsberg Automotive ASA, Kongsberg, Norway [7] (until June 6, 2023)
- » STIHL Holding AG & Co. KG, Waiblingen, Germany (since April 19, 2023) member of the Advisory Board

**Prof. Dr. Dr. Alexandra Dürr** [2, 5]
Professor for medical genetics and head of research team, Paris Brain Institute, Paris, France

**Carmen Hettich-Günther** [3, 4]
Full-time Chairwoman of the Group Works Council of Homag Group AG, Schopfloch, Germany
Full-time Chairwoman of the Works Council of HOMAG GmbH, Schopfloch, Germany

- ▪ HOMAG GmbH, Schopfloch, Germany (Deputy Chairwoman)
- ▪ Homag Group AG, Schopfloch, Germany [6] (Deputy Chairwoman)

**Thomas Hohmann** [2, 3]
Commercial manager of Dürr Systems AG, Stuttgart, Germany (Division Application Technology)

**Dr. Markus Kerber** [4, 5]
(since May 12, 2023)
Entrepreneur, Berlin, Germany

- ▪ Heinz Dürr GmbH, Berlin, Germany (Chairman of the Advisory Board)

**Dr. Anja Schuler**
Specialist in Psychiatry and Psychotherapy FMH, Zurich, Switzerland

- ▪ Homag Group AG, Schopfloch, Germany [6]

**Dr. Martin Schwarz-Kocher** [2, 3]
Business management consultant of IMU Institut GmbH, Stuttgart, Germany

**Dr. Astrid Ziegler** [1, 3]
Head of Department for Industrial, Energy, and Structural Policy on the Board of Management of IG Metall, Frankfurt a. Main, Germany

- ▪ Pfleiderer Deutschland GmbH, Neumarkt (Oberpfalz), Germany

**Dr.-Ing. E.h. Heinz Dürr (†), until November 27, 2023**
Honorary Chairman of the Supervisory Board

▪ Membership in statutory supervisory boards
» Membership in comparable German and foreign control bodies (of business entities)
[1] Member of the Executive Committee and Personnel Committee
[2] Member of the Audit Committee
[3] Employee representative
[4] Member of the Mediation Committee
[5] Member of the Nomination Committee
[6] listed (open market)
[7] listed

→ Table 4.110 shows a breakdown into components of the total remuneration of Supervisory Board members in the 2023 reporting period.

**4.110 — REMUNERATION OF THE SUPERVISORY BOARD**

| € k | 2023 | 2022 |
|---|---|---|
| Basic remuneration | 910 | 903 |
| Remuneration for committee membership | 145 | 128 |
| Attendance fees[1] | 429 | 343 |
| Remuneration of experts | 11 | - |
| **Total remuneration** | **1,495** | **1,374** |

[1] for Supervisory Board and committee meetings

Total Supervisory Board remuneration also includes remuneration components under the membership of the Supervisory Board of other companies of the Dürr Group (Dürr Systems AG, HOMAG Group AG, and HOMAG GmbH).

In addition, a remuneration of €24 thousand (prior period: €93 thousand) was paid for consultancy services provided to iTAC Software AG under a consultancy agreement.

## 43. STATEMENT OF CHANGES IN NON-CURRENT ASSETS

### 4.111 — INTANGIBLE ASSETS

| € k | Goodwill | Franchises, industrial rights and similar rights | Capitalized development costs | Prepayments for intangible assets | Dürr Group |
|---|---|---|---|---|---|
| **Accumulated cost as of January 1, 2022** | **501,917** | **414,920** | **149,343** | **3,309** | **1,069,489** |
| Exchange difference | 2,918 | 1,688 | −33 | – | 4,573 |
| Additions | – | 2,514 | 23,574 | 740 | 26,828 |
| Disposals | – | −21,066 | −844 | −38 | −21,948 |
| Reclassifications | – | −4,680 | 8,422 | −3,271 | 471 |
| **Accumulated cost as of December 31, 2022** | **504,835** | **393,376** | **180,462** | **740** | **1,079,413** |
| Exchange difference | −2,844 | −2,198 | −2 | – | −5,044 |
| Changes in the consolidated group | – | 150,819 | 1,254 | – | 152,073 |
| Additions | 228,014 | 3,363 | 33,946 | 867 | 266,190 |
| Disposals | – | −49,415 | −19,122 | −55 | −68,592 |
| Reclassifications | – | 397 | −49 | −21 | 327 |
| **Accumulated cost as of December 31, 2023** | **730,005** | **496,342** | **196,489** | **1,531** | **1,424,367** |
| **Accumulated amortization and impairment as of January 1, 2022** | **–** | **248,032** | **90,601** | **38** | **338,671** |
| Exchange difference | – | 766 | – | – | 766 |
| Additions to amortization for the period | – | 29,739 | 12,883 | – | 42,622 |
| Additions to impairment losses | – | 1,589 | – | – | 1,589 |
| Disposals | – | −20,991 | −547 | −38 | −21,576 |
| Reclassifications | – | −2,062 | 2,081 | – | 19 |
| **Accumulated amortization and impairment as of December 31, 2022** | **–** | **257,073** | **105,018** | **–** | **362,091** |
| Exchange difference | – | −1,801 | 82 | – | −1,719 |
| Additions to amortization for the period | – | 27,337 | 14,622 | – | 41,959 |
| Additions to impairment losses | – | 4 | 563 | – | 567 |
| Disposals | – | −49,360 | −17,930 | – | −67,290 |
| Reclassifications | – | −15 | – | – | −15 |
| **Accumulated amortization and impairment as of December 31, 2023** | **–** | **233,238** | **102,355** | **–** | **335,593** |
| **Net carrying amount as of December 31, 2023** | **730,005** | **263,104** | **94,134** | **1,531** | **1,088,774** |
| Net carrying amount as of December 31, 2022 | 504,835 | 136,303 | 75,444 | 740 | 717,322 |
| Net carrying amount as of January 1, 2022 | 501,917 | 166,888 | 58,742 | 3,271 | 730,818 |

### 4.112 — PROPERTY, PLANT AND EQUIPMENT INCLUDING RIGHT-OF-USE ASSETS

| € k | Land, land rights and buildings including buildings on third-party land | Investment property | Technical equipment and machines | Other equipment, furniture and fixtures | Prepayments and assets under construction | Dürr Group |
|---|---|---|---|---|---|---|
| **Accumulated cost as of January 1, 2022** | **678,449** | **48,239** | **118,259** | **252,813** | **19,215** | **1,116,975** |
| Exchange difference | 3,107 | – | 445 | 1,348 | 79 | 4,979 |
| Additions | 38,613 | 1,523 | 7,050 | 33,358 | 31,170 | 111,714 |
| Disposals | –12,725 | – | –3,063 | –19,505 | – | –35,293 |
| Reclassification to assets held for sale | –2,468 | – | –440 | –23 | – | –2,931 |
| Reclassifications | 8,601 | – | 5,598 | 3 | –14,673 | –471 |
| **Accumulated cost as of December 31, 2022** | **713,577** | **49,762** | **127,849** | **267,994** | **35,791** | **1,194,973** |
| Exchange difference | –5,562 | – | –1,267 | –1,226 | – | –8,055 |
| Changes in the consolidated group | 35,934 | – | 1,828 | 4,413 | 1,021 | 43,196 |
| Additions | 38,775 | 497 | 10,318 | 40,803 | 28,579 | 118,972 |
| Disposals | –10,318 | –1,291 | –3,069 | –35,943 | –637 | –51,258 |
| Reclassification to assets held for sale | – | – | –161 | – | – | –161 |
| Reclassifications | 17,886 | – | 5,224 | 5,382 | –29,465 | –973 |
| **Accumulated cost as of December 31, 2023** | **790,292** | **48,968** | **140,722** | **281,423** | **35,289** | **1,296,694** |
| **Accumulated depreciation and impairment as of January 1, 2022** | **255,187** | **30,759** | **72,121** | **173,467** | **–** | **531,534** |
| Exchange difference | 769 | – | 370 | 917 | – | 2,056 |
| Additions to depreciation for the period | 38,743 | 1,298 | 9,632 | 32,488 | – | 82,161 |
| Additions to impairment losses | – | – | 251 | 365 | 4 | 620 |
| Disposals | –6,959 | – | –2,016 | –17,974 | –4 | –26,953 |
| Reclassification to assets held for sale | –464 | – | –172 | –20 | – | –656 |
| Reclassifications | 264 | – | 176 | –459 | – | –19 |
| **Accumulated depreciation and impairment as of December 31, 2022** | **287,540** | **32,057** | **80,362** | **188,784** | **–** | **588,743** |
| Exchange difference | –3,289 | – | –695 | –996 | – | –4,980 |
| Additions to depreciation for the period | 42,515 | 1,342 | 9,914 | 33,540 | – | 87,311 |
| Additions to impairment losses | 160 | – | 11 | 97 | 696 | 964 |
| Disposals | –8,103 | –806 | –2,590 | –34,690 | – | –46,189 |
| Reclassification to assets held for sale | – | – | –60 | – | – | –60 |
| Reclassifications | 16 | – | –2 | –645 | – | –631 |
| **Accumulated depreciation and impairment as of December 31, 2023** | **318,839** | **32,593** | **86,940** | **186,090** | **696** | **625,158** |
| **Net carrying amount as of December 31, 2023** | **471,453** | **16,375** | **53,782** | **95,333** | **34,593** | **671,536** |
| Net carrying amount as of December 31, 2022 | 426,037 | 17,705 | 47,487 | 79,210 | 35,791 | 606,230 |
| Net carrying amount as of January 1, 2022 | 423,262 | 17,480 | 46,138 | 79,346 | 19,215 | 585,441 |

## 4.113 — FINANCIAL ASSETS

| € k | Investments in entities accounted for using the equity method | Other investments | Non-current securities | Other loans | Dürr Group |
|---|---|---|---|---|---|
| **Accumulated cost as of January 1, 2022** | **18,462** | **18,454** | **–** | **602** | **37,518** |
| Exchange difference | –1,462 | – | – | – | –1,462 |
| Disposals | – | –67 | – | – | –67 |
| Change in value | 2,577 | –8,694 | – | – | –6,117 |
| **Accumulated cost as of December 31, 2022** | **19,577** | **9,693** | **–** | **602** | **29,872** |
| Exchange difference | –2,005 | – | –1 | – | –2,006 |
| Changes in the consolidated group | – | – | 2 | – | 2 |
| Additions | 645 | – | 71 | – | 716 |
| Disposals | – | –25 | – | – | –25 |
| Change in value | 477 | 720 | – | – | 1,197 |
| **Accumulated cost as of December 31, 2023** | **18,694** | **10,388** | **72** | **602** | **29,756** |
| **Accumulated impairment as of January 1, 2022** | **–** | **–** | **–** | **602** | **602** |
| Additions to impairment losses | 1,941 | – | – | – | 1,941 |
| **Accumulated impairment as of December 31, 2022** | **1,941** | **–** | **–** | **602** | **2,543** |
| Reversal of impairment | –1,941 | – | – | – | –1,941 |
| **Accumulated impairment as of December 31, 2023** | **–** | **–** | **–** | **602** | **602** |
| **Net carrying amount as of December 31, 2023** | **18,694** | **10,388** | **72** | **–** | **29,154** |
| Net carrying amount as of December 31, 2022 | 17,636 | 9,693 | – | – | 27,329 |
| Net carrying amount as of January 1, 2022 | 18,462 | 18,454 | – | – | 36,916 |

## 44. LIST OF GROUP SHAREHOLDINGS

### 4.114 — LIST OF GROUP SHAREHOLDINGS

| Name and location | Equity interest %* |
|---|---|
| **A. FULLY CONSOLIDATED SUBSIDIARIES** | |
| **GERMANY** | |
| BBS Automation GmbH, Munich | 100.0 |
| BBS Automation Blaichach GmbH, Sonthofen | 100.0 |
| BENZ GmbH Werkzeugsysteme, Haslach im Kinzigtal[1,2] | 100.0 |
| Carl Schenck Aktiengesellschaft, Darmstadt[1,2] | 100.0 |
| Cubanit Grundstückverwaltungsgesellschaft mbH & Co. Vermietungs KG, Mainz[4] | 0.0 |
| Dawandos Grundstücksverwaltungsgesellschaft mbH & Co. Vermietungs KG, Mainz[4] | 94.0 |
| DUALIS GmbH IT Solution, Dresden[1] | 100.0 |
| Dürr Assembly Products GmbH, Püttlingen[1,2] | 100.0 |
| Dürr Group Services GmbH, Stuttgart[1,2] | 100.0 |
| Dürr International GmbH, Stuttgart[1,2] | 100.0 |
| Dürr Somac GmbH, Stollberg/Erzgeb.[1,2] | 100.0 |
| Dürr Systems AG, Stuttgart[1,2] | 100.0 |
| Dürr Technologies GmbH, Stuttgart[1,2] | 100.0 |
| Dürr thermea GmbH, Bietigheim-Bissingen[1,2] | 100.0 |
| Elke Grundstücksverwaltungsgesellschaft mbH, Pullach im Isartal[4] | 0.0 |
| Grit Grundstücksverwaltungs-GmbH & Co. Verpachtungs-KG, Pullach im Isartal[4] | 100.0 |
| HEKUMA GmbH, Hallbergmoos[1] | 100.0 |
| HOMAG Automation GmbH, Lichtenberg/Erzgeb.[1,2] | 100.0 |
| HOMAG Bohrsysteme GmbH, Herzebrock-Clarholz[1,2] | 100.0 |
| HOMAG China Holding GmbH, Schopfloch[1,2] | 100.0 |
| HOMAG GmbH, Schopfloch[1,2] | 100.0 |
| Homag Group AG, Schopfloch[1] | 66.3 |
| HOMAG Kantentechnik GmbH, Lemgo[1,2] | 100.0 |
| HOMAG Plattenaufteiltechnik GmbH, Calw[1,2] | 100.0 |
| iTAC Software AG, Montabaur | 100.0 |
| Luft- und Thermotechnik Bayreuth GmbH, Goldkronach | 100.0 |
| Rome HoldCo GmbH, Munich | 100.0 |
| Schenck RoTec GmbH, Darmstadt[1,2] | 100.0 |
| SCHENCK TECHNOLOGIE- UND INDUSTRIEPARK GMBH, Darmstadt[1,2] | 100.0 |
| SCHULER Consulting GmbH, Pfalzgrafenweiler[1,2] | 100.0 |
| Sukzimit Grundstücksverwaltungsgesellschaft mbH & Co. Vermietungs KG, Mainz[4] | 0.0 |
| tapio GmbH, Pfalzgrafenweiler[1,2] | 100.0 |
| teamtechnik Automation GmbH, Ludwigsburg | 100.0 |
| teamtechnik Maschinen und Anlagen GmbH, Freiberg a. N. | 100.0 |
| Techno-Step GmbH, Böblingen[1,2] | 100.0 |
| Weinmann Holzbausystemtechnik GmbH, St. Johann[1,2] | 100.0 |

## 4.114 — LIST OF GROUP SHAREHOLDINGS

| Name and location | Equity interest %* |
|---|---|
| **OTHER EUROPEAN COUNTRIES** | |
| Accoris SARL, Lyon/France | 100.0 |
| AGRAMKOW Fluid Systems A/S, Sønderborg/Denmark | 100.0 |
| Amalis Group S.A.S., Lyon/France | 100.0 |
| ANT Sp. z o.o., Kraków/Poland | 100.0 |
| BBS Automation Lipany s.r.o., Lipany/Slovakia | 100.0 |
| BBS Winding S.r.l., Poggibonsi/Italy | 100.0 |
| Carl Schenck Machines en Installaties B.V., Rotterdam/Netherlands | 100.0 |
| CPM S.p.A., Beinasco/Italy | 100.0 |
| Datatechnic S.A.S., Uxegney/France | 100.0 |
| DÜRR Group Services Sp. z o.o., Środa Wielkopolska/Poland | 100.0 |
| Durr Limited, Warwick/UK | 100.0 |
| Dürr Poland Sp. z o.o., Radom/Poland | 100.0 |
| Dürr Systems Makine Mühendislik Proje Ithalat ve Ihracat Ltd. Sirketi, Izmit-Kocaeli/Turkey | 100.0 |
| Dürr Systems S.A.S., Lisses/France | 100.0 |
| Dürr Systems Spain S.A.U., San Sebastián/Spain | 100.0 |
| Dürr Systems spol. S r.o., Bratislava/Slovakia | 100.0 |
| Evotech S.A.S., Lyon/France | 100.0 |
| Homag (Schweiz) AG, Höri/Switzerland | 100.0 |
| HOMAG AUSTRIA Gesellschaft m.b.H., Oberhofen am Irrsee/Austria | 100.0 |
| HOMAG DANMARK A/S, Galten/Denmark | 100.0 |
| HOMAG ESPAÑA S.A., L'Ametlla del Vallès/Spain | 100.0 |
| HOMAG France S.A.S., Schiltigheim/France | 100.0 |
| HOMAG Group Trading SEE EOOD, Plovdiv/Bulgaria | 100.0 |
| HOMAG ITALIA S.p.A., Giussano/Italy | 100.0 |
| HOMAG POLSKA Sp. z o.o., Środa Wielkopolska/Poland | 100.0 |
| HOMAG U.K. HOMAG U.K. LTD., Castle Donington/UK | 100.0 |
| Ingecal R&D S.A.S., Lyon/France | 100.0 |
| Ingecal S.A.S., Lyon/France | 100.0 |
| Kahle Automation S.r.l., Caravaggio/Italy | 84.7 |
| Kallesoe Machinery A/S, Lem/Denmark | 70.6 |
| MEGTEC Systems AB, Gothenburg/Sweden | 100.0 |
| Nixie SARL, Lyon/France | 100.0 |
| Novalia S.A.S., Lyon/France | 100.0 |
| Olpidürr S.p.A., Novegro di Segrate/Italy | 100.0 |
| OOO "Homag Russland", Moscow/Russia | 100.0 |
| OOO Dürr Systems RUS, Moscow/Russia | 100.0 |
| Roomle GmbH, Linz/Austria | 81.1 |
| Schenck Italia S.r.l., Paderno Dugnano/Italy | 100.0 |
| Schenck S.A.S., Jouy-le-Moutier/France | 100.0 |
| System TM A/S, Odder/Denmark | 80.0 |
| Verind S.p.A., Rodano/Italy[3] | 50.0 |

### 4.114 — LIST OF GROUP SHAREHOLDINGS

| Name and location | Equity interest %* |
|---|---|
| **NORTH, CENTRAL AND SOUTH AMERICA** | |
| AGRAMKOW do Brasil Ltda., Indaiatuba/Brazil | 100.0 |
| BBS Automation Chicago Inc., Bartlett (Illinois)/USA | 100.0 |
| BBS Automation Guadalajara S. de r.l. de C.V., Jalisco/Mexico | 100.0 |
| Cogiscan Inc., Bromont (Quebec)/Canada | 100.0 |
| CPM DO PERNAMBUCO MANUTENÇÃO DE MÁQUINAS E EQUIPAMENTOS LTDA., Goiana/Brazil | 99.0 |
| Dürr Brasil Ltda., São Paulo/Brazil | 100.0 |
| Dürr de México, S.A. de C.V., Santiago de Querétaro/Mexico | 100.0 |
| Dürr Inc., Southfield (Michigan)/USA | 100.0 |
| Durr Systems Canada Inc., Waterloo (Ontario)/Canada | 100.0 |
| Dürr Systems Inc., Southfield (Michigan)/USA | 100.0 |
| Durr Universal Inc., Stoughton (Wisconsin)/USA | 100.0 |
| Dürr Universal S. de R.L. de C.V., San Luis Potosi/Mexico | 100.0 |
| HOMAG CANADA INC., Mississauga (Ontario)/Canada | 100.0 |
| HOMAG INDÚSTRIA E COMÉRCIO DE MÁQUINAS PARA MADEIRA LTDA., Taboão da Serra/Brazil | 100.0 |
| Homag Machinery North America, Inc., Grand Rapids (Michigan)/USA | 100.0 |
| Kahle Europea, USA, Inc., Morristown (New Jersey)/USA | 100.0 |
| SCHENCK USA CORP., Deer Park (New York)/USA | 100.0 |
| STILES MACHINERY, INC., Grand Rapids (Michigan)/USA | 100.0 |
| teamtechnik Corp., Atlanta (Georgia)/USA | 100.0 |
| Universal Silencer Mexico II LLC, Stoughton (Wisconsin)/USA | 100.0 |
| Universal Silencer Mexico LLC, Stoughton (Wisconsin)/USA | 100.0 |
| VERIND BRASIL SERVICOS E SOLUCOES LTDA. – EPP, Betim/Brazil[3] | 100.0 |
| **AFRICA/ASIA/AUSTRALIA** | |
| AGRAMKOW Asia Pacific Pte. Ltd., Singapore/Singapore | 100.0 |
| BBS (China) Automation Co., Ltd., Kunshan/PR China | 100.0 |
| BBS Automation (Kunshan) Co., Ltd., Kunshan/PR China | 100.0 |
| BBS Automation (Suzhou) Co., Ltd., Suzhou/PR China | 100.0 |
| BBS Automation (Tianjin) Co., Ltd., Tianjin/PR China | 100.0 |
| BBS Automation (Xian) Co., Ltd., Xian/PR China | 100.0 |
| BBS Automation India Private Ltd., Pune/India | 100.0 |
| BBS Automation Penang Sdn. Bhd., Penang/Malaysia | 100.0 |
| Dongguan Golden Field HOMAG Woodwork Machinery Trading Co., Limited, Dongguan/PR China | 100.0 |
| Dürr (Thailand) Co., Ltd., Bangkok/Thailand | 100.0 |
| Dürr Africa (Pty.) Ltd., Gqeberha/South Africa | 100.0 |
| Dürr India Private Limited, Chennai/India | 100.0 |
| Dürr Japan K.K., Funabashi/Japan | 100.0 |
| Dürr Korea Inc., Seoul/South Korea | 100.0 |
| Dürr Paintshop Systems Engineering (Shanghai) Co. Ltd., Shanghai/PR China | 100.0 |
| Durr Systems (Malaysia) Sdn. Bhd., Petaling Jaya/Malaysia | 100.0 |
| Dürr Systems Maroc sarl au, Tangier/Morocco | 100.0 |

## 4.114 — LIST OF GROUP SHAREHOLDINGS

| Name and location | Equity interest %* |
|---|---|
| DURR VIETNAM COMPANY LIMITED, Ho Chi Minh City/Vietnam | 100.0 |
| EPE Fund 3 (RF) (Pty) Ltd., Gqeberha/South Africa[3] | 100.0 |
| Homag Asia (Thailand) Co., Ltd., Bangkok/Thailand | 100.0 |
| HOMAG Arabia FZE, Dubai/United Arab Emirates | 100.0 |
| HOMAG ASIA PTE LTD, Singapore/Singapore | 100.0 |
| Homag Australia Pty. Limited, Sydney/Australia | 100.0 |
| Homag China Golden Field (Kunshan) Woodworking Machinery Co., Limited, Kunshan/PR China | 100.0 |
| HOMAG (China) Machinery Co., Ltd., Shanghai/PR China | 100.0 |
| Homag (Hong Kong) Limited, Hong Kong SAR/PR China | 100.0 |
| Homag India Private Limited, Bangalore/India | 100.0 |
| Homag Japan Co., Ltd., Higashiosaka/Japan | 100.0 |
| HOMAG KOREA CO., LTD., Seoul/South Korea | 100.0 |
| Homag Machinery (Shanghai) Co., Ltd., Shanghai/PR China | 100.0 |
| HOMAG TRADING AND SERVICES SDN. BHD., Kuala Lumpur/Malaysia | 100.0 |
| HOMAG VIETNAM COMPANY LIMITED, Ho Chi Minh City/Vietnam | 100.0 |
| Luhlaza Industrial Services (Pty) Ltd., Gqeberha/South Africa[3] | 75.0 |
| PT Durr Systems Indonesia, Bekasi/Indonesia | 100.0 |
| ReaLead Intelligent Technology (Kunshan) Co. Ltd., Kunshan/PR China | 100.0 |
| Schenck RoTec India Limited, Noida/India | 100.0 |
| Schenck Shanghai Machinery Corp. LTD, Shanghai/PR China | 100.0 |
| teamtechnik Production Technology (Suzhou) Ltd., Suzhou/PR China | 75.0 |
| **B. NON-CONSOLIDATED SUBSIDIARIES** | |
| Prime Contractor Consortium FAL China, Stuttgart/Germany | 50.0 |
| Unterstützungseinrichtung der Carl Schenck AG, Darmstadt, GmbH, Darmstadt/Germany | 100.0 |
| **C. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD** | |
| GranIT GmbH Grafische und numerische Informationstechniken, Reutlingen/Germany | 26.0 |
| Nagahama Seisakusho Ltd., Osaka/Japan | 50.0 |
| **D. OTHER FINANCIAL ASSETS** | |
| Fludicon GmbH i.L., Darmstadt/Germany | 0.6 |
| Parker Engineering Co., Ltd., Tokyo/Japan | 10.0 |
| teamtechnik Production Technology Sp. z o.o., Skawina/Poland | 7.0 |

* Investment pursuant to Sec. 16 AktG
[1] Profit and loss transfer agreement or domination agreement with loss assumption obligation with the respective parent company
[2] Exemption pursuant to Sec. 264 (3) HGB
[3] Controlling influence as a result of contractual arrangements to control the relevant activities
[4] Structured entity pursuant to IFRS 10 and IFRS 12

Bietigheim-Bissingen, Germany, March 18, 2024

Dürr Aktiengesellschaft
The Board of Management

**Dr. Jochen Weyrauch**

**Dietmar Heinrich**

# INDEPENDENT AUDITOR'S REPORT

**To Dürr Aktiengesellschaft, Stuttgart/Germany**

## Report on the audit of the consolidated financial statements and of the combined management report

### AUDIT OPINIONS

We have audited the consolidated financial statements of Dürr Aktiengesellschaft, Stuttgart/Germany, and its subsidiaries (the Group) which comprise the consolidated statement of profit or loss and the consolidated statement of other comprehensive income for the reporting period from January 1 to December 31, 2023, the consolidated statement of financial position as at December 31, 2023, the consolidated statement of cash flows and the consolidated statement of changes in equity for the reporting period from January 1 to December 31, 2023, and the notes to the consolidated financial statements, including a summary of significant accounting policies. In addition, we have audited the combined management report for the parent and the group of Dürr Aktiengesellschaft, Stuttgart/Germany, for the reporting period from January 1 to December 31, 2023. In accordance with the German legal requirements, we have not audited the content of the consolidated non-financial statement pursuant to Section 315b German Commercial Code (HGB) included in section 2 of the combined management report as well as the combined corporate governance statement pursuant to Sections 289f and 315d HGB, referenced in the identically-named chapter 3.1 of the combined management report, including the further corporate governance reporting contained in chapter 3.1. Moreover, we have not audited the content of the section "Statement Unrelated to the Management Report" contained in chapter 6.1, "Risks".

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 as adopted by the EU and the additional requirements of German commercial law pursuant to Section 315e (1) HGB and, in compliance with these requirements, give a true and fair view of the assets, liabilities and financial position of the Group as at December 31, 2023 and of its financial performance for the reporting period from January 1 to December 31, 2023, 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 audit opinion on the combined management report does not cover the content of the abovementioned consolidated non-financial statement, of the combined corporate governance statement, of chapter 3.1, and of the abovementioned section "Statement Unrelated to the Management Report".

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 AUDIT 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 (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) point (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 audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit 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 reporting period from January 1 to December 31, 2023. These matters were addressed in the context of our audit of the consolidated financial statements as a whole and in forming our audit opinion thereon; we do not provide a separate audit opinion on these matters.

In the following we present the key audit matters we have determined in the course of our audit:

1. Recognition of the acquisition of the BBS Group

2. Recoverability of goodwill of Production Automation Systems

3. Recognition of sales revenue over time and accounting for construction contracts

Our presentation of these key audit matters has been structured as follows:

a) description (including reference to corresponding information in the consolidated financial statements)

b) auditor's response

**1. Recognition of the acquisition of the BBS Group**

a) On August 31, 2023, Dürr Aktiengesellschaft acquired all shares in Rome HoldCo GmbH, Munich/Germany, which is the holding company of the BBS Group, via its wholly-owned subsidiary Dürr Technologies GmbH, Stuttgart/Germany. In the consolidated financial statements as at December 31, 2023, the acquisition was recognized as a business combination in accordance with IFRS 3. The purchase price paid amounted to €318.9 million. In addition, a variable consideration of between €0 million and €40 million is agreed in the purchase agreement, which is dependent on a normalized EBITDA of the BBS Group in the 2023 reporting period.

   The executive directors of Dürr Aktiengesellschaft engaged an external expert to determine and measure the acquired identifiable assets and assumed liabilities. As part of the purchase price allocation, revalued net assets of €104.3 million and goodwill of €216.6 million were determined.

The identification and measurement of assets and liabilities, especially of intangible assets, are complex processes based on discretionary judgments and assumptions made by the executive directors. In particular, as part of the measurement, various assumptions must be made to determine the future cash flows derived from asset-specific revenue and margin expectations as well as the discount rates used. Against the background described, this matter was of particular relevance for our audit.

In particular, the measurement of intangible assets is based on a detailed business plan up to and including 2032 prepared by the executive directors. This takes into account the market growth expected in automation in the medium term.

The disclosures of the executive directors regarding the recognition of the acquisition of the BBS Group as well as the purchase price allocation and the related accounting judgments are included in notes 6 and 18 of the notes to the consolidated financial statements.

b) As part of our audit of the recognition of the acquisition of the BBS Group, we initially gained an understanding of the process established by the executive directors for allocating the purchase price, and assessed the underlying documentation. In this context, we especially focused on the identification and measurement of acquired assets and liabilities, important planning assumptions and the determination of the fair value of the variable consideration. We evaluated the design and installation of selected audit-relevant internal control.

We compared the purchase price paid with the underlying purchase agreement and records of payment. With regard to the variable consideration, we examined to what extent the requirements have been met at the end of the year and whether the variable consideration has been recognized correctly. Based on interviews with the executive directors and the independent expert as well as evidence such as the financial statements and management reports of the BBS Group, the purchase agreement and the purchase price allocation of the external expert, we evaluated whether the assets and liabilities were fully identified as part of the purchase price allocation. In doing so, we assessed the competence and capability of the external expert engaged by Dürr Aktiengesellschaft and took into account their expert opinion. Involving our internal measurement specialists, we assessed the appropriateness of the measurement methods used, including the underlying planning calculations, taking into account the requirements of IFRS 3. We evaluated the extent to which the measurements can be influenced by subjectivity, complexity or other inherent risk factors, and assessed the reasonableness of the methods applied, assumptions made and data used for the purpose of estimates made by the executive directors. To this end, we assessed the plausibility of the expected future cash flows used in the planning calculations, including the underlying material assumptions, based on macroeconomic and industry-specific market data. In addition, we examined whether the plannings are consistent with the disclosures on the strategy and medium-term planning as well as on the reporting regarding the expected future development in the combined management report. Furthermore, we verified the mathematical correctness of selected measurements.

We examined the derivation of the discount rates applied – involving our internal measurement specialists – through an analysis of the parameters used for their determination, including, in particular, a comparison with market data including inflation data and related expectations.

Finally, we examined as to whether the disclosures made by the executive directors in the notes to the consolidated financial statements are complete and correct.

**2. Recoverability of goodwill of Production Automation Systems**

a) Goodwill of €730.0 million (14% of the consolidated total assets) is recognized in the consolidated financial statements of Dürr Aktiengesellschaft as at December 31, 2023. Of this amount, €238.0 million is attributable to Production Automation Systems, which is a group of cash-generating units. This group comprises the BBS Group and the Teamtechnik Group. As a result of the acquisition of the BBS Group, goodwill of Production Automation Systems increased by €216.6 million.

Goodwill is subject to an annual impairment test by the executive directors at the end of each reporting period. The Company did not determine any need for impairment as a result of the conducted impairment tests.

As part of our risk assessment of the recoverability of goodwill of Production Automation Systems, we identified increased risks of impairment. These especially result from the small difference between the recoverable amount and the slightly lower carrying amount of the BBS Group acquired in the reporting period.

The impairment test was based on a business valuation of Production Automation Systems, for which the expected future cash flows were discounted using the weighted average cost of capital (WACC) as part of a discounted cash flow method. The forecasts of future cash flows are based on a detailed business plan prepared by the executive directors, which is based on a nine-year detailed planning period. This takes into account the market growth expected in automation in the medium term.

The cash flows after this period are extrapolated at a growth rate specific to Production Automation Systems, which is based on long-term inflation expectations.

The business plan was examined and adopted by the executive directors of Dürr Aktiengesellschaft. The Supervisory Board of Dürr Aktiengesellschaft approved the budget planning for the 2024 reporting period and acknowledged the planning for the subsequent years.

The measurement depended to a large extent on the executive directors' discretionary estimate for the future cash flows and the discount rate used by the executive directors and, therefore, was subject to significant uncertainty. As a result of the above, this matter was considered to be of particular significance in our audit.

The disclosures of the executive directors regarding the recognition and measurement policies applied to account for goodwill as well as regarding goodwill and the related accounting judgments are included in notes 6 and 18 of the notes to the consolidated financial statements.

b) During our audit, we obtained a detailed understanding of the impairment test process for Production Automation Systems. We evaluated the design and installation of selected audit-relevant internal control.

Involving our internal measurement specialists, we verified the performance of the impairment test by the executive directors, assessing to what extent the impairment test can be influenced by subjectivity, complexity or other inherent risk factors, and, if estimates are made by the executive directors, evaluating the methods applied, assumptions made and data used with regard to their reasonableness. In this context, we also examined whether the measurement method applied has been appropriate in terms of methodology and calculation. We compared the forecasts included in the measurement with the budget adopted by the executive directors of Dürr Aktiengesellschaft and approved by the Supervisory Board as well as the business plan approved and/or acknowledged by the Supervisory Board.

Moreover, we assessed the plausibility of the expected future cash flows used in the planning calculations, including the underlying material assumptions, based on macroeconomic and industry-specific market data.

In addition, we examined whether the plannings are consistent with the disclosures on the strategy and medium-term planning as well as on the reporting regarding the expected future development in the combined management report.

Furthermore, we evaluated the determination of the discount rate. To this end, with the support of the internal measurement specialists involved by us, we analyzed the parameters used by making comparisons with market data including inflation data and related expectations.

Finally, we examined as to whether the disclosures made by the executive directors in the notes to the consolidated financial statements are complete and correct.

**3. Recognition of sales revenue over time and accounting for construction contracts**

a) In the 2023 reporting period, realized consolidated sales revenue recognized over time from construction contracts totaled €2,789.5 million (60% of consolidated revenue).

Sales revenue from customer-specific construction contracts is recognized over time unless there is an alternative possibility of use and right to payment of the services already rendered. Pursuant to IFRS 15, sales revenue and the expected contract margin are accounted for according to the percentage of completion of a contract. The percentage of completion is calculated on the basis of the costs incurred in relation to the total estimated costs of a contract.

The realization of sales revenue over time and accounting for construction contracts under IFRS 15 is a matter of particular importance in the scope of our audit, as this requires to a large extent judgment by the executive directors, especially with regard to the total costs of a contract, the determination of the percentage of completion and consideration of adjustments and risks to the contract.

The disclosures made by the executive directors regarding the recognition of sales revenue over time and the recognition and measurement policies applied to the recognition of construction contracts are included in the notes 2, 6 and 7 of the notes to the consolidated financial statements.

b) During our audit we obtained a detailed understanding of the underlying processes from the bid to the execution phase of construction contracts and assessed to what extent the processes and related data can be influenced by subjectivity, complexity or other inherent risk factors. In this context, we assessed whether the requirements for sales revenue recognition over time under IFRS 15 for production contracts were met and analyzed the quality of planning costs in the past. We evaluated the design and installation of audit-relevant internal control to ensure the correct recognition of production contracts in the consolidated financial statements. For the majority of the sales revenue recognized over time, we examined the effectiveness of selected controls and relied on internal control. In order to audit the other revenue recognized over time, for which we did not rely on internal control, we extended the scope of our substantive procedures in accordance with our audit plan.

For selected construction contracts, we performed substantive procedures. We

- analyzed the originally planned contract costs used for the determination of the percentage of completion of the individual construction contracts and the updated planning costs used for the consolidated financial statements;
- analyzed the development of margins in the course of the year for anomalies and in comparison with the prior period and took into account the findings obtained on this basis in the audit of changes in planned costs and contract values;
- verified whether the materials and labor overhead recorded on the respective construction contract was allocated properly and in the correct period using orders, proof of performance and supplier invoices;
- obtained evidence from third parties for selected projects and assessed their recognition in the statement of financial position;
- verified that the sales revenue had been entered in the right amount by comparing the underlying transaction prices with their applicable contractual bases;
- obtained and evaluated assessments of the percentage of completion and project risks for material projects from the project managers specified by the executive directors;
- assessed the appropriate presentation of construction contracts in the consolidated statement of financial position and verified the recognition of any provisions for impending losses.

## OTHER INFORMATION

The executive directors and/or the Supervisory Board are responsible for the other information. The other information comprises

- the report of the Supervisory Board,
- the remuneration report pursuant to Section 162 German Stock Corporation Act (AktG),
- the consolidated non-financial statement,
- the combined corporate governance statement referenced in chapter 3.1 of the combined management report, including the further corporate governance reporting contained in that chapter,
- the section "Statement Unrelated to the Management Report" contained in chapter 6.1,
- the executive directors' confirmation regarding the consolidated financial statements and the combined management report pursuant to Sections 297 (2) sentence 4 and 315 (1) sentence 5 HGB, and
- all other parts of the annual report which is expected to be presented to us after the date of this auditor's report,
- but not the consolidated financial statements, not the audited content of the combined management report and not our auditor's report thereon.

The Supervisory Board is responsible for the report of the Supervisory Board. The executive directors and the Supervisory Board are responsible for the statement according to Section 161 AktG concerning the German Corporate Governance Code, which is part of the combined corporate governance statement, as well as for the remuneration report. Otherwise the executive directors are responsible for the other information.

Our audit 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 audit opinion or any other form of assurance conclusion thereon.

In connection with our audit, our responsibility is to read the other information identified above and, in doing so, to consider whether the other information

- is materially inconsistent with the consolidated financial statements, with the audited content of the combined management report or our knowledge obtained in the audit, or
- otherwise appears to be materially misstated.

## RESPONSIBILITIES OF THE EXECUTIVE DIRECTORS AND THE SUPERVISORY BOARD FOR THE CONSOLIDATED FINANCIAL STATEMENTS AND THE COMBINED MANAGEMENT REPORT

The executive directors are responsible for the preparation of the consolidated financial statements that comply, in all material respects, with IFRS 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 executive directors are 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 executive directors are 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 executive directors are 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 executive directors are 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 audit 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 audit 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 control.

- 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 audit opinion on the effectiveness of these systems.

- evaluate the appropriateness of accounting policies used by the executive directors and the reasonableness of estimates made by the executive directors and related disclosures.

- conclude on the appropriateness of the executive directors' 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 audit 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 as adopted by the EU and with the additional requirements of German commercial law pursuant to Section 315e (1) HGB.

- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express audit 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 audit 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 executive directors in the combined management report. On the basis of sufficient appropriate audit evidence we evaluate, in particular, the significant assumptions used by the executive directors 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 audit 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 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 for the current period and are therefore the key audit matters. We describe these matters in the auditor’s report unless law or regulation precludes public disclosure about the matter.

## OTHER LEGAL AND REGULATORY REQUIREMENTS

*Report on the Audit of the Electronic Reproductions of the Consolidated Financial Statements and of the Combined Management Report Prepared for Publication Pursuant to Section 317 (3a) HGB*

## AUDIT OPINION

We have performed an audit in accordance with Section 317 (3a) HGB to obtain reasonable assurance whether the electronic reproductions of the consolidated financial statements and of the combined management report (hereinafter referred to as “ESEF documents”) prepared for publication, contained in the file, which has the SHA-256 value d3e4c25a6edb7e6f4d6ec9d8e32b5aa5f 2e71a598db3d561b1ead7ede4e7e9ca, meet, in all material respects, the requirements for the electronic reporting format pursuant to Section 328 (1) HGB (“ESEF format”). In accordance with the German legal requirements, this audit only covers the conversion of the information contained in the consolidated financial statements and the combined management report into the ESEF format, and therefore covers neither the information contained in these electronic reproductions nor any other information contained in the file identified above.

In our opinion, the electronic reproductions of the consolidated financial statements and of the combined management report prepared for publication contained in the file identified above meet, in all material respects, the requirements for the electronic reporting format pursuant to Section 328 (1) HGB. Beyond this audit opinion and our audit opinions on the accompanying consolidated financial statements and on the accompanying combined management report for the reporting period from January 1 to December 31, 2023 contained in the "Report on the Audit of the Consolidated Financial Statements and of the Combined Management Report" above, we do not express any assurance opinion on the information contained within these electronic reproductions or on any other information contained in the file identified above.

## BASIS FOR THE AUDIT OPINION

We conducted our audit of the electronic reproductions of the consolidated financial statements and of the combined management report contained in the file identified above in accordance with Section 317 (3a) HGB and on the basis of the IDW Auditing Standard: Audit of the Electronic Reproductions of Financial Statements and Management Reports Prepared for Publication Purposes Pursuant to Section 317 (3a) HGB (IDW AuS 410 (06.2022)). Our responsibilities in this context are further described in the "Group Auditor's Responsibilities for the Audit of the ESEF Documents" section. Our audit firm has applied the requirements of the IDW Quality Management Standards.

## RESPONSIBILITIES OF THE EXECUTIVE DIRECTORS AND THE SUPERVISORY BOARD FOR THE ESEF DOCUMENTS

The executive directors of the parent are responsible for the preparation of the ESEF documents based on the electronic files of the consolidated financial statements and of the combined management report according to Section 328 (1) sentence 4 no. 1 HGB and for the tagging of the consolidated financial statements according to Section 328 (1) sentence 4 no. 2 HGB.

In addition, the executive directors of the parent are responsible for such internal control that they have considered necessary to enable the preparation of ESEF documents that are free from material intentional or unintentional non-compliance with the requirements for the electronic reporting format pursuant to Section 328 (1) HGB.

The Supervisory Board is responsible for overseeing the process for preparing the ESEF documents as part of the financial reporting process.

## GROUP AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE ESEF DOCUMENTS

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 audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our audit opinion.

- obtain an understanding of internal control relevant to the audit on the ESEF documents in order to design audit 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 containing the ESEF documents meets the requirements of the Delegated Regulation (EU) 2019/815, in the version in force at the reporting date, on the technical specification for this electronic file.

- evaluate whether the ESEF documents enable a XHTML reproduction with content equivalent to the audited consolidated financial statements and to 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 Delegated Regulation (EU) 2019/815, in the version in force at the reporting date, enables an appropriate and complete machine-readable XBRL copy of the XHTML reproduction.

## FURTHER INFORMATION PURSUANT TO ARTICLE 10 OF THE EU AUDIT REGULATION

We were elected as Group auditor by the annual general meeting on May 12, 2023. We were engaged by the Supervisory Board on October 16, 2023. We have been the Group auditor of Dürr Aktiengesellschaft, Stuttgart/Germany, without interruption since the 2022 reporting period.

We declare that the audit 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 with the audited ESEF documents. The consolidated financial statements and the combined management report converted into the ESEF format – including the versions to be submitted for inclusion in the Company Register – are merely electronic reproductions 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 audit opinion contained therein are to be used solely together with the audited ESEF documents made available in electronic form.

## GERMAN PUBLIC AUDITOR RESPONSIBLE FOR THE ENGAGEMENT

The German Public Auditor responsible for the engagement is Jan Bühler.

Stuttgart/Germany, March 18, 2024

Deloitte GmbH
Wirtschaftsprüfungsgesellschaft

| | |
|---|---|
| **Jan Bühler**<br>Wirtschaftsprüfer<br>(German Public Auditor) | **Anja Lustig**<br>Wirtschaftsprüferin<br>(German Public Auditor) |

# REPORT OF THE INDEPENDENT AUDITOR

**To Dürr Aktiengesellschaft, Stuttgart/Germany**

We have audited the accompanying remuneration report of Dürr Aktiengesellschaft, Stuttgart/Germany, ("the Company") for the reporting period from January 1 to December 31, 2023, including the related disclosures, which has been prepared to comply with Section 162 German Stock Corporation Act (AktG).

## RESPONSIBILITIES OF THE EXECUTIVE DIRECTORS AND OF THE SUPERVISORY BOARD

The executive directors and the Supervisory Board of Dürr Aktiengesellschaft, Stuttgart/Germany, are responsible for the preparation of the remuneration report, including the related disclosures, that complies with the requirements of Section 162 AktG. The executive directors and the Supervisory Board are also responsible for such internal control as they consider necessary to enable the preparation of a remuneration report, including the related disclosures, that is free from material misstatement, whether due to fraud (i.e., fraudulent financial reporting and misappropriation of assets) 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 German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW). These Standards require that we fulfill the professional responsibilities and that we plan and perform the audit so that we obtain reasonable assurance as to whether the remuneration report, including the related disclosures, is free from material misstatements.

An audit involves performing audit procedures in order to obtain audit evidence for the amounts stated in the remuneration report, including the related disclosures. The choice of the audit procedures is subject to the auditor's professional judgment. This includes assessing the risk of material misstatements, whether due to fraud or error, in the remuneration report, including the related disclosures. In assessing these risks, the auditor considers the system of internal control, which is relevant to preparing the remuneration report, including the related disclosures. Our objective is to plan and perform audit procedures that are appropriate in the circumstances, but not to express an audit opinion on the effectiveness of the Company's system of internal control. An audit also comprises an evaluation of the accounting policies used, of the reasonableness of accounting estimates made by the executive directors and the Supervisory Board as well as an evaluation of the overall presentation of the remuneration report, including the related disclosures.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## AUDIT OPINION

In our opinion, on the basis of the knowledge obtained in the audit, the remuneration report for the reporting period from January 1 to December 31, 2023, including the related disclosures, complies, in all material respects, with the accounting principles of Section 162 AktG.

## OTHER MATTER – FORMAL AUDIT OF THE REMUNERATION REPORT

The content audit of the remuneration report described in this report of the independent auditor comprises the formal audit required under Section 162 (3) AktG including the issuance of an auditor's report on this audit. Since our audit opinion on the content audit is unmodified, this audit opinion includes that the disclosures required under Section 162 (1) and (2) AktG are contained, in all material respects, in the remuneration report.

## INTENDED USE OF THE REPORT

We issue this report of the independent auditor as stipulated in the engagement letter agreed with the Company. The audit has been performed for the purposes of the Company and the report of the independent auditor is solely intended to inform the Company about the result of the audit.

## LIABILITY

This report of the independent auditor is not intended to be used by third parties as a basis for any (asset) decision. We are liable solely to Dürr Aktiengesellschaft, Stuttgart/Germany, and our liability is also governed by the engagement letter dated November 17 and 20, 2023 agreed with the Company as well as the "General Engagement Terms for Wirtschaftsprüfer and Wirtschaftsprüfungsgesellschaften (German Public Auditors and Public Audit Firms)" promulgated by the Institut der Wirtschaftsprüfer (IDW) in the version dated January 1, 2017 (IDW-AAB). We assume no responsibility with regard to any third parties.

Stuttgart/Germany, March 19, 2024

Deloitte GmbH
Wirtschaftsprüfungsgesellschaft

**Jan Bühler**
Wirtschaftsprüfer
(German Public Auditor)

**Anja Lustig**
Wirtschaftsprüferin
(German Public Auditor)

# LIMITED ASSURANCE REPORT OF THE INDEPENDENT PRACTITIONER

regarding the non-financial reporting for the financial year from January 1 to December 31, 2023

**To Dürr Aktiengesellschaft, Stuttgart/Germany**

## OUR ENGAGEMENT

We performed a limited assurance engagement on the disclosures for the financial year from January 1 to December 31, 2023 contained in chapter 2.1 "Part of the Group non-financial statement audited in accordance with ISAE 3000 (Revised) with mandatory components following materiality analysis" of the consolidated non-financial statement (hereafter referred to as "non-financial reporting"), which are included in the group management report of Dürr Aktiengesellschaft, Stuttgart/Germany, (hereafter referred to as "the Company") that has been combined with the management report.

Our assurance engagement does not cover references to external documentation sources and websites, including their contents, contained in the non-financial reporting.

## RESPONSIBILITIES OF THE EXECUTIVE DIRECTORS

The executive directors are responsible for the preparation of the non-financial reporting in accordance with Sections 315c in conjunction with 289c to 289e German Commercial Code (HGB), Article 8 of Regulation (EU) 2020/852 of the European Parliament and the Council of June 18, 2020 on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088 (hereafter referred to as "EU Taxonomy Regulation") and the delegated acts adopted thereon, as well as with the interpretation of the wording and terminology contained in the EU Taxonomy Regulation and the delegated acts adopted thereon, as is presented in section "EU Taxonomy" of the non-financial report.

These responsibilities of the executive directors of the Company include the selection and application of appropriate methods regarding the preparation of the non-financial reporting and the use of assumptions and estimates for individual non-financial disclosures of the Group which are reasonable under the given circumstances. In addition, the executive directors are responsible for such internal control as they have determined necessary to enable the preparation of a non-financial reporting that is free from material misstatements due to fraudulent behavior (manipulation of the non-financial report) or error.

The EU Taxonomy Regulation and the Delegated Acts issued thereunder contain wording and terms that are still subject to considerable interpretation uncertainties and for which clarifications have not yet been published in every case. Therefore, the executive directors have laid down their own interpretation of the EU Taxonomy Regulation and of the delegated acts issued thereunder in section "EU Taxonomy" of the non-financial reporting. They are responsible for the reasonableness of this interpretation. As there is the inherent risk that indefinite legal concepts may allow for various interpretations, the legal conformity of the interpretation is prone to uncertainty.

The preciseness and completeness of the environmental data in the non-financial reporting are subject to inherent restrictions resulting from the manner in which the data was collected and calculated as well as from assumptions made.

## INDEPENDENCE AND QUALITY ASSURANCE OF THE AUDIT FIRM

We have complied with the German professional requirements on independence and other professional rules of conduct.

Our firm applies the national statutory rules and professional announcements – particularly of the "Professional Charter for German Public Auditors and German Sworn Auditors" (BS WP/vBP) and of the Quality Management Standards promulgated by the Institut der Wirtschaftsprüfer (IDW), and accordingly maintains a comprehensive quality management system that includes documented policies and procedures with regard to compliance with professional ethical requirements, professional standards as well as relevant statutory and other legal requirements.

## RESPONSIBILITIES OF THE INDEPENDENT PRACTITIONER

Our responsibility is to express a conclusion on the non-financial reporting based on our work performed within our limited assurance engagement.

We conducted our work in accordance with the International Standard on Assurance Engagements (ISAE) 3000 (Revised) "Assurance Engagements Other than Audits or Reviews of Historical Financial Information", adopted by the IAASB. This Standard requires that we plan and perform the assurance engagement so that we can conclude with limited assurance whether any matters have come to our attention to cause us to believe that – with the exception of the references to external documentation sources and websites, including their contents, contained in there – the non-financial reporting of the Company has not been prepared, in all material respects, in accordance with Sections 315c in conjunction with 289c to 289e HGB and the EU Taxonomy Regulation and the delegated acts issued thereunder, as well as with the interpretation by the executive directors presented in section "EU Taxonomy" of the non-financial reporting.

The procedures performed in a limited assurance engagement are less in extent than in a reasonable assurance engagement; consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. The choice of assurance work is subject to the independent practitioner's professional judgment.

Within the scope of our limited assurance engagement, which we largely performed between October 2023 and March 2024, we performed the following work and other activities among others:

- Obtaining an understanding of the structure of the Group's sustainability organization and of the stakeholder engagement,
- Inquiries of relevant personnel who have been involved in the preparation of the non-financial reporting, about the preparation process as well as about disclosures in the non-financial reporting,
- Identification of probable risks of material misstatements in the non-financial reporting,

- Analytical evaluation of selected disclosures in the non-financial reporting,
- Comparison of selected disclosures with the corresponding data in the consolidated financial statements and in the combined management report,
- Assessment of the presentation of the non-financial reporting,
- Assessment of the process to identify taxonomy-eligible and taxonomy-aligned economic activities and the corresponding disclosures in the non-financial reporting.

In determining the disclosures in accordance with Article 8 of the EU Taxonomy Regulation, the executive directors are required to interpret undefined legal terms. As there is the inherent risk that indefinite legal concepts may allow for various interpretations, the legal conformity of the interpretation, and hence our related examination, is prone to uncertainty.

## PRACTITIONER'S CONCLUSION

Based on the work performed and the evidence obtained, nothing has come to our attention that causes us to believe that the disclosures of the Company for the financial year from January 1 to December 31, 2023 contained in chapter 2.1 "Part of the Group non-financial statement audited in accordance with ISAE 3000 (Revised) with mandatory components following materiality analysis" of the consolidated non-financial statement has not been prepared, in all material respects, in accordance with Sections 315c in conjunction with 289c to 289e HGB, the EU Taxonomy Regulation and the delegated acts issued thereunder, as well as with the interpretation by the executive directors presented in section "EU Taxonomy" of the non-financial reporting.

We do not express a conclusion on the contained references to external documentation sources and websites, including their contents.

## RESTRICTION OF USE

We issue the report as stipulated in the engagement letter agreed with the Company (including the "General Engagement Terms for Wirtschaftsprüferinnen, Wirtschaftsprüfer and Wirtschaftsprüfungsgesellschaften (German Public Auditors and Public Audit Firms)" as of January 1, 2024 promulgated by the Institut der Wirtschaftsprüfer (IDW)). We draw attention to the fact that the assurance engagement was conducted for the Company's purposes and that the report is intended solely to inform the Company about the result of the assurance engagement. Therefore, it may not be suitable for another than the aforementioned purpose. Accordingly, the report is not intended to be used by third parties for making (financial) decisions based on it.

We are liable solely to the Company. We assume no responsibility with regard to any third parties. Our conclusion was not modified in this respect.

Düsseldorf/Germany, March 18, 2024

Deloitte GmbH
Wirtschaftsprüfungsgesellschaft

**Dr. Matthias Schmidt** **Saskia Weis**

# RESPONSIBILITY STATEMENT BY MANAGEMENT

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 assets, liabilities, financial position and profit or loss of the Group, and the combined management report 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.

**Dr. Jochen Weyrauch**

**Dietmar Heinrich**

**Bietigheim-Bissingen, March 18, 2024**

# GLOSSARY

## Technology and products

### A

**Advanced Analytics**
Refers to a subfield of data processing that focuses on analyzing business information or business processes. In contrast to Business Intelligence (BI) procedures, which are restricted to the evaluation of historical data, Advanced Analytics (AA) aims at making predictions for the future.

**Application technology**
General term for all products related to the application of paint and high-viscosity materials, e.g. painting robots, paint atomizers, and color change systems.

### B

**Balancing technology**
Rotating components such as wheels and turbines must be tested for imbalances. Any imbalance is then removed since it would otherwise cause vibrations or oscillations.

### C

**Calendering machines**
Calendering machines are used for coating electrode films for lithium-ion batteries. Their two steel rollers press the cathode and anode materials onto the film by applying high pressure.

### D

**Dip coating**
Process for applying the first prime coat that protects against corrosion. To coat the interior of the body as well, it is immersed. The coating is applied with the aid of an electric field.

**Drying oven**
Tunnel-like systems for curing freshly applied coats of paint.

### E

**Electrode coating**
Anode and cathode material is applied to both sides of a metal foil as a thin paste and then dried. The material layers produced in this way are responsible for storing energy in a lithium-ion battery cell, while the metal foil acts as an electrode that conducts the electricity to and from the storage material.

**Electrode ring**
The external charging electrodes are arranged in a ring on the atomizer. They produce an electrostatic field that imparts an electrical charge to the paint drops after they are expelled from the atomizer. Since the surface to be painted is connected to ground, it attracts the paint drops. The symmetrical arrangement of the electrodes ensures highly uniform charging.

**Engineering**
Development and design of machinery and plants. At Dürr, engineering often involves developing technical solutions that are geared to customers' specific production goals.

### F

**Filling technology**
Equipment designed for filling vehicles with the necessary operating media (e.g. brake fluid, refrigerant) in the course of their final assembly. Filling systems are also employed for charging refrigerators, air conditioners and heat pumps with refrigerant.

### G

**Gluing technology**
Manufacturing process in which parts such as the sheet-metal components of a car are joined together by means of adhesives.

### H

**High-speed rotating atomizer**
Atomizers ensure a uniform distribution of the spray jet in paint application processes. High rotation atomizers rely on a bell-shaped disk revolving at up to 70,000 r.p.m. Due to this design, the paint fed to the center of the disk is accelerated and separated into fine threads which dissolve into minuscule droplets as they are propelled off the disk.

### M

**Main needle**
Term originating from paint application technology. At Dürr, the main needle is situated in the atomizer only a few millimeters from the atomizing component (e.g., a bell disk). When the main needle is opened, paint is expelled and enables the painting of a car body. If several main needles are installed, the paint colors required for further car bodies can be made ready in advance. This saves time, paint and solvents for cleaning the paint hoses.

### N

**NVH behavior**
NVH stands for Noise, Vibration and Harshness and designates all audible or perceptible oscillations in motor vehicles, or of machines. The lower the noise and vibration level, the better the NVH behavior, which is considered a quality characteristic.

### P

**Predictive maintenance**
An anticipatory approach for the proactive maintenance of machines and systems based on measured values and data serving to minimize failures that cause unplanned downtimes.

**Process mining**
Designates a technology for the systematic analysis and evaluation of business processes.

### R

**Robotic process automation**
With robot-supported process automation, repetitive and time-consuming office tasks are transferred to bots. This relieves employees, giving them more time for more demanding tasks.

### S

**Sealing**
Process for sealing welding seams created when car body parts are joined. Sealing also includes the application of an undercoating that protects against rock impact.

**Series construction**
Designates construction on the basis of standardized, industrially prefabricated modules. In contrast to site-built construction, components are pre-manufactured so that they only need to be assembled at the construction site. Serial construction enables an accelerated construction process and is mainly applied in timber house construction.

**Stator**
The stator is one of the most important components of an electric motor. It is immobile and consists of a magnetic core and several windings. When an electric current flows, the windings produce a rotating magnetic field. This interacts with the rotor's magnetic field and thus drives the rotor.

### T

**Testing technology**
End of line systems test the functions of fully assembled vehicles, e.g. headlights and ABS.

**Thermal oxidation**
Thermal oxidation is a process for exhaust-air purification. The polluted waste air is burned in a combustion chamber.

# Financial and Sustainability

## A

**Asset coverage**
A ratio that indicates the extent to which shareholders' equity covers non-current assets.

$$\frac{\text{equity}}{\text{non-current assets}} \times 100\ (\%)$$

**Asset intensity**
A ratio that indicates the relative weight of non-current assets in total assets. High asset intensity means high fixed costs and high levels of capital tied up.

$$\frac{\text{non-current assets}}{\text{total assets}} \times 100\ (\%)$$

## C

**Capital employed**
This is the capital used within the enterprise that is not subject to interest payable to external creditors. It is calculated by deducting liabilities from total non-current and current assets. However, all interest-bearing items are excluded.

**$CO_2$ equivalent ($CO_2e$)**
This unit of measurement indicates the climate impact of different greenhouse gases compared with that of carbon dioxide ($CO_2$).

## D

**Days sales outstanding**
This metric indicates the number of days during which capital is locked up in receivables.

$$\frac{\text{Receivables} \times 360}{\text{Sales}}$$

**Days Working Capital (Working Capital Turnover Period)**
This metric indicates the number of days during which capital is locked up as Net Working Capital.

$$\frac{\text{Net Working Capital} \times 360}{\text{Sales}}$$

## E

**Equity/assets ratio**
A ratio that indicates the extent to which shareholders' equity and non-current liabilities cover non-current assets.

$$\frac{\text{equity + non-current liabilities}}{\text{non-current assets}} \times 100\ (\%)$$

**Environmental, Social and Governance (ESG)**
ESG is frequently used as an equivalent to "sustainability".

## F

**Free cash flow**
Free cash flow is the cash flow from operating activities remaining after deducting capital expenditures, net interest paid and received and the repayment of leasing liabilities, and represents the amount of cash that is freely available to pay a dividend, make aquisitions and pay off debt.

## G

**Gearing**
This is the ratio of net financial debt to shareholders' equity and net financial debt. The higher the relative weight of net financial debt, the higher the reliance on external lenders. However, a high gearing is not necessarily negative if the interest paid does not reduce profits excessively.

**Greenhouse Gas Protocol (GHG Protocol)**
Leading standard for the measurement and management of greenhouse gas emissions in organizations.

## I

**Interest coverage**
An interest coverage ratio of <1 indicates that the company is not able to meet its interest payments from operating earnings.

$$\frac{\text{earnings before tax + net interest expense}}{\text{net interest expense}}$$

**Inventories Turnover Period**
This metric indicates the number of days during which capital is locked up in inventories.

$$\frac{\text{Inventories} \times 360}{\text{Sales}}$$

## L

**Liquidity ratios: cash ratio and quick ratio**
These two liquidity ratios show the degree to which current liabilities are covered by cash and cash equivalents (and other current assets). They serve to measure a company's solvency.

$$\frac{\text{cash and cash equivalents}}{\text{current liabilities}} \times 100\ (\%)$$

$$\frac{\text{cash and cash equivalents + short-term trade receivables}}{\text{current liabilities}} \times 100\ (\%)$$

## N

**Net financial status**
This represents the balance of the financial liabilities reported in the balance sheet after deducting liquid funds. If a company's liquid funds exceed its financial liabilities, it is de facto debt free.

financial liabilities − liquid funds

**Net Working Capital (NWC)**
This is a measure of the net funding required to finance current assets. Negative NWC is beneficial since it implies that sales are prefinanced by suppliers and customers. For the Dürr Group, the prepayments received from customers are an important factor affecting NWC.

inventories + contract assets + trade receivables − contract liabilities − trade payables

## R

**Return on Capital Employed (ROCE)**
This measures the rate of return on the capital tied up in a company's operating assets (for instance in machinery and equipment, inventories, accounts receivable) and is the ratio of earnings before interest and taxes (EBIT) to capital employed.

$$\frac{\text{EBIT}}{\text{capital employed}} \times 100\ (\%)$$

**Return on Equity (ROE)**
This is the rate of return earned on shareholders' equity. It should exceed the rate of return on a comparable investment.

$$\frac{\text{earnings after taxes}}{\text{shareholders' equity}} \times 100\ (\%)$$

**Return on Investment (ROI)**
This ratio serves to measure how efficiently a company employs the total resources at its disposal.

$$\frac{\text{earnings after taxes + interest expense}}{\text{total assets}} \times 100\ (\%)$$

# TEN-YEAR SUMMARY

### 5.1 — TEN-YEAR SUMMARY DÜRR GROUP[1]

| | | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Incoming orders | € million | 4,615.5 | 5,008.4 | 4,291.0 | 3,283.2 | 4,076.5 | 3,930.9 | 3,803.0 | 3,701.7 | 3,467.5 | 2,793.0 |
| Orders on hand (Dec. 31) | € million | 4,201.2 | 4,014.0 | 3,361.0 | 2,556.7 | 2,742.8 | 2,577.2 | 2,449.4 | 2,568.4 | 2,465.7 | 2,725.3 |
| Sales revenues | € million | 4,627.3 | 4,314.1 | 3,536.7 | 3,324.8 | 3,921.5 | 3,869.8 | 3,713.2 | 3,573.5 | 3,767.1 | 2,574.9 |
| Gross profit on sales | € million | 1,005.1 | 938.7 | 819.4 | 596.3 | 838.2 | 855.5 | 857.2 | 858.3 | 828.0 | 591.1 |
| Overhead costs (incl. R&D costs) | € million | –809.9 | –736.7 | –657.6 | –585.9 | –639.0 | –612.9 | –601.8 | –605.5 | –566.4 | –359.5 |
| EBITDA | € million | 322.2 | 337.5 | 299.4 | 125.3 | 308.5 | 326.9 | 367.7 | 360.3 | 348.2 | 262.9 |
| EBIT before extraordinary effects | € million | 280.4 | 232.2 | 199.1 | 99.5 | 263.1 | 274.9 | 283.7 | 286.4 | 294.3 | 237.4 |
| EBIT | € million | 191.4 | 205.9 | 175.7 | 11.1 | 195.9 | 233.5 | 287.0 | 271.4 | 267.8 | 220.9 |
| Financial result | € million | –20.2 | –17.8 | –43.1 | –29.7 | –21.2 | –13.8 | –19.8 | –13.3 | –23.3 | –16.2 |
| EBT | € million | 171.3 | 188.1 | 132.6 | –18.5 | 174.7 | 219.7 | 267.3 | 258.1 | 244.5 | 204.7 |
| Income taxes | € million | –61.1 | –53.9 | –47.6 | 4.7 | –44.9 | –56.2 | –67.6 | –70.3 | –78.0 | –54.4 |
| Net income/loss | € million | 110.2 | 134.3 | 84.9 | –13.9 | 129.8 | 163.5 | 199.6 | 187.8 | 166.6 | 150.3 |
| Profit/loss attributable to Dürr AG shareholders | € million | 112.0 | 131.0 | 83.0 | –15.8 | 124.1 | 157.1 | 192.6 | 181.9 | 161.6 | 149.8 |
| **STOCK** | | | | | | | | | | | |
| Earnings per share (basic) | € | 1.62 | 1.89 | 1.20 | –0.23 | 1.79 | 2.27 | 2.78 | 2.63 | 2.34 | 2.17 |
| Earnings per share (diluted) | € | 1.55 | 1.81 | 1.16 | –0.23 | 1.79 | 2.27 | 2.78 | 2.63 | 2.34 | 2.17 |
| Dividend per share | € | 0.70[2] | 0.70 | 0.50 | 0.30 | 0.80 | 1.00 | 1.10 | 1.05 | 0.93 | 0.83 |
| Book value per share (Dec. 31) | € | 16.91 | 16.17 | 14.45 | 13.06 | 14.89 | 14.12 | 12.80 | 11.70 | 10.07 | 8.89 |
| Operating cash flow per share | € | 4.15 | 3.83 | 3.71 | 3.11 | 2.48 | 2.34 | 1.73 | 3.29 | 2.50 | 4.21 |
| Closing price (Dec. 31) | € | 21.38 | 31.52 | 40.12 | 33.40 | 30.38 | 30.53 | 53.28 | 38.18 | 36.80 | 36.63 |
| Number of shares (weighted average) | thousand | 69,202 | 69,202 | 69,202 | 69,202 | 69,202 | 69,202 | 69,202 | 69,202 | 69,202 | 69,202 |
| Market capitalization (Dec. 31) | € million | 1,480 | 2,181 | 2,776 | 2,311 | 2,102 | 2,113 | 3,687 | 2,642 | 2,547 | 2,535 |
| **INCOME STATEMENT** | | | | | | | | | | | |
| Gross margin | % | 21.7 | 21.8 | 23.2 | 17.9 | 21.4 | 22.1 | 23.1 | 24.0 | 22.0 | 23.0 |
| EBITDA margin | % | 7.0 | 7.8 | 8.5 | 3.8 | 7.9 | 8.4 | 9.9 | 10.1 | 9.2 | 10.2 |
| EBIT margin before extraordinary effects | % | 6.1 | 5.4 | 5.6 | 3.0 | 6.7 | 7.1 | 7.6 | 8.0 | 7.8 | 9.2 |
| EBIT margin | % | 4.1 | 4.8 | 5.0 | 0.3 | 5.0 | 6.0 | 7.7 | 7.6 | 7.1 | 8.6 |
| EBT margin | % | 3.7 | 4.4 | 3.7 | –0.6 | 4.5 | 5.7 | 7.2 | 7.2 | 6.5 | 8.0 |
| Interest coverage | | 7.9 | 10.8 | 4.1 | 0.5 | 7.3 | 11.5 | 13.4 | 13.7 | 10.7 | 12.6 |
| Tax rate | % | 35.6 | 28.6 | 35.9 | 25.2 | 25.7 | 25.6 | 25.3 | 27.2 | 31.9 | 26.6 |
| **CASH FLOW** | | | | | | | | | | | |
| Operating cash flow | € million | 287.5 | 264.7 | 257.0 | 215.0 | 171.9 | 162.3 | 119.8 | 227.4 | 173.0 | 291.3 |
| Free cash flow | € million | 129.3 | 117.1 | 120.8 | 110.7 | 44.9 | 78.4 | 14.3 | 129.9 | 62.8 | 221.1 |
| Capital expenditure (property, plant & equipment and intangible assets) | € million | 157.1 | 138.5 | 107.8 | 76.4 | 102.6 | 74.4 | 88.0 | 81.9 | 102.3 | 54.9 |
| Change in net financial status | € million | –417.1 | 53.1 | –50.5 | 50.3 | –24.9 | –144.0 | 17.6 | 47.1 | –38.4 | –112.7 |
| **BALANCE SHEET** | | | | | | | | | | | |
| Non-current assets (Dec. 31) | € million | 1,916.3 | 1,482.3 | 1,464.7 | 1,315.6 | 1,322.4 | 1,244.3 | 1,110.1 | 1,125.3 | 1,182.0 | 1,124.2 |
| Current assets (Dec. 31) | € million | 3,239.7 | 3,048.6 | 2,689.0 | 2,563.2 | 2,560.0 | 2,370.1 | 2,401.4 | 2,223.2 | 1,804.6 | 1,851.9 |

| | | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 |
|---|---|---|---|---|---|---|---|---|---|---|---|
| of which cash and cash equivalents (Dec. 31) | € million | 1,037.1 | 716.1 | 583.1 | 769.2 | 662.0 | 655.0 | 659.9 | 724.2 | 435.6 | 522.0 |
| Equity (with non-controlling interests) (Dec. 31) | € million | 1,177.0 | 1,124.2 | 1,005.6 | 908.1 | 1,043.4 | 992.2 | 900.5 | 831.0 | 714.4 | 725.8 |
| Non-current liabilities (Dec. 31) | € million | 1,225.3 | 957.9 | 1,056.8 | 816.2 | 1,056.4 | 786.1 | 787.3 | 843.3 | 585.0 | 643.1 |
| of which pension obligations (Dec. 31) | € million | 40.4 | 36.4 | 50.9 | 58.1 | 59.0 | 50.1 | 49.8 | 51.8 | 49.7 | 53.7 |
| Current liabilities (Dec. 31) | € million | 2,753.7 | 2,448.9 | 2,091.2 | 2,154.4 | 1,782.6 | 1,836.2 | 1,823.8 | 1,674.2 | 1,687.2 | 1,607.3 |
| Financial liabilities (Dec. 31) | € million | 1,449.1 | 862.6 | 937.4 | 718.3 | 923.1 | 623.3 | 622.6 | 654.5 | 350.9 | 426.5 |
| Total assets (Dec. 31) | € million | 5,156.0 | 4,530.9 | 4,153.6 | 3,878.8 | 3,882.3 | 3,614.4 | 3,511.6 | 3,348.5 | 2,986.7 | 2,976.1 |
| Net financial status[3] (Dec. 31) | € million | –516.6 | –46.4 | –99.5 | –49.0 | –99.3 | 32.3 | 176.3 | 176.5 | 129.4 | 167.8 |
| Net financial debt/EBITDA[3] | | 1.6 | 0.1 | 0.3 | 0.4 | 0.3 | – | – | – | – | – |
| Gearing (Dec. 31) | % | 30.5 | 4.0 | 9.0 | 5.1 | 8.7 | –3.4 | –24.3 | –27.0 | –22.1 | –30.1 |
| Net working capital (Dec. 31) | € million | 545.3 | 415.9 | 427.9 | 382.6 | 502.7 | 441.4 | 373.7 | 194.4 | 236.8 | 87.6 |
| Days working capital | days | 42.4 | 34.7 | 43.6 | 41.4 | 46.1 | 41.1 | 36.2 | 27.2 | 22.6 | 12.2 |
| Days sales outstanding | days | 49.2 | 49.6 | 59.8 | 55.2 | 53.8 | 56.1 | 51.7 | 47.3 | 51.9 | 67.8 |
| Inventory turnover | days | 60.8 | 71.1 | 70.1 | 55.1 | 46.7 | 49.8 | 44.4 | 40.4 | 37.0 | 51.0 |
| Equity assets ratio (Dec. 31) | % | 61.4 | 75.8 | 68.7 | 69.0 | 78.9 | 79.7 | 81.1 | 73.8 | 60.4 | 64.6 |
| Degree of asset depreciation (Dec. 31) | % | 48.2 | 49.3 | 47.6 | 48.3 | 45.1 | 38.5 | 36.1 | 34.3 | 32.1 | 30.7 |
| Depreciation expense ratio | % | 6.8 | 6.9 | 7.0 | 7.7 | 7.6 | 6.4 | 6.5 | 6.7 | 6.4 | 4.2 |
| Asset coverage (Dec. 31) | % | 125.4 | 140.5 | 140.8 | 131.1 | 158.8 | 142.9 | 152.0 | 148.8 | 109.9 | 121.8 |
| Asset intensity (Dec. 31) | % | 37.2 | 32.7 | 35.3 | 33.9 | 34.1 | 34.4 | 31.6 | 33.6 | 39.6 | 37.8 |
| Current assets to total assets (Dec. 31) | % | 62.8 | 67.3 | 64.7 | 66.1 | 65.9 | 65.6 | 68.4 | 66.4 | 60.4 | 62.2 |
| Cash ratio (Dec. 31) | % | 37.7 | 29.2 | 27.9 | 35.7 | 37.1 | 35.7 | 36.2 | 43.3 | 26.4 | 32.6 |
| Quick ratio (Dec. 31) | % | 59.4 | 52.1 | 54.6 | 58.2 | 69.1 | 66.5 | 64.8 | 89.8 | 80.8 | 85.7 |
| Equity ratio (Dec. 31) | % | 22.8 | 24.8 | 24.2 | 23.4 | 26.9 | 27.4 | 25.6 | 24.8 | 23.9 | 24.4 |
| Return on equity | % | 9.4 | 11.9 | 8.4 | –1.5 | 12.4 | 16.5 | 22.2 | 22.6 | 23.3 | 20.7 |
| Capital employed (CE) (Dec. 31) | € million | 1,715.3 | 1,189.3 | 1,132.8 | 991.5 | 1,160.6 | 971.9 | 738.9 | 670.6 | 590.6 | 571.5 |
| ROCE | % | 11.2 | 17.3 | 15.5 | 1.1 | 16.9 | 24.0 | 38.6 | 41.1 | 45.3 | 38.7 |
| Weighted average cost of capital (WACC) | % | 9.87 | 10.58 | 7.43 | 7.44 | 8.42 | 9.00 | 7.88 | 7.20 | 6.98 | 5.78 |
| Dürr Group Value Added (DGVA) | € million | –35.3 | 18.3 | 38.8 | –66.0 | 39.4 | 76.0 | 142.7 | 142.5 | 146.2 | 121.6 |
| **EMPLOYEES/R&D** | | | | | | | | | | | |
| Employees (Dec. 31) | | 20,597 | 18,514 | 17,802 | 16,525 | 16,493 | 16,312 | 14,974 | 15,235 | 14,850 | 14,151 |
| Cost per employee (year average) | € | –73,433 | –72,463 | –68,154 | –64,399 | –69,055 | –67,188 | –68,725 | –67,100 | –67,000 | –64,800 |
| Sales per employee (year average) | € | 238,152 | 237,441 | 205,943 | 203,552 | 238,201 | 248,176 | 250,772 | 237,000 | 260,000 | 262,900 |
| R&D ratio | % | 3.3 | 3.2 | 3.5 | 3.2 | 2.8 | 3.1 | 3.1 | 3.0 | 2.6 | 2.2 |
| R&D employees (Dec. 31) | | 1,008 | 971 | 922 | 795 | 789 | 782 | 713 | 695 | 667 | 619 |
| R&D expenditure | € million | –151.4 | –136.5 | –123.9 | –107.7 | –110.8 | –121.0 | –116.7 | –105.9 | –97.1 | –55.4 |
| R&D cost capitalized | € million | 33.9 | 23.6 | 21.5 | 18.1 | 19.0 | 14.5 | 9.6 | 12.4 | 11.5 | 5.5 |
| Amortiziation of R&D cost capitalized | € million | –14.6 | –12.9 | –10.7 | –10.0 | –9.1 | –9.9 | –12.7 | –13.1 | –10.4 | –4.3 |

All figures according to IFRS.
1 Please note the information on page 82 concerning the figures.
2 Dividend to be proposed at the annual general meeting.
3 Up until 2018 the Dürr Group had a positive net cash balance. Since 2019 leasing liabilities have been recognized in the net financial status in accordance with IFRS 16.

# CONTACT

Please contact us for further information.

**Dürr AG**
**Corporate Communications & Investor Relations**
Carl-Benz-Strasse 34
74321 Bietigheim-Bissingen
Germany
Phone +49 7142 78-1785
Fax +49 7142 78-1716
corpcom@durr.com
www.durr-group.com

**Published by**
Dürr AG, Carl-Benz-Strasse 34,
74321 Bietigheim-Bissingen, Germany

**Concept & Design**
Kirchhoff Consult, Hamburg, Germany

The English translation of our 2023 annual report is based on the German version. The German version is authoritative.

**Forward-looking statements**

This annual report includes forward-looking statements about future developments. As is the case for any business activity conducted in a global environment, such forward-looking statements are always subject to uncertainty. Our information is based on the convictions and assumptions of the Board of Management of Dürr AG, as developed from the information currently available. However, the following factors may affect the success of our strategic and operating measures: geopolitical risks, changes in general economic conditions (especially a prolonged recession), exchange rate fluctuations and changes in interest rates, new products launched by competitors and a lack of customer acceptance for new Dürr products or services, including growing competitive pressure. Should any of these factors or other imponderable circumstances arise, or should the assumptions underlying the forward-looking statements prove incorrect, actual results may differ from those projected. Dürr AG undertakes no obligation to provide continuous updates of forward-looking statements and information. Such statements and information are based upon the circumstances as of the date of their publication.

# FINANCIAL CALENDAR

**March 20, 2024**
Publication of the annual report 2023

**May 14, 2024**
Interim statement for the first quarter of 2024

**May 17, 2024**
Annual general meeting

**August 8, 2024**
Interim financial report for the first half of 2024

**November 7, 2024**
Interim statement for the first nine months of 2024

WWW.DURR-GROUP.COM