Annual Report
2024

The Group at a Glance

GROUP KEY FIGURES 2021 – 2024

IFRS in EUR million	2021	2022	2023	2024	Change 2023/2024
Total Group revenues	1,537.6	1,748.1	1,831.1	2,183.4	19.2%
of which Germany	463.2	536.5	432.4	441.6	2.1%
International	1,074.4	1,211.6	1,398.7	1,741.8	24.5%
International in %	69.9	69.3	76.4	79.8	n/a
of which Geotechnical Solutions	682.4	787.4	904.0	1,191.4	31.8%
Equipment	681.5	747.8	721.5	789.4	9.4%
Resources	272.5	299.2	277.7	270.8	–2.5%
Corporate Services/Consolidation	–98.8	–86.3	–72.1	–68.2	n/a
Consolidated revenues	1,472.4	1,680.0	1,773.4	2,107.3	18.8%
Sales revenues	1,433.1	1,630.1	1,698.2	2,035.9	19.9%
Order intake	1,739.5	1,828.6	1,939.8	1,848.4	–4.7%
Order backlog	1,364.4	1,445.0	1,553.6	1,218.7	–21.6%
EBITDA	153.5	60.5	203.6	223.9	10.0%
EBITDA margin in % (of sales revenues)	10.7	3.7	12.4	11.0	n/a
EBIT	36.0	–68.0	89.0	89.1	0.1%
EBIT margin in % (of sales revenues)	2.5	–4.2	5.2	4.4	n/a
Earnings after tax	4.0	–94.0	2.8	9.7	n/a
Capital investment in property, plant and equipment	179.7	133.0	149.0	192.1	28.9%
Equity	481.1	402.3	483.1	502.0	3.9%
Equity ratio in %	29.3	24.8	28.6	29.8	n/a
Total assets	1,639.5	1,620.0	1,686.8	1,683.6	–0.2%
Earnings per share	–0.02	–3.66	0.02	0.21	n/a
Distribution	0.00	0.00	0.00	0.00*	n/a
Dividend per share in EUR	0.00	0.00	0.00	0.00*	n/a
Return on equity after tax in %	1.1	–19.5	0.6	1.9	n/a
Employees (reporting date)	11,966	11,892	12,034	11,380	–5.4%
of which Germany	4,001	4,045	3,876	3,938	1.6%
International	7,965	7,847	8,158	7,442	–8.8%

* Previous year's figure adjusted; see explanation on p. 52 of the Consolidated Notes

The total Group revenues presented here, in contrast to the consolidated revenues presented in the Consolidated Income Statement, include revenue components from associated companies as well as revenue from non-consolidated subsidiaries and consortia.

BAUER Aktiengesellschaft
Annual Report 2024

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The World is our Market

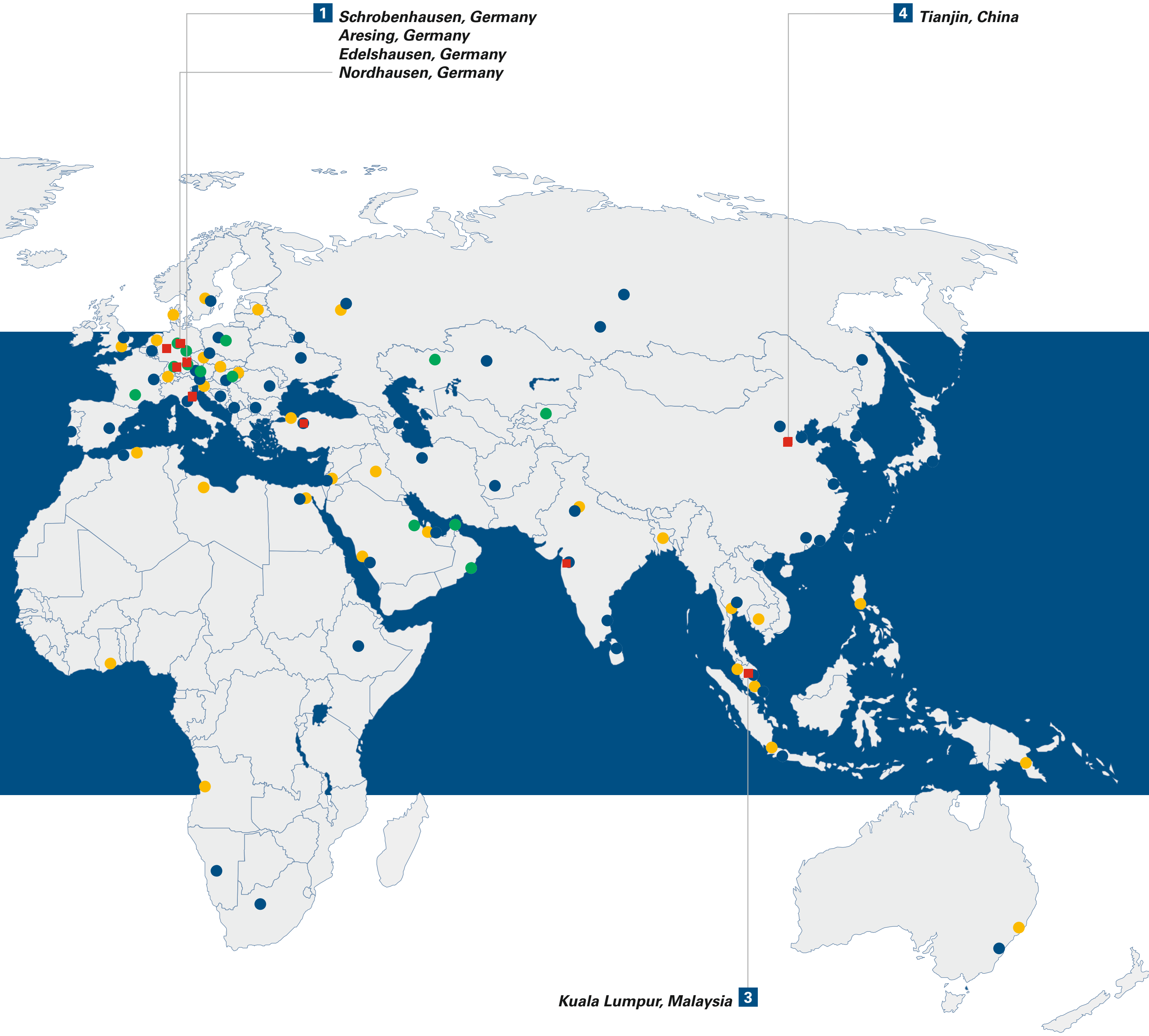
2.2 EUR BILLION
TOTAL GROUP REVENUES

FROM AROUND **100** COUNTRIES

AROUND **11,000** EMPLOYEES

- Geotechnical Solutions
- Equipment
- Resources

- Production site


1 Schrobenhausen, Germany
Aresing, Germany
Edelshausen, Germany
Nordhausen, Germany
4 Tianjin, China
Kuala Lumpur, Malaysia 3

Foreword

Ladies and Gentlemen,
shareholders and friends of our company,

In 2024, we were able to continue pursuing the course we have adopted towards becoming a sustainably successful and profitable company. And we achieved this despite the fact that the political and economic conditions around the world remained challenging.

It cannot be ignored that geopolitical tensions have continued to increase, whether in the Middle East with the Gaza Strip or in the conflict between Russia and Ukraine. The new elections in the USA have led to growing uncertainty; long-established partnerships are being called into question. The USA no longer regards itself as a protective force in the world, and Europe is therefore forced to take on that role for itself within the continent. The tariffs imposed by the USA to apply political pressure are unsettling the economy, which means an increasingly difficult environment for the sale of capital goods. These factors are joined by the persistent weakness of the Chinese construction market and an ongoing weak economic performance in most other Asian countries. On the other hand, with Saudi Arabia and India, strong economies are driving the construction market forward with considerable investments in the future and unique projects. In Europe as well there are still numerous large infrastructure projects, whether for transport or energy supply, that are highly interesting for the construction sector and for specialist foundation engineering in particular. The investment program planned for Germany, involving billions of dollars in investments, will also have a positive effect on the construction sector. In addition, the growing need for energy, whether for the steadily increasing number of data centers or for electrification, presents opportunities for construction companies in all areas of the world independently of the economic conditions.

We are basically satisfied with the total Group revenues of EUR 2.2 billion and EBIT of EUR 89.0 million achieved in 2024, even though our long-term goals for the earnings figures are positioned at higher levels. In this context it should be noted that the execution of our major project in Hungary alone contributed roughly EUR 318 million to the increase in total Group revenues. On the other hand, we have created provisions due to the difficulty in forecasting the ongoing progress of the project, which are included in the earnings figures. This was owing to the sanctions against Russia entering into force in December 2024, which worsened the conditions for this major project.

We succeeded in making further progress with the development of our balance sheet figures. Total assets decreased slightly despite the increase in revenue. Due to the increase in EBITDA and the simultaneous reduction in net debt, the ratio of net debt to EBITDA further improved to 1.68 and thereby achieved a new historically low value.

In the Geotechnical Solutions segment, we continued the optimization of our international positioning with the closure of subsidiaries which we did not consider profitable on the long term. Sustainable successes are already evident here as a result of the reduction in fixed costs, as well as from consistent improvements in risk management. The operative execution of our projects was positive again in 2024, which meant that nearly all regions delivered solid contributions to earnings and our major projects also achieved corresponding economic success. In some countries in Asia, we will carry out restructuring measures in the ongoing year due to the difficult economic environment.

The Equipment segment had a stable financial year in terms of the operative business with growth in the sales figures in Europe and the Middle East. Business was solid in Germany, while restraint among customers was evident in the USA due to the presidential elections. In contrast, China was once again unsatisfactory as a sales market due to the persistent weakness of the construction market, and the Asian market as a whole is also increasingly challenging. Overall, the earnings contribution of the Equipment segment remained behind our expectations. The cyber attack in late October 2023 influenced this segment most significantly in the previous year. This resulted in the loss of almost two months of sales and the corresponding earnings contribution in the 2023 figures, which means that the increase in revenue and earnings figures needs to be put into perspective to a certain degree.

The Resources segment recorded an encouraging performance again in 2024. Good revenue and earnings performance was achieved in nearly all business divisions. In environmental services, due to the difficult market environment for construction in Germany and the increasingly competitive situation, there was a decrease in the corresponding key figures. Performance was encouraging in the area of mining, which not only delivered a positive contribution to earnings once again, but was able to considerably increase its order backlog even further. This means long-term utilization of capacities in this area of business.

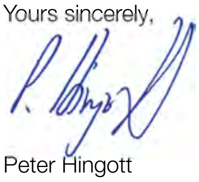
Overall, although we are essentially satisfied with the 2024 financial year, we continue working tirelessly to make our company sustainably profitable and successful once again. In this context, we have started several important projects to reach this target and further increase our earnings margins over the next several years. These include the consistent improvement of our supply chain to reduce manufacturing costs, as well as a strategy for our international production network. We are working on a clear product strategy and aim to orient our sales activities even more strategically towards our customers. In our company, we have numerous outstanding and innovative products and brands that we would like to position better and more strategically. In general we are working on returning our focus to customer orientation in all areas, and particularly in product development. We are still planning extensive investments in the coming years to modernize and expand our equipment production. At our subsidiary Klemm in Drolshagen, we have successfully completed the construction of our new production site.

We continue to proceed according to the approach we have adopted over the past several years: Profitability before growth. Overall, we want to place a stronger focus on the performance of the BAUER Group and also increasingly highlight innovation and technology. In all segments we are one of the leading companies in our sector, but we should not simply rest on our laurels. We are committed to being the best in order to continue asserting ourselves against our competitors in the years to come. And we want to be the best partner for our customers. We don't just sell a product or service – we sell a solution and help our customers to optimally master their challenges. These core topics will shape our activities for the next several years.

Over the past years, we have laid all the foundations for being sustainably successful once again. The reinforced balance sheet gives us options for beneficial investments in the future. The economic and political environment in the world has weakened further in the past year, and we are preparing ourselves for this. We are working on reducing costs in all areas in order to remain successful in the coming years even in a difficult market environment. We have laid all the foundations for making 2025 a successful year. When it comes to total Group revenues, we expect a significant decrease. This is owing to the major project in Hungary, which in itself raised revenues by roughly EUR 318 million in 2024 and will no longer be involved to such an extent in 2025. For EBIT on the other hand, we anticipate a slight increase.

I would like to warmly thank all employees for their tireless efforts. The entire company is working hard for our success and our orientation for the future – I truly appreciate this. And I would also like to warmly thank you, dear shareholders, financing partners, customers and friends of the company, for your loyalty. We look forward to continuing this journey with you in the years to come.

Yours sincerely,



Peter Hingott

Combined Management Report

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Combined Management Report

I. GENERAL INFORMATION ABOUT THE GROUP

GROUP STRUCTURE

The BAUER Group sees itself as one of the leading providers of services, equipment and products related to ground and groundwater. Bauer operates a worldwide network on all continents. The business activities of the Group are divided into three future-oriented segments: Geotechnical Solutions, Equipment and Resources.

The Geotechnical Solutions segment applies all the established methods and techniques of specialist foundation engineering all over the world. These include executing complex excavation pits and foundations for large-scale infrastructure projects and buildings, as well as cut-off walls and soil improvements. On the one hand, the construction markets are handled by local subsidiaries that support one another in networks, and on the other hand, large projects in countries without a local company are carried out by pooling capacities from all over the world. From Germany and from regional centers, support services are provided by means of central service functions and standards are set for the subsidiaries of each segment.

In the Equipment segment, Bauer is a provider for a full range of equipment for specialist foundation engineering as well as for the exploration, mining and extraction of natural resources. Besides its headquarters in Schrobenhausen, the Equipment segment operates a worldwide distribution network and production facilities in Germany, China, Malaysia, Italy, Turkey and in the USA, among other locations.

The Resources segment focuses on the development, production and execution of innovative products and services and acts as a service provider with several business divisions and subsidiaries in the areas of water wells, environmental services and energy, mining, infrastructure and constructed wetlands.

BAUER Aktiengesellschaft (BAUER AG) is the holding company of the Group and primarily represents the Corporate Services segment. As a service provider, BAUER AG performs central administrative and service functions for the affiliated companies, with particular involvement in the areas of personnel, accounting, financing, group communications and marketing, legal and tax affairs, IT, group accounting and controlling, internal audit and risk management as well as health, safety and environment (HSE).

PERFORMANCE INDICATORS

Financial performance indicators

The total Group revenues and earnings before interest and taxes (EBIT) are used as the fundamental and significant key financial performance indicators for the management of the Group. For BAUER AG, exclusively the sales revenues are used for this purpose.

Here, the total Group revenues serve as the common performance indicator for the construction industry and represent the revenues of all the companies that form part of the Group. The difference between the consolidated revenues and the total Group revenues is derived from the revenues of the associated companies, from the portion of revenues in consortia and from the revenues of non-consolidated companies. In contrast, sales revenues are not used as a performance indicator. These only provide an incomplete picture of Group performance in the financial year. For a presentation of the reconciliation, we refer to section 7 in the Notes to the Consolidated Financial Statements, and the Explanatory Notes to the Consolidated Income Statement.

The performance of total Group revenues and relevant contributions by the various segments to the total Group revenues are set out in the Business Report. The Business Report also details the calculation and trends in EBIT in the Group. At segment level, the total Group revenues and the EBIT are also used as key financial performance indicators.

Non-financial performance indicators

Non-financial key figures of Group performance are also measured as part of a comprehensive reporting system, although they have no individual material significance in terms of internal controls nor in other respects. The reporting on trends in these key figures is primarily intended to convey an overall picture of the operations of the BAUER Group.

The key figures included originate from the human resources function, such as workforce numbers, among other sources. Key figures from the field of research and development are also reported.

RESEARCH AND DEVELOPMENT

In the 2024 financial year, the BAUER Group once again invested a considerable amount to create new and develop existing products and services in three segments as well as for research purposes. Research and development work in the BAUER Group is organized on a decentralized basis, but is coordinated across segments. The focus was primarily a wide range of equipment for specialist foundation engineering as well as the appropriate drilling tools and attachment units. This was complemented by the new development and optimization of construction site applications and methods.

In 2024, the main focus of research and development activities in the Equipment segment once again centered around the areas of sustainability, drive technology and digitalization. New developments and enhancements, such as the BAUER BCS 185 power pack and RTG RG 21 T hybrid, are able to reduce or entirely avoid local emissions. The eCSM demonstrated the functional capacity of a fully electric soil mixing method for the first time, with considerable advantages in efficiency and output. In addition to the development of battery-powered electric equipment, drilling rigs with a hydrogen fuel cell drive were tested in a research project. In the area of maritime technologies, the Dive Drill method, which enables safe and sustainable construction of offshore wind parks, was chosen as a finalist for the 2025 BAUMA Innovation Award in the Construction category. A smart tracking system was developed in the area of digitalization and automation, which supplies the basis for intelligent drilling tools and was nominated for the 2024 VDBUM Advancement Award. These intelligent tools facilitate predictive maintenance and automatic allocation of tools and equipment.

In 2024, development work in the Geotechnical Solutions segment focused on further developing our process technologies and the product range. Concerning process technologies, specific investigation was conducted regarding the optimization of materials and soil mixing with the Mixed-in-Place method as well as the source materials for producing LWS injections. For the MIP method, the mixture composition of the mixed-in slurry was specifically optimized to allow for the use of a more economical and environmentally friendly construction material composition in suitable soil conditions. With regard to LWS injections, the behavior of the silica sol-based injection agent was examined in relation to physical and chemical soil properties in order to optimize the future composition of the injection agent accordingly. Furthermore, new equipment was developed for the company's own drilling rigs that are used to construct stone columns in vibration-sensitive soils. The subsequently constructed prototype device was successfully tested on a project in Scandinavia.

The main focus of development in the Resources segment was on solutions for environmental business, brownfield remediation and disposal. For some time now, the treatment of water polluted with per- and polyfluorinated chemicals (PFAS) has been a focus. PFAS are currently a major environmental problem. In 2024, trials were conducted with a mobile soil washing plant to test its suitability for cleaning water polluted with PFAS. The findings obtained were used to optimize treatment strategies. Furthermore, one newly launched project involved the development of a fully networked pressure sensor to improve quality assurance in geothermal heat applications. Using a measuring network on the site, the sensors will ensure online monitoring of the quality of the pressure lines and detect damages at an early stage. The project is scheduled for completion in 2026. In addition, intensive work is underway on products and methods for reducing the carbon footprint. Further tests were carried out with a pilot plant using EcoVert technology – a purely biological method for groundwater treatment in which the centerpiece is formed by two vertical bio filters. The goal is to further improve the efficiency of the plant and expand its potential applications.

To promote research that might be of Group-wide importance, internal and external orders for research projects are placed via the BAUER Research Community. This type of overall organization for research and development work has proven to be highly effective. Thanks to fast decisions and high flexibility, all products can be kept up to date, with new ideas and market requirements able to be implemented quickly.

In 2024, research and development costs recognized in net income for the BAUER Group amounted to EUR 40.1 million (previous year: EUR 30.9 million). In the past, this expense has led to a general increase in the expertise base of the segments.

II. BUSINESS REPORT

MACROECONOMIC TREND

The macroeconomic and geopolitical conditions have not changed materially in 2024 compared with the previous year. The world's crises, which continue undiminished with their wars and conflicts, remain a major challenge for the global economy. These challenges are heightened by ongoing climate change and further increasing extreme environmental events such as storms, floods and fires. Only the interest rate development experienced a turnaround in 2024 compared with 2023. In particular, inflation also evened out and returned to normal levels. Against this overall background, the global economy as a whole continued to be very robust and stable in 2024.

In Europe, the economy benefited from the stabilization of the interest rate environment and once again lower inflation. The ongoing war in Ukraine is factored into the markets and no longer had an additional negative impact in the current year. The exception here is the economy in Germany, which is suffering from very low growth. This is primarily due to the performance in the automotive industry, building construction and other manufacturing sectors. This effect was exacerbated by disagreements within the government resulting in the postponement of decisions, which meant that the investment environment continued to be shaped by uncertainty. In contrast, North America continued its positive and stable market performance. Even the election year did not have a noticeable negative effect here. The markets continue to benefit from enormous government subsidies. The result of the presidential elections in the USA in November 2024 gave an additional uplift to the economy. In 2024, China continued to suffer from weak economic development, which had a negative effect for example on investments in infrastructure and building construction. Government assistance measures were unable to have a significant positive influence on this trend. In contrast, India continued its positive performance and is once again the fastest growing economy in Asia, which leads to many international investments being made in India.

The Middle East has been able to continue the boom in the region despite the ongoing crises. Led by Saudi Arabia and followed by the United Arab Emirates, other countries in the region also performed well.

We must assume that we will have to deal with major upheavals in the next few years as well, due to the geopolitical environment, environmental influences and climate change as well as due to technical development. These will affect the world and economy in shorter cycles and with greater impacts than several years ago. The global economy is still surprisingly good at preparing for these future challenges and adapting to them, leading to a continued robust performance. This is particularly evident in the global stock markets, where the indices continue to rise.

OVERVIEW OF OUR MARKETS

In this management report, the appraisal of the market developments along with the general and economic situation for the Group and for the business segments is based on information from the individual subsidiaries as well as the appraisals of regional managers and the top levels of management.

The described macroeconomic trend had a varying impact on the individual markets, as expected. North America continued its positive development, which also benefited the construction sector and therefore the area of equipment as well. The majority of the European markets – with the exception of Germany – performed well compared to the previous year, which also benefited the construction sector and therefore the area of equipment as well. China remained far behind expectations in its economic performance and was unable to recover as hoped. This also had a lasting effect on the construction sector and the area of equipment. The other Asian countries performed stably overall. The ongoing positive development in the Middle East is furthering the boom in local construction markets – with corresponding positive effects on the construction sector and the equipment market. Shaped by the persistent crises on the continent, the countries of Africa still performed at low levels.

The general need for infrastructures, both in countries with emerging economies and in established industrial nations, continues to exist. State investments in infrastructure supported the global construction markets.

Alongside construction and equipment, which are the most important markets for us, we also see a positive trend in environmental services, water, mining and renewable energies, which is being spurred on by the growing significance of these products and services.

Germany

Subdued economic growth, the political situation and the effects of inflation and interest rate development from the previous years continued to have a noticeable impact on the construction industry. In residential construction and building construction, building activities remained at a low level and the market envelopment for project developers was still difficult. In the area of industrial construction as well, the reluctance to invest was noticeable due to the economic and political conditions. Public sector construction continued to benefit from a considerable deficit in infrastructure, for which federal funding was available despite the tense budget situation. The construction sector was able to benefit additionally from the necessary expansion of the energy infrastructure as well as the changeover to renewable energy supply. Price pressure and the competitive situation in the market further intensified over the course of the year.

The demand for construction equipment was roughly at the same high level in 2024 as in the previous year.

Europe

The construction sector in Europe performed well in most countries compared with the previous year. The market for construction equipment was accordingly positive. This development was true particularly for the countries in southern Europe such in Italy.

Middle East

The persistent demand for raw materials, as well as the transformation of the countries in the Middle East towards a period after natural resources, provided for good economic development and growth. This particularly applied and still applies for Saudi Arabia and the United Arab Emirates. This development also benefited the equipment markets.

Asia-Pacific

China's economy remained behind expectations due to the persistent challenges in the country. Even state measures were unable to reverse the trend. The construction and equipment markets were at a very low level. This particularly impacted the export of construction equipment from China to the Asian markets, which increased markedly and placed European manufacturers under further pressure.

The other countries in the region recorded a stable performance. As the fastest-growing country in the region on the other hand, India experienced a considerable upturn in the construction sector, which was particularly driven by infrastructure, energy and industry projects. This also benefited the equipment market, although that market is heavily dominated by Chinese manufacturers. Australia recorded positive economic development which also affected construction activities. This particularly applied for the areas of infrastructure and building construction. This environment had a corresponding positive influence on the construction equipment market.

Americas

The backlog demand in the infrastructure sector of the USA remains high. The US economy performed very well overall. The established infrastructure programs, particularly the Infrastructure Investment and Job Act, continued to have a positive effect.

The sale of construction equipment was also a favorable environment. However, due to the election year in the USA, it was noticeable as a trend that investments in construction equipment were postponed at the end of 2024. In Canada, the construction and equipment market performed well, while in contrast the countries in Central and South America continued to be subdued.

Africa

In Africa, the economic level of many countries continues to be very low, which meant that demand for construction and equipment was weak in 2024 as well. Only Egypt had a stable construction sector. This is primarily due to state infrastructure projects. Important future issues for the continent, such as water, the environment, energy and natural resources, are gaining in importance and have been supported by incentive measures. Nevertheless, developments are very subdued in these areas as well.

Summary of markets

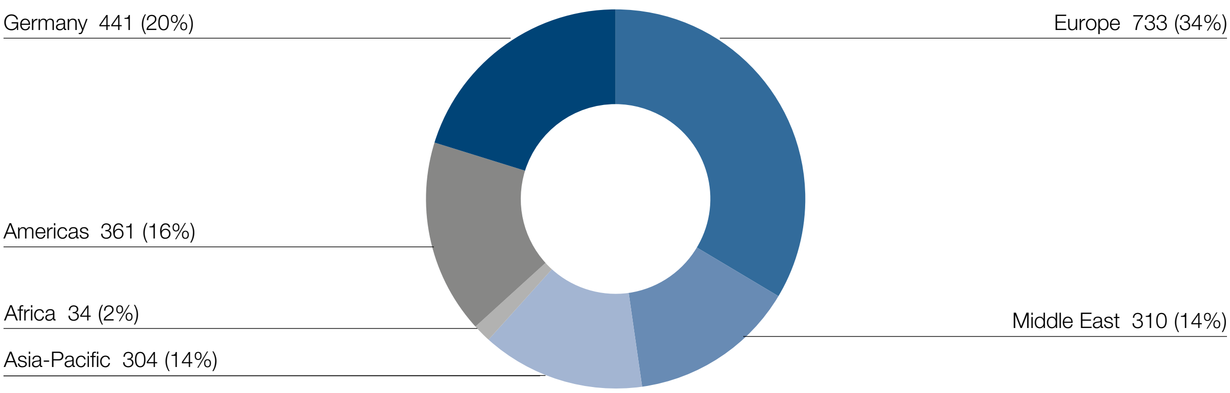
The persistent volatility of the world's markets, crises and geopolitical developments as well as climate change and its impacts continued to be the largest challenges. Political and economic conditions continue to change at short notice, requiring us to adapt quickly and flexibly. The opportunities and risks of climate change as well as the developments in artificial intelligence must be managed professionally with sufficient vision to maintain long-term success in the markets.

Overall, the global demand in the construction and equipment markets was positive in 2024 as well. Negative influencing factors, such as Russia's war against Ukraine and political tensions, had a negative effect on individual markets. Nevertheless, the global economy was still robust in 2024. Overall it is expected that the markets will continue to adjust to the modified framework conditions. In spite of this, the ongoing dynamism of individual markets is continuously presenting new potential for short-term market opportunities. The challenges for German and European manufacturers of construction equipment will continue to grow in the coming years. The disadvantages of excessive bureaucracy, high energy and raw material costs along with high salary and wage costs make it more difficult to withstand the competition in Asian markets, which primarily comes from China. It is foreseeable that this topic will also extend to Western regions like Europe and the Americas.

Geographical breakdown of total Group revenues

in EUR million

Total 2,183



COURSE OF BUSINESS

The previous year's figures have been adjusted compared to the figures reported in the Management Report for the 2023 financial year due to corrections of errors in accordance with IAS 8. In this context, inventories were written down by EUR 6.1 million and trade receivables by EUR 0.1 million. This results in a pre-tax earnings reduction for the comparative period of 2023 from EUR -6.2 million to EUR 26.6 million, which results from an adjustment of the cost of materials (EUR 6.1 million) and other operating expenses (EUR 0.1 million). After the corresponding adjustment of deferred taxes (EUR 1.6 million), the remaining effect on earnings is EUR 4.6 million (adjusted earnings of EUR 2.8 million), which is fully attributable to the shareholders of the parent company. In the comparative figures for 2023 in the balance sheet, the error corrections (including the correction of the opening balance sheet values) result in a reduction in inventories of EUR 15.7 million to EUR 510.4 million, a reduction in trade receivables of EUR 0.1 million to EUR 286.5 million EUR (total of current and non-current) and an increase in deferred tax assets of EUR 3.5 million to EUR 54.1 million. For details, please refer to the notes on page 48 of the consolidated financial statements. The following analyses of the business performance and of the net assets, financial position and earnings are based on the adjusted figures.

The BAUER Group achieved **total Group revenues** amounting to EUR 2,183.4 million in the 2024 financial year, 19.2% above the previous year's figure of EUR 1,831.1 million. At EUR 89.1 million, **EBIT** was on a par with the previous year's EUR 89.0 million. **Earnings after tax** amounted to EUR 9.7 million and was therefore significantly higher than the previous year's figure of EUR 2.8 million.

The total Group revenues increased compared to the previous year, particularly due to the Geotechnical Solutions segment. The completion of a major project in Hungary made a contribution to the total Group revenues here amounting to roughly EUR 318 million. In the Equipment segment, total Group revenues also increased considerably, while the Resources segment recorded a slight decrease in contrast.

In the financial year gone by, the EBIT of the BAUER Group reflected the overall positive operating business. In the Equipment segment, EBIT increased considerably, and the Resources segment also made a good contribution to earnings once again. In the Geotechnical Solutions segment, EBIT decreased. The successful operative development of the business was opposed by necessary provisions, which caused the decrease.

In the previous year's figures it must be noted that in late October 2023, the IT infrastructure of the BAUER Group was the target of an attack, so various systems of the company were shut down or switched off as a precautionary measure. As a result of the attack, primarily the areas of material management and equipment production were unable to operate or only able to operate to a limited extent for an extended period. In the Equipment segment this led to considerable lost sales in the fourth quarter of 2023, for example due to the fact that ordered equipment could not be delivered. This influenced both the results of the segment and the BAUER Group as a whole. Furthermore, additional financial expenses were incurred in the previous year due to the cyber attack, which continued to a lesser extent in 2024.

With regard to the Group's earnings after tax, in contrast, interest rate hedging transactions due to the interest rate level and the corresponding valuation in the balance sheet had a reduced negative influence of EUR 4.9 million (previous year: negative influence of EUR 10.4 million).

With the publication of the 2023 Annual Report, the Group issued a forecast for the 2024 financial year on July 26, 2024 in which a slight increase was anticipated for total Group revenues and EBIT. The total Group revenues decreased considerably in 2024, particularly due to the Geotechnical Solutions segment, while EBIT at the end of 2024 was on a par with the previous year, reduced by the error corrections.

At EUR 1,218.7 million, the **order backlog** of the Group at the end of 2024 was down 21.6%, significantly below the previous year's figure of EUR 1,553.6 million. In the Geotechnical Solutions segment, the order backlog fell back significantly, which was due to the execution of the extensive major project in Hungary. In the Equipment segment, the order backlog also decreased, while an increase has been recorded in the Resources segment. **Order intake** decreased by 4.7% to EUR 1,848.4 million, compared to EUR 1,940.3 million in the previous year.

Summary of course of business

2024 brought positive further development for the Group after the turnaround in the previous year. In the Geotechnical Solutions segment, very good results were achieved in many countries and for major projects. The optimization of the international positioning and closure of several subsidiaries also contributed to the better result. With the exception of China, the revenue performance in the Equipment segment was better than expected overall. In this context, the earnings performance was not yet satisfactory. The Resources segment again recorded good operative performance in nearly all areas and thus seamlessly continued on from the positive previous year. Overall, consistent measures continue to be implemented to make the Group strong for the future.

GEOTECHNICAL SOLUTIONS SEGMENT

in EUR thousand	2023*	2024	Change
Total Group revenues	903,936	1,191,376	31.8%
Sales revenues	859,517	1,121,669	30.5%
Order intake	1,034,412	849,452	–17.9%
Order backlog	983,042	641,118	–34.8%
EBIT	49,440	37,320	–24.5%
Earnings after tax	6,533	5,075	–22.3%
Employees (reporting date)	7,466	6,886	–7.8%

* Previous year's figure adjusted; see explanation on p. 52 of the Consolidated Notes

General conditions

The general conditions for the Geotechnical Solutions segment were already described in the chapters “Macroeconomic trend” and “Overview of our markets”.

Significant events

The Geotechnical Solutions segment achieved **total Group revenues** of EUR 1,191.4 million in the 2024 financial year, representing an increase of 31.8%, significantly above the previous year’s EUR 903.9 million. At EUR 37.3 million, **EBIT** was markedly below the previous year's value of EUR 49.4 million. **Earnings after tax** decreased to EUR 5.1 million (previous year: EUR 6.5 million).

In the 2024 financial year, the overall positive operating business with several very successfully implemented projects as well as the numerous restructuring measures of the previous years were clearly noticeable in the key figures. The completion of a major project in Hungary made a significant contribution to the revenues here amounting to roughly EUR 318 million. Owing to further sanctions against Russia entering into force in December 2024, the conditions for the major project in Hungary have worsened persistently. As a result, the future course of the project is difficult to forecast. For this reason, corresponding provisions were created in the 2024 financial statements that burdened the earnings figures for the segment and which oppose the positive overall operative performance. The forecast for total Group revenues (significant increase) given in the

2023 Annual Report was achieved and the forecast for EBIT (slight increase) was not achieved, mainly due to the provisions created.

Based on the general conditions, the individual construction markets showed themselves to be very different as well. In Germany, the construction market was generally weaker, which meant that revenue and earnings fell compared with the previous year. In Europe, the 2024 financial year was solid overall. In Great Britain, the revenue and earnings were increased significantly owing to a larger project. In Hungary the market was good as a whole, which meant that revenue and earnings increased significantly in the normal core business. Furthermore, a major project there involving a considerable scope of work shaped the financial year, and was also primarily responsible for the increase in revenue within the segment. Both in the Netherlands and in Switzerland, revenue remained stable. In Austria, the location is being scaled back and terminated.

The markets in the Middle East performed very well overall. Thanks to the execution of very large orders in Jordan, in the United Arab Emirates and Saudi Arabia, very good earnings were achieved in the region once again. Saudi Arabia recorded an exceptional boom overall with huge projects. We have further potential for major orders here. In Qatar, the location is under review. In Egypt, revenue and the high earnings level achieved in the previous years declined in a difficult market environment with high inflation and heavy currency fluctuations.

The countries in the Asia-Pacific region continued to vary widely in their performance. Our subsidiaries in Indonesia and the Philippines had better capacity utilization than in the previous years as well as positive results. In Malaysia and Thailand, we scaled back our branch offices. In India, we were able to increase our revenue compared to the previous year and heighten our market presence, although the slightly positive earnings contribution was not yet satisfactory. Australia performed very well as a project market with growth potential.

The subsidiary in the USA had a good order situation overall with increasing revenue, but delays in large projects did not yet lead to the expected level of revenue and earnings. Measures to improve the situation have already been implemented. The business continued to be shaped by large dam rehabilitation and infrastructure projects. In Canada, revenue and earnings were increased in a good market environment. In both countries, strategic adaptations for future growth have been established. In Panama, revenue and earnings decreased slightly. Various projects for the new Metro line shaped the financial year here once again.

Our efforts have continued to focus on establishing a streamlined and globally networked organizational structure with a lower number of individual companies. Once again, we have made good progress in this regard and plan to conclude our measures in the course of 2025. We still aim to take on a leading role in specialist foundation engineering in the area of sustainable construction methods and applications.

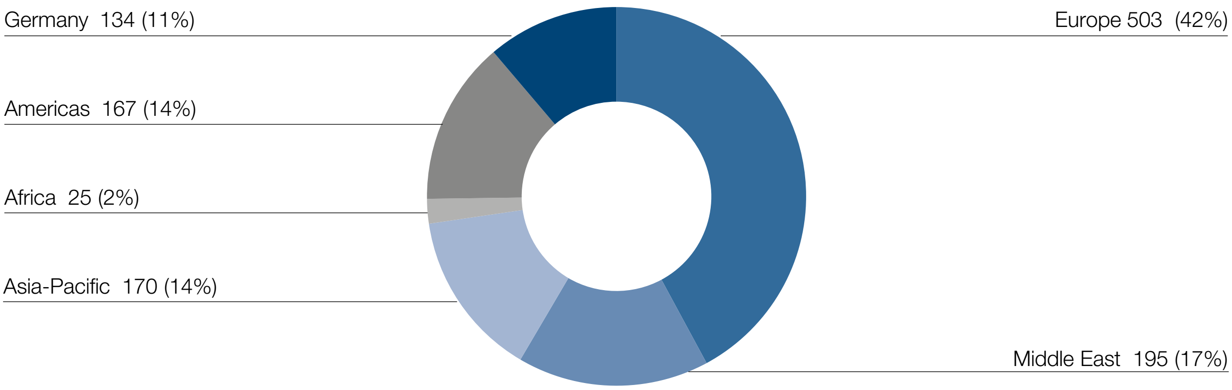
Order situation

Order backlog decreased significantly by 34.8%, from EUR 983.0 million in the previous year to EUR 641.1 million, which was primarily due to the completion of the major project in Hungary that was described previously. Overall, we continue to have a solid order backlog with a focus in the Middle East due to major projects in that region. The **order intake** was EUR 849.5 million, representing a significant decrease of 17.9% from the previous year's value of EUR 1,034.4 million.

Geographical breakdown of total Group revenues
Geotechnical Solutions segment

in EUR million (after deduction of Consolidation)

Total 1,194



We also recorded a very good order intake in the 2024 financial year. Even though the markets continued to be very volatile, we were successful in winning several large orders – particularly in the Middle East and Australia. There are still major projects on the market in the world and in our focus. Due to the existing order backlog and further opportunities around the globe, we still see a good starting position for the current financial year. In particular, opportunities continue to arise from the global challenges of urbanization, infrastructure and energy supply.

EQUIPMENT SEGMENT

in EUR thousand	2023*	2024	Change
Total Group revenues	721,483	789,372	9.4%
Sales revenues	589,308	680,000	15.4%
Order intake	707,530	751,069	6.2%
Order backlog	208,108	169,805	–18.4%
EBIT	28,336	48,785	72.2%
Earnings after tax	–3,003	11,313	n/a
Employees (reporting date)	2,962	2,931	–1.0%

* Previous year's figure adjusted; see explanation on p. 52 of the Consolidated Notes

General conditions

The general conditions for the Equipment segment were already described in the chapters “Macroeconomic trend” and “Overview of our markets”.

Significant events

In the Equipment segment, **total Group revenues** increased significantly by 9.4% from EUR 721.5 million in the previous financial year to EUR 789.4 million. **EBIT** increased considerably, from EUR 28.3 million to EUR 48.8 million. **Earnings after taxes** rose sharply from EUR –3.0 million to EUR 11.3 million.

The revenue and earnings figures in the Equipment segment were negatively impacted in the previous year of 2023 by the deconsolidation of the Russian companies in the segment. Furthermore, this segment was the most heavily affected by the cyber attack, which meant that specifically in the fourth quarter it was no longer possible to carry out planned deliveries. Consequently, corresponding sales revenues were missing here along with the accompanying earnings contributions. The earnings after tax were also significantly burdened by the negative effect of the evaluation of the interest rate hedging transactions in the financial result. In this regard, the key figures for 2024 are not directly comparable with the previous year's figures. In 2024, higher depreciations were recognized than in the previous year, particularly on the fixed assets. This burdened the key earnings figures accordingly. The forecast for total Group revenues (at the previous year's level) given in the 2023 Annual Report was exceeded due to better-than-expected business performance, while the forecast for EBIT (significantly above the previous year) was achieved.

In the 2024 financial year gone by, the markets in Europe and the Middle East, continued to record increases in sales figures. In Germany, demand continued at a solid level. Sales weakened in the USA, as a reluctance to invest was evident particularly due to the presidential elections. In the Asia-Pacific region, the picture was mixed. While good results were achieved in Australia, India and Japan for example, other Asian markets remained below expectations. China was once again unsatisfactory as a sales market, which was due to the persistently weak economic environment in the construction market resulting in intense local competition. Due to considerable restructuring measures, a loss was again recorded there as in the previous year.

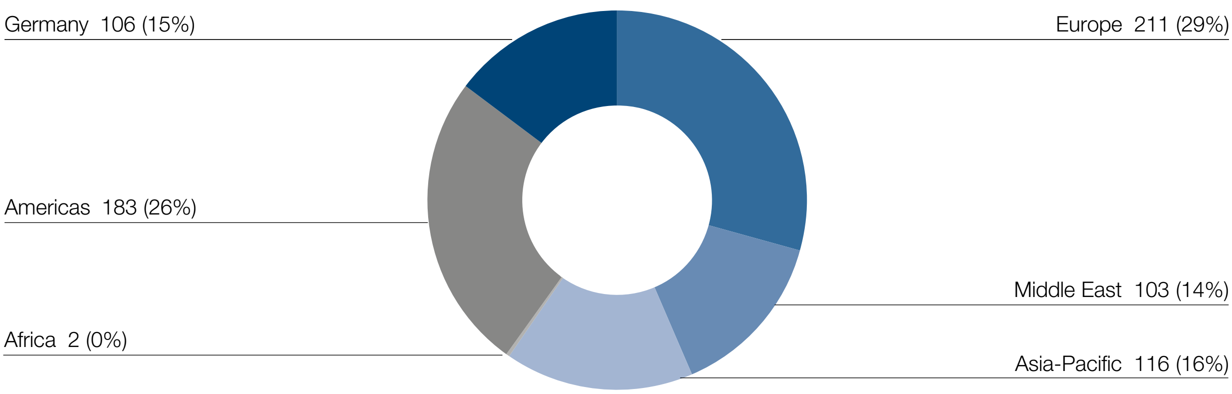
The sales company for specialist foundation engineering equipment in the USA had a challenging market environment as described, and recorded a decline in revenues and earnings. The local product brand for water well drilling rigs was successfully restructured and also recorded a significant rise in sales figures, but did not yet achieve positive earnings.

The financial year was as follows for the subsidiaries and the individual product groups: Sales of small drilling rigs and anchor drilling rigs were very positive again and recorded an order backlog by the end of the year that will extend far into the ongoing

Geographical breakdown of total Group revenues
Equipment segment

in EUR million (after deduction of Consolidation)

Total 721



year. Drilling rigs, pile driving equipment, well drilling rigs, mixers and rotary drives again recorded growth compared to the previous year, with good results. For casings, the results were below the level of the previous year. Business in spare parts, drilling tools and service once again had a good impact on earnings. A solid and stable financial year was recorded for the purchase and sale of used machines.

Order situation

The **order intake** rose significantly by 6.2% to EUR 751.1 million, compared to the previous year's EUR 707.5 million. **Order backlog** was EUR 169.8 million at the end of 2024, representing a significant decrease of 18.4% compared to the previous year's EUR 208.1 million.

Overall, the demand for specialist foundation engineering equipment was stable despite the weakening of individual construction markets. The numerous additional uncertainties for the capital goods market, such as political conflicts and wars, only had a limited impact on demand in the previous year. Overall, the equipment markets worldwide remain tense.

RESOURCES SEGMENT

in EUR thousand	2023*	2024	Change
Total Group revenues	277,749	270,808	–2.5%
Sales revenues	248,377	233,382	–6.0%
Order intake	269,910	316,065	17.1%
Order backlog	362,489	407,746	12.5%
EBIT	11,930	12,442	4.3%
Earnings after tax	7,326	7,967	8.7%
Employees (reporting date)	1,187	1,121	–5.6%

* Previous year's figure adjusted; see explanation on p. 52 of the Consolidated Notes

General conditions

The Resources segment is focused on products and services in the business areas of water wells, environmental services and energy, mining, infrastructure as well as constructed wetlands. The general conditions for the segment were already described in the chapters “Macroeconomic trend” and “Overview of our markets”.

Significant events

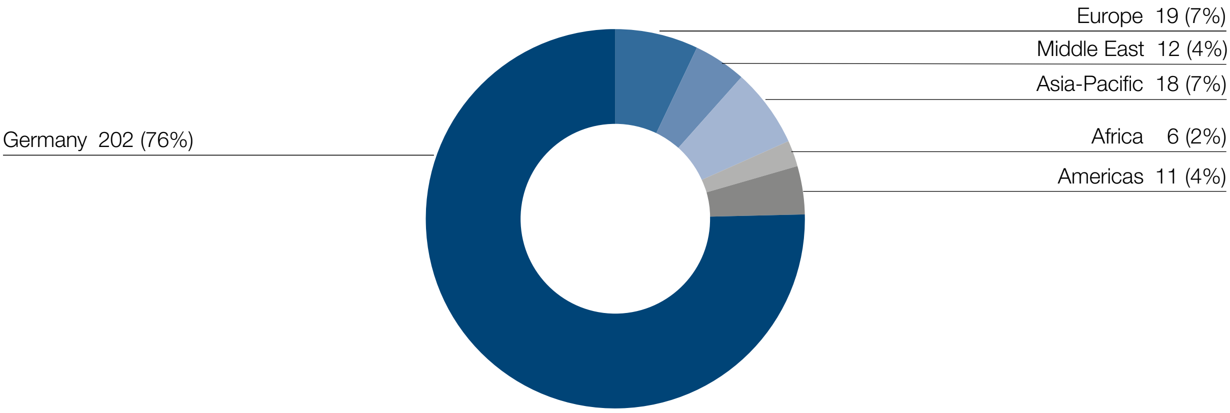
Total Group revenues in the Resources segment decreased slightly by 2.5%, from EUR 277.7 million in the previous year to EUR 270.8 million. At EUR 12.4 million, **EBIT** was approximately on a par with the previous year's EUR 11.9 million. The same was true for the **earnings after tax**, which were EUR 8.0 million, compared to EUR 7.3 million in the previous year. This means that the forecast for total Group revenues (at the previous year's level) given in the 2023 Annual Report was slightly undershot and the forecast for EBIT (at the previous year's level) was slightly exceeded.

In the financial year gone by, the individual business divisions experienced very different trends, whereby the segment as a whole continued its positive trend. In the water well construction division, the GWE Group, which manufactures and sells well materials in Germany, France and Eastern Europe as well as in Chile, recorded a difficult financial year overall. In Germany and Europe, the market situation became more difficult and competitive pressure increased. As a result, sales and earnings fell back. The subsidiary in Chile delivered a very strong contribution to earnings.

Geographical breakdown of total Group revenues
Resources segment

in EUR million (after deduction of Consolidation)

Total 268



The increasingly difficult market environment in the German construction market also affected the Environmental Services division, which recorded a decrease in the revenue and earnings figures in an intensively competitive market environment. The business for the design and implementation of near-surface geothermal drilling was further expanded in 2024 by increasing capacities as well as an acquisition, while the market situation became increasingly more difficult. Our participation in Oman had another successful operative financial year in the area of constructed wetlands.

Thanks to the continuously high demand in Germany, the mining division once again made a very positive contribution to revenue and earnings. The same applied for the subsidiary in Kazakhstan.

In the area of infrastructure, which houses plant engineering and steel bridge construction, there was high utilization of capacities with a correspondingly very good contribution to revenue and earnings. For special construction, which also falls under the business area of infrastructure, revenue at the end of 2024 was significantly below the previous year and earnings were in the negative range due to additional restructuring measures that were carried out.

The earnings figures were also negatively burdened by the sale of the subsidiary in Senegal, which concluded the withdrawal from Africa.

Order situation

At EUR 316.1 million, the **order intake** rose significantly in 2024 by 17.1% compared to the previous year's EUR 269.9 million. At EUR 407.7 million, the **order backlog** at the end of the year was 12.5% markedly higher than the previous year's EUR 362.5 million.

The majority of the order backlog was generated by the mining division along with plant engineering and steel bridge construction in Germany with a volume of EUR 223.5 million. Compared to the previous year, this area recorded significant growth, which largely explains the increase in the segment. The constructed wetland in Oman contributes another significant share of the order backlog due to its long operating time.

CORPORATE SERVICES/CONSOLIDATION SEGMENTS

The Corporate Services and Consolidation segments bundle the revenues and earnings of the Group that cannot be allocated to the operating segments as well as BAUER Offshore Technologies GmbH. The Corporate Services segment however essentially comprises the revenues of BAUER AG itself, generated from a wide variety of administrative services provided to Group subsidiaries.

In 2024, the **Corporate Services segment** posted EBIT of EUR -8.8 million (previous year: EUR -0.6 million). This includes EUR 0.3 million of dividend payments by Group subsidiaries to the parent company. Earnings after taxes amounted to EUR -14.4 million (previous year: EUR -7.9 million). The segment revenues are generated mainly by intra-Group charges.

Consolidations were carried out in the **Consolidation segment**. The EBIT of EUR -0.6 million (previous year: EUR -0.08 million) largely matches the aforementioned distribution payments by Group subsidiaries to BAUER AG. Earnings after taxes amounted to EUR -0.2 million (previous year: EUR -0.1 million).

III. EARNINGS, FINANCIAL AND NET ASSET POSITION OF THE GROUP

GROUP EARNINGS POSITION

The earnings position in 2024 was shaped overall by a fundamentally positive operative business in all three segments and continued the turnaround from the previous year. In the reference year 2023, a negative effect resulted from the financial impacts of the evaluation of the interest rate hedging transactions as well as the cyber attack. The previous year's figures were adjusted, see the explanations in this regard at the beginning of the Course of Business section. The most important key figures changed as follows:

Total Group revenues increased significantly by 19.2% from EUR 1,831.1 million in the previous year to EUR 2,183.4 million. At EUR 89.1 million, **EBIT** was on a par with the previous year's EUR 89.0 million. **Earnings after tax** were EUR 9.7 million, representing a considerable increase from the previous year's figure of EUR 2.8 million.

The individual income statement items for 2024 are summarized in the following:

Consolidated revenues rose significantly by 18.8%, from EUR 1,773.4 million in the previous year to EUR 2,107.3 million. This growth can primarily be attributed to the Geotechnical Solutions segment, where the execution of a major order in Hungary was responsible for the majority of the increase. There was an increase in the Equipment segment as well, while the Resources segment recorded a decrease.

Sales revenues increased accordingly by 19.9% from EUR 1,698.2 million to EUR 2,035.9 million. This increase also resulted from the performance of the segments described under the consolidated revenues.

Changes in inventories changed considerably from EUR 36.9 million to EUR 12.1 million, which was mainly the result of an inventory reduction in the Equipment segment.

Other own work capitalized fell from EUR 12.1 million to EUR 9.1 million, as a greater amount of development work from special projects was capitalized here in the previous year.

Other income increased significantly from EUR 26.2 million to EUR 50.2 million compared to the previous year. A substantial contribution was made by earnings from deconsolidation, which grew by EUR 12.5 million.

The **cost of materials** rose considerably by 27.2% in the year under review, from EUR 900.7 million to EUR 1,145.5 million. This was mainly due to the use of materials associated with the major project in Hungary. The project was also primarily responsible for the revenue increase in the Geotechnical Solutions segment.

Personnel expenses rose by 4.7% from EUR 458.7 million to EUR 480.1 million, whereby the major project in Hungary was also a substantial reason for the increase due to the high demand of personnel. We will continue to strive to improve personnel expenses in relation to consolidated revenues over the next few years.

Other operating expenses rose significantly by 15.0% from EUR 216.9 million to EUR 249.4 million. The principal factors behind this were growth in valuation allowances on receivables as well as expenses for provisions in the Geotechnical Solutions segment associated with the major project in Hungary.

Impairments and impairment reversals in accordance with IFRS 9 in the amount of EUR 20.6 million were considerably above the previous year's value of EUR 1.6 million. The background for this was increased impairments with regard to third parties as well as with regard to companies no longer included in the basis of consolidation.

Impairments in investments accounted for using the equity method amounted to EUR 0.0 million in 2024 (previous year: EUR 1.2 million). In the previous year, this item concerned the Geotechnical Solutions segment.

At EUR 12.3 million, the **income from shares accounted for using the equity method** was significantly higher than the previous year's value of EUR 9.4 million, which was due to an additional contribution from the Geotechnical Solutions segment.

Depreciation of fixed assets rose by 15.8% from EUR 101.0 million to EUR 117.0 million. The background for this was an increased depreciation on capitalized development costs as well as high depreciations on technical equipment and machinery for the major project in Hungary in the Geotechnical Solutions segment.

Write-downs of inventories due to use reflect the use of rental equipment made available to our customers. This primarily concerns the business in the USA. The item increased by 31.9% from EUR 13.5 million to EUR 17.9 million in the year under review. In the 2024 financial year, there was more equipment in rental in the Equipment segment than in the previous year.

Financial income increased very considerably from EUR 37.6 million to EUR 47.0 million. The currency gains and income from hedging transactions included in this item rose by EUR 7.4 million. In addition, the income from operating participations was EUR 5.4 million higher than in the previous year.

At EUR 85.6 million, **financial expenses** were significantly below the previous year's level of EUR 100.0 million. This primarily includes currency losses and losses from hedges. The interest expenses for loans decreased by EUR 5.8 million.

At EUR 40.8 million, **income tax expense** was significantly higher than the previous year's EUR 23.8 million. This rise results primarily from an increase in deferred taxes by EUR 21.9 million and from a correction of errors amounting to EUR 1.6 million in relation to the previous year. The actual tax expense decreased compared to the previous year.

The **earnings after taxes attributable to BAUER AG shareholders** were EUR 9.1 million (previous year: EUR 0.8 million).

At EUR 0.6 million, the **earnings after taxes attributable to non-controlling interests** were lower than in the previous year (previous year: EUR 2.0 million).

GROUP FINANCIAL AND NET ASSET POSITION

Total assets of the Group decreased slightly by 0.2% in 2024, from EUR 1,686.8 million to EUR 1,683.6 million. At 29.8%, the **equity ratio** increased significantly compared to the previous year's level of 28.6%, which primarily concerns the rise in earnings after tax.

Net debt was EUR 375.3 million in the year under review, representing a significant decrease from the previous year's figure of EUR 410.8 million. Accordingly, the net debt has further improved relative to total assets and revenues. The level of net debt in the Group is largely dependent on the level of working capital.

Development of covenants

	2023	2024
Net Debt/EBITDA	2.02	1.68
Equity ratio in %	28.6	29.8

It was possible to keep the agreed covenant ratios – net debt to EBITDA and equity ratio – within the agreed thresholds by a large margin. The ratio between net debt and EBITDA, with a value of 1.68, reflects a significant improvement of the earnings and debt situation. In addition to the two syndicated loans valued at EUR 390 million (drawdown: EUR 169.1 million) and EUR 53 million (outstanding loan amount: EUR 4.2 million), the Group set covenants for a number of loans, which were valued as per the 2024 year-end at EUR 68.5 million. In June 2024, the syndicated loan was extended by an additional three years with an extension option for a total volume of EUR 390.0 million.

With regard to the items on the balance sheet, the following material changes should be noted:

On the asset side:

- **Property, plant and equipment** rose slightly from EUR 484.8 million to EUR 497.2 million. The principal reason for this was the new building of production facilities at the subsidiary KLEMM Bohrtechnik GmbH in the Equipment segment.

- **Investments accounted for using the equity method** increased only slightly from EUR 65.7 million to EUR 70.1 million.

- **Deferred tax assets** reduced slightly from EUR 54.1 million to EUR 51.1 million. The background for this is primarily a lower feasibility of tax losses carried forward and impairments on the deferred tax assets in respect of losses carried forward. Furthermore, the deferred tax assets on consolidations measures affecting net income fell back by EUR 2.2 million.

- **Other non-current financial assets** increased significantly from EUR 25.5 million to EUR 32.0 million, which is largely attributable to an increase in the valuation of shares in companies not included in the basis of consolidation in the Geotechnical Solutions segment.

- **Inventories** reduced from EUR 510.4 million to EUR 494.6 million. This was primarily due to the valuation-related and quantitative decrease in raw materials and supplies, as well as work in progress and stock for trade in the Equipment segment.

- **Contract assets** fell back from EUR 78.9 million to EUR 68.1 million as of the balance sheet date.

- **Trade receivables** are divided into a non-current and current share and decreased in total due to the increased impairments from EUR 286.6 million to EUR 265.9 million.

- **Cash and cash equivalents** increased from EUR 68.7 million to EUR 72.9 million as of the balance sheet date. This increase results primarily from incoming payments at the end of the year which could no longer be further processed to reduce liabilities as of the balance sheet date.

On the liabilities side:

- **Equity** increased from EUR 483.1 million to EUR 502.0 million, which is primarily attributable to the positive earnings after tax (EUR 9.7 million).

- The **non-current portion of liabilities to banks** increased significantly from EUR 95.9 million to EUR 182.9 million. Compared to 2023, a large proportion of liabilities to banks was reclassified from current to non-current liabilities due to the extension of the syndicated loan. In total, the liabilities to banks decreased additionally in the past financial year by EUR 23.2 million.

- **Provisions for pensions** rose only marginally overall from EUR 115.4 million to EUR 115.7 million. This is essentially due to the higher discount rate of 3.50% (previous year: 3.45%).

- **Other non-current financial liabilities** increased sharply from EUR 8.6 million to EUR 11.7 million. The reason for this was an increase in the liabilities to financing companies.

- The **current portion of liabilities to banks** decreased significantly from EUR 292.0 million to EUR 181.8 million. This item was also affected by the aforementioned reclassification of liabilities from non-current liabilities to banks.

- **Contract liabilities** decreased from EUR 134.5 million to EUR 79.3 million, primarily in the Geotechnical Solutions segment due to the conclusion of a large project in Hungary.

- **Trade payables** rose from EUR 263.2 million to EUR 306.6 million. This was essentially due to higher outstanding amounts with respect to our suppliers, which grew due to the significant increase in total Group revenues.

- **Effective income tax obligations** decreased significantly from EUR 38.1 million to EUR 28.4 million.

- **Provisions** increased considerably from EUR 39.0 million to EUR 53.8 million, which was primarily attributable to the Geotechnical Solutions segment.

Net cash from operating activities shown in the **consolidated statement of cash flows** was EUR 194.2 million, above the previous year's EUR 150.8 million. The following factors contributed to this change:

- The other non-cash transactions totaled EUR 9.9 million (previous year: EUR -51.6 million). This change is largely attributable to impairments and write-ups in accordance with IFRS 9, allocations to and reversals of provisions, as well as to exchange rate differences.

- At EUR -12.3 million, income from shares accounted for using the equity method were above the previous year's level of EUR -9.4 million.

- The change in trade receivables was EUR 39.9 million, which is primarily attributable to the operative business, increased impairment expenses as well as exchange rate differences.

- The decrease in contract liabilities burdened the operating cash flow on the order of EUR -52.1 million (previous year: EUR 45.7 million), which was primarily attributable to the major project in Hungary.

- The change in provisions improved the operating cash flow by EUR 19.5 million, which was primarily attributable to exchange rate differences.

- The change in other assets as well as prepayments and deferred charges burdened the operating cash flow on the order of EUR -25.5 million, which means a change of EUR -43.7 million compared with the previous year.

- The financial income burdened the operating cash flow on the order of EUR -47.0 million and was therefore above the previous year's EUR -37.6 million.

- The change in inventories burdened the operating cash flow less heavily on the order of EUR -10.8 million (previous year: EUR -47.0 million). The reduction of inventory was again opposed by higher impairments of rental equipment due to use as well as unplanned depreciation of current assets.

- The income tax paid burdened the operating cash flow on the order of EUR -43.6 million (previous year: EUR -23.5 million).

Cash flow from investment activity totaled EUR -89.4 million and was on the same level as the previous year's EUR -97.2 million.

Cash flow from financing activities amounted to EUR -102.0 million. This essentially comprises loan repayments amounting to EUR -205.1 million, as well as new indebtedness to banks on the order of EUR 172.0 million. The Group was able to fulfil its payment obligations at all times during the financial year.

INVESTMENTS

Investments in the 2024 financial year were considerably higher than the previous year. The principal reason for this was an investment in the expansion of equipment production at KLEMM Bohrtechnik GmbH in the Equipment segment. This was complemented by typical project-related investments in equipment and other smaller investments in land and buildings.

In the **Geotechnical Solutions segment**, further investments were made in equipment to meet the market demand for ever more powerful equipment to handle specialist projects and to keep the equipment fleet in state-of-the-art condition overall. Due to our strategy of increasing involvement in large international infrastructure projects with high levels of specialist foundation engineering services, more investments in large equipment are needed. In addition, comprehensive further investment was made in digitalization, which should also be continued in the following years.

The **Equipment segment** concentrated primarily on investments for the modernization of the equipment pool and the production sites. In the previous year, investments were made for the expansion of production capacities at the subsidiary KLEMM Bohrtechnik GmbH. In the coming years, further new investments are planned for the expansion and modernization of our production facilities. Further investments will also be made in the automation and digitalization of equipment and production.

In the **Resources segment**, investments were primarily made in the maintenance and expansion of production facilities and disposal centers.

In the 2024 financial year, the **BAUER Group** invested a total of EUR 199.8 million (previous year: EUR 158.4 million) in intangible assets and property, plant and equipment. Depreciation of fixed assets across the Group totaled EUR 117.0 million (previous year: EUR 101.0 million). Write-downs of inventories due to use totaled EUR 17.9 million across the Group (previous year: EUR 13.5 million).

IV. EARNINGS, FINANCIAL AND NET ASSET POSITION OF BAUER AG

The consolidated management report and the management report of the parent company, BAUER AG, are combined. Accordingly, reference is made to the description of the business performance for the Group, and the same applies indirectly to BAUER AG with regard to overall development. In addition, BAUER AG's business performance was characterized by a year-on-year reduction in one-time settlement options for subsidiaries, the cost impact of the cyber attack, and debt waivers. The description of the course of business is referenced accordingly and applies analogously for BAUER AG. The earnings, financial and net asset position of BAUER AG is explained and analyzed here.

- **Sales revenues**, which mainly results from charges to subsidiaries for administrative services and financing costs, fell by EUR 4.2 million to EUR 56.5 million (forecast: slight increase). This was mainly due to the fact that the previous year's figure included additional charges to affiliated companies for the IT costs of a special project. The forecast for sales revenues (a slight increase) was not achieved because fewer services were provided to subsidiaries than planned.
- **Other operating expenses** have increased significantly from EUR 24.1 million to EUR 29.4 million. This is mainly due to additional debt waivers for affiliated companies and expenses from foreign currency valuation. Both the previous year and the reporting period include costs related to the cyber attack.
- At EUR -10.7 million, the **operating result** was markedly negative (previous year: EUR 2.6 million) due to the decrease in sales revenues, the debt waivers and the additional costs of the cyber attack.
- The **financial result** improved from EUR -5.3 million to EUR -1.4 million, which is largely attributable to higher interest income from affiliated companies.
- The **net loss** was EUR -15.5 million (previous year: net loss of EUR -2.8 million). Accumulated loss was EUR -0.007 million (previous year: accumulated loss of EUR -0.005 million).

- **Intangible assets** reduced from EUR 10.2 million to EUR 8.9 million, which is largely attributable to the ongoing depreciation of capitalized expenses for a large IT conversion project.
- The **financial assets** increased from EUR 335.5 million to EUR 345.0 million due to deposits with subsidiaries and account for 71.0% (previous year: 70.5%) of the balance sheet total.
- **Equity** amounted to EUR 212.7 million (previous year: EUR 228.2 million) and decreased largely due to the reported loss for BAUER AG.
- **Liabilities** rose significantly from EUR 226.5 million to EUR 251.6 million. Liabilities to banks increased by EUR 37.7 million, which was almost entirely attributable to taking up long-term liabilities to banks. In contrast, liabilities to affiliates have decreased by EUR 11.7 million.

As BAUER AG, in its capacity as a holding company, also has a financing function for the Group and its financial position is largely determined by the overall Group position due to the reciprocal financing and clearing transactions, reference is made to the above statements on the Group's financial position.

The distribution of profit to shareholders is based on the distributable retained earnings of BAUER AG as the group parent company, taking into account consolidated earnings of the Group. As the Group holding company, BAUER AG is dependent on the income of its subsidiaries and additionally provides financing to them. It is necessary to continue striking a careful balance between shareholder participation on the one hand, and safeguarding our equity ratio on the other. Due to the accumulated loss, the Executive Board will therefore recommend that the Supervisory Board proposes to the Annual General Meeting that no dividends be distributed. In the medium term, the Group continues to maintain its dividend policy, which plans for a dividend ratio of approximately 25 to 30% of reported earnings after taxes.

V. RISK AND OPPORTUNITY REPORT

RISK REPORT

BASIC PRINCIPLE OF RISK MANAGEMENT

As part of our business activities, we are exposed to risks that are inextricably connected with our entrepreneurship. There can be no entrepreneurial action without risk. Unforeseeable events can create both risks and opportunities. Therefore, at Bauer, risk management means not just reducing hazards but also knowing how to take advantage of opportunities. The goals of risk management include safeguarding our business objectives, initiating measures early on and reducing the costs of risk. Our system of risk management, which assesses both risks and opportunities, is based on a fundamentally risk-averse approach, meaning that we aim primarily to safeguard against impending risks rather than to exploit opportunities for short-term gain.

Risk management system

Our risk management system regulates the handling of risks within the BAUER Group. It defines a uniform methodology applicable to all segments and their member companies. It is continually reviewed and adjusted as required.

Our risk management system is an integral element of our overall management system and, like all our management systems, serves as an instrument of value- and success-oriented corporate governance. Audits are routinely conducted to verify its implementation and continuously improve its efficacy. The process steps involved in risk management are: identification, assessment, control of measures and monitoring.

For the identification of risks, risk categories have been defined and assigned to specific areas of risk. This defines areas of focus. Risk categories defined by the BAUER Group are: strategic risks, market risks, financial market risks, political and legal risks, risks arising from the value chain, and risks of the supporting processes. These risks are grouped as latent risks and managed in a unified process within the framework of our risk management system. Conversely, project risks are managed according to their nature and significance by an additional, independent process. The assessment of risks relates to their potential impact on the anticipated earnings before tax.

The process of identifying and assessing latent risks is reviewed at least twice annually through interviews with the managers of the relevant Group companies as well as with departmental and central function heads. This process ensures that potential new and familiar risks as well as opportunities are submitted for review at management level. Structured risk identification is followed by risk assessment based on a relevance scale.

Relevant risks above a certain threshold value are assessed based on standardized methods. Risks are analyzed both according to their maximum damage as well as according to their probability of occurrence. The assessment of risks accounts for the risk-specific measures to limit damages (net perspective). Risks are assessed over a one-year period under review. Where possible and useful, we purchase appropriate insurance policies that cover potential damage and liability risk in order to reduce the risk exposure and minimize or completely avoid potential losses.

Responsibility for monitoring the respective risks lies with the risk managers.

The effects of individual risks are aggregated in the context of corporate planning by means of risk simulations. This means that the risks and opportunities and their effect on the consolidated income statement for a given financial year is played

Relevance scale for the BAUER Group

Relevance	Extent of losses (in EUR thousand)	Definition
1	up to 10,000	Low risk
2	up to 20,000	Medium risk
3	up to 50,000	Significant risk
4	up to 150,000	Serious risk
5	above 150,000	Critical risk

through several thousand times in independent simulations based on random figures (Monte Carlo simulation). By aggregating all significant risks at Group level, the potential effects on the earnings figures for the risks (confidence level: 99%) are determined. To assess the risk-bearing capacity, the aggregate risks taking into account the project risks are compared with the recognized Group equity.

Yearly reports are submitted to the Executive Board and Supervisory Board. To communicate acute risks, the routine risk analysis is supplemented by immediate reporting.

Handling of project risks

Project risks are the principal performance risks and thus are an integral element in the work of the Geotechnical Solutions and Resources segments, wherever construction work or plant construction is carried out on the customer's premises. With respect to all relevant projects, prior to submission of quotes, all conceivable risks and opportunities are systematically identified, analyzed and assessed, and appropriate measures are defined to minimize risks and pursue opportunities. In ongoing projects, the risks are analyzed, meaning they are identified, assessed and backed with measures as part of continuous project controlling and project management.

Each project is examined with regard to its risks and escalated within the organization taking the risk assessment into account. The project is thus subject to a strict approval process depending on the risk assessment. The risk assessment is carried out based on defined checklists. The risk classes defined by this process are also incorporated in cost surcharges to cover the identified risks. Corresponding procedural instructions exist for this purpose in the Geotechnical Solutions and Resources segments.

The system has been developed over a number of years across the corporate units faced by the relevant project risks and expanded to apply to the relevant operations. The communication and release process is supported in part by IT with standardized workflows.

Risks

In the following, we set forth potential risks that may have a significant impact on our asset, financial and earnings position, the organization and management as well as our reputation and assess the relevance to our business. The breakdown follows the same risk categories as we apply in our risk management system. Unless otherwise specified, the risks described in the following relate to all our segments, including BAUER AG indirectly.

STRATEGIC RISKS

Segmental structure

We counter the strategic risks arising from the segmental structure of the Group, the orientation towards the construction market and the associated dependence on the construction market by dividing it internationally into separate Geotechnical Solutions, Equipment and Resources segments, thereby pursuing the aim of greater economic independence from the construction sector and regional investment cycles. Our three segments also offer significant synergy effects in addition to risk diversification. For example, the insights we gain while deploying equipment and developing methods in the Geotechnical Solutions segment are regularly used to improve equipment. Comprehensive specialist foundation engineering works, including waste disposal or brownfield remediation, are successfully offered through cooperation between the Geotechnical Solutions and Resources segments.

The Equipment segment's manufacture of machinery for geothermal heat, well construction and mining applications will also further reduce its dependence on the overall construction sector. As in the previous year, we classify the risks associated with the structure of our business as medium.

MARKET RISKS

Competitive environment

We operate in highly competitive and price-sensitive markets. To improve our competitive situation in the Equipment segment in China, structural adjustments have been made. In the Geotechnical Solutions and Resources segments, we use a combination of international experts and local personnel. This allows us to ensure both methodical expertise and quality as well as a competitive cost structure. As in the previous year, the competitive risk is considered to be low.

Market development risks

We continue to classify the global economic and geopolitical prospects as a major uncertainty for the future market development. Particularly Russia’s war of aggression against Ukraine and the resulting sanctions and measures continue to harbor risks for the BAUER Group, as does the war in the Near East and the resulting risks for the entire region of the Middle East and the local market. This can lead to local markets shrinking or no longer existing. In addition, China’s falling economic growth will have spillover effects on the development of the global economy. It is anticipated that the change of government in the USA will generally have positive effects on our business.

Our strategy of spreading business in each segment across a large number of regions worldwide reduces the overall risk, so that no serious risk is posed to the Group as a whole in the event of any weakening or collapse of individual regional markets. Moreover, in the event of a regional market downturn, our network strategy in the Geotechnical Solutions segment enables us to relocate our capacities rapidly to another country and continue operations at the new location. This strategy has proven effective during various regional crisis situations in the past, in which it cushioned negative impacts on total comprehensive income. In the Resources segment, internationalization will be advanced selectively according to the prospects for success.

Overall, we assess the market development risks to be significant for the BAUER Group, as in the previous year.

FINANCIAL MARKET RISKS

Financial stability and liquidity

Compliance with key financial figures has been agreed with banks for multiple long-term loans. These primarily include the ratio between net debt and EBITDA, as well as equity and equity ratio.

In addition to the earnings situation pertaining to the entire Group, increased financing requirements, in particular, may lead to an increased risk of failure to comply with the key financial figures agreed with banks, which may lead to a reduction or termination of lines of credit.

The risk of financial stability and supply bottlenecks on the international financial markets were counteracted in part by extending a syndicated loan agreement as well as the capital increase carried out in 2023, which increased the equity base and further improved the balance sheet situation.

As in the previous year, the risk in the area of financial stability and liquidity is classified as a low risk.

Currency risks and interest rate risks

Where possible and available, we counter currency-related financing risks by financing our international subsidiaries in the respective local currency. We minimize transaction risks (foreign currency risks from current cash flow) in all business divisions using suitable hedging instruments.

The interest rate risk of the Group is based on financial liabilities with primarily floating interest rates (short and long-term credit lines). We have interest hedge agreements for exchanging floating interest rates for fixed interest rates in place to exclude the risk of increasing market interest rates. Nevertheless, the multiple interest rate increases by the ECB to fight inflation have caused an additional burden, as changes in market interest rates have an impact on the financial income and expenses of the Group. We continue to classify the remaining currency risks, which are primarily translation risks, as well as the interest rate uncertainty, as medium risks (previous year: medium) for our operational business.

POLITICAL AND LEGAL RISKS

Compliance

For the BAUER Group, acting responsibly and in keeping with the law is a fundamental principle underpinning our commercial success, the quality of our products and services and our sustainable ongoing development. We place the utmost value in upholding social conventions and in complying with applicable laws and business standards, so as to minimize the risk of fines or damage to our reputation as a result of non-compliance. For us, compliance means observing all applicable laws, rules and regulations as well as behaving in an ethically sound way. Legally compliant, ethical and socially sustainable action is the cornerstone of our values management system. Our employees are made aware of our fundamental values as soon as they are hired. Special training sessions are held to deepen this knowledge. A software program ensures that we do not do business with any customers cited on EU or US sanctions lists.

In summary, we are of the opinion that our existing values management system provides us with an efficient and effective means of assessing our compliance risk as a medium (previous year: medium) risk.

Political and legal environment

The wars in Ukraine and in Israel, customs disputes and trade restrictions, for example between the USA and China, along with the simmering conflict regarding Taiwan, negatively impact the global readiness to invest and could have extensive consequences on the global economy. In some countries, there is also a risk that the government will intervene more heavily in company affairs. This can, in turn, be costly and time-consuming. Political changes, such as a change of government, can lead to either recovery or weakening of the local construction markets. The war in Ukraine causes additional uncertainty and, together with the conflict in the Near East, could trigger larger political tensions in Europe and around the world. We classify the risks from our political and legal environment as significant (previous year: significant).

Contract risks

Our Geotechnical Solutions and Resources segments primarily provide construction, drilling and environmental services. The underlying projects are almost always prototypes executed in each case on the basis of customized contracts. Where possible, we use standardized international conventions from the construction sector (e. g. FIDIC) for contract design to counteract negative effects from contractually agreed rights and obligations. The resultant risks are subject to stringent management procedures and can therefore be rated as low, as in the previous year.

Current legal cases

Litigation arises almost exclusively from our provision of services, especially in the project business. Legal disputes occur with clients, suppliers and business partners and are generally related to compensation, alleged deficiencies in services or delays in the completion of a project. By their very nature, it is impossible to predict for certain how the court or arbitration proceedings we are involved in will turn out. Nevertheless, following careful examination, we assume that adequate provision has been made in the balance sheet for all current legal disputes and assess this risk as low (previous year: low).

VALUE CREATION RISKS

Research and development risks

As a technology leader, particularly in our Equipment segment, we counter any possible weakening of our market position by means of continuous research and development. Although the growth in Asia and the resulting new competitors are sharpening the pressure to innovate, we have so far succeeded in maintaining the necessary edge as a leading technological company.

Moreover, there is a risk of incurring additional costs in this context due to development and design mistakes necessitating modifications. This risk is minimized by a structured, multi-stage product creation process.

Thanks to our great innovative strength and transparent product creation process, which have already been demonstrated in the past, we rate the risks in relation to research and development as being low (previous year: low).

Acquisition, sales and contract negotiations as well as costing

The risks of miscalculating quotations and of guaranteeing technical characteristics that cannot be fulfilled are minimized by the strict application of the dual-control principle and established costing standards (see project risks) and can be regarded as medium (previous year: medium).

Materials management and procurement

Due to geopolitical tensions and conflicts, particularly in our Equipment segment there is still a risk on a short-term basis that production materials to be procured will not be provided in the right quantity or at the right time. Delivery bottlenecks can increase the costs in the segment. The challenges in procurement markets are counteracted with continuous monitoring of key figures and active control measures. Overall, however, the situation has relaxed somewhat compared to the previous years, which means that the risk can now be assessed as a medium risk (previous year: significant).

Production and order fulfillment

In the course of our project implementation, various influencing factors may result in delays.

Technical failures arising from design errors or miscalculations of statics can result in significant construction project delays. The risks resulting from this represent an inherent component of our Group’s project business. That is why general and structural designs are predominantly produced by experienced employees in our own engineering offices.

A further risk in order fulfillment is entailed by the selection and application of drilling methods. Misjudging ground conditions can likewise result in increased risk costs. Disturbances to the project timetable must be identified and communicated at an early stage by the project manager in charge. The management is aware of these risks and relies on experienced project and production managers in all segments. In spite of all the precautions taken when carrying out projects, there is still a risk of management errors, which can drive up costs, especially in major projects. All the listed risks are subjected to an opportunity and risk analysis at project level in the Geotechnical Solutions and Resources segments (see project risks).

Project risks are essentially the principal performance risks in the Geotechnical Solutions and Resources segments, especially as each project has its own individual characteristics. Although we work on the assumption that our projects are costed with due diligence, the possibility cannot be definitively ruled out that, on finally billing the customer, lower earnings – and therefore lower sales – will ultimately need to be accepted. As a result of the trend for projects of increasing size and complexity, the resulting risks must be assessed as medium (previous year: medium).

RISKS OF SUPPORTING PROCESSES

Debtor management

An efficient management of receivables counteracts the risk of default. In addition, the creditworthiness of new customers is checked as a key criterion in the review process for our business partners. Our receivables are partially covered by insurance. We classify default risks as low (previous year: low).

Information technology and data protection

The confidentiality, integrity and availability of information, data and systems continue to be highly endangered by increasing cybercrime, which can lead to significant additional costs and production downtimes. For this reason, we are expanding our preventive information security measures more than ever before to protect against unintentional loss of data, data theft and all forms of cybercrime. In addition, we hold training sessions for employees to raise awareness regarding highly disciplined and careful handling of systems, as well as ensuring the necessary confidentiality when handling personal data. We classify the risk of data loss and cybercrime as significant (previous year: significant).

OVERALL RISK

As in the previous year, the management currently sees no apparent individual or aggregate risks that threaten the existence of the BAUER Group. As a whole, the management sees a largely unchanged overall risk situation, also in view of future business prospects among other factors. The identified risks are classified as manageable. Apart from the outlined risks, unforeseeable events may naturally occur that can have a negative impact on the earnings, financial and net asset position, particularly owing to the uncertain geopolitical situation and its impact on the markets.

OPPORTUNITY REPORT

The opportunities arising are classified parallel to the detailing of risks. Unless otherwise specified, the opportunities described in the following relate to all our segments, including BAUER AG indirectly.

STRATEGIC OPPORTUNITIES

Over the years, the Group has built up expertise through handling projects in areas associated with its core business and has derived synergy effects which shape the Resources segment. These include the area of environmental services that deals with treating contaminated ground and groundwater and has taken on an increasingly international character. In the water well construction sector, we develop equally high-quality equipment and products for expanding wells and for close-to-the-surface geothermal heat applications. In the Resources segment, we are thus addressing some of the most important issues of the 21st Century. Moreover, the Resources segment is less dependent on the economic cycles of the construction sector.

In order to bring about the internationalization of the Resources segment, we are also utilizing the experience of our long-standing organizational units in the other two segments as well as the international reputation of the Bauer brand. The worldwide network as a whole entails strategic opportunities and synergy effects.

MARKET OPPORTUNITIES

The ever-increasing trend of urbanization and the rising demand for infrastructure result in increasingly large construction projects, which create many interesting opportunities for the construction sector. The construction sector particularly benefits from an enormous need to catch up with backlogs in emerging economies such as India, but also in the established industrial nations. That is not only true for traffic infrastructure, but also for residential complexes, public buildings, dams or flood protection facilities. Moreover, construction work is performed in increasingly confined urban spaces. This will require increasingly tall buildings, necessitating extensive foundation work. In addition, stationary and flowing traffic must be increasingly transferred below ground, which also leads to growth in specialist foundation engineering. This also has an effect on the corresponding demand in the Equipment segment.

The strict environmental standards for oil production offer excellent market opportunities for our products and services in the Resources segment, such as constructed wetlands. In addition to this, brownfield remediation in oil-producing countries is also gaining importance.

Due to the still ongoing energy crisis in Europe and the need to explore alternatives to fossil fuels, demand has risen in the area of geothermal heat. The Resources segment offers several options for exploiting the geothermal potential. These include the production of energy piles for the cooling and heating supply of buildings, thermal activation of concrete construction components for heat storage, or classic geothermal probe drilling.

FINANCIAL MARKET OPPORTUNITIES

Due to the capital increase in the previous year, we are able to further increase the equity base and improve the balance sheet situation, as well as considerably reducing our interest burden, which can lead to competitive advantages in the future. With a stable and long-term shareholder structure, we have the ideal prerequisites to lead our company into the future securely and with continuing success on the long term.

VALUE CREATION OPPORTUNITIES

Development and innovation

As always, our goal is not only to endure as a market player in the long term, but also to set standards as a technology leader. Digitalization is therefore one area that the Group will focus on intensively in the coming years. An important driving force for digitalization in construction is Building Information Modeling (BIM). This trend will also continue to grow in the Equipment segment and influence many of the business processes. Digitalization will become an opportunity for Bauer with the help of an overarching strategy that encompasses all parts of the Group, as will the associated efficiency increases, quality improvements and competitive advantages.

Project opportunities

Regardless of national and global market cycles, projects often arise in otherwise weak markets that we as a Group are suitably equipped to handle thanks to the mix of our products and services portfolio. Examples of this are methods for the retrofitting of core seals in earthwork dams or for the development and expansion of mining operations.

The resultant projects in some cases entail very large lot units. When contracted, we are able to manage them successfully by converging our global resources and using our many years of experience in handling large-scale projects.

Supplements and claims management

The assertion of requirements and supplements not only entails risks, but also the opportunity to achieve better earnings than originally specified based on changes to the ordered construction services or supplemental work ordered by the client. On projects involving high potential for changes, this can result in a substantial improvement in earnings. We attempt to exploit such opportunities by professional management of supplemental requirements during execution of the construction project.

OVERALL OPPORTUNITIES

We are seeing a steady improvement in our opportunities on global markets as new innovative products and service are being developed in all three segments. Our strategy of systematically interlinking our mainly small and medium-sized globally operating member companies to create efficient networks is enabling us to generate benefits in terms of speed and cost more and more effectively, based on the associated economies of scale. With a considerably improved balance sheet structure due to the capital increase, we have achieved a stable financial position for our company. In summary, we see a good starting position for the global Group business in 2025.

VI. FORECAST REPORT

Making forecasts and assessments regarding the economic development for 2025 remains difficult due to the political and economic conditions. This situation has been exacerbated even further owing to the election results in the USA. Independently of this, we are assuming with a view to the world as a whole that the construction and equipment markets will continue to grow. However, this depends heavily on the political and geopolitical developments and therefore may differ very significantly between regions. The most important influencing variables certainly include the political decisions shaping the direction taken by the USA, the formation of government and measures approved in Germany as well as the economic development of China. From today's perspective, the further political and economic consequences of these factors cannot be definitively assessed for the ongoing year either.

In the Geotechnical Solutions segment, infrastructure projects based on state investments regularly offer interesting opportunities for individual large projects. The persistently good order backlog in the Geotechnical Solutions segment fundamentally indicates a positive course of business. An ongoing positive market performance in the Middle East, stable development of the US market and changes in global trade relationships could be decisive factors for the future market development. We also anticipate the development of the equipment markets in line with the construction markets.

In the markets of our Resources segment for environmental services, water extraction and water treatment as well as mining and rehabilitation, we anticipate a stable performance for 2025 despite the abovementioned risk factors as these also proved robust and stable in the past year. The market in Germany remains influenced by the subdued development in building construction, though we anticipate good performance in the area of infrastructure projects.

In principle, further growth of the global economy overall can be expected again in the next years – particularly driven by countries like India, the USA or Saudi Arabia. The geopolitical risk factors remain high in view of the numerous current and ongoing challenges, such as the war in Ukraine, the conflicts in the Middle East, Germany's weakening and the impending trade conflicts. From today's perspective, it is hardly possible to forecast an overall development with so many conceivable scenarios, but we assume that the most important world markets will record growth.

Regardless of the short-term impact factors, however, we see fundamental trends from which we can benefit. Continuing urbanization and population growth continue to create demand for new infrastructure as well as the maintenance and expansion of existing infrastructure. Climate change is a further driver for our markets. Alternative energy sources also require appropriate infrastructure. Increasing digitalization and the focus on sustainability offer opportunities for new business models and the continued development of our own processes and services. Greater independence and autonomy for Europe can set additional positive trends for the European markets.

We consider ourselves to be well-positioned for the current year and beyond, thanks to our good order backlog, our consistently pursued measures for sustainable improvement of earnings, investments in the development and enhancement of our technologies as well as our considerable efforts in the area of digitalization. With new technologies, products and methods, we consider ourselves to be well-positioned for the future in the Geotechnical Solutions and Equipment segments. Our Equipment segment also benefits from the possibilities of predictive maintenance and assistance systems. The Resources segment is well-positioned for the future with technologies for the area of mining in a world with raw materials that are becoming scarcer. The innovations in the areas of environmental services, water treatment and rehabilitation address the trend of sustainability as well as climate and environmental protection. With new products and solutions in the area of geothermal heat or CO_2 reduction, we are focusing on future markets.

We are also working on the improvement of our cost structures and the expansion of synergies within the Group. Improvement of our working capital and cost base is being supported with a long-term program of measures. In particular, this is true for the production of our equipment and the development of new products as well as for the more flexible adjustment of our capacities to fluctuations on the global markets.

We have assessed all known risks and opportunities in our plans and anticipated both positive and negative scenarios as thoroughly as possible. However, in specialist foundation engineering and our other business, the composition of the construction soil or ground is essentially always an element that can give rise to unforeseen factors despite extensive preliminary surveys. These factors can impede construction works and in some cases also cause financial losses. Our enhanced risk management system should make potential risks even more manageable.

We remain convinced of the basic strategic objective of the Group. The strategic structure comprising the Geotechnical Solutions, Equipment and Resources segments will continue to dictate the direction of the Group over the coming years.

FORECAST FOR THE SEGMENTS AND BAUER AG

Geotechnical Solutions segment

Overall, we anticipate growth for the construction markets worldwide. The very high demand for infrastructure around the world will continue to shape the construction sector.

For Germany we expect a good and stable market environment, particularly in the area of infrastructure expansion. For real estate development in Germany, we are assuming that the market will recover in the third quarter at the earliest. However, the positive environment in infrastructure construction is well positioned to offset the weaker situation in real estate development. Across Europe, we assume there will be good development in total in the individual markets. The Middle East already experienced growth again last year. We expect that this will continue, whereby Saudi Arabia in particular represents an exceptional boom. Based on our order situation and the market environment in the USA, we are confident of a positive financial year. In the countries of Asia, we have very significantly reduced our structures over the last two years and will make further adjustments here if necessary. Overall, the Asian markets are developing slowly with the exception of India, which will likely continue in the current year.

For 2025, due to the persistently solid demand in the area of infrastructure, we are assuming growth in most construction markets of the world. The very good order backlog and good demand situation are the basis for the targets we have set.

For the Geotechnical Solutions segment, we are assuming a significant decrease in total Group revenues despite the overall positive market outlook. This is primarily owing to the major project in Hungary, which made up a considerable share of the revenues in 2024 and was responsible for the marked increase in the year gone by. We expect to see a slight increase in EBIT compared with the previous year, which is also substantiated by the provisions created in the previous year.

Equipment segment

Contrary to the expectations for the construction markets, we anticipate a downturn for the equipment markets, as we believe that the conditions for capital goods remain difficult. In the previous year, nearly all regions of the world recorded good growth. In China alone, sales activities were very difficult, as the construction sector recorded a very significant downturn. Consequently, the country experienced a significant drop in the sale of construction equipment. For the current year, we do not expect any recovery in China, and assume that the market will remain difficult.

Our focus remains on innovations in the Equipment segment, optimization of our manufacturing costs and investments in a modern and future-oriented production network. For 2025, we do not anticipate any growth in the markets. The uncertainties arising from the current geopolitical situation in the world pose a major challenge for sales. This market environment makes it more difficult for customers to make larger investment decisions and may also negatively impact our business as a result. The future development of the market in China, as one of the largest construction equipment markets in the world, contributes additional uncertainty here. However, we anticipate a stable revenue performance overall at the same level as last year, and an improved earnings performance once again.

Given these assumptions, we expect for the Equipment segment that the total Group revenues will decrease significantly. We expect EBIT for 2025 at the previous year's level in part due to the higher depreciations in the financial year gone by.

Resources segment

The operative business performance in the Resources segment was once again very positive in the financial year gone by.

The prospects for the environmental business are subdued for 2025 due to the persistent weakening owing to the downturn of the regular construction market in Germany. On the medium and long term, solid demand is expected once again. As we only anticipate a recovery for real estate development in Germany in the second half of 2025 at the earliest, we assume that our business could also be slightly negatively impacted in the area of brownfield remediation. Independently of this, we anticipate positive performance for the other areas such as disposal or geothermal heat.

For the areas of water well construction and mining, we also expect positive performance. Here there is a stable to increasing demand for special services as well as for water well construction products.

The area of rehabilitation remained behind expectations. We have been working hard to adjust the orientation and expect a positive performance in 2025.

For 2025, we expect for the Resources segment that the total Group revenues and EBIT will remain at the previous year's level, as we do not expect any significant change in the overall conditions.

BAUER AG

In 2025, BAUER AG expects a slight increase in sales revenues. This is primarily attributable to the expected netting of internal services, which are regularly adjusted.

TOTAL GROUP FORECAST

The total Group forecast is derived primarily from the overall consideration and aggregation of the expectations described in the previous section for the individual business segments.

The largest uncertainty factors for the Group are the persistent geopolitical challenges and conflicts in the world. In our view, all these issues will continue to be potential major influencing factors throughout the entire year, which may negatively influence our own business and our equipment customers. As all these topics could have a very considerable influence that is scarcely possible to estimate, we are proceeding with caution in our expectations for the current business year, even though the good order backlog is a positive basis for the business development in 2025.

These assessments as well as the aggregation of the expectations for the individual segments form the basis of our scenarios for the current financial year and we have attempted to take these into account as well as possible for the Group forecast.

Comparison: Actual 2024 / Forecast 2025

in EUR million	Actual 2024	Forecast 2025
Total Group revenues	2,183	significant decrease
EBIT	89.1	slight increase

Based on knowledge current at the time of completion of this management report and taking account of the influencing factors mentioned, we are expecting a significant decrease in **total Group revenues** as well as a slight increase in **EBIT** for the 2025 financial year.

VII. LEGAL DISCLOSURES

DECLARATION ON CORPORATE GOVERNANCE

The Declaration on Corporate Governance is presented below with the determinations, justifications and disclosures in accordance with Section 289f (2) no. 4 (4) of the HGB.

DETERMINATION OF THE FEMALE QUOTA IN THE SUPERVISORY BOARD

The composition of the Supervisory Board of BAUER AG has changed based on two shareholder requests regarding the termination and new election of two shareholder representative members at the company's Annual General Meeting on September 19, 2024. In the 2024 year under review, the Supervisory Board of BAUER AG, which is co-determined with equal representation and made up of twelve people, comprised two women and four men on the employee representative side of the Supervisory Board members, along with two women and four men on the shareholder representative side of the Supervisory Board members until September 19, 2024, and subsequently one woman and five men. The Supervisory Board decided on a target quota to be achieved by June 22, 2027 of at least two women out of the six shareholder representative members and at least two women out of the six employee representative members. This target is no longer achieved with the present composition due to the new elections by the shareholders in the Annual General Meeting for the financial year.

DETERMINATION OF THE FEMALE QUOTA IN THE EXECUTIVE BOARD AND EXECUTIVE LEVELS

The Supervisory Board determined a female target quota of at least one woman in the Executive Board by June 22, 2027. Insofar as contract extensions for acting members of the Executive Board are beneficial, however, no application process must be conducted with applicants. If an application process is conducted, both men and women may apply for the position of Executive Board member, and the most suitable person is chosen as a rule. If the target of at least one woman in the Executive Board has not yet been reached, in the event of equal suitability the female candidate will be preferred when filling the Executive Board position.

The objective of the Supervisory Board is justified by the fact that there should be equal opportunities for men and women when filling positions on the Executive Board. For this reason, appointment as a member of the Executive Board should be decided primarily based on the candidate's suitability for the office, regardless of gender. In the case of equal suitability, the preference of female candidates to fulfill the diversity target of one woman and thereby support equal opportunities of men and women in the organization is considered to be justified. Currently, the Executive Board of BAUER AG only consists of two members. Particularly for small boards at the top management level in a commercial company, the candidate's suitability for the position is the decisive factor. In this context, gender cannot be the decisive factor for filling the position, because gender alone does not demonstrate the capacity to serve as a member of the Executive Board. In order to not forego the collected experience and expertise of acting members of the Executive Board, it must be possible to reappoint active members of the Executive Board without being subject to the pressure to achieve a female quota.

The target of at least one woman for the Executive Board is not achieved with the current composition. The background for this is that the last and only vacancy since this determination of the female quota for the Executive Board owing to the departure of Mr. Florian Bauer from the Executive Board with effect at the end of December 31, 2023 was merely filled on an interim basis, due to a lack of suitable male or female candidates, by reappointing the former member of the Executive Board Mr. Hartmut Beutler for a limited period until December 31, 2024. This period was extended by an additional 12 months until the end of 2025 and work is currently still underway to fill the vacancy.

The Executive Board specified a female target quota of at least 21.43% in the first executive level beneath the Executive Board by June 30, 2027 and 29.16% by June 30, 2027 for the second executive level beneath the Executive Board. At the end of the year under review, these targets were not reached at the first level of management below the Executive Board, where the female quota was 14.29%, but they were reached at the second management level, where the quota was 29.17% (rounded). The background for not achieving this target at the first management level is that the positions are, as a rule, appointed based on the suitability of the persons being considered, and gender is not the deciding factor for filling the management position in the event of better suitability. Regardless of the legal requirement to set target quotas, the Group is committed to supporting women and men who want to become executives and, as a technology-driven company, is especially interested in inspiring women to pursue technical professions.

DEPENDENCY REPORT

FINAL STATEMENT REGARDING THE REPORT ON RELATIONSHIPS WITH RELATED COMPANIES

The Executive Board declares in accordance with Section 312 (3) sentence 3 of the AktG that for the legal transactions and measures outlined in the report on relationships with related companies, based on the circumstances known to the company at the time the legal transaction was carried out or the measure was implemented or not implemented, the company received adequate consideration for each legal transaction and was not disadvantaged by the fact that the measure was implemented or not implemented.

Schrobenhausen, April 15, 2025
BAUER Aktiengesellschaft

Dipl.-Betriebswirt (FH)
Hartmut Beutler

Peter Hingott

Report of the Supervisory Board 2024

BAUER AG, with its shareholdings in companies distributed among the segments of Geotechnical Solutions, Equipment and Resources, performed well over the past financial year. Sales and earnings continued to develop stably, and consolidation work in the Geotechnical Solutions segment above all is showing results. Intensive work is ongoing to face the challenges in the Equipment segment in a competitive market environment. The work of the Supervisory Board in the 2024 financial year was predominantly shaped by the subsequent effects of the cyber attack towards the end of the previous year as well as continuous supervision of the business reorientation in the segments of Geotechnical Solutions, Equipment and Resources in response to changing market developments. The Supervisory Board has intensively monitored the work of the company's Executive Board and has assisted the Executive Board in its work.

Furthermore, the Supervisory Board regularly monitored the work of the Executive Board during the 2024 financial year on the basis of the detailed reports provided by the Executive Board in written and verbal form and provided support in the form of advice. The Executive Board properly discharged its duties to provide the Supervisory Board with regular, prompt and comprehensive information about all questions of strategy, planning, company development, risk development and compliance that are relevant to the company and the Group. Between the meetings, the Executive Board generally submitted monthly written reports on all important business transactions and financial indicators of the Group and the company. Due to a cyber attack on the IT infrastructure in the last quarter of the previous year, however, reporting was restricted at the start of the financial year. The Chairman of the Supervisory Board was also in regular contact with the Executive Board, gathered information as appropriate relating to the course of business and key transactions and discussed strategic topics as well as risk situations.

In the financial year, there were no indications of conflicts of interest among members of the Executive Board or Supervisory Board requiring immediate notification of the Supervisory Board and disclosure to the General Meeting.

MAIN FOCUS OF CONSULTATIONS IN SUPERVISORY BOARD MEETINGS

In the year under review, there were seven regular plenary sessions. Current business and earnings performance, order backlog development and developments in the markets in the business segments were discussed at all quarterly Supervisory Board meetings.

At the start of the 2024 financial year, the Supervisory Board focused on addressing the annual planning for 2024 as well as the remuneration system for the Executive Board, repealing the remuneration system that applied as of the end of the 2023 financial year, and a resolution was passed regarding the distribution of responsibilities of the Labor Director due to the most recent changes in the Executive Board. Furthermore, resolutions were passed regarding the targets for the composition of the Supervisory Board in line with a competency profile as well as the female quota on the Supervisory Board, and the further development of the offshore business was discussed.

In April, the preliminary figures for the 2023 financial year were addressed and the annual planning for the 2024 financial year was definitively approved. The proposal to convert the shares of BAUER AG from bearer shares to registered shares as well as the creation of a new authorized capital was approved along with additional proposed amendments to the Articles of Association and transactions requiring approval. Moreover, the variable remuneration for members of the Executive Board and the performance bonus framework for BAUER AG were determined. In three meetings of the Supervisory Board in May, June and July of the year under review relating to the annual and consolidated financial statements for the 2023 financial year, also attended and informed by the auditor, a detailed review was undertaken of the respective financial statements along with the combined management report, the dependency report and the proposal of the Executive Board with regard to the appropriation of retained earnings. With the refinancing of the syndicated loan, the combined management report along with the information in the annual and consolidated financial statements were subjected to a supplementary audit. After reviewing the audit reports, the annual and consolidated financial statements were adopted and approved by the Supervisory Board.

Furthermore, the Supervisory Board addressed the invitation to the Annual General Meeting, and discussed the reporting on risk management and internal auditing as another focus in the July meeting.

Other core topics addressed in the meetings in the second half of the year were a revision of the employment contracts for the Executive Board including the remuneration system, as well as the search for an additional member of the Executive Board. In addition, the rules of procedure for the Executive Board were modified. In November, the Supervisory Board also addressed changes in the management of the parent company for the Geotechnical Solutions segment. Furthermore, the state of IT security was reappraised after the cyber attacks in 2023.

WORK CARRIED OUT BY THE COMMITTEES

There were three committees in the Supervisory Board, though the Mediation Committee was not required to convene and the Nomination Committee did not need to meet. The committee chairpersons submitted regular reports on the main content of the committee meetings to the plenary Supervisory Board meetings.

Two meetings of the Presidial and Personnel Committee were convened, in which the Supervisory Board meetings were prepared. In particular, the remuneration system for members of the Executive Board was addressed and preparations were made for decisions of the Supervisory Board relating to determination of salaries and variable remuneration for members of the Executive Board as well as the company's performance bonus framework. The committee also addressed the composition of the Executive Board and succession to the office of Executive Board members. The modification of the rules of procedure governing the Executive Board members was prepared by the committee.

COMPOSITION AND ATTENDANCE

As in previous years, in the 2024 financial year there was once again a consistently high participation rate in the Supervisory Board meetings as well as in its committees. The Mediation Committee and Nomination Committee did not meet. The meetings of the Supervisory Board and its committees are all conducted in hybrid form as a rule, with an in-person and video and/or phone conference, in order to facilitate the participation of all members of the Supervisory Board and achieve high participation rates. In the year under review, there were two changes in the composition of the Supervisory Board on the

	Supervisory Board meeting	Presidential and Personnel Committee
Number of sessions held	**7**	**2**
Rainer Burg	7	
Alfons Doblinger	7	
Sabine Doblinger	7	
Petra Ehrenfried	7	
Maria Engfer-Kersten	7	
Robert Feiger	4	
Prof. Dr.-jur. Bastian Fuchs	7	2
Reinhard Irrenhauser	7	2
Klaus Pöllath	7	2
Wolfgang Rauscher	7	
Sebastian Sennebogen (since Sep 19, 2024)	2	
Florian Freiherr Tucher von Simmelsdorf (since Sep 19, 2024)	1	
Dipl.-Ing. (FH) Elisabeth Teschemacher (until Sep 19, 2024)	5	
Gerardus N.G. Wirken (until Sep 19, 2024)	5	

shareholder side due to two shareholder requests in accordance with Section 122 AktG regarding additions to the agenda of the General Meeting. Ms. Elisabeth Teschemacher and Mr. Gerardus N.G. Wirken were removed from their positions as members of the Supervisory Board in the Annual General Meeting on September 19, 2024. As their successors, effective as of the end of the General Meeting on September 19, 2024, Mr. Sebastian Sennebogen and Mr. Florian Freiherr Tucher von Simmelsdorf were elected by the General Meeting as shareholder representatives on the Supervisory Board of BAUER AG.

AUDITING OF THE 2024 ANNUAL AND CONSOLIDATED FINANCIAL STATEMENTS

The annual financial statements of BAUER AG as at December 31, 2024 and the consolidated financial statements of the Group prepared according to international accounting standards as well as the Combined Management Report, including the Group Accounting, were audited by the auditors elected by the General Meeting and duly appointed by the Supervisory Board, Rödl & Partner GmbH Wirtschaftsprüfungsgesellschaft, Nuremberg. The accounts were certified by the auditors with an unqualified opinion. Regarding the dependency report, the auditor issued the following unqualified opinion in accordance with Section 313 (3) of the AktG:

“Following our audit and assessment in accordance with our duties, we confirm: 1. that the facts stated in the report are correct, 2: that the consideration paid by the company in legal transactions listed in the report was not inappropriately high or disadvantages have been equalized, and 3: that there are no grounds for a significantly different assessment of the measures outlined in the report than that of the Executive Board.”

The annual and consolidated financial statements along with the combined management report, the dependency report and the auditor’s reports were provided in good time to all members of the Supervisory Board, who reviewed these documents. The auditor attended the annual financial review meeting of the Supervisory Board regarding these documents. The Supervisory Board duly noted and concurred with the findings of the auditor's review of the documents. Following conclusion of the Supervisory Board review, no objections were raised, and publication was approved. No objections were raised against the dependency report, particularly including objections against the final statement of the Executive Board regarding the dependency report.

The annual financial statements of BAUER AG and the consolidated financial statements of the Group as well as the final statement of the Executive Board regarding the dependency report were audited and approved by the Supervisory Board in a meeting on May 7, 2025. The annual financial statements of BAUER AG were thus adopted. The Supervisory Board concurred with the proposal of the Executive Board regarding the appropriation of retained earnings. Given the lack of retained earnings, no proposal can be made to the shareholders regarding the appropriation of retained earnings.

On behalf of the Supervisory Board, I would like to thank the members of the Executive Board, all the Group employees and the employee representatives within all Group companies for their great commitment throughout the past financial year. We would also like to thank the departed members of the Supervisory Board, Ms. Elisabeth Teschemacher and Mr. Gerardus N.G. Wirken, for their years of dedication to the company and its employees.

Schrobenhausen, May 2025

The Supervisory Board

Prof. Dr.-jur. Bastian Fuchs

Chairman of the Supervisory Board

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Consolidated Income Statement

INCOME STATEMENT

in EUR thousand	Notes	12M/2023 adjusted	12M/2024
Sales revenues	(6)	1,698,186	2,035,882
Changes in inventories		36,923	12,142
Other own work capitalized	(7)	12,073	9,112
Other income	(8)	26,177	50,170
Consolidated revenues		**1,773,359**	**2,107,306**
Cost of materials	(9)	–900,653	–1,145,483
Personnel expenses	(10)	–458,714	–480,129
Other operating expenses	(11)	–216,935	–249,417
Impairments and Impairment Reversals in accordance to IFRS 9	(12)	–1,699	–20,596
Impairments on shares accounted for using the equity method	(13)	–1,217	0
Income from shares accounted for using the equity method	(14)	9,435	12,251
Earnings before interest, tax, depreciation and amortization (EBITDA)		**203,576**	**223,932**
Depreciations			
a) Depreciation of fixed assets	(15)	–101,045	–117,008
b) Write-downs of inventories due to use	(16)	–13,537	–17,859
Earnings before interest and tax (EBIT)		**88,994**	**89,065**
Financial income	(17)	37,564	47,000
Financial expenses	(18)	–99,957	–85,601
Earnings before tax (EBT)		**26,601**	**50,464**
Income tax expense	(19)	–23,757	–40,763
Earnings after tax		**2,844**	**9,701**
of which attributable to shareholders of BAUER AG		835	9,098
of which attributable to non-controlling interests		2,009	603

*Previous year's figure adjusted; see explanatory notes on p. 52; section: "Main changes in the current reporting period"

	12M/2023 adjusted	12M/2024
Earnings after tax attributable to the shareholders of BAUER AG, in EUR thousand	**835**	**9,098**
Weighted average number of shares in circulation in financial year (basic)	39,297,875	43,037,478
Weighted average number of shares in circulation in financial year (diluted)	39,297,875	43,037,478
Basic earnings per share in EUR	**0.02**	**0.21**
Diluted earnings per share in EUR	**0.02**	**0.21**

Consolidated Statement of Comprehensive Income

STATEMENT OF COMPREHENSIVE INCOME

in EUR thousand	12M/2023 adjusted	12M/2024
Earnings after tax	**2,844**	**9,701**
Income and expenses which will not be subsequently reclassified to profit and loss		
Revaluation of obligations arising from employee benefits after termination of the employment relationship	–7,491	1,046
Deferred taxes on that revaluation with no effect on profit and loss	2,346	–321
Changes in the fair value of other investments	3,613	12,909
Deferred taxes with no effect on profit and loss on the valuation of participations	–50	–197
Income and expenses which will be subsequently reclassified to profit and loss		
Changes in the fair value of derivative financial instruments (hedging reserve for cash flow hedges)	–928	–179
Included in income and loss	207	–216
Changes in the fair value of derivative financial instruments (reserve for hedging costs)	–1	164
Included in income and loss	1	–164
Deferred taxes on derivative financial instruments with no effect on profit and loss	196	134
Exchange differences on translation of foreign subsidiaries	–11,025	–2,976
Other earnings after tax	**–13,132**	**10,200**
Total comprehensive income	**–10,288**	**19,901**
of which attributable to shareholders of BAUER AG	–7,773	24,916
of which attributable to non-controlling interests	–2,515	–5,015

Consolidated Statement of Cash Flows

in EUR thousand	12M/2023 adjusted	12M/2024
Cash flows from operational activity:		
Earnings before tax (EBT)	26,601	50,464
Depreciation of property plant and equipment and intangible assets	101,045	117,008
Writedowns of inventories due to use	13,537	17,859
Impairment losses and reversals in accordance to IFRS 9	1,699	23,874
Impairment losses on shares accounted for using the equity method	1,217	0
Financial income	–37,564	–47,000
Financial expenses	99,957	85,601
Results of deconsolidations	7,459	–3,331
Other noncash transactions	–70,479	–17,840
Dividends received	3,334	4,965
Income from the disposal of property plant and equipment and intangible assets	–3,346	–5,759
Income from shares accounted for using the equity method	9,435	12,251
Change in provisions	–21,720	19,463
Change in trade receivables	–38,933	39,854
Change in contract assets	14,778	12,733
Change in other assets and in prepayments and deferred charges	18,203	–25,474
Change in inventories	–46,952	–10,792
Change in trade payables	49,578	13,596
Change in contract liabilities	45,688	–52,112
Change in other current and noncurrent liabilities	777	2,423
Cash and cash equivalents generated from daytoday business operations	**174,314**	**237,783**
Income tax paid	–23,468	–43,560
Net cash from operating activities	**150,846**	**194,223**
Cash flows from investing activity:		
Purchase of entities included in the consolidated financial statements less net cash	–1,000	–5,815
Purchase of property plant and equipment and intangible assets	–140,892	–181,558
Proceeds from the sale of property plant and equipment and intangible assets	37,930	87,011
Proceeds from the sale of subsidiaries	530	5
Purchase of financial assets (participations)	–1,775	–2,705
Change in financial resources resulting from the basis of consolidation	–3,375	0
Interest received	11,346	13,661
Net cash used in investing activities	**–97,236**	**–89,401**
Free Cash flow	**53,610**	**104,822**
Cash flows from financing activity:		
Raising of loans and liabilities to banks	150,734	172,039
Repayment of loans and liabilities to banks	–215,637	–205,097
Repayment of liabilities from lease agreements	–27,125	–33,475
Incoming payments from equity contributions by shareholders of the parent company	101,449	0
Payments for transaction costs related to corporate actions	–430	0
Dividends paid	–1,674	–1,106
Interest paid	–35,970	–34,393
Net cash used in financing activities	**–28,653**	**–102,032**
Changes in liquid funds affecting payments	**24,957**	**2,790**
Influence of exchange rate movements on cash	–815	1,405
Total change in liquid funds	**24,142**	**4,195**
Cash and cash equivalents at beginning of reporting period	**44,607**	**68,749**
Cash and cash equivalents at end of reporting period	**68,749**	**72,944**
Change in cash and cash equivalents	**24,142**	**4,195**

Consolidated Balance Sheet as at December 31, 2024

ASSETS

in EUR thousand	Notes	Jan. 01, 2023* adjusted	Dec. 31, 2023* adjusted	Dec. 31, 2024
Intangible assets	(21)	16,837	27,907	27,224
Property, plant and equipment	(21)	481,743	484,752	497,239
Investments accounted for using the equity method	(21)	58,581	65,723	70,107
Participations	(21)	2,106	2,106	3,172
Deferred tax assets	(22)	35,077	54,073	51,071
Trade receivables	(23)	1,056	8,720	23,980
Other non-current assets	(24)	8,292	8,786	10,606
Other non-current financial assets	(25)	35,747	25,519	32,002
Non-current assets		**639,439**	**677,586**	**715,401**
Inventories	(26)	489,400	524,408	507,021
Less advances received for inventories	(26)	–8,995	–13,972	–12,448
Total inventories		480,405	510,436	494,573
Contract assets	(27)	96,384	78,881	68,138
Trade receivables	(27)	262,056	277,794	241,957
Receivables from enterprises in which the company has participating interests	(27)	1,845	1,616	1,093
Prepayments	(27)	13,931	7,640	7,966
Other current assets	(27)	46,946	49,515	58,711
Other current financial assets	(27)	22,441	9,353	6,905
Effective income tax refund claims		4,156	5,210	6,684
Cash and cash equivalents	(28)	44,607	68,749	72,944
Non-current assets held for sale	(29)	0	0	9,262
Current Assets		**972,771**	**1,009,194**	**968,233**
		1,612,210	**1,686,780**	**1,683,634**

*Previous year's figure adjusted; see explanatory notes on p. 52; section: "Main changes in the current reporting period"

EQUITY AND LIABILITIES

in EUR thousand		Jan. 01, 2023* adjusted	Dec. 31, 2023* adjusted	Dec. 31, 2024
Subscribed capital		111,186	183,398	183,398
Capital reserve		16,304	42,331	26,861
Other revenue reserves and retained earnings		248,706	243,147	283,663
Equity of BAUER AG shareholders		**376,196**	**468,876**	**493,922**
Non-controlling interests		18,370	14,181	8,060
Equity	**(30)**	**394,566**	**483,057**	**501,982**
Liabilities to banks	(31)	58,431	95,856	182,865
Liabilities from lease agreements	(31)	45,368	37,807	32,450
Provisions for pensions	(32)	102,461	111,599	111,701
Other non-current liabilities	(31)	9,341	8,696	8,606
Other non-current financial liabilities	(31)	11,522	8,609	11,737
Deferred tax liabilities	(22)	10,729	13,993	20,953
Non-current debt		**237,852**	**276,560**	**368,312**
Liabilities to banks	(33)	401,819	292,008	181,846
Liabilities from lease agreements	(33)	26,234	24,213	20,716
Contract liabilities	(33)	89,112	134,461	79,318
Trade payables	(33)	230,836	263,157	306,560
Liabilities to companies and participations accounted for using the equity method	(33)	27,660	31,061	37,528
Other current liabilities	(33)	105,521	80,298	82,574
Other current financial liabilities	(33)	15,806	21,031	18,593
Effective income tax obligations		35,314	38,094	28,387
Other provisions	(34)	43,976	39,027	53,781
Provisions for pensions	(32)	3,514	3,813	4,037
Current debt		**979,792**	**927,163**	**813,340**
		1,612,210	**1,686,780**	**1,683,634**

* Previous year's figure adjusted; see explanatory notes on p. 52; section: "Main changes in the current reporting period"

Consolidated Statement of Changes in Equity from January 1, 2023 to December 31, 2024

in EUR thousand			Other revenue reserves and retained earnings							
	Subscribed capital	Capital reserve	Revenue reserves	of foreign subsidiaries	Derivative financial instruments (hedging reserve)	Derivative financial instruments (reserve for hedging costs	Equity instruments	Shares held by shareholders of BAUER AG	Non-controlling interests	Total
As at January 1, 2023	**111,186**	**16,304**	**267,190**	**–9,257**	**978**	**2**	**–2,462**	**383,941**	**18,370**	**402,311**
error correction	0	0	–7,745	0	0	0	0	–7,745	0	–7,745
As at January 1, 2023 adjusted	111,186	16,304	259,445	–9,257	978	2	–2,462	376,196	18,370	394,566
Earnings after tax	0	0	835	0	0	0	0	835	2,009	2,844
Exchange differences on translation of foreign subsidiaries	0	0	0	–6,501	0	0	0	–6,501	–4,524	–11,025
Revaluation of obligations arising from employee benefits after termination of the employment relationship	0	0	–7,491	0	0	0	0	–7,491	0	–7,491
Changes in the fair value of other investments	0	0	0	0	0	0	3,613	3,613	0	3,613
Changes in the fair value of derivative financial instruments	0	0	0	0	–721	0	0	–721	0	–721
Deferred taxes with no effect on profit and loss	0	0	2,346	0	196	0	–50	2,492	0	2,492
Total comprehensive income	**0**	**0**	**–4,310**	**–6,501**	**–525**	**0**	**3,563**	**–7,773**	**–2,515**	**–10,288**
Changes in basis of consolidation	0	0	–8	0	0	0	0	–8	0	–8
Dividend payments	0	0	0	0	0	0	0	0	–1,674	–1,674
Capital increase	72,212	29,237	0	0	0	0	0	101,449	0	101,449
Costs of capital increase	0	–430	0	0	0	0	0	–430	0	–430
Offsetting the loss carryforward	0	–2,780	2,780	0	0	0	0	0	0	0
Other changes	0	0	–558	0	0	0	0	–558	0	–558
As at Dec. 31, 2023 adjusted	**183,398**	**42,331**	**257,349**	**–15,758**	**453**	**2**	**1,101**	**468,876**	**14,181**	**483,057**

in EUR thousand	Subscribed capital	Capital reserve	Other revenue reserves and retained earnings: Revenue reserves	of foreign subsidiaries	Derivative financial instruments (hedging reserve)	Derivative financial instruments (reserve for hedging costs	Equity instruments	Shares held by shareholders of BAUER AG	Non-controlling interests	Total
As at January 1, 2024 adjusted	**183,398**	**42,331**	**257,349**	**–15,758**	**453**	**2**	**1,101**	**468,876**	**14,181**	**483,057**
Earnings after tax	0	0	9,098	0	0	0	0	9,098	603	9,701
Exchange differences on translation of foreign subsidiaries	0	0	0	2,620	0	0	0	2,620	–5,596	–2,976
Revaluation of obligations arising from employee benefits after termination of the employment relationship	0	0	1,073	0	0	0	0	1,073	–27	1,046
Changes in the fair value of other investments	0	0	0	0	0	0	12,909	12,909	0	12,909
Changes in the fair value of derivative financial instruments	0	0	0	0	–395	0	0	–395	0	–395
Deferred taxes with no effect on profit and loss	0	0	–326	0	134	0	–197	–389	5	–384
Total comprehensive income	**0**	**0**	**9,845**	**2,620**	**–261**	**0**	**12,712**	**24,916**	**–5,015**	**19,901**
Changes in basis of consolidation	0	0	130	0	0	0	0	130	0	130
Dividend payments	0	0	0	0	0	0	0	0	–1,106	–1,106
Capital increase	0	0	0	0	0	0	0	0	0	0
Costs of capital increase	0	0	0	0	0	0	0	0	0	0
Offsetting the loss carryforward	0	–15,470	15,470	0	0	0	0	0	0	0
Other changes	0	0	0	0	0	0	0	0	0	0
As at Dec. 31, 2024	**183,398**	**26,861**	**282,794**	**–13,138**	**192**	**2**	**13,813**	**493,922**	**8,060**	**501,982**

Notes to the Consolidated Financial Statements

GENERAL NOTES

GENERAL INFORMATION ABOUT THE GROUP

BAUER Aktiengesellschaft, Schrobenhausen, Germany (referred to in the following as BAUER AG) is a stock corporation under German law. Its registered office is at BAUER-Strasse 1 in Schrobenhausen and the company is entered in the Commercial Register of Ingolstadt (HRB 101375). BAUER Aktiengesellschaft is only included in these consolidated financial statements The consolidated financial statements of BAUER Aktiengesellschaft, prepared in accordance with the International Financial Reporting Standards as adopted by the EU and the supplementary provisions of German commercial law pursuant to Section 315e (3) in conjunction with Section 315e (1) of the German Commercial Code (HGB). (1) of the German Commercial Code (HGB) are published in the Federal Gazette ("Bundesanzeiger").

The BAUER Group is a provider of services, equipment and products dealing with ground and groundwater. The Group markets its products and services all over the world. The business activities of the Group are divided into three operating segments: Geotechnical Solutions, Equipment and Resources.

Since the end of the day on June 20, 2023, BAUER AG is no longer listed in the Prime Standard of the German stock market.

MAIN CHANGES IN THE CURRENT REPORTING PERIOD

In accordance with IAS 8.41, significant errors from earlier periods must be corrected retrospectively upon discovery. In accordance with IAS 1.40A in conjunction with IAS 1.10(f), in case of an error correction, a third balance sheet dated at the start of the previous period must be submitted if the retroactive adjustment has a significant effect on the information in this balance sheet.

The following errors in accordance with IAS 8.5 have resulted in preparation of the consolidated financial statements of the BAUER Group in relation to the comparative periods presented:

- In the course of an overall review of the accounting policies in the inventories, it was determined that in the past, required devaluations on the net realizable value according to IAS 2.6 were not carried out to a sufficient extent. This particularly concerned outdated assets. The correction amount was recorded retrospectively pursuant to IAS 8.42 and is distributed between the Equipment segment with EUR 10,665 thousand and the Geotechnical Solutions segment with EUR 5,060 thousand.
  The total amount of EUR -9,604 thousand as at January 1, 2023 and EUR -15,725 thousand as at December 31, 2023 led to a reduction of inventories in the balance sheet.
  The correction of the asset inventories led to a retrospective increase of deferred tax assets in the amount of EUR 1,859 thousand as at January 1, 2023 and EUR 4,045 thousand as at December 31, 2023.
- Since the introduction of IFRS 9 "Financial instruments" and the associated obligation to calculate expected credit losses, the "Provision Matrix" has been prepared on the segment level and any credit losses were recorded there. This led to a correct evaluation of the financial instruments according to the requirements of IFRS 9, while the complex computational logic was carried out centrally. The Global Minimum Tax Act (Mindestbesteuerungsgesetz, MinBestRL-UmsG or "Pillar II"), established a requirement to record all earnings effects that are attributable to the individual taxation territories there as well. In this context, the BAUER Group decided to allocate the entries to the individual companies and dissolve the entries at the segment level. This resulted in a retrospective reduction of the deferred tax assets in the amount of EUR -588 thousand due to the difference between the Group tax rate at the segment level and the individual tax rates of the companies. Furthermore, an incorrect entry was corrected in the Resources segment, which retrospectively reduces the trade receivables by EUR -113 thousand.
- In the financial year, the current and non-current receivables from security retentions were recorded to separate accounts for the first time. Previously, a statement was made under trade receivables With this new statement, the previous year was

adjusted accordingly. The amount of non-current trade receivables in the previous financial year was increased by EUR 6,822 thousand.

- The matters presented above lead to an overall retrospective reduction of the other revenue reserves and the retained earnings of the BAUER Group amounting to EUR -7,745 thousand as at January 1, 2023 and EUR -12,381 thousand as at December 31, 2023. This reduces the earnings after tax as at December 31, 2023 by EUR -4,636 thousand and the earnings per share from EUR 0.14 to EUR 0.02.

1. BASIS OF PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements of BAUER AG were prepared in accordance with section 315e of the German Commercial Code (HGB) and International Financial Reporting Standards (IFRS), as adopted by the EU, and with the HGB. The consolidated financial statements were prepared on the basis of historical costs for procurement and manufacturing costs, limited by the fair value valuation of financial assets and liabilities (including derivative financial instruments) affecting net income. The previous year's figures have been determined according to the same principles.
The BAUER Group's financial year is the calendar year.
The consolidated financial statements were prepared in euros. Unless otherwise specified, all amounts are quoted in thousands of euros (in EUR thousand).
The income statement was prepared using the nature of expenses method and covers the period from January 1 to December 31 of the respective year.

The consolidated financial statements were prepared under the assumption that the company will continue as a going concern. In the assessment of the management, there are no material uncertainties that could raise significant doubts as to the ability of the company to continue as a going concern.

2. BASIS OF CONSOLIDATION

In addition to the ultimate parent company BAUER AG, all material subsidiaries are fully consolidated. Subsidiaries are all companies that are directly or indirectly controlled by BAUER AG. This is the case if BAUER AG has the ability to influence the return on its investment by means of power of disposal, in particular over the financial and business policy of the respective company. This is routinely accompanied by a share of voting rights of over 50%. When assessing whether control is exerted, the existence and effect of potential voting rights currently exercisable or convertible are considered.
Subsidiaries are not consolidated and valued in the BAUER Group according to the requirements of IFRS 9 if their business operations are dormant or minor and they are, individually and as a whole, of minor importance for conveying a picture of the true and fair view of the net assets, financial and earnings position as well as the cash flows of the BAUER Group. A fair value is regularly determined for these companies and the corresponding adjustment is carried out through Other Comprehensive Income without any effect on profit and loss (FVOCI option).

In 2024, 94 companies were consolidated into the consolidated financial statements (previous year: 108). In the financial year, one (previous year: 6) Company was included in the basis of consolidation for the first time. Since the beginning of 2024, the number of companies removed from the basis of consolidation was 15 (previous year: 8). Consortia were not included in the number of companies which form part of the consolidated financial statements due to the short-term nature of these projects.

The following overview shows the number of subsidiaries by segment (without construction joint ventures):

	Main business	Place of business	Number of companies with 100% share		Number of companies with a share less than 100%		Number of associated companies		Number of joint ventures		Total	
			Dec. 31 2023*	Dec. 31 2024	Dec. 31 2023	Dec. 31 2024	Dec. 31 2023	Dec. 31 2024	Dec. 31 2023	Dec. 31 2024	Dec. 31 2023*	Dec. 31 2024
Segment Geotechnical Solutions	Specialist foundation engineering	Global	33	22	2	2	1	1	1	1	37	26
Segment Equipment	Equipment manufacture and sales	Global	34	31	1	2	2	2	0	0	37	35
Segment Resources	Water, environmental services and natural resources	Global	21	20	1	1	2	2	4	4	28	27
Segment Corporate Services	Corporate Services	Global	6	6	0	0	0	0	0	0	6	6
Total			**94**	**79**	**4**	**5**	**5**	**5**	**5**	**5**	**108**	**94**

*Previous year's figures changed: The consolidation status of the companies in the segments was reviewed and adjusted.

If the quality assessment of a new subsidiary finds that the company is immaterial in terms of the operative segment or Group, it may not be included in the consolidated financial statements.
Consequently, the non-inclusion of any one company must not result in material changes to the Group net asset, financial and earnings position, nor must it disregard any other materially relevant trends.
In a small number of cases, companies are fully consolidated into the consolidated financial statements of BAUER AG even though that company holds less than 50% of their share of voting rights. This is the result of state restrictions which stipulate that foreign investors may not hold more than 50% of the voting rights in domestic companies. In such cases BAUER AG makes use of so-called agency constructions, whereby more than 50% of the voting rights are commercially held in the company concerned, thus leads to control.
Subsidiaries are included in the consolidated financial statements (fully consolidated) from the point at which control or the possibility of control is transferred to the Group. They are deconsolidated at the point when control ends. Shares on companies for which BAUER AG is able, directly or indirectly, to exercise a significant influence on the said companies' financial and operating policy decisions (associated companies) are measured according to the equity method. As at December 31, 2024, this related to 5 companies (previous year: 5). Joint ventures were likewise measured according to the equity method.
The BAUER Group sometimes holds a share of more than 50% in companies which are considered to be joint ventures or associated companies. This evaluation is based on contract design, which is individual to the company and which excludes control from the perspective of the BAUER Group.
The disclosures in accordance with section 313 (2) of the HGB are grouped in a separate list of holdings and included in the Notes to the Consolidated Financial Statements.
Subsidiaries with differing balance sheet dates compile interim financial statements as per the Group date for the consolidated financial statements. Due to the local statutory requirements, BAUER Corporate Services Private Limited, BAUER Equipment India Private Limited and BAUER Specialized Foundation Contractor India Private Limited prepare their annual financial statements for March 31. BAUER Bangladesh Limited prepares its annual financial statements for June 30.

Application of section 264 (3) of the HGB

Section 264 (3) of the HGB has been exercised for the following companies:

BAUER Maschinen GmbH
BAUER Resources GmbH
BAUER Spezialtiefbau GmbH
BAUER Verwaltungs und Beteiligungs GmbH
EURODRILL GmbH
EURODRILL Grundstücks GmbH
GWE GmbH
KLEMM Bohrtechnik GmbH
rig.plus GmbH
RTG Rammtechnik GmbH
Sadurski Erdwärme GmbH
SCHACHTBAU NORDHAUSEN GmbH
SPESA Spezialbau und Sanierung GmbH

Application of section 291 (1) of the HGB

BAUER Maschinen GmbH, BAUER Spezialtiefbau GmbH and BAUER Resources GmbH have utilized the exemption option under section 291 (1) of the HGB and have not prepared consolidated financial statements or a management report.

Changes at subsidiaries

Geotechnical Solutions segment

In the third and fourth quarter of the financial year, the following companies were deconsolidated due to liquidation or cessation of business operation or loss of control:

BAUER Renewables Ltd.
BAUER Lebanon Foundation Specialists S.a.r.l.
BAUER Foundations (IRL) Ltd.
BAUER International Qatar LLC
BAUER Vietnam Ltd.
BAUER Georgia Foundation Specialists LLC
BAUER Engineering International Ltd.
BAUER Bangladesh Ltd.
BAUER Fundaciones Dominicana S.R.L.
BAUER DK A/S
BAUER Fondations SAS
BAUER MALAYSIA SDN. BHD. – INDONESIA BRANCH

The deconsolidations resulted in income amounting to EUR 13,486 thousand (Other income) and expenses amounting to EUR 10,155thousand (Other operating expenses).

Equipment segment

With effect as of December 4, 2024, BAUER Equipment (Shanghai) Ltd. was merged into Shanghai BAUER Technologies Co. Ltd. The merger had no effect on the financial, assets and earnings position in the Equipment segment. In addition, as of May 31, 2024, the previously non-consolidated Obermann MAT GmbH was merged into BAUER Maschinen GmbH. This resulted in an effect of EUR 87 thousand on the net assets in the Equipment segment.

Resources segment

In the first half of the financial year, BAUER Erdwärme GmbH was renamed to Sadurski Erdwärme GmbH and registered a change in place of business. As of the end of the day on June 30, 2024, 100% of the shares in Sadurski Erdbohrungen GmbH & Co. KG, Leopoldshöhe along with affiliated general partner Sadurski Verwaltungs GmbH, Leopoldshöhe were acquired by Sadurski Erdwärme GmbH. Furthermore, with effect as of the end of the day on June 30, 2024 (directly after the purchase of shares), the general partner limited company withdrew from the limited partnership, which resulted in the dissolution of the limited partnership and accrual of the business operation to Sadurski Erdwärme GmbH, meaning that the operative business will be maintained under this name in the future and additionally Sadurski Verwaltungs GmbH still exists as a shell and 100% subsidiary of Sadurski Erdwärme GmbH.

The transaction was financed in cash.

1. Acquired assets and debt

in EUR thousand	Fair value at the time of acquisition June 30, 2024
Intangible assets	3,214
Property, plant and equipment	1,040
Inventories	734
Receivables and other assets	605
Cash and cash equivalents	354
Liabilities	–1,654
Provisions	–170
Net assets	**4,123**

2. Consideration

The total consideration received for the purchase amounted to EUR 6,170 thousand, comprising:

in EUR thousand	
Cash and cash equivalents	6,170

3. Goodwill

The transaction resulted in goodwill amounting to EUR 2,047 thousand, which was determined as follows:

in EUR thousand	
Consideration transferred	6,170
Less net assets	–4,123
Goodwill	**2,047**

The goodwill reflects the access to new markets by Sadurski Erdwärme GmbH.

4. Earnings contribution

Since the date of acquisition on June 30, 2024, Sadurski Erdwärme GmbH contributed EUR 1,741 thousand to Group sales and EUR -643 thousand to the Group’s earnings after tax.
If the purchase had already occurred by January 1, 2024, the sales revenues would have amounted to EUR 1,872 thousand and the earnings after tax would have been EUR -670 thousand.
There is a profit and loss transfer agreement in place with SPESA Spezialbau und Sanierung GmbH.

5. Transaction costs

Associated with the purchase, transaction costs were incurred in the amount of EUR 77 thousand. These were recorded as expenditure in the item “Other operating expenses” on the income statement.

In the fourth quarter of the financial year, 100% of the shares in BAUER Resources Senegal SARL were sold at a selling price of EUR 5 thousand to Mr. Frank Weimert. The company was therefore deconsolidated and has withdrawn from the basis of consolidation. The deconsolidation resulted in a loss in the amount of EUR 3,582 thousand, which is listed under other operating expenses.

Corporate Services segment

In the financial year, there were no changes in the Corporate Services segment.

3. CONSOLIDATION POLICIES

The assets and liabilities of the German and foreign companies included in the consolidated financial statements are stated according to the uniform accounting policies applicable throughout the BAUER Group. Mutual receivables and liabilities as well as expenses and income between consolidated companies are eliminated. Group inventories and fixed assets are adjusted by existing interim results. Consolidation affecting net income is subject to deferral of taxes, with deferred tax assets and liabilities being offset against each other provided the payment period and tax creditor are the same. With respect to subsidiaries consolidated for the first time, the identifiable assets, liabilities and contingent liabilities of the acquired companies were recorded at their applicable fair values at the time of purchase. Goodwill occurring on initial consolidation is capitalized and subjected to a yearly impairment test; an excess of the net fair value of the acquired net assets over cost is recognized in the income statement immediately at the time of initial consolidation in accordance with IFRS 3. Initial measurement according to the equity method is subject to the same principles. If the pro-rata loss in an associated company is greater than the carrying amount of the participating interest, no further losses are recognized, unless a consolidated Group company has entered into obligations or made payments on behalf of the associated company.
Non-controlling interests are a part of earnings and net assets which is not allocable to the Group. Earnings pertaining to these interests are therefore recognized separately from the share in earnings allocable to the shareholders of the parent company in the income statement. In the balance sheet, these earnings are recognized in equity, separately from the equity

allocable to the shareholders of the parent company. The purchase of non-controlling interests and changes to the investment quota of the parent company in a subsidiary which do not lead to a loss of control are reported as equity transactions in the balance sheet.

4. DISCRETIONARY DECISIONS, CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

When preparing the consolidated financial statements, assumptions and estimates must be made by management that influence the approach, recognition and amounts of assets and liabilities, income and expenses recorded, as well as contingent liabilities. In the process, all information available at the time of the estimates and judgments is applied. The discretionary decisions, estimates and judgments are routinely subject to increased uncertainty. For this reason, the actual amounts may differ from the assessments and estimates made by management and this may have material impacts on the BAUER Group.

Discretionary decisions by management as a basis for the practice of corresponding accounting policies are primarily required in the following circumstances:

- **Sales revenues from contractual obligations that are fulfilled over a specific time period** In the Geotechnical Solutions and Resources segments, a large share of the reported sales revenues based over time is realized in the context of construction contracts with the cost-to-cost method. The sales revenues based over time that are recorded in the reporting period are particularly dependent on the degree of completion and the expected total revenues. The degree of completion is in turn dependent on the estimate of total costs incurred during the project. Changes to the estimates and judgments can lead to an increase or decrease in sales revenues based over time. For further clarification of construction contracts and sales revenues based over time, we refer to the section “Construction contracts” under 5.2 “Accounting policies” and to section 7 “Sales revenues.”
- **Impairment due to expected credit losses** To determine the impairment due to expected credit losses, it is necessary to estimate the probability of default for trade receivables, contract assets and other financial assets. Determining the probability of default is associated with uncertainty and may differ from actually occurring credit defaults. For further clarification of impairment due to expected credit losses, we refer to the section “Financial instruments” under 5.2 “Accounting policies” and to the section “Risk of default” under 40 “Financial instruments.”
- **Other impairments of assets and cash-generating units** When determining a need for impairment of assets and cash-generating units, the current carrying amount is compared with the higher value of the value in use and the fair value less any costs to sell. The expected cash flows for determining the value in use or costs to sell are routinely associated with uncertainty. Developments and events can cause the expected cash flows to differ from the actual cash flows. Further uncertainties in this context exist with the determination of the discount rate to apply (WACC) and the expected growth rates. For further clarification concerning impairments of assets and cash-generating units, we refer to the section of the same name under 5.2 “Accounting policies” as well as the section for the individual categories of assets.
- **Leasing** In the evaluation of leasing liabilities and rights of use, various estimates and judgments must be made. Leasing relationships may include termination or extension options as well as residual value guarantees and options to purchase. An option that will be exercised or not exercised with sufficient security has an impact on the estimated contract term and consequently on the amount of the leasing liability and right of use. Primarily for the BAUER Group, this concerns various office and warehouse buildings. The possibility of using extension and termination options ensures the necessary flexibility to react to changed market conditions. To determine the duration of the leasing relationship, the BAUER Group takes into account all facts and circumstances that present a significant economic incentive for exercising an extension option, or for not exercising a termination option. For further clarification of leasing in the BAUER Group, we refer to the section of the same name under 5.2 “Accounting policies” and to section 22 “Fixed assets.”

- **Provisions for pensions** Provisions for pensions contain critical accounting estimates and judgments. These include, for example, future salary and pension developments or life expectancies. Changes to the estimates and judgments can impact in particular the amount of the reserve and other earnings. For further clarification of provisions for pensions, we refer to the section of the same name under 5.2 "Accounting policies" and to section 33 "Provisions for pensions."
- **Other provisions** The evaluation of other provisions includes numerous estimates and judgments that can impact the approach and evaluation of the provisions. In this context, estimates concerning the probability of occurrence or settlement amount are subject to uncertainties. Here it is possible that the actual outflow of cash and cash equivalents will differ from the original provision amount. For further clarification of other provisions, we refer to the section of the same name under 5.2 "Accounting policies" and to section 35 "Other provisions."
- **Deferred tax assets** The evaluation of deferred tax assets requires estimates and judgments as to whether enough taxable income will be available in the future for corresponding use. These estimates and judgments are made as part of an internal forecast calculation and contain uncertainties with regard to actual future developments. For further clarification of deferred taxes, we refer to the section of the same name under 5.2 "Accounting policies" and to section 23 "Deferred taxes."

All assumptions and estimates are based on the applicable conditions and assessments on the reporting date. With respect to the expected future business development, the assumptions and estimates concerning the future as at the balance sheet date are determined taking into account the applicable conditions on the date of preparation of the consolidated financial statements as well as a realistic assumption of the future development of the global environment and the specific sectors. Developments in the context of discretionary decisions, assumptions and estimates are regularly accounted for and updated on the basis of economic or country-specific developments. Uncertainty in discretionary decisions, estimates and judgments was heightened in the financial year, particularly by the Ukraine crisis.

5. GENERAL ACCOUNTING POLICIES

5.1. Changes in accounting policies

The significant accounting policies applied in the previous year continue to be used, with the following exceptions:

Changes to IAS 1: Classification of liabilities as current or non-current

A liability is to be classified as non-current if the reporting company has a substantial right as at the balance sheet date to postpone fulfilment by at least 12 months. If the right to postpone depends on the fulfilment of other conditions within 12 months after the balance sheet date, these conditions have no influence on the statement as current or non-current. For the liabilities classified as non-current, the following information must be stated:
Information about the existing conditions (including type and time)
Carrying amount of affected liabilities
Where available: Facts and circumstances that indicate that the company could have difficulties fulfilling the conditions
For the assessment of whether a (substantial) right exists, no consideration is made as to whether the company will also exercise this right. Any intention of the management in this regard has no influence on the classification.

The directive on adoption of the amendments by the EU (endorsement) was published in the Official Journal of the EU on December 20, 2023.

For the BAUER Group, no material effects resulted from the change to IAS 1 in the 2024 financial year.

Changes to IAS 12: Global minimum tax: Pillar Two model rules

According to the revised (final) version, in periods in which a law regarding implementation of Pillar Two rules has been (largely) resolved but has not yet entered into force, information must be provided which enables the recipients of the financial statements to estimate the effects of the Pillar Two rules and the resulting income taxes on the company. For this purpose, at the end of the reporting period, known or reasonably estimable qualitative and quantitative information about these effects must be disclosed. If the effects are not known or reasonably estimated, information must be given regarding the progress which the company has made with respect to estimating the effects of the Pillar Two rules.

The actual tax expenditure (or earnings) in connection with Pillar Two income taxes must be indicated separately. It must also be stated that the (obligatory) exemption from the obligation of accounting for deferred taxes has been used.

The directive on adoption of the amendments by the EU (endorsement) was published in the Official Journal of the EU on November 9, 2023.

For the BAUER Group, no material effects to the financial statements resulted from the change to IAS 12 in the 2024 financial year. Please refer to the subsection “Deferred taxes” in section “5.2 Accounting policies” for information on the potential impact of the introduction of global minimum taxation (Pillar Two).

Changes to IAS 7 “Statements of cash flows” and IFRS 7 “Financial instruments: Disclosures”: Supplier financing agreements

The additional disclosures in the notes should increase the transparency of supplier financing agreements and their effects on the liabilities, cash flows and the liquidity risk in company financial statements.

The required disclosure obligations particularly concern:

- Contract terms
- Carrying amount of liabilities (which are the object of the reverse factoring agreement), balance sheet items (in which the liabilities are reported) and the amount of liabilities (for which the suppliers have already received payments from the bank/factor)
- Ranges of payment deadlines for liabilities (which are the object of the reverse factoring agreement) compared to the payment deadlines for liabilities for which no supplier financing agreement exists
- Information about the effects of the liquidity risk

The directive on adoption of the amendments by the EU (endorsement) was published in the Official Journal of the EU on May 16, 2024.

For the BAUER Group, no material effects resulted from the change to IAS 7 and IFRS 7 in the 2024 financial year.

Changes to IFRS 16: Leasing liability in a sale and leaseback

The adjustment of IFRS 16 demands the assessment of a leasing liability in such a way that no profit or loss results with regard to the retained right of use upon subsequent valuation (particularly for later modifications or revaluations). For this purpose, the lessee must define an accounting method for determining the lease payments that meets this requirement.

The initial application of the change must be carried out retrospectively in accordance with IAS 8 starting from the transition to IFRS 16.

The directive on adoption of the amendments by the EU (endorsement) was published in the Official Journal of the EU on November 21, 2023.
For the BAUER Group, no material effects resulted from the change to IFRS 16 in the 2024 financial year.

Moreover, the IASB and the IFRIC have adopted further standards, interpretations and amendments, as listed below, some of which will only become binding from the financial year 2025 or have not yet been recognized by the EU:

Standard / Interpretation / Amendment	**To be applied as of financial year**	**Endorsement takes place**
Changes to IAS 21: Lack of substitution option	2025 et seq.	Yes
Changes to IFRS 9 and IFRS 7: Classification and evaluation of financial instruments	2026 et seq.	No
IFRS 18: Presentation and disclosures in annual financial statements	2027 et seq.	No
IFRS 19 “Subsidiaries without public accountability: disclosures”	2027 et seq.	No

The BAUER Group had not implemented early application of these standards by December 31, 2024. We plan to adopt these standards as soon as they are recognized and adopted by the EU.

With the introduction of IFRS 18, there will be a newly defined structure for the income statement, which will be subdivided into the categories Operating, Investing and Financing.

The Operating category will include the following:
- All expenses and income resulting from the operational business of a company, regardless of whether these are one-time special effects or other unusual earnings effects.
- Results from other activities of the company that cannot be assigned to the other categories.

The Investing category will include expenses and earnings associated with the following assets:
- Participations in associated companies, joint ventures, as well as non-consolidated subsidiaries
- Cash and cash equivalents
- Other assets which generate returns on their own and largely independently of the company’s other resources

The category of financial expenses will include expenses and income associated with liabilities that exclusively serve the purpose of financing, and other liabilities (for example trade payables, leasing liabilities, pension commitments). In addition, separate rules are established for derivatives, security instruments and hybrid liabilities. The following expenses and income should be recorded in this category:
- Expenses and income from initial and follow-up valuation of liabilities as well as from the disposal of individual liabilities.
- Incremental expenses that are directly connected with the issue or repayment of liabilities.
- Interest income and expenses
- Expenses and income from changes to the interest rate

Apart from the new rules for structuring and recognition, IFRS 18 also contains various new or extended disclosures in the notes, particularly concerning the alternative revenue figures.

The detailed effects of IFRS 18 on the BAUER Group are already being analyzed. This examination has not yet been fully concluded, yet it can be assumed at the present time that shifts will be made between the new categories.

Apart from this, the future application of the other standards is not expected to have a significant impact on the net assets, financial situation and earnings position of the BAUER Group.

5.2. Significant accounting policies

Foreign currency translation

Foreign currency transactions are translated in the financial statements of BAUER AG and the consolidated subsidiaries at the rates applying on the dates of the transactions. Transactions in foreign currencies are recorded in the respective financial statements of the consolidated companies at the applicable exchange rate on the respective dates. Monetary assets and liabilities denominated in foreign currencies are converted at the applicable rate on the balance sheet date. Other assets and liabilities are converted using the applicable rate at the time of the transaction if they are recorded using the acquisition cost principle. If these assets and liabilities are recorded at fair value, the conversion will be carried out using the rate on the respective evaluation date. Foreign currency translation differences that result are recorded through profit and loss in the financial result. The financial statements of the foreign companies belonging to the BAUER Group are translated into euros according to the functional currency concept. Accordingly, assets and liabilities are translated at the rate applicable on the balance sheet date and the income statement items at the average rate. Equity, with the exception of income and expenses recorded directly in the equity, is recognized at historical rates. The resulting differences from the currency translation are recorded as other income and recognized cumulatively in the provision for currency translation losses stated under equity until the foreign operations are sold.

In the financial year, Turkey was classified as a hyperinflationary economy in accordance with the criteria of IAS 29 Financial Reporting in Hyperinflationary Economies. Accordingly, the financial statements of the subsidiary based in Turkey were adjusted in accordance with IAS 29. The adjustment includes the translation of non-monetary items, equity and income and expense items on the basis of a general price index in order to adequately reflect the effects of hyperinflation. The effects of this revaluation were recognized in the financial result.

No hyperinflation measurement was carried out for Egypt, as the cumulative inflation rate for the relevant three-year period was just below the threshold of 100% and therefore the formal criteria for applying IAS 29 were not met.

The following table shows the exchange rates applied for the currency conversion:

1 EUR corresponds to		Annual average		Balance sheet date value	
		2023	2024	2023	2024
Egypt	EGP	33.17752	49.07258	34.16800	52.62190
Argentina	ARS	315.94314	990.60177	893.18630	1,067.48195
Australia	AUD	1.62880	1.63971	1.62630	1.67720
Bulgaria	BGL	1.95580	1.95580	1.95580	1.95580
Chile	CPL	907.95689	1,020.96392	966.35000	1,031.51500
China	CNY	7.66002	7.78747	7.85090	7.58330
Georgia	GEL	2.83579	2.94166	2.97740	2.91690
Ghana	GHS	12.64039	15.67535	13.25300	15.21650
Great Britain	GBP	0.86979	0.84662	0.86905	0.82918
Hong Kong	HKD	8.46497	8.44536	8.63140	8.06860
India	INR	89.30011	90.55625	91.90450	88.93350
Indonesia	IDR	16,479.61561	17,157.67738	17,079.71000	16,820.88000
Japan	JPY	151.99028	163.85191	156.33000	163.06000
Jordan	JOD	0.76696	0.76691	0.78600	0.73385
Canada	CAD	1.45947	1.48211	1.464200	1.49480
Qatar	QAR	3.94729	3.94546	4.03860	3.77270
Lebanon	LBP	15,000.68372	85,972.70517	16,648.00000	92,688.68750
Malaysia	MYR	4.93196	4.95027	5.07750	4.64540
Morocco	MAD	10.95592	10.75288	10.96370	10.48900
Mexico	MXP	19.18301	19.83138	18.72310	21.55040
New Zealand	NZD	1.76215	1.78805	1.75040	1.85320
Oman	OMR	0.41626	0.41647	0.42528	0.39850
Panama	PAB	1.08144	1.08183	1.10760	1.03485
Peru	PEN	4.04629	4.05835	4.05360	3.88940
Philippines	PHP	60.16261	62.00715	61.28300	60.30100
Poland	PLN	4.54197	4.30580	4.33950	4.27500
Romania	RON	4.94672	4.97464	4.97560	4.97430
Russia	RUB	92.82191	100.40116	100.11500	115.68040
Saudi Arabia	SAR	4.05647	4.05955	4.14190	3.88760
Sweden	SEK	11.47876	11.43252	11.09600	11.45900
Switzerland	CHF	0.97180	0.95263	0.92600	0.94120
Singapore	SGD	1.45232	1.44581	1.45910	1.41640
South Africa	ZAR	19.95511	19.82973	20.34770	19.61880
Taiwan	TWD	33.70283	34.73847	33.85510	34.13740
Thailand	THB	37.63113	38.18108	37.97300	35.67600
Turkey	TYR	25.75970	35.57340	32.65310	36.73720
Hungary	HUF	381.85267	395.30387	382.80000	411.35000
United Arab Emirates	AED	3.97117	3.97353	4.05760	3.80345
United States of America	USD	1.08127	1.08238	1.10500	1.03890
Vietnam	VND	25,773.48837	27,105.44038	26,883.00000	26,375.50000

Intangible assets

The following table provides an overview of the useful lives of intangible assets:

Asset	Economic useful life
Licenses, software and similar rights and values	3 to 10 years
Goodwill	Unlimited
Capitalized software costs	3 to 10 years
Capitalized development costs	3 to 6 years

The BAUER Group regularly reviews the methods and useful lives at the balance sheet date and adjusts them prospectively if necessary.

Assets which have an indefinite useful life, such as goodwill, are not subjected to scheduled amortization but are impairment tested each year, or when relevant indications arise. The goodwill is the amount by which the acquisition costs of the company acquisition exceed the fair value of the Group's shares in the net assets of the acquired entity at the date of acquisition. Goodwill created by company acquisition is recognized under "Intangible assets." Goodwill resulting from the purchase of an associated company or joint venture is included in the carrying amount of investments in associated companies or joint venture and consequently is not impairment-tested separately, but within the overall carrying amount. The recognized goodwill undergoes an annual impairment test and is recognized at its original acquisition costs less accumulated write-downs. Write-ups are impermissible. Income and losses from the sale of a company comprise the carrying amount of goodwill allocated to the company to be disposed of.
Assets with a limited usage period are tested for impairment if any events or changes of circumstances indicate that the carrying amount may no longer be achievable.

An impairment loss is then recorded if the carrying amount of an asset exceeds the attainable amount. The attainable amount is the higher amount of the applicable fair value of the asset less selling costs and the value in use. For the impairment test, assets are grouped at the lowest level for which cash flows can be separately identified (cash-generating units). With the exception of goodwill, a test is performed on each balance sheet date in respect of non-cash assets for which in the past an impairment was recognized as to whether a value recovery adjustment is required.
Research and development costs are generally charged as expenditure in the financial year in which they occurred, in accordance with IAS 38. Exceptions to this are certain development costs which are capitalized where it is probable that a future economic benefit will be drawn from the development project and the costs incurred can be measured reliably. In addition, the following criteria in accordance with IAS 38.57 must be met:

- technical feasibility of completion of the intangible asset so that it will be available for use or sale,
- intention to complete the intangible asset and to use or sell it,
- ability to use or sell the intangible asset,
- evidence of how the intangible asset will generate probable future economic benefits,
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset,
- the ability to reliably measure the expenditure attributable to the intangible asset during its development.

The manufacturing costs include all costs directly attributable to the development process as well as appropriate portions of development-related overheads. The assets in development are subjected to an annual impairment test and valued at their original acquisition or manufacturing costs less cumulative impairment. Depreciation is undertaken according to the straight-line method as from start of production over the intended term of the developed models. The economic life is between 3 and

6 years and is reviewed on a regular basis. Impairment losses on intangible assets are recognized to the higher amount out of the fair value less cost to sell or the value in use. If the prerequisites for an impairment no longer exist, reversals of impairment – except for goodwill – are undertaken.

Property, plant and equipment

According to IAS 16, property, plant and equipment is valued at the acquisition or manufacturing costs, less scheduled straight-line depreciation based on the pro-rata temporis method, unless in exceptional cases some other method of depreciation more effectively reflects the usage. In accordance with IFRS, initial valuation of property, plant and equipment is based on the acquisition or manufacturing costs. The acquisition costs include the price of acquisition plus any directly attributable incidental acquisition costs, such as site preparation costs, delivery costs, assembly costs, estimated costs for subsequent demolition and clearance of the asset or similar costs, minus any purchase price reductions such as rebates, bonuses, discounts or similar reductions. Production costs include direct material or manufacturing costs as well as a reasonable share of the production-related overheads. In the latter, social costs and administrative expenses are only to be included if they can be directly attributed to the production process or serve to put the asset in an operational condition for the planned application. Financing costs are capitalized as part of the acquisition or manufacturing costs if a considerable period of time is required to put the asset in a ready-to-use condition. The following table provides an overview of the useful lives:

Asset	**Economic useful life**
Land	Unlimited
Buildings and other structures	3 to 60 years
Technical equipment and machinery	3 to 21 years
Other equipment, factory and office equipment	2 to 21 years

Depreciation losses on property, plant and equipment are recognized in accordance with IAS 36 where the carrying amount exceeds the recoverable amount. In this context, the recoverable amount is the higher of the two figures when considering the fair value less costs of sale and the value in use. If the reasons for a depreciation recognized in previous years no longer exist, a corresponding reversal of impairment is applied.

Both impairment losses and scheduled depreciation are recognized under the “Depreciation of fixed assets” item. The level of depreciation losses is explained in accordance with IAS 36 under “Non-current assets.” The BAUER Group regularly reviews the methods and useful lives as at the balance sheet date, and adjusts them prospectively if required.

Insofar as the rental of equipment is not merely considered a sales-promoting activity, but instead comprises a company’s main purpose of business, the rented equipment is reported under “Property, plant and equipment.”

Impairment of assets or cash-generating units

The BAUER Group reviewed the carrying amounts of the intangible assets, property, plant and equipment and investments accounted for using the equity method to determine whether there was any indication of impairment of assets or cash-generating units as at December 31, 2024. The level of the carrying amounts reviewed as well as effects from any impairments can be found in the following table:

Financial year 2023:

in EUR thousand	Carrying amount before impairment	Impairments for financial year	Current carrying amount according to the Consolidated Balance Sheet
Intangible assets	28,138	231	27,907
Property, plant and equipment	489,332	4,580	484,752
Investments accounted for using the equity method	66,939	1,216	65,723

Financial year 2024:

in EUR thousand	Book value before impairment	Impairments of the year	Book value according to Consolidated Balance Sheet
Intangible Assets	27,951	727	27,224
Property, plant and equipment	497,529	290	497,239
Investments accounted for using the equity method	70,107	0	70,107

In the fundamental impairment analyses of cash-generating units, the BAUER Group determines the recoverable amount as the higher value of the value in use and the fair value less any costs to sell, and compares this with the corresponding carrying amounts. The cash-generating units correspond to the individual companies in the BAUER Group. The value in use is determined by discounting the expected future cash flows from continuation of the cash-generating unit using a risk-adjusted interest rate (WACC). The future cash flows are determined on the basis of the business plan that has been approved by management and is applicable at the point in time that the impairment test is carried out. The forecast calculation generally covers a period of five years. It is based on the expected future economic development of the respective segment markets as well as the profitability of the products offered.
When deriving the value in use, a risk assessment is also carried out. For example, project risks and individual company risks as well as risks associated with the Russia-Ukraine conflict and the interest rate development are represented in the calculation through the payment flows. On the other hand, country risks are accounted for in the interest rate as cross-company effects. The assumptions used for the forecast calculation are checked for plausibility against both historical developments and external information sources.

As at December 31, 2024, the risk-adjusted interest rate (WACC – Weighted Average Cost of Capital) of the entire Group, which is determined specifically for the respective cash-generating unit, was 8.14% (previous year: 9.67%) after tax less the country risk premium. The WACC before taxes as at December 31, 2024 was 8.47% (previous year: 9.89%). To enable a more precise representation of the Group's risk and capital structure, in 2024 a separate WACC was calculated additionally for each individual segment. This figure amounted to 8.14% in the Corporate Services segment, 8.39% in the Geotechnical Solutions segment, 7.73% in the Equipment segment and 8.39% in the Resources segment. This is determined on the basis of the Capital Asset Pricing Model (CAPM) taking into consideration the current market expectations. Calculation of the interest rate uses specific peer group information for beta factors, capital structure data and the borrowing costs. Payment flows for the individual companies were determined using the respective tax rates of the companies, from 29.13% to 32.95% in Germany (previous year: 29.13% to 32.14%) and from 0% to 32% internationally (previous year: 0% to 32%). For the periods after the detailed planning phase, the cash flows of the previous planning period are extrapolated under consideration of the growth rates based on long-term inflation expectations. The growth rates used for the calculation are generally 1% in the Geotechnical Solutions segment (previous year: 1%), while in the Resources segment the applied growth rates are between 0% and 2% (previous year: 0% to 2%). For the Equipment segment, the growth rates are between 3% and 5% (previous year: 2% to 5%). Corporate planning is based on past experience and also takes current forecasts into account. In the Geotechnical Solutions and Resources segments, planning is based on projects already in the order backlog as well as client enquiries. In the Equipment segment, key planning assumptions for sales planning are industry forecasts for the global construction machinery market, specific customer commitments for individual projects as well as company-specific adjustments that also include planned product innovations and cost savings. For 2025, further growth is anticipated in most regions. Nevertheless, the ongoing crises such as Russia's war with Ukraine will remain factors of uncertainty for the ongoing year. Another factor of uncertainty is the development of the market in China, as one of the largest construction equipment markets in the world. This was accounted for in the planning of the relevant companies. As a result of increased uncertainties, in 2024 scenarios were carried out with a WACC corresponding to the rate for the specific segment after taxes. The sensitivity analysis indicates that with an increase of the WACC by 50 base points, an additional need to write down would be generated amounting to EUR -219 thousand in the Geotechnical Solutions segment and EUR -217 thousand in the Resources segment. With a decrease of the WACC by 50 base points, a revaluation requirement would be generated amounting to EUR 502 thousand in the Resources segment.

Leasing

The BAUER Group acts as both a lessee and a lessor.

a) Accounting for lessee transactions

A leasing agreement is a contract which transfers the right to control the use of an identified asset for a defined period of time in return for the payment of a fee.

In principle, a lessee must capitalize a right of use and recognize a leasing liability for all leasing relationships.

During the initial application, the leasing liability is recorded in the amount of the present value of the leasing payments not yet made at the point in time of provision and which will become due during the term of the leasing relationship.

The leasing liability includes the present value of the following leasing payments:

- Fixed payments (including de facto fixed payments, less any leasing incentives which are due,
- Variable leasing payments which are tied to an index or interest rate, initially evaluated with the index or interest rate to the provision date,
- Expected Group payments from the use of residual value guarantees,
- The exercise price of a purchase option, of which the exercise by the BAUER Group is reasonably certain,
- Fines in connection with the termination of a leasing relationship insofar as the term provides for the respective termination option being exercised by the BAUER Group,
- Furthermore, in the evaluation of the leasing liabilities, leasing payments are also taken into consideration on the basis of the reasonably certain use of extension options.

The discounting took place using the incremental borrowing rate. The average incremental borrowing rate was 8.24% (previous year: 12.18%).

However, in the event that an implied interest rate is identifiable, the leasing payments are discounted by the interest rate upon which the leasing relationship is based.

The lease installments are divided into principal and interest payments. The interest part is recognized in the income statement throughout the term of the leasing relationship so that a constant periodic interest rate on the remaining amount of the liability results for each period.

Rights of use are evaluated at acquisition costs, which are comprised as follows:

- the amount of the initial valuation of the leasing liability,
- all leasing payments made at or before the provision, less any leasing incentives which have been received,
- all initial direct costs incurred by the lessee and estimated costs which are incurred by the lessee in the event of the demolition or removal of the underlying asset, in the event of the reconstruction of the location at which the asset is based or in the event of the transition of the underlying asset to the condition required under the leasing agreement.

In the subsequent measurement, the right of use will be recorded less cumulative depreciation and, if relevant, taking into consideration impairments adjusted by each new evaluation of the leasing liability set out in IFRS 16.36 (c).

The rights of use set on the balance sheet are highlighted in those balance sheet positions in which the assets that form the basis of the leasing contract would have been if they were the property of the BAUER Group. Therefore, the rights of use are primarily designated to property, plant and equipment on the cutoff date under the item of non-current assets.

Rights of use are amortized using the straight-line method over the shorter of both periods of time out of the usage period and the term of the leasing contract. If the exercise of a purchase option is reasonably certain from the perspective of the BAUER Group, the depreciation takes place over the usage period of the underlying asset.

On the balance sheet date, the necessary adjustments to the right of use and liabilities are also to be checked within the framework of the subsequent evaluations. Adjustments resulting from reassessment of the assumptions which have been made or a change in the contract are necessary, and may also lead to changes to the contract.
The reassessment of the assumptions which have been made relates to adjustments to payment expectations, the discounting rate to be applied relating to the remaining term if the changes are based on a change to the term or the assessment of the probability of a purchase option being exercised, as well as the changed expectation relating to the exercise of an extension or termination option.
However, the original interest which was applied is retained if, for example, expected payments are changed.
The leasing liability is reassessed with the changed parameters and accounted for on the balance sheet with this amount. The adjustment amount on the leasing liability incurred in this manner is recognized in full against the right of use. This means that, in principle, this is purely a balance sheet recording with no effect on profit and loss. The assessment of the adjustment with an effect on profit and loss only takes place for the first time in subsequent years via reduced or increased depreciations on the value in use.

Application simplifications exist for short-term and low value leasing relationships in accordance with IFRS 16.60. These are used by the BAUER Group and there is therefore no application of a right of use or liability for such leasing relationships. The lease payments in this regard are recorded as expenditure on the income statement without any changes. Leasing contracts with a term of up to 12 months are deemed short-term leasing relationships. Low-value assets include, for example, IT equipment and small items of office furniture, where the price for the new item is less than EUR 5 thousand.

The BAUER Group rents various office and warehouse buildings, as well as technical equipment and vehicles.
Contracts may include both leasing and non-leasing components.
With the exception of property leasing relationships, the BAUER Group exercises its voting rights to collate leasing and non-leasing relationships and record these in a uniform manner on the balance sheet as leasing relationships. Furthermore, the accounting provisions set out in IFRS 16 are not applied to leasing relationships which relate to intangible assets. In principle, IAS 38 is still applied to leasing relationships for intangible assets. The sale-and-lease-back transactions are primarily of a short-term nature and are not of key importance for the BAUER Group.

b) Accounting for lessor transactions

A lease is an agreement whereby the lessor assigns to the lessee the right to use an asset for a specific period of time against a payment or series of payments.
These leasing relationships are either accounted for as financing leasing relationships or as operating leasing relationships. If the terms of the leasing relationship essentially transfer all the risks and opportunities associated with the ownership to the lessee, the contract is classified as a financing leasing contract. If this is not the case, it is classified as an operating leasing relationship. Sales revenues arising from operating leasing relationships are recorded using the straight-line method over the term of the leasing relationship. In the BAUER Group, these leasing relationships are generally very short term in nature and involve a period of just a few months. These are recognized under sales revenues based over time.

Government grants

Government grants for assets including non-monetary benefits at fair value are recognized on the balance sheet as accruals on the Equity and Liabilities side (Investment allowance).

Business combinations

Accounting for acquisitions of subsidiaries is carried out in accordance with IFRS 3 based on the acquisition method. The acquisition costs of the purchase correspond to the fair value of the assets contributed, the equity instruments issued and the liabilities created and/or transferred at the transaction date. Assets, liabilities and contingent liabilities identifiable in the course of a business combination are measured on initial consolidation at their fair values at the date of acquisition. The amount by which the acquisition costs of the purchase exceed the Group's share of the net assets measured at their fair value is stated as goodwill. The non-controlling interests are valued either at the acquisition costs (Partial Goodwill method) or at fair value (Full Goodwill method). The available option can be exercised on a case-by-case basis. BAUER Group policy is to apply the Partial Goodwill method. If the acquisition costs are less than the net assets of the acquired subsidiary measured at their fair value, the difference is recognized directly in the income statement. Transaction costs directly linked to a business combination are recognized in the income statement. In the event of successive company acquisitions, the differences between the carrying amount and the applicable fair value of the shares previously held are recognized as affecting net income at the date of acquisition. Existing contracts with the acquired entity at the date of acquisition, except those under the terms of IFRS 16, are analyzed and reclassified where appropriate.

Borrowing costs

Borrowing costs linked directly to the purchase, construction or production of qualifying assets in accordance with IAS 23 are included in the acquisition or manufacturing costs of the asset in question for the period until commissioning of the asset. No borrowing costs were capitalized in the financial and previous year. Testing as to whether an asset is a qualifying asset is carried out according to internally stipulated materiality limits for projects and equipment. If the said materiality limits are exceeded, borrowing costs for qualified assets are capitalized. Other financing costs are recognized as ongoing expenditure under "Financial expenses."

Investments accounted for using the equity method

Associated companies

According to IAS 28, an associated company is any entity over which the Group has significant influence, though not control. This routinely means a share of voting rights of between 20% and 50%.

Participations in associated companies are valued at-equity and recognized initially at their acquisition costs. The Group's shares in associated companies include the goodwill created by the purchase (less cumulative impairment).

The Group's share in the profits and losses of associated companies is reported in the income statement as from the time of purchase. The shares in the other comprehensive income of the associated company are also reported proportionally in the Group's other income, broken down by amounts reclassified to the income statement in a later period and amounts that are not reclassified. Cumulative changes after purchase are set off against the carrying amount of the investment. If the Group's share in the losses of an associated company is equal to or more than the Group's shareholding in the said associate, including other unsecured receivables, the Group recognizes no additional losses, unless it has entered into obligations or made payments on behalf of the associated company.

Non-realized income from transactions between Group companies and associated companies are eliminated according to the Group share in the associated company. Non-realized losses are likewise eliminated, unless the transaction implies an impairment of the transferred asset.

In the event of indicators that would suggest a potential impairment, an impairment test in accordance with IAS 36 is carried out on the total equity carrying amount. If the achievable amount drops below the carrying amount of a financial asset accounted for using the equity method, an impairment in the amount of the difference is carried out. Subsequent revaluations are recognized in the income statement.

Joint ventures

Joint ventures are joint arrangements in which the parties exercise joint control and have claims to the net assets of the arrangement. The contractually agreed joint control of the arrangement jointly manages the venture. This is only the case if decisions regarding the material activities require the unanimous approval of the parties involved in the joint control. Joint arrangements recognized using the equity method include joint ventures as well as the Arbeitsgemeinschaften ("ARGE") consortia specific to Germany, in the form of provision consortia.

Assets are provided for and invoiced to provision consortia in the form of personnel, material or equipment. The earnings generated by the consortia are recognized in the balance sheet using the equity method, in accordance with IAS 28. They are recognized in the balance sheet as investments accounted for using the equity method and as income from shares accounted for using the equity method in the income statement.

Ongoing settlements from and to consortia are recognized in trade receivables and trade payables.

Joint operations

Joint operations are joint arrangements in which the parties assume joint control and hold rights in the assets as well as obligations with regard to the liabilities of the arrangement. The contractually agreed joint control of the arrangement jointly manages the venture. This is only the case if decisions regarding the material activities require the unanimous approval of the parties involved in the joint control.

Any operations performed by the BAUER Group as part of a joint operation relating to its share in the joint operation are recognized in the following items:

- its assets, including its share in jointly held assets,
- its liabilities, including its share in jointly incurred liabilities,
- its income from the sale of its share in the products or revenue from the joint operation,

- its share in income from the sale of products or revenue from the joint operation, and
- its expenses, including its share in any jointly incurred expenses.

For transactions such as the acquisition of assets by a Group company, income and losses are recognized in the amount of the Group share of other joint operations only once the assets are sold to third parties.

Financial instruments

Financial instruments are contracts resulting in a financial asset for one company and a financial liability (or equity instrument) for another.
Under IFRS 9, financial assets are classified and measured as debt instruments, equity instruments in the sense of IAS 32, and derivatives.

a) Primary financial instruments

In the BAUER Group, primary financial instruments are assigned as financial assets to the following categories:

- "Evaluated at continued acquisition costs" or Amortized cost (AC)
- Fair value through profit or loss (FVTPL)
- Debt instruments measured at fair value through other comprehensive income (FVOCI), whereby the cumulative gains and losses are reclassified to the income statement when the financial asset is disposed of (so-called recycling)
- Equity instruments measured at fair value through other comprehensive income (FVOCI), whereby gains and losses remain in other comprehensive income (without recycling).

As a general rule, the first accounting of financial assets and liabilities takes place when the BAUER Group becomes a contractual party. When accounting for regular sales or purchases of financial assets for the first time, the settlement date is relevant, i.e. the date on which the asset or liability is transferred to or by the BAUER Group. Financial assets and liabilities are initially recognized at fair value. The subsequent measurement of financial assets depends on the classification on the categories in accordance with the requirements of the IFRS 9 and takes place either under amortized acquisition costs or at the fair value. Financial liabilities, with the exception of derivatives, generally fall into the category of amortized costs.

Financial assets representing debt instruments within the meaning of IAS 32 are classified into the measurement categories of amortized cost (AC), fair value through profit or loss (FVTPL) and fair value through other comprehensive income (FVOCI) (with recycling) based on the underlying business model and the cash flow conditions of the financial asset being assessed. Financial assets are measured at amortized cost if they are held to collect contractual cash flows and these contractual cash flows are only the payments of interest and principal on the outstanding capital amount. Debt instruments that meet the cash flow conditions but are held within a business model that provides for both the collection of contractual payment flows and the disposal of financial assets are measured at fair value through other comprehensive income.

Financial assets and financial liabilities measured at amortized cost are initially recognized at fair value, including transaction costs directly attributable to the purchase of the financial asset or issue of the financial liability, and subsequently measured at continued acquisition costs using the effective interest method. The continued acquisition costs of a financial asset or liability is calculated, applying the effective interest rate method, from the historical cost less the repayments made, plus or less the cumulative amortization of any difference between the original amount and the amount repayable at the final due date, and also less impairment or plus value recovery adjustment.

For financial assets classified as "fair value through other comprehensive income," (with recycling) the transaction costs directly attributable to the purchase are also recognized. However, changes in the carrying amount are recognized in other comprehensive income, with the exception of impairment gains or expenses recognized in profit or loss. The cumulative gains and losses previously recognized in equity are not reclassified at fair value in the income statement until the financial assets are disposed of. No financial assets measured at FVOCI, which are also debt instruments, were recognized in the past financial year.

Financial assets (debt instruments) that do not meet the criteria of amortized cost or fair value through other comprehensive income are classified as fair value through profit or loss. Income or losses on a debt instrument subsequently measured at FVTPL are recognized in profit or loss in the period in which they arise. The FVTPL option was not applied for financial assets or for financial liabilities.

Cash and cash equivalents include bank balances and cash in hand and are measured at amortized cost because they are held with the aim of collecting the contractual cash flows and these contractual cash flows are only the payments of interest and principal. Cash and cash equivalents are also subject to the impairment provisions of IFRS 9. However, for reasons of immateriality, no valuation allowances are recorded.

At initial recognition, trade receivables are recorded at the transaction price. If they contain significant financing components, they are recognized at fair value. The BAUER Group holds trade receivables in order to collect contractual cash flows exclusively comprising payments of interest and principal on the outstanding capital amount, and subsequently measures them at amortized cost less valuation allowances. For receivables designated for a sale, the criteria for the business model "Sale" are present due to the factoring agreements and these are therefore to be assigned to the measurement category FVTPL. No impairments are to be recorded for these receivables as per IFRS 9.

As a general rule, financial assets representing equity instruments as per IAS 32 are generally to be classified as fair value through profit or loss and recognized in net income. At the same time, when equity instruments held are initially categorized, there is an irrevocable option to recognize changes to the fair value in other income with no effect on profit or loss. The BAUER Group exercises this option for participations affected by this because the recognition of income and losses from fair value changes in the income statement has no significance in terms of the development of the participations. Once the participation is derecognized, the amounts recognized in other comprehensive income are not subsequently reclassified in the income statement. Dividends continue to be recognized in profit or loss unless the dividend is clearly a repayment of part of the cost of the equity instrument. This valuation rule is also applied in the BAUER Group for shares in company divisions that are not consolidated for reasons of immateriality.

Impairments are recognized based on losses incurred as well as estimates of expected credit losses (expected loss model). Here, in line with IFRS 9, impairments for expected credit losses are recorded for all financial assets valued at amortized cost and for debt instruments valued at fair value through other comprehensive income. In order to determine the scope of the risk provision strategy, a three-stage model is envisaged as a general rule. Risk provision is either formed on the basis of expected 12-month credit losses (stage 1) or on the basis of credit losses expected over the contract period if the credit risk has worsened considerably since the initial statement (stage 2) or if impaired creditworthiness is established (stage 3). For trade receivables and for contract assets recorded as per IFRS 15, the simplified approach is used, which accounts for credit losses expected over the contract period as impairment.

To determine the expected credit losses and individual valuation allowances for financial assets with impaired creditworthiness, the BAUER Group uses internal credit assessments and external ratings. In the event of relevant circumstances specific to a certain case, individual and macroeconomic factors are also considered when determining the extent of the valuation allowances. A significant credit risk deterioration of the counterparty is assumed when its rating has fallen by a set number of grades. Credit ratings are derived from an active system of claims management with reference to the relevant credit history and from continuous monitoring of the creditworthiness of customers. Application of the arrears assumption of 30 days therefore has no bearing for the assessment of individual valuation allowances in the industry due to, among other things, limitations in acknowledgment of performance.

The expected credit losses in relation to trade receivables and contract assets are measured using a "Provision Matrix," which is based on historic defaults and future estimates. In light of the fact that the BAUER Group's business activities are categorized into three different segments, Geotechnical Solutions, Equipment and Resources, and the customer structure is therefore so diverse, credit risks for trade receivables are summarized per segment and expected credit losses are recognized on subsidiary level.

An individual valuation allowance for financial assets with impaired creditworthiness is recognized when there are objective signs, such as missed payments or insolvencies. Default of a financial asset is determined based on an individual assessment according to which it cannot be reasonably assumed that the receivable is realizable in full or in part. If repayment cannot be reasonably expected, the financial asset is depreciated. With the depreciation of financial assets, the BAUER Group continues to take enforcement measures in an attempt to recover the overdue receivables.

Financial assets are derecognized if the rights to payments from the financial assets have expired or been transferred, and the Group has essentially transferred all risks and opportunities associated with ownership, or the essential opportunities and risks have neither been transferred nor retained, but right of disposal has been transferred. A financial liability is removed from the balance sheet when it is extinguished, that is, when the obligation stipulated in the contract has been fulfilled or cancelled or lapsed.

Financial assets and liabilities are not offset unless the amounts can be legally settled at the current point in time and there is an intention to actually offset the assets.

b) Derivative financial instruments

A derivative is a financial instrument or contract within the area of applicability of IFRS 9, which cumulatively meets the following criteria:

- which varies in value based on changes in a specific interest rate, price of a financial instrument, raw material price, exchange rate, price or interest rate index, credit rating or credit index, or some similar variable, provided in the case of a non-financial variable the variable is not specific to one party to the contract,
- which requires no payment in return for acquisition, or one which, compared to other forms of contract expected to react similarly to changes in market conditions, is lower,
- which is settled at a later date.

In the BAUER Group, derivative financial instruments are entered into solely to hedge against interest rate and currency risks. No deals are made without an underlying transaction.
In the BAUER Group, free-standing derivative financial assets and free-standing derivative financial liabilities are assigned to the following category:
Fair value through profit or loss (FVTPL). In the case of financial assets or liabilities recognized at fair value through profit or loss, the initial fair-value valuation excludes the transaction costs, which must be recognized as expenditure in the income statement immediately. The first accounting takes place on the trading date. Value changes of derivatives that are not part of a cash flow hedge are considered with no impact on profit or loss under financial expense or earnings.

The free-standing derivative financial instruments in the “fair value through profit or loss” category include interest rate swaps, foreign exchange forward contracts, foreign exchange swaps and foreign exchange options. The derivative financial instruments are stated at their market values as assets or liabilities.

In the case of derivatives which are designated as hedging instruments in hedge accounting, when hedging the risk of fluctuations in future cash flows (cash flow hedges) the effective portion of the gain or loss from a hedging instrument is initially recognized in the equity, taking into account deferred taxes, and is only recognized in the income statement when the underlying hedged transaction is realized. With regard to foreign exchange risk hedging, the BAUER Group designates only the cash component of the change of the fair value of the hedging transaction as a component of the cash flow hedge. The changes to the fair value occurring on the forward component and cross-currency basis spread (CCBS) component are included under other income in the reserve for hedging costs. The ineffective portion of the hedging transaction is recognized in the income statement immediately. In the 2024 financial year, hedge accounting was used for cash flow hedges. In addition to foreign currency hedges, in the financial year there were a total of two (previous year: two) interest hedging relationships to safeguard variable payments from interest rate swaps and promissory notes.

The market values of the derivatives are calculated on the basis of the conditions prevailing at the balance sheet date, such as interest or exchange rates, and applying recognized models, such as discount cash flow or option price models. The market values of the foreign exchange forward contracts are defined on the basis of future anticipated payment flows taking into account current reference rates and forward premiums and discounts. The market values of the interest rate swaps are determined on the basis of discounted future payment flows, applying the market interest rates applicable to the respective residual terms of the derivatives.

Inventories and advances received

Inventories of finished goods and work in progress as well as stock for trade and raw materials and supplies, are measured at acquisition costs or manufacturing costs or at the lower net realizable value on the balance sheet date, in accordance with IAS 2. Down payments received for orders that do not represent construction contracts are listed as assets and openly deducted from inventories, provided manufacturing costs have already been incurred for the corresponding contract. All other down payments received are listed under Equity and Liabilities. The net realizable value is the estimated achievable selling price in the ordinary course of business less the estimated costs through to completion and the estimated necessary selling costs. Raw materials and supplies are valued mainly at floating average cost. Where the machinery and accessories classified as finished goods and stock for trade and primarily held for sale, are rented out for a short period as a secondary sales promotion measure, the following factors are considered in determining their net realizable values:

- Rental period
- Useful life of the machines
- Damage and inoperability

Where the net realizable value of previously written-down inventories has increased, corresponding value recovery adjustments are made. The manufacturing costs include all direct costs of the manufacturing process. The level of depreciation losses for impairment on inventories is explained in accordance with IAS 2 under “Inventories”.

Construction contracts

Customer-specific construction contracts are recognized according to the percentage of completion. The work performed, including the pro-rata share of income, is mainly shown under revenue on a period-by-period basis and according to the percentage of completion. The method that most reliably measures the services provided is used to determine the progress of a project. Both input- and output-based methods can be consistently applied to similar contractual obligations and similar

circumstances. The BAUER Group mainly uses input-based methods (for example, cost-to-cost method of profit recognition according to the stage of completion), in particular for the determination of revenues from construction contracts. Revenues and contract modifications (contract amendments and change orders) are recognized in accordance with IFRS 15 if it is highly probable that these contract modifications will not result in a material cancellation. Tender costs are capitalized if it is probable that they can be settled and they would not have been incurred if the order had not been received. Contract performance costs that are incurred before the start of the contract are capitalized if a settlement is expected and amortized over the contract term. BAUER AG has no contracts for which the period until transfer of the work owed to the customer constitutes a financing component. Accordingly, no transaction price will be adjusted by the fair value of the money. The contracts are reported under contract assets or contract liabilities. Construction contracts are recognized as assets under contract assets if the cumulative work performed (order costs and contract profit/loss) exceeds the advance payments in certain cases. If the total anticipated costs for the fulfillment of the contract obligation exceed the total anticipated sales revenues, provisions for impending losses are formed. In general, building contracts and service contracts include warranty periods and periods for the notification of defects following the completion of the project. These obligations are not considered as separate service obligations and are therefore included as estimates in the total contract costs. Where necessary, amounts are recorded under provisions in accordance with IAS 37.
These sales revenues can also include out-of-period sales resulting from final invoice agreements and sales corrections in the Geotechnical Solutions and Resources segments.

Cash and cash equivalents
Cash and cash equivalents comprise cash and sight deposits with an original term of no more than three months.

Deferred taxes
In accordance with IAS 12, deferred taxes are taken into account in respect of deviations between the valuations of assets and liabilities according to IFRS and their corresponding tax bases in the amount of the projected future tax charge or refund. In addition, deferred tax assets are recognized for future advantages arising from tax losses carried forward, provided it is probable that they will be realized.
Deferred taxes arising from temporary differences in connection with participations in subsidiaries and associated companies are recognized, unless the date of reversal of the temporary differences can be determined by the Group and it is likely that the temporary differences will not be reversed again in the foreseeable future because of this effect.
According to IAS 12.74, deferred tax assets and liabilities are to be offset if a legally enforceable right to set off current tax assets against current tax liabilities exists. Offsetting should also be carried out if the deferred tax assets and liabilities relate to income taxes levied by the same tax authority in respect of:

- either the same taxable entity or
- different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realize the assets and settle the obligations simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

The tax expenditure for the period comprises current and deferred taxes. Taxes are reported in the income statement, unless they relate to items recognized directly in the equity or in the other comprehensive income. In this case, the taxes are likewise recognized in the equity or in the other comprehensive income.

In Germany, income taxes and deferred taxes are stated on the basis of corporation tax, the “solidarity surcharge” and trade tax, in a range of 29.13% to 32.95% (previous year: 29.13% and 32.14%). Outside Germany, income tax rates of between 0.00% and 32.00% are applied (previous year: 0.00% and 32.00%).

When reporting any uncertainties concerning income tax in the balance sheet, the individual income tax treatment is generally applied. Insofar as it is not probable that an income tax treatment will be accepted by the local tax authorities, the BAUER Group uses the amount with the highest probability when determining the taxable profits as well as the tax base.
The tax returns of the companies in the BAUER Group are regularly audited by German and foreign tax authorities. Taking into account a variety of factors, including the interpretation, commentaries and case-law concerning the respective tax legislation, as well as the experiences from the past, provisions are formed for potential future tax obligations to the appropriate extent, insofar as this is apparent and probable.

In the financial year, the BAUER Group intensively addressed the potential effects due to the introduction of global minimum tax (Pillar Two). During the initial investigation, impact analysis was carried out based on existing financial data for all jurisdictions in which Bauer is active. Many data points that are relevant for Pillar Two were not yet available at the time of evaluation, which is why estimates were made. Taking into account existing and estimated data points and the analysis building on that, we anticipate that the effects of Pillar Two on the BAUER Group will be of minor significance particularly in the first years of its application. Particularly the simplification rules existing at the start (“safe harbor”) give rise to the expectation of a low additional tax burden. Effects due to the plan for the safe harbor rules to weaken or be removed over the course of time cannot yet be estimated at the moment. The obligatory exemption due to the change in IAS 12 regarding the accounting of deferred taxes in connection with Pillar Two was applied in the financial year.

Share-based remuneration with settlement in shares

As at January 1, 2024, the existing remuneration system was cancelled by the Supervisory Board, which means that the obligation of the Executive Board to invest variable remuneration components in shares does not apply.

Provisions

a) Provisions for pensions

The BAUER Group operates a number of provisions for pensions in Germany and internationally.
Typically, such plans define an amount of pension payments which employees will receive on retirement and which is normally dependent on one or more factors (such as age, years of service and salary).

The provisions for pensions on the balance sheet corresponds to the present value of the defined benefit obligation (DBO) at the balance sheet date, less the fair value of the plan assets. The DBO is calculated annually by an independent actuary applying the projected unit credit method. The present value of the DBO is calculated by discounting the expected future inflow of funds at the interest rate of industrial bonds of the highest credit rating. The industrial bonds are denominated in the currency of the disbursements, and have terms corresponding to the pension commitments. In countries where the market in such bonds is insufficiently developed, government bonds are applied.

Actuarial gains and losses based on experience-related adjustments to actuarial assumptions are recognized in the “Other comprehensive income” in the equity in the period in which they occur. Post-employment expenditure is recognized in personnel expenses and the interest portion of the addition to provisions in financial expenses.
Under the contribution-based provisions for pensions, the entity concerned makes payments to pension institutions that are stated in the personnel expenses.

b) Tax provisions

Tax provisions include obligations from current income taxes. Income tax provisions are balanced against corresponding tax refund claims, provided they arise in the same tax territory and are identical in nature and in terms of due date.

c) Other provisions

The other provisions are created in accordance with IAS 37 where a present obligation arises from a past event, a relevant claim is more likely than unlikely, and the amount of the claim can be reliably estimated. The provisions are stated at their expected performance amount, and are not netted against profit contributions. Long-term provisions are recognized at present value. Provisions are created only for legal or constructive obligations to third parties. The evaluation is based on best estimates and takes into account expected future cost increases.

Sales revenues

Sales revenues from contracts with customers are realized after deducting value-added tax and other taxes, reduced by anticipated losses in income. Sales revenues are recorded as soon as control of the asset has been transferred to the customer. In the BAUER Group, sales revenues can be based on a point in time or based on a period of time. Revenues based on a period of time are realized when one of the following prerequisites is met:

- The customer receives the benefits of the service and makes use of the service at the same time that it is being performed,
- an asset is created and control of the asset passes over to the customer while the asset is still being created or
- an asset is created that has no other possible use for the BAUER Group.

In addition, the progress of performance must be measurable.

For clarification on the accounting of sales revenues from construction contracts, we refer to the section of the same name. Sales revenues from the rental of used machines relate to operating lease relationships with customers. The accounting of rental revenues is clarified in the “Leasing” section under “Accounting for lessor transactions.”

If none of the above prerequisites applies, the BAUER Group records its sales revenues based on the point in time. This routinely includes sales revenues from the sale of machines and equipment, as well as corresponding accessories.

The transaction price corresponds to the consideration that we expect to obtain for the transfer of promised goods or services. Variable considerations are components of the transaction price that were not yet fixed at the time the contract was concluded. For example, these include discounts, reductions, credits or penalty payments. Variable components are estimated at the expected value or the most probable amount, insofar as this is considered highly probable.
Specific payment conditions may apply for individual countries concerning the time of measuring the transaction price. These are usually 30 days in Germany. Warranty provisions are formed for anticipated warranty obligations. In the BAUER Group there are no significant repurchase, reimbursement or other obligations that impact revenue recognition.

Other income and expenses

Dividend income is recognized at the date on which the right to receipt of payment is created. Dividends received from companies over which we do not exercise control, and where neither joint control nor decisive influence are involved, are recognized as income from operating participations under “Financial income.”

Operating expenses, operating income, financial income and expenses are recognized as affecting net income when the supply or service is claimed or at the time they are caused, as appropriate.

6. GROUP SEGMENT REPORTING

The internal organizational and management structure and the internal system of reporting to the Executive Board and Supervisory Board form the basis for the segmentation employed by the BAUER Group.

The BAUER Group comprises the Geotechnical Solutions, Equipment, Resources and Corporate Services segments. Transactions between the segments are conducted at market prices.
SCHACHTBAU NORDHAUSEN GmbH operates in both the Equipment and Resources segments. The assets and liabilities and income statement items of SCHACHTBAU NORDHAUSEN GmbH were assigned to the relevant segments.

Geotechnical Solutions

The **Geotechnical Solutions** segment applies all the established methods and techniques of specialist foundation engineering all over the world. These include executing complex excavation pits and foundations for large-scale infrastructure projects and buildings, as well as cut-off walls and soil improvements.
On the one hand, the construction markets are handled by local subsidiaries that support one another in networks, and on the other hand, large projects in countries without a local company are carried out by pooling capacities from all over the world. From Germany, support services are provided by means of central service functions and standards are set for the subsidiaries of each segment.

Equipment

In the **Equipment segment**, Bauer is a provider for a full range of equipment for specialist foundation engineering as well as for the exploration, mining and extraction of natural resources. In addition to its headquarters in Schrobenhausen, the Equipment segment operates a worldwide distribution network and production facilities in Germany, China, Malaysia, Russia, India, Italy, Turkey and the USA.

Resources

The **Resources segment** focuses on the development, production and execution of innovative products and services and acts as a service provider with several business divisions and subsidiaries in the areas of drilling services and water wells, environmental services, constructed wetlands, mining and rehabilitation. The areas of expertise include water extraction and drilling technologies, brownfield remediation and waste management along with water treatment and building rehabilitation.

Corporate Services

The **Corporate Services segment** encompasses services (accounting, personnel, IT, etc.) provided by BAUER AG for the Group companies. This also comprises the other units not assignable to the separately listed segments, which provide services such as in-house and external education and training as well as centralized research and development or work in the offshore area. In the 2024 financial year, EUR 328 thousand (previous year: 604) were included in this segment for distribution payments by Group subsidiaries to the parent company.

Consolidation

The intersegmental consolidation effects are grouped here under **Consolidation**. This includes offsetting of intra-group sales between the segments as well as income and expenses and interim results. The intersegmental consolidation effects are adjusted within the respective business area. The distribution payments stated in the Corporate Services segment are included in the offsetting of the interim results.
The segment earnings after tax reflect the financial income and expenses as well as the income tax expense. The assets and liabilities of the segment incorporate all the assets and liabilities of the Group. The non-current assets stated in the segment report by region comprise intangible assets and property, plant and equipment.

Total Group revenues, consolidated revenues and sales revenues with third parties

The consolidated revenues reflect the performance of all the companies included in the basis of consolidation. The total Group revenues represent the revenues of all the companies forming part of our Group. The difference between the consolidated revenues and the total Group revenues is derived from the revenues of the associated companies and joint ventures, from our subcontractor shares in consortia and from the revenues of non-consolidated companies.

The sales revenues with third parties are allocated to the business segments according to the customer's location.

No single customer accounts for more than 10% of total sales.

No breakdown of sales revenues by product and service, or by groups of comparable products and services, was available as per the balance sheet date.

Group segment reporting

SEGMENT REPORT BY BUSINESS SEGMENT

in EUR thousand	Geotechnical Solutions		Equipment		Resources	
	2023	2024	2023	2024	2023	2024
Total Group revenues	**903,936**	**1,191,376**	**721,483**	**789,372**	**277,749**	**270,808**
Sales revenues with third parties	859,517	1,121,669	589,308	680,000	248,377	233,382
Sales revenues between the segments	10,351	6,423	67,226	60,249	1,564	2,963
Changes in inventories	0	0	36,834	13,288	89	–1,146
Other own work capitalized	301	206	4,610	5,091	142	304
Other income	10,571	32,674	13,071	14,869	3,146	3,381
Consolidated revenues	**880,740**	**1,160,972**	**711,049**	**773,497**	**253,318**	**238,884**
Impairment losses on investments accounted for using the equity method	–1,217	0	0	0	0	0
Income from shares accounted for using the equity method	1,907	3,434	1,464	1,141	6,064	7,676
Earnings before interest, tax, depreciation and amortization (EBITDA)	**110,759**	**102,150**	**71,059**	**106,682**	**19,926**	**22,026**
Depreciation of fixed assets	–61,319	–64,830	–29,186	–40,038	–7,996	–9,584
Write-downs of inventories due to use	0	0	–13,537	–17,859	0	0
Earnings before interest and tax (EBIT)	**49,440**	**37,320**	**28,336**	**48,785**	**11,930**	**12,442**
Financial income	15,917	31,771	16,929	13,684	5,082	1,998
Financial expenses	–38,074	–37,306	–42,585	–40,526	–9,635	–5,049
Income tax expense	–20,750	–26,710	–5,683	–10,630	–51	–1,424
Earnings after tax	**6,533**	**5,075**	**–3,003**	**11,313**	**7,326**	**7,967**
ADDITIONAL INFORMATION ON THE INCOME STATEMENT						
Sales revenues with third parties based at a point in time	0	0	589,308	680,000	66,229	66,229
Sales revenues with third parties based over time	859,517	1,121,669	0	0	182,148	167,153
Unscheduled write-up's and depreciation of fixed assets	–5,356	–290	545	–225	0	–502
Major non-cash segment items						
Depreciation losses on financial assets	0	0	0	0	0	0
Depreciation losses for impairment on inventories	–81	–499	–6,309	–12,939	–315	–132
Allocation of impairment for receivables	–7,168	–25,851	–1,484	–3,234	–3,557	–1,858
Reversal of impairment for receivables	6,826	3,655	649	2,198	2,038	1,518
ADDITIONAL INFORMATION ON THE BALANCE SHEET						
SEGMENT ASSETS DECEMBER 31	**718,608**	**666,902**	**876,205**	**912,768**	**224,801**	**219,033**
of which shares in companies accounted for using the equity method	5,099	5,941	11,670	12,811	48,954	51,355
of which capital investments in fixed assets	93,710	117,583	49,164	57,802	14,600	21,497
SEGMENT LIABILITIES DECEMBER 31	**570,925**	**519,981**	**573,877**	**574,784**	**141,915**	**127,820**

Corporate Services		Total of the segments		Consolidation		Group	
2023	2024	2023	2024	2023	2024	2023	2024
63,546	**56,858**	**1,966,714**	**2,308,414**	**–135,606**	**–125,007**	**1,831,108**	**2,183,407**
984	831	1,698,186	2,035,882	0	0	1,698,186	2,035,882
60,619	55,945	139,760	125,580	–139,760	–125,580	0	0
0	0	36,923	12,142	0	0	36,923	12,142
1,544	0	6,597	5,601	5,476	3,511	12,073	9,112
151	81	26,939	51,005	–762	–835	26,177	50,170
63,298	**56,857**	**1,908,405**	**2,230,210**	**–135,046**	**–122,904**	**1,773,359**	**2,107,306**
0	0	–1,217	0	0	0	–1,217	0
0	0	9,435	12,251	0	0	9,435	12,251
3,153	**–4,502**	**204,897**	**226,356**	**–1,321**	**–2,424**	**203,576**	**223,932**
–3,782	–4,341	–102,283	–118,793	1,238	1,785	–101,045	–117,008
0	0	–13,537	–17,859	0	0	–13,537	–17,859
–629	**–8,843**	**89,077**	**89,704**	**–83**	**–639**	**88,994**	**89,065**
15,151	19,827	53,079	67,280	–15,515	–20,280	37,564	47,000
–24,967	–23,220	–115,261	–106,101	15,304	20,500	–99,957	–85,601
2,559	–2,201	–23,925	–40,965	168	202	–23,757	–40,763
–7,886	**–14,437**	**2,970**	**9,918**	**–126**	**–217**	**2,844**	**9,701**
984	831	656,521	747,060	0	0	656,521	747,060
0	0	1,041,665	1,288,822	0	0	1,041,665	1,288,822
0	0	–4,811	–1,017	0	0	–4,811	–1,017
–9	0	–9	0	9	0	0	0
0	0	–6,705	–13,570	0	0	–6,705	–13,570
0	–10	–12,209	–30,953	0	4	–12,209	–30,949
0	0	9,513	7,371	0	0	9,513	7,371
494,654	**499,191**	**2,314,268**	**2,297,894**	**–627,488**	**–614,260**	**1,686,780**	**1,683,634**
0	0	65,723	70,107	0	0	65,723	70,107
5,154	5,517	162,628	202,399	–4,219	–2,557	158,409	199,842
261,095	**280,162**	**1,547,812**	**1,502,747**	**–344,089**	**–321,095**	**1,203,723**	**1,181,652**

SEGMENT REPORT BY REGION

in EUR thousand	Germany		Europe		Middle East	
	2023	2024	2023	2024	2023	2024
Total Group revenues	**432,388**	**445,592**	**403,512**	**732,995**	**295,190**	**280,584**
Sales revenues with third parties	377,740	383,300	362,172	713,093	286,403	283,440
Intangible assets, property, plant and equipment, December 31	220,802	253,614	60,379	44,227	37,993	46,565

Asia-Pacific		Americas		Africa		Group	
2023	2024	2023	2024	2023	2024	2023	2024
292,432	**333,506**	**355,705**	**360,770**	**51,881**	**29,960**	**1,831,108**	**2,183,407**
278,734	264,406	299,593	356,660	93,544	34,983	1,698,186	2,035,882
104,360	95,877	78,855	77,918	10,270	6,262	512,659	524,463

EXPLANATORY NOTES TO THE CONSOLIDATED INCOME STATEMENT

7. SALES REVENUES

The sales revenues generated in the amount of EUR 2,035,882 thousand (previous year: 1,698,186) include revenues based over time, goods and services delivered to consortia as well as sales revenues from the sale and rental of equipment and accessories.

Sales revenue from leased equipment and accessories amounted to EUR 32,768 thousand in the financial year (previous year: 33,285).

Sales revenues provide only an incomplete picture of the performance in the financial year. Figures are therefore transferred to total Group revenues in the following sections:

in EUR thousand	2023	2024
Sales revenues	1,698,186	2,035,882
Changes in inventories	36,923	12,142
Other own work capitalized	12,073	9,112
Other income	26,177	50,170
Consolidated Revenues	**1,773,359**	**2,107,306**
Subcontractor share in consortia	9,153	15,206
Revenues of associated companies and joint ventures	34,158	43,548
Revenues of non-consolidated companies	32,358	28,419
Intra-group revenues	–17,920	–11,072
Total Group revenues	**1,831,108**	**2,183,407**

The sales revenues comprise sales revenues based on point in time in the amount of EUR 747,060 thousand (previous year: 656,521) and sales revenues based on time period in the amount of EUR 1,288,822 thousand (previous year: 1,041,665). Sales revenues included EUR 4,120 thousand in net out-of-period sales (previous year: 1,124) resulting from final invoice agreements and sales corrections in the Geotechnical Solutions segment. The revenue correction in the previous year involved variable transaction components that were recognized in the past. A potential reversal of sales was not assumed as part of project management. The matter concerned a change in the transaction price in accordance with IFRS 15.88. In the Geotechnical Solutions segment, final invoices, for example, may include supplementary items that have not yet been finally negotiated with the client and ordered. These may prove uncertain. A revenue correction is applied to these amounts. Should the uncertain amount turn out to be recoverable, the corresponding sales revenue will be realized.

The following table shows current contractual obligations that have been initiated but not yet fully met as well as the expected revenue to be realized:

in EUR thousand	2023	2024
Unfulfilled contractual obligations	**1,133,073**	**766,548**
Expected realization within 1 year	829,077	515,699
Expected realization in 1 to 5 years	303,846	250,849
Expected realization after 5 years	150	0

8. OTHER OWN WORK CAPITALIZED

in EUR thousand	2023	2024
Income from other own work capitalized	12,073	9,112

9. OTHER INCOME

in EUR thousand	2023	2024
Income from disposal of property, plant and equipment	7,296	8,752
Income from insurance refunds	2,143	5,699
Other income from rentals	2,030	3,472
Income with non-consolidated subsidiaries	288	319
Effects from de-consolidation and transitional consolidations	956	13,486
Other operating income	13,464	18,442
Total	**26,177**	**50,170**

Additionally, the other operating income mainly comprises income from other reimbursements of expenditure as well as other income spread across the companies in the basis of consolidation which is of minor importance in the individual instances.

10. COST OF MATERIALS

in EUR thousand	2023	2024
Expenses for raw materials and supplies and purchased goods	617,418	837,980
Expenses for purchased services	283,235	307,503
Total	**900,653**	**1,145,483**

The expenses for purchased services included short-term external device rentals in the amount of EUR 51,274 thousand (previous year: 40,587). This relates to large devices for short-term building site activities with a term of 3 to 6 months.

11. PERSONNEL EXPENSES

The expenses for retirement benefits include the expenditure on benefits as well as the allocations to provisions for pensions excluding the interest portion, which is stated under "Interest and similar expenses." Allocations to anniversary provisions are also reported without the interest portion under Wages and salaries.

in EUR thousand	2023	2024
Wages and salaries	384,210	401,926
Social security contributions	64,517	69,589
Expenses for retirement benefits	9,987	8,614
Total	**458,714**	**480,129**

The employer's pension contributions in the financial year totaled EUR 25,485 thousand (previous year: 24,914). These are contribution-based schemes, as explained under 5.2 "Significant accounting policies in the Group." Of that total, EUR 20,796 thousand (previous year: 20,177) relate to Germany and EUR 4,689 thousand (previous year: 4,737) relate to other countries. The wages and salaries include severance expenses in the amount of EUR 5,105 thousand (previous year: 3,737).

12. OTHER OPERATING EXPENSES

in EUR thousand	2023	2024
Losses from disposal of property, plant and equipment	3,950	2,993
Leasing expenses	19,168	16,302
Energy, heating, water	3,423	4,387
Vehicle costs	3,755	4,015
Property, motor vehicle and transport insurance	14,480	17,212
Other operating expenses	11,970	16,897
Administrative expenses	57,702	53,195
Distribution costs	49,262	53,891
Other employee-related expenses	23,876	25,395
Result from irrecoverable receivables	1,141	2,982
Bank charges	2,806	3,778
Duties	4,059	2,248
Accrued expenses	1,001	901
Other taxes	7,378	5,609
Effects from de-consolidation and transitional consolidations	8,414	10,155
Additional other operating expenses	4,550	29,457
Total	**216,935**	**249,417**

The “Additional other operating expenses” mainly comprise allocations to and reversal of provisions affecting net income as well as additional other operating expenses spread across the companies in the basis of consolidation which are of minor importance in the individual instances. The other employee-related expenses include Education and training costs, grants and gifts, travel and relocation expenses, and other project-specific personnel costs. Other operating expenses include income of EUR 13,600 thousand (previous year: 17,876) resulting from the reversal of provisions and written off receivables. We refer to section 40 for further disclosures regarding the valuation allowances.
The leasing expenses include the expenses arising from short-term leasing relationships in the amount of EUR 14,798 thousand (previous year: 17,759) and low-value leasing expenses in the amount of EUR 1,504 thousand (previous year: 1,409). This does not include variable leasing payments that are not contained in the evaluation of the leasing liability.

13. IMPAIRMENT LOSSES AND REVERSALS IN ACCORDANCE WITH IFRS 9

The reported impairments and write-ups in the amount of EUR 20,596 thousand (previous year: 1,699) represent the credit losses expected in accordance with IFRS 9 and relate to trade receivables and contract assets. This includes income from the reversal of valuation allowances on receivables in the amount of EUR 7,297 thousand (previous year: 9,298). We refer to section 40 for further disclosures.

14. IMPAIRMENT LOSSES ON INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

In the financial year, no devaluation was carried out on investments accounted for using the equity method. In the previous year, shares of TERRABAUER S.L. were impaired in the amount of EUR 1,217 thousand. This was due to insolvency proceedings underway at the time.

15. INCOME FROM SHARES ACCOUNTED FOR USING THE EQUITY METHOD

The income from shares accounted for using the equity method in the fiscal year is EUR 12,251 thousand (previous year: 9,435) and includes the income and loss shares of associated companies and joint ventures that were evaluated in accordance with the equity method.

in EUR thousand	2023	2024
Income from equity participations	6,213	7,070
Losses from equity participations	–500	–559
Income from consortia	3,867	6,152
Losses from consortia	–145	–412
Total	**9,435**	**12,251**

16. DEPRECIATION AND AMORTIZATION

Depreciation is as follows:

in EUR thousand	2023	2024
Depreciation of intangible assets	5,780	12,784
Depreciation of property, plant and equipment	95,265	104,224
Total	**101,045**	**117,008**

Impairments of fixed assets are explained under item 22.2, “Property, plant and equipment.”

17. WRITE-DOWNS OF INVENTORIES DUE TO USE

Write-downs of inventories due to use in the financial year totaled EUR 17,859 thousand (previous year: 13,537). This related to depreciation of used machinery temporarily rented out to customers as sales promotion measures. Use-related depreciation of used machinery disposed of in the 2024 financial year is included in these figures.

FINANCIAL RESULT

18. FINANCIAL INCOME

The financial income, including interest income calculated using the effective interest method is broken down as follows:

in EUR thousand	2023	2024
Income from operating participations	671	6,075
Other interest and similar income	10,692	7,610
Income from changes in the applicable fair value of interest rate swaps	178	85
Income from foreign currency translation from financing activities	26,023	33,230
Total	**37,564**	**47,000**

19. FINANCIAL EXPENSES

The financial expenses are broken down as follows:

in EUR thousand	2023	2024
Interest and similar expenses	41,527	38,577
Losses from changes in the applicable fair value of interest rate swaps	15,105	7,003
Interest portions of allocations to provisions for pensions and similar obligations	4,163	4,010
Losses from foreign currency translation from financing activities	39,162	36,011
Total	**99,957**	**85,601**

The interest from lease transactions included under “Interest and similar expenses” in the financial year totaled EUR 3,434 thousand (previous year: 3,561). The financial result includes interest income from financial assets in an amount of EUR 7,586 thousand (previous year: 10,338) and interest expenses from financial liabilities in an amount of EUR 30,511 thousand (previous year: 37,967) which were not measured at fair value affecting profit and loss. Interest and similar expenses include valuation effects from hyperinflation at a company in Turkey amounting to EUR 178 thousand (previous year: 0).

20. INCOME TAX EXPENSE

The income tax expense is broken down as follows:

in EUR thousand	2023	2024
Actual taxes	38,329	31,837
Deferred taxes	–14,572	8,926
Total	**23,757**	**40,763**

The theoretical tax rate is 29.13 % (previous year: 29.13%). The actual taxes include recorded adjustments for out-of-period actual income tax in the amount of EUR -1,889 thousand (previous year: 5,024).

Reconciliation from expected to actual income tax expense

The expected tax expenditure is below the recorded tax expenditure. The reasons for the difference between the expected and recorded tax expenditure are as follows:

in EUR thousand	2023	2024
Earnings before tax (EBT)	26,601	50,464
Theoretical tax expenditure 29.13% (previous year: 29.13%)	7,749	14,700
Reconciliation		
Differences in tax rate	–1,009	–4,308
Taxation effects of non-deductible expenses and tax-free income	8,056	20,809
Effects of deviations in the tax calculation base	4,152	6,812
Valuation of associated companies using the equity accounting method	–2,748	–3,569
Current and deferred tax effects relating to other periods	952	–266
Effects of deferred taxes in respect of losses carried forward and temporary differences	6,557	6,625
Other	48	–40
Taxes on income and profit	**23,757**	**40,763**

The tax effects of the non-deductible expenses and tax-free earnings contain effects from transitional consolidations and deconsolidations to the amount of EUR 970 thousand (previous year: 2,173) and effects from provisions for impending losses in the amount of EUR 4,806 thousand (previous year: none). Internal disbursements result in taxation effects after December 31, 2024 totaling EUR 3 thousand (previous year: 5).

21. EARNINGS PER SHARE

The earnings per share are calculated by dividing the earnings after tax attributable to the shareholders of BAUER AG by the weighted average number of ordinary shares outstanding. Earnings per share amount to the following values:

	12M/2023 adjusted	12M/2024
Earnings after tax attributable to the shareholders of BAUER AG, in EUR thousand	**835**	**9,098**
Weighted average number of shares in circulation in financial year (basic)	39,297,875	43,037,478
Weighted average number of shares in circulation in financial year (diluted)	39,297,875	43,037,478
Basic earnings per share in EUR	**0.02**	**0.21**
Diluted earnings per share in EUR	**0.02**	**0.21**

EXPLANATORY NOTES TO THE CONSOLIDATED BALANCE SHEET

The breakdown of the fixed asset items summarized on the balance sheet and their development is presented in the fixed asset movement schedule on the following pages.

NON-CURRENT ASSETS

22. FIXED ASSETS

22.1. Intangible assets

in EUR thousand			Internally generated intangible assets		
Acquisition and/or manufacturing costs	**Licenses, software and similar rights and values**	**Goodwill**	**Capitalized software costs**	**Capitalized development costs**	**Total**
January 1, 2023	**39,226**	**378**	**68**	**47,158**	**86,830**
Change in basis of consolidation	–31	0	0	0	–31
Additions	3,061	0	0	6,365	9,426
Disposals	26	0	68	–1,117	–1,023
Transfers	7,097	0	0	4	7,101
Currency adjustment	–198	0	0	0	–198
December 31, 2023	**49,129**	**378**	**0**	**54,644**	**104,151**

in EUR thousand			Internally generated intangible assets		
Accumulated depreciation	**Licenses, software and similar rights and values**	**Goodwill**	**Capitalized software costs**	**Capitalized development costs**	**Total**
January 1, 2023	**36,036**	**378**	**22**	**33,557**	**69,993**
Change in basis of consolidation	–30	0	0	0	–30
Additions	2,092	0	5	3,452	5,549
Disposals	26	0	27	–745	–692
Impairment expenses	231	0	0	0	231
Transfers	0	0	0	0	0
Currency adjustment	–192	0	0	1	–191
December 31, 2023	**38,111**	**378**	**0**	**37,755**	**76,244**
Carrying amount December 31, 2023	**11,018**	**0**	**0**	**16,889**	**27,907**

in EUR thousand Acquisition and/or manufacturing costs	Licenses, software and similar rights and values	Goodwill	Internally generated intangible assets Capitalized software costs	 Capitalized development costs	Total
January 1, 2024	**49,129**	**378**	**0**	**54,644**	**104,151**
Change in basis of consolidation	–144	0	0	0	–144
Additions	2,690	0	410	4,610	7,710
Disposals and reclassifications pursuant to IFRS 5	1,397	0	0	757	2,154
Transfers	2,404	2,074	7	0	4,485
Currency adjustment	176	0	0	0	176
December 31, 2024	**52,858**	**2,452**	**417**	**58,497**	**114,224**

Of the total research and development costs and patent costs incurred in 2024, EUR 6,924 thousand (previous year: 9,386) met the capitalization criteria in accordance with IFRS. The following amounts were recognized in net income:

in EUR thousand	2023	2024
Research costs and non-capitalized development costs	27,299	30,524
Depreciation of development costs and patents	3,578	9,616
Research and development costs recognized in net income	**30,877**	**40,140**

22.2. Property, plant and equipment

in EUR thousand

Acquisition and/or manufacturing costs	Land and buildings	Technical equipment and machinery	Other equipment, factory and office equipment	Payments on account and equipment in construction	Total
January 1, 2023	**401,795**	**664,296**	**102,058**	**34,512**	**1,202,661**
Change in basis of consolidation	–3,545	–1,108	–187	–16	–4,856
Additions	12,844	94,487	15,410	26,242	148,983
Disposals	5,533	105,173	10,828	12,146	133,680
Transfers	7,129	10,769	11	–25,009	–7,100
Currency adjustment	–6,884	–19,224	–1,968	–111	–28,187
December 31, 2023	**405,806**	**644,047**	**104,496**	**23,472**	**1,177,821**

in EUR thousand

Accumulated depreciation	Land and buildings	Technical equipment and machinery	Other equipment, factory and office equipment	Payments on account and equipment in construction	Total
January 1, 2023	**185,935**	**458,728**	**75,447**	**808**	**720,918**
Change in basis of consolidation	–3,912	–1,062	–152	–2	–5,128
Additions	15,399	64,067	11,219	0	90,685
Disposals	4,529	84,606	9,585	0	98,720
Impairment expenses	–503	4,979	104	0	4,580
Transfers	263	0	–263	0	0
Currency adjustment	–2,329	–15,337	–1,591	–9	–19,266
December 31, 2023	**190,324**	**426,769**	**75,179**	**797**	**693,069**
Carrying amount December 31, 2023	**215,482**	**217,278**	**29,317**	**22,675**	**484,752**
of which carrying amount of the rights of use as at December 31, 2023	**16,127**	**39,305**	**6,453**	**0**	**61,885**

The additions of right of use for the financial year 2024 amount to EUR 23,963 thousand (previous year: 17,517). The depreciations from rights of use in the financial year amounted to EUR 5,417 thousand for land and buildings (previous year: 5,687), for technical equipment and machinery, it amounted to EUR 14,610 thousand (previous year: 14,917) and for other equipment, factory and office equipment it amounted to EUR 3,580 thousand (previous year: 3,355).

in EUR thousand

Acquisition and/or manufacturing costs	Land and buildings	Technical equipment and machinery	Other equipment, factory and office equipment	Payments on account and equipment in construction	Total
January 1, 2024	**405,806**	**644,047**	**104,496**	**23,472**	**1,177,821**
Change in basis of consolidation	–5,735	–2,232	–2,608	4,474	–6,101
Additions	12,614	89,633	19,819	70,066	192,132
Disposals and reclassifications pursuant to IFRS 5	3,963	99,601	7,678	36,531	147,773
Transfers	168	7,886	1,798	–14,337	–4,485
Currency adjustment	6,525	8,435	657	118	15,735
December 31, 2024	**415,415**	**648,168**	**116,484**	**47,262**	**1,227,329**

in EUR thousand

Accumulated depreciation	Land and buildings	Technical equipment and machinery	Other equipment, factory and office equipment	Payments on account and equipment in construction	Total
January 1, 2024	**190,324**	**426,769**	**75,179**	**797**	**693,069**
Change in basis of consolidation	–5,163	–1,701	–2,638	0	–9,502
Additions	18,841	72,594	12,499	0	103,934
Disposals and reclassifications pursuant to IFRS 5	2,778	56,730	7,109	0	66,617
Impairment expenses	200	90	0	0	290
Transfers	0	0	0	0	0
Currency adjustment	2,395	5,876	630	15	8,916
December 31, 2024	**203,819**	**446,898**	**78,561**	**812**	**730,090**
Carrying amount December 31, 2024	**211,596**	**201,270**	**37,923**	**46,450**	**497,239**
of which carrying amount of the rights of use as at December 31, 2024	**14,307**	**34,123**	**9,797**	**0**	**58,227**

The item “Technical equipment and machinery” includes machines for which the primary purpose is rental to customers. The carrying amount of these machines totaled EUR 24,063 thousand (previous year: 19,811).

Future payment obligations from orders that were not yet recognized on the balance sheet (purchase commitments) were EUR 11,769 thousand (previous year: 12,294) as at December 31, 2024. This value primarily resulted from various open orders for the area of technical equipment and machinery for the companies BAUER Maschinen GmbH (EUR 2,066 thousand) and SCHACHTBAU NORDHAUSEN GmbH (EUR 1,783 thousand) as well as BAUER Aktiengesellschaft (EUR 5,394 thousand).

The changes to the basis of consolidation in the area of the fixed assets primarily resulted in the current financial year from the deconsolidation of the companies Listed under Section 2. Basis of consolidation.

Items of property, plant and equipment have a carrying amount of EUR 81,183 thousand (previous year: 80,456) And are subject to encumbrances such as mortgages and chattel mortgages.
There are also standard restraints on disposal of leased assets, which are attributable to the Group in accordance with IFRS 16 and amount to EUR 58,227 thousand (previous year: 61,885).

No borrowing costs were capitalized in the financial year (previous year: EUR 0 thousand).

Fixed assets were impaired by a total of EUR 1,017 thousand in the financial year (previous year: 4,811) on an unscheduled basis. These amounts also include write-ups. These write-ups and depreciations are attributable in the amount of EUR 290 thousand (previous year: 5,356) to the Geotechnical Solutions segment, in the amount of EUR 225 thousand (previous year: -545) to the Equipment segment and in the amount of EUR 502 thousand to the Resources segment. The unscheduled depreciation pertains to intangible assets in the amount of EUR 727 thousand (previous year: 231) and to property, plant and equipment in the amount of EUR 290 thousand (previous year: 4,580), of which EUR 200 thousand (previous year: -503) relate to developed land and buildings, EUR 90 thousand (previous year: 4,979) Relate to technical equipment and machinery and EUR 0 thousand (previous year: 104) To other equipment, operating and office equipment. At BAUER Maschinen GmbH, an extraordinary depreciation in the amount of EUR 225 thousand was made for patents. At Sadurski Erdwärme GmbH, an unscheduled depreciation was made on goodwill in the amount of EUR 502 thousand. Moreover, there was a need for impairment in developed land and buildings, leasing of cash-generating units at BAUER Spezialtiefbau Schweiz AG in the amount of EUR 200 thousand. In the area of technical equipment and machinery, unscheduled depreciations were carried out at BAUER Bangladesh Limited in the amount of EUR 90 thousand resulting from loss of recoverability due to suboptimal storage and environmental conditions.

The impairments were applied on the basis of the recoverable amount. These were determined using a discount rate of 8.14% (previous year: 9.67%). Effects on other non-financial assets were of minor importance in the financial year.

22.3. Investments recognized using the equity method

The balance sheet approaches of the joint ventures and associated companies developed as follows:

in EUR thousand	2023	2024
Shares in joint ventures accounted for using the equity method	27,424	31,144
Shares in associated companies accounted for using the equity method	38,299	38,963
Total	**65,723**	**70,107**

The following table provides an overview of the changes in investments accounted for using the equity method:

in EUR thousand	Associated companies		Joint ventures	
Acquisition and/or manufacturing costs	2023	2024	2023	2024
January 1	**65,746**	**67,638**	**20,654**	**27,424**
Additions	0	0	3,385	0
Disposals	0	0	317	2,874
Profit/loss attributable	5,226	5,629	3,713	6,594
Dividend payments	–3,334	–4,965	0	0
Change in basis of consolidation	0	0	0	0
Currency adjustment	0	0	–11	0
December 31	**67,638**	**68,302**	**27,424**	**31,144**

in EUR thousand	Associated companies		Joint ventures	
Accumulated depreciation	2023	2024	2023	2024
January 1	**27,819**	**29,339**	**0**	**0**
Additions	1,520	0	0	0
Disposals	0	0	0	0
Change in basis of consolidation	0	0	0	0
Currency adjustment	0	0	0	0
December 31	**29,339**	**29,339**	**0**	**0**
Carrying amount December 31	**38,299**	**38,963**	**27,424**	**31,144**

The amounts listed under the item “Change in basis of consolidation” only include values up until the date of full consolidation.

a) Joint ventures

The amounts stated in the financial information for joint ventures are recognized in the annual financial statements prepared in accordance with local financial reporting standards, corrected by any adjustments to IFRS. The reporting is 100.00% in each case.

These are the material joint ventures:

Financial year 2023:

Name	Company's activities	Capital share	Accounting policies
VE 30 Tunnel Hauptbahnhof joint venture	Construction consortia	10.00%	Equity method
Emplacement drift Shaft Konrad joint venture	Construction consortia	50.00%	Equity method
VE10 Above-ground eastern section joint venture	Construction consortia	10.00%	Equity method
SOFO Gütersloh Station joint venture	Construction consortia	50.00%	Equity method
Potsdam Babelsberger Str. joint venture	Construction consortia	50.00%	Equity method

Financial year 2024:

Name	Company's activities	Capital share	Accounting policies
VE 30 Tunnel Hauptbahnhof joint venture	Construction consortia	10.00%	Equity method
Emplacement drift Shaft Konrad joint venture	Construction consortia	50.00%	Equity method
VE10 Above-ground eastern section joint venture	Construction consortia	10.00%	Equity method
Backfilling work A143 Hall BL 3.4.3 joint venture	Construction consortia	100.00%	Equity method
Kriegenbrunn Lock joint venture	Construction consortia	20.00%	Equity method

Summarized financial information on the material joint ventures (before consolidation):

in EUR thousand	2023					
	Sales revenues	Non-current assets	Current assets	of which cash and cash equivalents	Non-current debt	Current debt
VE 30 Tunnel Hauptbahnhof joint venture	35,582	14,172	283,586	51,745	0	278,954
Emplacement drift Shaft Konrad joint venture	19,138	824	56,509	17,797	0	28,484
VE10 Above-ground eastern section joint venture	21,684	1,305	33,806	32,474	0	20,200
SOFO Gütersloh Station joint venture	1,905	0	2,028	6	0	1,831
Potsdam Babelsberger Str. joint venture	2,019	0	9,074	278	0	7,985

in EUR thousand	2024					
	Sales revenues	Non-current assets	Current assets	of which cash and cash equivalents	Non-current debt	Current debt
VE 30 Tunnel Hauptbahnhof joint venture	55,240	16,916	300,220	42,340	0	292,835
Emplacement drift Shaft Konrad joint venture	20,737	534	67,765	20,959	0	35,874
VE10 Above-ground eastern section joint venture	26,283	698	23,577	23,577	0	1,589
Backfilling work A143 Hall BL 3.4.3 joint venture	6,925	0	7,660	29	0	7,612
Kriegenbrunn Lock joint venture	15,979	516	23,825	15,413	0	23,500

In the 2024 financial year, the item “Share of the profit or loss from participations accounted for using the equity method” includes earnings from the aforementioned consortia under “Share of profit or loss from companies accounted for using the equity method” in the amount of EUR 3,331 thousand (previous year: 2,601).

Summarized financial information on the immaterial joint ventures (before consolidation):

BALANCE SHEET

in EUR thousand	Immaterial joint ventures	
	Dec. 31, 2023	Dec. 31, 2024
Non-current assets	6,268	5,853
Current assets	32,706	41,659
(of which cash and cash equivalents)	2,237	4,878
Total assets	**38,974**	**47,512**
Non-current debt	1,790	534
(of which non-current financial liabilities)	570	534
Current debt	25,241	33,835
(of which current financial liabilities)	1,399	2,827
Total debt	**27,031**	**34,369**

Non-current and current financial liabilities do not contain any trade payables and provisions.

INCOME STATEMENT

in EUR thousand	Immaterial joint ventures	
	Dec. 31, 2023	Dec. 31, 2024
Sales revenues	47,890	51,744
Scheduled depreciation and amortization	–2,028	–3,027
Earnings before interest and tax	**3,505**	**12,007**
Interest income	753	770
Interest expense	–1,166	–4,394
Income tax expense	–681	–1,844
Earnings after tax	**2,411**	**6,539**
Other comprehensive income	0	0
Total comprehensive income	**2,411**	**6,539**
Dividends distributed to the BAUER Group	0	0

Reconciliation to the summarized financial information on joint ventures

The proportional carrying amount of the joint ventures can be offset and reconciled as follows:

Financial year 2023:

in EUR thousand	Material joint ventures	Immaterial joint ventures
Net assets of joint ventures	63,653	11,943
Share in joint ventures according to investment quota	18,341	5,847
Goodwill and other adjustments	0	3,236
Carrying amount reported in the balance sheet	**18,341**	**9,083**

Financial year 2024:

in EUR thousand	Material joint ventures	Immaterial joint ventures
Net assets of joint ventures	80,301	13,142
Share in joint ventures according to investment quota	21,128	6,439
Goodwill and other adjustments	0	3,577
Carrying amount reported in the balance sheet	**21,128**	**10,016**

b) Associated companies

The amounts stated in the financial information for associated companies are recognized in the annual financial statements prepared in accordance with local financial reporting standards, corrected by any adjustments to IFRS. The reporting is 100.00 % in each case.

These are the material associated companies:

Financial year 2023:

Name	Company's activities	Place of business	Capital share	Accounting policies
BAUER Nimr LLC	Water treatment and environmental technology	Muscat, Al Mina, Sultanate of Oman	52.50%	Equity method
SPANTEC Spann- & Ankertechnik GmbH	Production	Schrobenhausen, Germany	40.00%	Equity method

Financial year 2024:

Name	Company's activities	Place of business	Capital share	Accounting policies
BAUER Nimr LLC	Water treatment and environmental technology	Muscat, Al Mina, Sultanate of Oman	52.50%	Equity method
SPANTEC Spann- & Ankertechnik GmbH	Production	Schrobenhausen, Germany	40.00%	Equity method

BAUER Nimr LLC is classified as an associated company despite a majority of voting rights because no control can be asserted over business and financial policy under the partnership agreement.

Summarized financial information for BAUER Nimr LLC as well as SPANTEC Spann- & Ankertechnik GmbH is provided in the tables below. The amounts in the following table are presented before consolidation.

BALANCE SHEET

in EUR thousand	BAUER Nimr LLC		SPANTEC Spann- & Ankertechnik GmbH	
	Dec. 31, 2023	Dec. 31, 2024	Dec. 31, 2023	Dec. 31, 2024
Non-current assets	62,280	61,095	6,316	6,614
Current assets	13,181	13,695	12,359	15,481
(of which cash and cash equivalents)	2,966	3,584	141	95
Total assets	**75,461**	**74,790**	**18,675**	**22,095**
Non-current debt	18,292	14,770	509	508
(of which non-current financial liabilities)	17,612	14,190	0	0
Current debt	8,101	8,760	3,844	4,413
(of which current financial liabilities)	4,758	5,023	0	0
Total debt	**26,393**	**23,530**	**4,353**	**4,921**

INCOME STATEMENT

in EUR thousand	BAUER Nimr LLC		SPANTEC Spann- & Ankertechnik GmbH	
	Dec. 31, 2023	Dec. 31, 2024	Dec. 31, 2023	Dec. 31, 2024
Sales revenues	12,259	13,066	31,456	33,533
Scheduled depreciation and amortization	–550	–593	–252	–369
Earnings before interest and tax	**5,813**	**6,794**	**4,955**	**3,791**
Interest income	5,382	4,782	138	224
Interest expense	–2,754	–1,467	–52	–106
Income tax expense	–1,276	–1,561	–1,385	–1,082
Earnings after tax	**7,165**	**8,548**	**3,656**	**2,827**
Other comprehensive income	0	0	0	0
Total comprehensive income	**7,165**	**8,548**	**3,656**	**2,827**
Dividends distributed to the BAUER Group	1,534	4,965	1,800	0

Summarized financial information for associated companies, which are immaterial on their own (amounts before consolidation):

BALANCE SHEET

in EUR thousand	Immaterial associated companies	
	Dec. 31, 2023	Dec. 31, 2024
Non-current assets	928	949
Current assets	8,919	8,856
(of which cash and cash equivalents)	41	14
Total assets	**9,847**	**9,805**
Non-current debt	29	29
(of which non-current financial liabilities)	0	0
Current debt	4,523	3,753
(of which current financial liabilities)	701	0
Total debt	**4,552**	**3,782**

INCOME STATEMENT

in EUR thousand	Immaterial associated companies	
	Dec. 31, 2023	Dec. 31, 2024
Sales revenues	886	1,055
Scheduled depreciation and amortization	–16	17
Earnings before interest and tax	**–45**	**12**
Interest income	3	1
Interest expense	–51	4
Income tax expense	–2	16
Earnings after tax	**–95**	**34**
Other comprehensive income	0	0
Total comprehensive income	**–95**	**34**
Dividends distributed to the BAUER Group	0	0

Reconciliation to the summarized financial information on associated companies

The proportional carrying amount of the associated companies can be offset and reconciled as follows:

Financial year 2023:

in EUR thousand	BAUER Nimr LLC	SPANTEC Spann- & Ankertechnik GmbH	Immaterial associated companies
Net assets of joint ventures	49,068	14,322	5,295
Share in joint ventures according to investment quota	25,761	5,729	1,433
Goodwill and other adjustments	870	5,891	–1,385
Present value of concession arrangement	0	0	0
Carrying amount reported in the balance sheet	**26,631**	**11,620**	**48**

Financial year 2024:

in EUR thousand	BAUER Nimr LLC	SPANTEC Spann- & Ankertechnik GmbH	Immaterial associated companies
Net assets of joint ventures	51,260	17,174	6,023
Share in joint ventures according to investment quota	26,912	6,870	1,807
Goodwill and other adjustments	–759	5,881	–1,747
Present value of concession arrangement	0	0	0
Carrying amount reported in the balance sheet	**26,153**	**12,751**	**60**

The other adjustments mainly include currency adjustments. There were no obligations and material restrictions or risks with regard to the shares in associated companies on the balance sheet date.

22.4. Participations

Additional financial information for participations

Financial year 2023:

in EUR thousand	Deusa International GmbH	Immaterial participations
Fair value	1,867	239
Dividends recorded during the period for retired participations	0	0
Dividends recorded during the period for participations still held	193	0

Financial year 2024:

in EUR thousand	Deusa International GmbH	Immaterial participations
Fair value	2,996	176
Dividends recorded during the period for retired participations	0	0
Dividends recorded during the period for participations still held	164	0

23. DEFERRED TAXES

Deferred tax assets and liabilities pertained to the following balance sheet items

in EUR thousand	Dec. 31, 2023	Dec. 31, 2024	Dec. 31, 2023	Dec. 31, 2024
	Deferred tax assets		Deferred tax liabilities	
Intangible assets	10,213	8,124	8,343	7,282
Property plant and equipment	4,128	4,116	4,463	4,937
Rights of use	1,001	1,045	4,586	4,020
Inventories	8,084	6,277	235	272
Contract assets	194	699	6,256	7,008
Other receivables and other assets	1,679	2,463	13,800	10,854
Provisions for pensions	14,424	13,731	0	0
Liabilities from lease agreements	3,926	3,362	5	24
Contract liabilities	506	381	–26	166
Other provisions	4,670	7,323	135	1,256
Other liabilities	3,969	4,457	225	1,166
Losses carried forward	107,499	93,002	0	0
Valuation allowance of Deferred Tax Assets	–90,648	–79,171	0	0
Consolidation	18,819	14,461	10,362	13,173
Offsetting	–34,391	–29,203	–34,391	–29,203
Net amount	**54,073**	**51,071**	**13,993**	**20,953**

In the table above, deferred tax assets to the amount of EUR 60 thousand (previous year: 272) and deferred tax liabilities in the amount of EUR 7 thousand (previous year: 85) are included in other liabilities, which is part of hedge accounting. In addition, in the provisions for pensions position, deferred tax assets in the amount of EUR 11,241 thousand (previous year: 11,568) and deferred tax liabilities in the amount of EUR 0 thousand (previous year: 0) are included for the actuarial income and losses recognized in equity. The deferred tax assets and deferred tax liabilities, which were generated as a result of hedge reserves and actuarial income and losses, were recognized under equity.

The share of current deferred tax assets without losses carried forward amounts to EUR 13,630 thousand (previous year: 7,485) and the share of deferred tax liabilities to EUR 9,414 thousand (previous year: 8,374).

In the 2024 financial year, due to the introduction of the Minimum Taxation Act, the deferred tax assets on losses carried forward were reported as gross amounts before valuation allowances for the first time. In total, the recognized deferred tax assets decreased by EUR 3,002 thousand. Significant effects here included the additional capitalizations of EUR 1,429 thousand at BAUER Foundations Canada and of EUR 649 thousand at BAUER Maschinen GmbH, which are opposed primarily by the realization of losses carried forward, in part through interest income of EUR -1,726 thousand at BAUER Verwaltungs und Beteiligungs GmbH and of EUR 3,748 thousand at BAUER Machinery USA.

Deferred tax assets were capitalized for companies in the reporting period in the amount of EUR 28,827 thousand (previous year: 28,299), which can be realized in the future on the basis of the tax forecast calculation. Deferred tax assets are included in the amount of EUR 7,295 thousand (previous year: 11,820) from companies that recorded losses in the previous period or the current period.

The tax losses carried forward at the end of the year are as follows:

in EUR thousand	Dec. 31, 2023	31.12.2024
Domestic losses	74,185	86,779
Foreign losses	302,137	247,209
Total	**376,322**	**333,988**
Of which losses carried forward deductible for limited periods	106,917	111,996

No deferred taxes were recognized for unusable losses carried forward in the amount of EUR 270,195 thousand (previous year: 311,184) due to the medium-term income tax target. The statement regarding losses carried forward relates to temporary tax projections as of the reporting date. The definitively ascertained losses carried forward were recorded subsequently.
The share of current deferred tax assets in respect of losses carried forward amounted to EUR 5,054 thousand (previous year: 7,829).

Deferred tax liabilities arising from temporary differences in connection with participations in subsidiaries, shares in joint arrangements and associated companies are only recognized if the date of reversal of the temporary differences can be determined by the Group and it is likely that the temporary differences will not be reversed again in the foreseeable future because of this effect. This is not presently the case.

In connection with shares in subsidiaries, deferred taxes in the amount of EUR 6,104 thousand (previous year: 3,914) were not recognized for temporary differences.

24. NON-CURRENT TRADE RECEIVABLES

in EUR thousand	Dec. 31, 2023	Dec. 31, 2024
Non-current trade receivables	8,720	23,980

Non-current trade receivables primarily contain non-current retentions from production orders. In the financial year, these amounted to EUR 19,792 thousand (previous year: 6,822).

The non-current trade receivables include cumulative valuation allowances totaling EUR 0 thousand (previous year: 0).

25. OTHER NON-CURRENT ASSETS

The other non-current assets comprise the following items:

in EUR thousand	Dec. 31, 2023	Dec. 31, 2024
Claims from backup insurance	6,393	6,712
Sundry other non-current assets	2,393	3,894
Total	**8,786**	**10,606**

The additional other non-current assets did not incur any interest in the financial and previous year.

26. OTHER NON-CURRENT FINANCIAL ASSETS

The other non-current financial assets comprise the following in the financial year:

in EUR thousand	Dec. 31, 2023	Dec. 31, 2024
Sundry other non-current financial assets	759	867
Receivables from derivatives	17,286	10,452
Shares in non-consolidated subsidiaries	7,474	20,683
Total	**25,519**	**32,002**

The additional other non-current assets contain receivables from derivatives and other non-current financial assets. The derivatives are presented in item 40 under “Other disclosures.” Non-consolidated subsidiaries do include non-listed companies for which there is no active market. We refer to section 40 “Financial instruments” for the development of fair values of shares in non-consolidated subsidiaries.

ADDITIONAL FINANCIAL INFORMATION FOR SHARES IN NON-CONSOLIDATED SUBSIDIARIES

Financial year 2023:

in EUR thousand	BAUER EQUIPAMIENTOS DE PANAMA, S.A.	SMS Seabed Mineral Services GmbH	BAUER Equipment Gulf LLC	Insignificant shares in non-consolidated subsidiaries
Fair value	1,737	1,435	715	3,587
Dividends recognized during the period	0	0	0	478

Financial year 2024:

in EUR thousand	BAUER Parts HUB (Singapore) Pte. Ltd.	OOO BAUER Maschinen Russland	BAUER EQUIPAMIENTOS DE PANAMA, S.A.	Insignificant shares in non-consolidated subsidiaries
Fair value	4,519	2,923	2,638	10,602
Dividends recognized during the period	0	0	0	5,910

The fair values shown in the table were allocated to the measurement hierarchy in accordance with IFRS 13, Level 3, and determined using the discounted cash flow method on the basis of unobservable input factors.

CURRENT ASSETS

27. INVENTORIES

The inventories comprise the following items:

in EUR thousand	Dec. 31, 2023	Dec. 31, 2024
Raw materials and supplies	179,959	163,959
Finished goods and work in progress and stock for trade	290,208	269,286
Rental equipment	54,241	73,776
	524,408	507,021
Less advances received for inventories	–13,972	–12,448
Total	**510,436**	**494,573**

Of the inventories, EUR 139,007 thousand (previous year: 109,831) is stated at net realizable value. The overall impairment losses on inventories against the net realizable value affecting net expenditure in the financial year totaled EUR 39,634 thousand (previous year: 29,244).

They are broken down as follows:

in EUR thousand	Dec. 31, 2023	Dec. 31, 2024
Write-downs of inventories due to use	13,537	17,859
Depreciation losses for impairment on inventories	6,705	13,570
scheduled losses for impairment on inventories	9,002	8,205
Total	**29,244**	**39,634**

The impairments are opposed by write-ups in the amount of EUR 7,850 thousand (previous year: 4,814).

In the financial year, the rental rate was higher than in the previous year. Depreciation of used machinery due to use increased from EUR 13,537 thousand to EUR 17,859 thousand.

The depreciation losses on inventories include both impairment losses on new and used machinery (stated under “Changes in inventories”) and on warehouse inventories (stated under “Cost of materials”). Most of the depreciation losses relate to the machinery which was not rented out, and are attributable to the Equipment segment. The unscheduled depreciation were applied on the basis of the recoverable amount from procurement or manufacturing costs and net realizable value. This regularly corresponded to the fair value less cost to sell. This method is part of levels 2 and 3 of the fair value hierarchy stated in IFRS 13.

Finished goods and stock for trade include machinery and accessories produced internally by the Equipment segment and intended primarily for sale. Equipment is rented out as part of sales-promoting activities. These proceeds are recorded as revenue from rentals.

The BAUER Group differentiates essentially between two forms of equipment and accessories (hereinafter: “Equipment”):

New machines

These are machines manufactured in the financial year or in earlier years which are available for sale but have not yet been hired out. These machines are valued at manufacturing costs or at the lower net realizable value on the balance sheet date.

Used machines

Used machines are machines which are primarily up for sale and which have been temporarily rented out as a secondary sales promotion measure during the financial year or in earlier years. New machines automatically become used machines the first time they are rented out.
When equipment is rented out, the net realizable value is determined from the manufacturing cost less depreciation due to use and impairment losses on inventories.

In the case of a new machine, or a used machine which has not been hired out, the impairment against the net realizable value is recognized by means of a depreciation loss.

The sale and rental of machinery relates solely to the Equipment segment.

The following chart sets out the carrying amount before impairment of the used machinery and accessories along with the rate of hire status on the balance sheet date:

in EUR thousand	Dec. 31, 2023	Dec. 31, 2024
Carrying amount of used machines	54,240	73,776
of which rented out	27,205	35,779
of which not rented out	27,035	37,997

Inventories were not listed as loan securities this year or last year.

28. RECEIVABLES AND OTHER ASSETS

Contract assets and contract liabilities

Contract assets and contract liabilities developed as follows:

in EUR thousand	Dec. 31, 2023	Dec. 31, 2024
Order costs incurred (plus income, less losses) for projects not yet completed	917,080	1,396,424
less down-payments	990,269	1,440,349
Balance	**–73,189**	**–43,925**
of which: Contract assets	78,881	68,138
of which: Contract liabilities	134,461	79,318
of which: Provisions for impending losses for construction contracts	17,609	32,745

In the financial year, EUR 1,928 thousand (previous year: 2,248) in total contract assets were impaired. These valuation allowances were applied to take expected credit losses into account.

Revenue from contracts with customers

The following table shows the share of revenue from contract liabilities recognized in the reporting period in the previous year and revenue from contractual obligations that were met in previous years:

in EUR thousand	Dec. 31, 2023	Dec. 31, 2024
Revenue from contractual obligations included in contract liabilities at the beginning of the period	49,327	115,929
Revenue from contractual obligations that were fulfilled in previous periods	1,124	4,120

Development of receivables and other assets

The receivables and other assets comprise the following:

in EUR thousand	Dec. 31, 2023	Dec. 31, 2024
Contract assets	78,881	68,138
Trade receivables	277,794	241,957
Receivables from enterprises in which the company has participating interests	1,616	1,093
Prepayments	7,640	7,966
Other current assets	49,515	58,711
Other current financial assets	9,353	6,905
Total	**424,799**	**384,770**

The trade receivables also include receivables from joint ventures.
Other current assets mainly comprise miscellaneous tax refund claims and receivables from employees and against welfare benefit funds and other prepayments and deferred charges. Apart from this, an asset value for receivables assignments totaling EUR 278 thousand (previous year: 140) is stated under “Other current assets.” This concerns an ongoing commitment for export and interest claims in the amount of EUR 630 thousand to a customer in Guatemala and EUR 1,270 thousand to a customer in the Netherlands. Both are to be settled in seven successive instalments each and assigned as part of a receivables sale. According to the assignment contract, in the event of political or economical damages, a self-payment risk of 10% remains in the BAUER Group. The total carrying amount of the liability associated with the ongoing commitment is EUR 318 thousand (previous year: 162) and is stated under “Other current debt.”

For changes in valuation allowances in the financial year and in the previous year as stipulated in IFRS 9, please refer to section 40 “Financial instruments.”

The valuation allowances to reflect expected credit losses from trade receivables amounting to EUR 64,488 thousand (previous year: 49,503) were calculated taking individual risks into account and on the basis of historic payment defaults. Here, receivables were impaired individually (in the event of objective indications) and based on expected credit losses. The determination of valuation allowances for receivables is primarily based on estimates and evaluations of individual claims, incorporating considerations of the creditworthiness and late-payment record of the customer concerned as well as current economic trends and historical experience in relation to default. The already included share of valuation allowances on non-current trade receivables was EUR 0 thousand (previous year: 0).

In the financial year, other financial assets were impaired as a result of expected credit losses totaling EUR 250 thousand (previous year: 104). As in the previous year, they were not overdue in the year under review.

In total in the financial year, EUR 0 thousand (previous year: 0) in monetary assets were deposited as collateral for potential future warranties for construction services. The current portion of the receivables from foreign exchange contracts included in the current financial assets in the financial year totaled EUR 407 thousand (previous year: 888).

29. CASH AND CASH EQUIVALENTS

The cash and cash equivalents totaling EUR 72,944 thousand (previous year: 68,749) include credit balances at banks and petty cash stocks. In the financial year as in the previous year, there were no restrictions on disposal of cash or cash equivalents.

30. NON-CURRENT ASSETS HELD FOR SALE

In the financial year, EUR 9,262 thousand (previous year: 0) were recognized in non-current assets held for sale. This item concerned drilling rigs offered for sale that are no longer required for the Paks project, which were previously reported under property, plant and equipment.

31. EQUITY

Composition of subscribed capital

The subscribed capital (share capital) of BAUER AG is divided into 43,037,478 no-nominal-value bearer shares, representing a pro rata amount of approximately EUR 4.26 per share of the total share capital. As at December 31, 2024, the subscribed capital of BAUER Aktiengesellschaft accordingly amounts to EUR 183,398,343.74 . The shares have no nominal value. Each share entails equal rights and entitles the holder to one vote at the General Meeting, with the exception of share categories precluded from voting by law pursuant to section 136 of the AktG.

With the resolution of the General Meeting on September 19, 2024, the 2021 Authorized Capital was eliminated and replaced by a new 2024 Authorized Capital. Section 4 (4) of the company's Articles of Association authorizes the Executive Board, with the consent of the Supervisory Board, to increase the share capital once or more than once up to September 18, 2029 by up to a total of EUR 91,699,171.87 by the issue of no-nominal-value bearer shares and/or registered shares against cash and/or non-cash contributions (2024 Authorized Capital). To that end, the Executive Board is authorized, with the consent of the Supervisory Board, to exclude the legal subscription rights of shareholders in certain cases.

By resolution in the Annual General Meeting adopted on June 27, 2019, the company was authorized to purchase treasury stock, over a limited period up to June 26, 2024, representing up to a total of 10% of the company's share capital at the time the resolution was passed. The shares shall be purchased at the discretion of the Executive Board by means of a public tender offer or via the stock market. The Executive Board shall be authorized to appropriate the shares acquired pursuant to these authorizations for all legally admissible purposes. With regard to the use of the bought-back shares, the authorization provides, in specific cases, for legal rights of subscription of shareholders to be excluded.

BAUER Aktiengesellschaft has no inventory of treasury shares, in the financial year no treasury shares were acquired or sold.

The remaining equity of the BAUER Group developed as follows:

in EUR thousand	Dec. 31, 2023	Dec. 31, 2024
I. Capital reserve	42,331	26,861
II. Other revenue reserves and retained earnings	243,147	283,663
	285,478	310,524
III. Non-controlling interests	14,181	8,060
Total	**299,659**	**318,584**

In the financial year as well as the previous year, no dividends were paid to the shareholders.

Capital reserve

The capital reserve essentially comprises amounts that exceeded the book value of the nominal value when shares were issued, as well as expenses for the issue of shares.

Other revenue reserves and retained earnings

Other revenue reserves and retained earnings include past earnings of the companies included in the consolidated financial statements, insofar as they were not distributed.

The revenue reserves include revaluation of obligations arising from employee benefits after termination of the employment relationship as well as related taxes with no effect on profit and loss. In the financial year, the gross cumulative revaluation amounts to EUR -38,521 thousand (previous year: -39,593). Deferred taxes were recognized in the amount of EUR 11,241 thousand (previous year: 11,568). In addition, the IFRS settlement item is included here, which contains the cumulative effects from the initial date of application of the IFRS. On the reporting date, the cumulative earnings amounted to EUR 10,387 thousand (previous year: 10,387).

Currency differences from the conversion of a controlled foreign business are recorded in the other income and accumulated in a separate reserve in equity. The cumulative amount is reclassified into the income or loss as soon as the net investment is sold. The cumulative difference from the currency conversions amounts to EUR -13,138 thousand (previous year: -15,758).

This also includes the reserve for financial assets valued at fair value with no effect on profit and loss. These changes are aggregated in the “Fair value through OCI” reserve in equity. The cumulative effect amounts to EUR 14,109 thousand (previous year: 1,200) and is transferred from this reserve into the revenue reserves when the corresponding equity instruments are derecognized. The deferred taxes for this amount to EUR -296 thousand (previous year: -100).

The hedging reserve and reserve for hedging costs include the cash flow hedge reserve and the costs of the hedge reserve. The cash flow hedge reserve is used to record the effective portion of the income or loss from derivatives that are designated as cash flow hedges. The amounts are subsequently reclassified into the income or loss. The cumulative earnings amount to EUR 2 thousand (previous year: 2). The hedging reserve before taxes amounts to EUR 245 thousand (previous year: 640).

31.1. Non-controlling interests

Details on not wholly owned subsidiaries in which material non-controlling interests are held

These are the material non-controlling interests of BAUER Group:

in EUR thousand		Dec. 31, 2023			Dec. 31, 2024		
Group company	**Non-controlling interests**	**Share in the equity in %**	**Share in the equity in EUR thousand**	**Profit/Loss attributable in EUR thousand**	**Share in the equity in %**	**Share in the equity in EUR thousand**	**Profit/Loss attributable in EUR thousand**
BAUER EGYPT S.A.E., Cairo, Egypt	Various natural persons	43.73%	14,880	3,048	43.73%	10,603	1,743
BAUER Casings Makina Sanayi ve Ticaret Limited Sirketi, Ankara, Turkey	Emiroglu Makina	40.00%	1,513	767	40.00%	1,603	482
Thai BAUER Co. Ltd., Bangkok, Thailand		25.81%	–4,315	–2,687	25.81%	–6,918	–2,285
Individual immaterial subsidiaries with non-controlling interests			2,103	881		2,772	663
Total			**14,181**	**2,009**		**8,060**	**603**

Below is the summarized financial information for each Group company with material non-controlling interests corresponding to the amounts before Group-internal elimination:

BALANCE SHEET

in EUR thousand	Bauer Casings		BAUER EGYPT S.A.E		Thai BAUER Co. Ltd.	
	Dec. 31, 2023	**Dec. 31, 2024**	**Dec. 31, 2023**	**Dec. 31, 2024**	**Dec. 31, 2023**	**Dec. 31, 2024**
Non-current assets	539	1,255	10,070	8,971	20,456	18,250
Current assets	6,306	3,277	46,023	22,053	22,638	9,383
Non-current debt	406	89	338	48	4,596	1,200
Current debt	2,381	984	18,038	7,605	36,256	45,282

INCOME STATEMENT

in EUR thousand	Bauer Casings		BAUER EGYPT S.A.E		Thai BAUER Co. Ltd.	
	Dec. 31, 2023	**Dec. 31, 2024**	**Dec. 31, 2023**	**Dec. 31, 2024**	**Dec. 31, 2023**	**Dec. 31, 2024**
Sales revenues	13,923	6,832	69,559	23,381	16,942	13,951
Earnings before interest and tax	3,177	802	14,438	4,016	1,778	–7,878
Earnings before tax	2,929	759	15,116	5,325	191	–8,340
Earnings after tax	2,358	908	10,281	3,985	191	–8,784
Profit/loss attributable to noncontrolling interests	943	482	4,496	1,743	49	–2,285
Profit/loss attributable to shareholders of BAUER AG	1,415	426	5,785	2,242	142	–6,499
Dividends distributed to noncontrolling interests	–156	–151	–1,313	–897	0	0

STATEMENT OF CASH FLOWS

in EUR thousand	Bauer Casings		BAUER EGYPT S.A.E		Thai BAUER Co. Ltd.	
	Dec. 31, 2023	Dec. 31, 2024	Dec. 31, 2023	Dec. 31, 2024	Dec. 31, 2023	Dec. 31, 2024
Cash flow from operating activities	818	1,167	4,269	9,538	7,101	4,222
Cash flow from investing activities	–98	–183	–2,752	–1,705	–1,107	888
Cash flow from financing activities	–460	–431	–2,611	–1,044	–5,870	–3,916
Influence of exchange rate movements on cash	28	242	–5,274	–3,904	6	90
Changes in cash and cash equivalents with an effect on liquidity	288	795	–6,368	2,885	130	1,284

31.2. Additional disclosures regarding capital management

The object of BAUER Group capital management is to safeguard a strong financial profile. In particular, it aims to provide shareholders with appropriate dividend payments and to safeguard the agreed payments of interest and principal on behalf of lenders. We also aim to provide ourselves with adequate financial resources to sustain our growth strategy. The risk profile is actively managed and monitored. This is focused primarily on key figures such as the equity ratio, net debt and earnings after tax for the period for the period.

The key figures are presented below:

in EUR thousand	Dec. 31, 2023	Dec. 31, 2024
Equity	483,057	501,982
Equity ratio	28.64%	29.82%
Earnings after tax	2,844	9,701
Net debt	410,775	375,256
Financial indebtedness	479,524	448,200
Freely available cash and cash equivalents	68,749	72,944
Net debt / EBITDA	2.02	1.68
EBITDA / net interest coverage	3.23	5.01

Financial liabilities include long-term and short-term liabilities to banks, liabilities from lease agreements and other financial liabilities. Net interest coverage includes the financial result, adjusted for income from operating participations.

As part of the capital management strategy covering the subsidiaries of the BAUER Group, it is ensured that member companies are provided with an equity base in line with local requirements. Our aim in doing this is to provide the necessary flexibility in terms of finance and liquidity.

32. NON-CURRENT DEBT

The non-current portions of the liabilities comprise the following:

in EUR thousand	Remaining term December 31, 2023		Remaining term December 31, 2024	
	1 to 5 years	over 5 years	1 to 5 years	over 5 years
Liabilities to banks	82,441	13,415	174,677	8,188
Liabilities from lease agreements	34,047	3,760	29,108	3,342
Other noncurrent liabilities	8,696	0	8,606	0
Other noncurrent financial liabilities	8,609	0	10,842	895
Total	**133,793**	**17,175**	**223,233**	**12,425**

in EUR thousand	Fair Value		Interest rate margin	
	Dec. 31, 2023	Dec. 31, 2024	Dec. 31, 2023	Dec. 31, 2024
Liabilities to banks	95,856	182,865	0.80% - 6.89%	0.95% - 9.36%
Liabilities from lease agreements	37,807	32,450	0.46% - 9.83%	0.20% - 11.00%
Other noncurrent financial liabilities	8,609	11,737	0.61% - 6.00%	0.61% - 7.30%
Total	**142,272**	**227,052**		

The other non-current debt primarily includes non-current portions of liabilities from obligations in respect of service anniversary payments as well as non-current portions of provisions for personnel.

Other non-current financial liabilities include the market value of the derivatives as well as other liabilities to financing companies (see notes to the financial instruments in section 40). The other non-current financial liabilities include other non-current financial debt.

33. PROVISIONS FOR PENSIONS

The BAUER Group operates a number of provisions for pensions in Germany and internationally. The provisions for pensions of the companies in Schrobenhausen recognized on the consolidated balance sheet cover most of the balance sheet value. Those companies are governed by the occupational pension scheme of BAUER Spezialtiefbau GmbH constituted on July 1, 1992 as amended by the in-company agreement dated November 18, 1998. In it, the company grants all employees who joined by March 31, 1998 and their surviving dependents a retirement pension and invalidity benefit as well as a widow's/widower's pension. Employees qualify for the retirement pension on reaching the standard retirement age, or on prior qualification for a pension from the statutory pension fund. The pension payable amounts to 0.225 % of the employee's pensionable earnings for each pensionable year of service, plus 0.075% of pensionable earnings for each pensionable year of service completed before January 1, 1999; plus, for the portion of pensionable earnings above the contribution assessment limit in the statutory pension fund, 0.375% plus 0.125 % for each pensionable year of service completed before January 1, 1999. In the case of scheme members who are not members of the Zusatzversorgungskasse des Baugewerbes (construction industry ancillary benefits fund): The pension payable amounts to 0.3 % of the employee's pensionable earnings for each pensionable year of service, plus 0.1 % of pensionable earnings for each pensionable year of service completed before January 1, 1999; plus, for the portion of pensionable earnings above the contribution assessment limit in the statutory pension fund, 0.3 % plus 0.1% for each pensionable year of service completed before January 1, 1999. As the pension fund has been closed since 1998 and the ongoing pension payments are made from the cash flow of the respective companies, no financing agreements exist for the pension plans in the form of additional plan assets.

The widow's/widower's pension amounts to 50 % of the attained entitlement. Benefits are also promised to surviving dependent children in various forms. Vesting and transitional arrangements are also in place. The risks entailed by the pension schemes are mainly those commonly associated with provisions for pensions in terms of potential variations in the discount rate and, to a lesser extent, inflation trends as well as longevity.

The calculations are based on the following actuarial assumptions:

in %	Dec. 31, 2023				Dec. 31, 2024			
	Germany	Indonesia	Philippines	India*	Germany	Indonesia	Philippines	India*
Interest rate	3.45	6.75	6.26	-	3.50	7.00	6.09	-
Future salary increases	3.00	8.00	5.00	-	3.00	8.00	5.00	-
Future pension increases	2.00	-	-	-	2.00	-	-	-

* No information was available for companies with a different financial year.

Provisions for pensions in Germany are calculated biometrically applying the 2018 G guideline tables compiled by Klaus Heubeck. The interest rate applied for discounting the future payment obligations is always determined on the basis of the return on top company bonds.
Outside of Germany, the underlying biometric probability of death is based on published national statistics and empirical data.

The provision for pensions and similar obligations recognized in the balance sheet is calculated as follows:

in EUR thousand	Dec. 31, 2023	Dec. 31, 2024
Present value of obligations financed by a fund	463	507
Fair value of plan assets	–463	–507
Plan deficit	**0**	**0**
Present value of obligations not financed by a fund	115,412	115,738
Total deficit of defined benefit plan obligations	**115,412**	**115,738**
Effect of asset ceiling	0	0
Recognized provision	**115,412**	**115,738**

The defined benefit obligations and the plan assets developed as follows in the previous year:

in EUR thousand	Present Value of Obligation	Fair value of plan assets	Total	Effect of asset ceiling	Total
Date: January 1, 2023	**106,368**	**–393**	**105,975**	**0**	**105,975**
Current service costs	1,792	0	1,792	0	1,792
Interest expense/income	4,163	–15	4,148	0	4,148
Post-employment expenditure, income and losses from payment in lieu	–36	0	–36	0	–36
Total	**112,287**	**–408**	**111,879**	**0**	**111,879**
Revaluation:					
Income from plan assets excluding amounts contained in the above interest	0	13	13	0	13
Actuarial income and losses arising from adjustments to demographic assumptions	0	0	0	0	0
Actuarial income and losses arising from adjustments to financial assumptions	7,203	0	7,203	0	7,203
Empirical value-based adjustments	275	0	275	0	275
Changes in the effect of limitation of a defined benefit plan on the asset ceiling, excluding amounts contained in the interest	0	0	0	0	0
Total	**7,478**	**13**	**7,491**	**0**	**7,491**
Exchange rate movements	23	0	23	0	23
Contributions:					
Employer	0	–68	–68	0	–68
Beneficiary employee	0	0	0	0	0
Payments from the plan:					
Ongoing payments	0	0	0	0	0
Retirement benefits (not fund-financed)	–3,913	0	–3,913	0	–3,913
Other effects	0	0	0	0	0
Date: December 31, 2023	**115,875**	**–463**	**115,412**	**0**	**115,412**

The defined benefit obligations and the plan assets developed as follows during the financial year:

in EUR thousand	Present Value of Obligation	Fair value of plan assets	Total	Effect of asset ceiling	Total
Date: January 1, 2024	**115,875**	**–463**	**115,412**	**0**	**115,412**
Current service costs	1,701	0	1,701	0	1,701
Interest expense/income	4,010	–12	3,998	0	3,998
Post-employment expenditure, income and losses from payment in lieu	185	0	185	0	185
Total	**121,771**	**–475**	**121,296**	**0**	**121,296**
Revaluation:					
Income from plan assets excluding amounts contained in the above interest	0	18	18	0	18
Actuarial income and losses arising from adjustments to demographic assumptions	0	0	0	0	0
Actuarial income and losses arising from adjustments to financial assumptions	–712	0	–712	0	–712
Empirical value-based adjustments	–247	0	–247	0	–247
Changes in the effect of limitation of a defined benefit plan on the asset ceiling, excluding amounts contained in the interest	0	0	0	0	0
Total	**–959**	**18**	**–941**	**0**	**–941**
Exchange rate movements	–232	290	58	0	58
Contributions:					
Employer	0	–611	–611	0	–611
Beneficiary employee	0	0	0	0	0
Payments from the plan:					
Ongoing payments	0	0	0	0	0
Retirement benefits (not fund-financed)	–4,335	271	–4,064	0	–4,064
Other effects	0	0	0	0	0
Date: December 31, 2024	**116,245**	**–507**	**115,738**	**0**	**115,738**

The fair value of the plan assets can be allocated to the following categories:

in EUR thousand	Dec. 31, 2023	Dec. 31, 2024
Qualifying insurance contracts	0	0
Money market fund and pension fund	463	507
Cash and cash equivalents	0	0
Total	**463**	**507**

No market price quotations exist for the qualifying insurance contracts.

The key actuarial assumptions applied in determining the defined benefit plan obligation are the discount rate, expected salary increases, expected pension increases as well as life expectancy.

The sensitivity of the overall pension commitment to variations in the weighted primary assumptions is:

in EUR thousand	Effect on Obligation		
	Variation in assumption	Increase in assumption	Decrease in assumption
Discount rate	+/- 0.5%	108,422	125,010
Future salary increases	+/- 0.5%	117,804	114,657
Future pension increase	+/- 0.5%	122,974	110,065
		Increase in assumption by 1 year	Decrease in assumptin by 1 year
Probability of death		121,226	111,088

The above sensitivity analysis is based on a variation in one assumption while all other assumptions remain constant. It is unlikely that this will occur in reality, and variations in some assumptions may correlate. The sensitivity for life expectancy is reached using general (age-independent) factors for a reference person with a life expectancy of one year higher or one year lower. In calculating the sensitivity of the defined benefit plan obligation to variations in actuarial assumptions, the same method was applied as that used to measure the provisions for pensions on the balance sheet. The present value of the defined benefit plan obligations was calculated by the Projected Unit Credit method as at the end of the reporting period.

The methods and categories of assumption applied in preparing the sensitivity analysis have not changed relative to the prior period. The defined benefit plan obligations and plan assets by country are as follows:

in EUR thousand	Dec. 31, 2023				
	Germany	Indonesia	Philippines	India	Total
Present value of obligations	113,108	1,858	876	33	115,875
Fair value of plan assets	0	–463	0	0	–463
Total	**113,108**	**1,395**	**876**	**33**	**115,412**
Effect of asset ceiling	0	0	0	0	0
Total	**113,108**	**1,395**	**876**	**33**	**115,412**

in EUR thousand	Dec. 31, 2024				
	Germany	Indonesia	Philippines	India	Total
Present value of obligations	113,212	1,945	1,046	42	116,245
Fair value of plan assets	0	–507	0	0	–507
Total	**113,212**	**1,438**	**1,046**	**42**	**115,738**
Effect of asset ceiling	0	0	0	0	0
Total	**113,212**	**1,438**	**1,046**	**42**	**115,738**

The present value of the defined benefit plan obligation is distributed as follows among the plan members:

in EUR thousand	Dec. 31, 2023	Dec. 31, 2024
Active scheme members	54,086	52,919
Deferred beneficiary employees	4,656	4,423
Retired employees	57,133	58,903
Total	**115,875**	**116,245**

The weighted average term of the provisions for pensions is 14.59 years (previous year: 14.83 Years).

Pension payments in financial year 2025 are expected to amount to EUR 4,391 thousand (previous year: 4,419). Of that total, EUR 4,391 thousand (previous year: 4,419) is projected to be contributed by the employer. Contributions to the external plan assets totaling EUR 600 thousand are expected (previous year: 68) for 2025.

The following table provides an overview of the due dates of the non-discounted pension payments:

in EUR thousand	up to 1 year	1 to 5 years	6 to 10 years	über 10 Jahre
Pension payments	4,391	24,833	26,411	178,324

34. CURRENT DEBT

in EUR thousand	Dec. 31, 2023	Dec. 31, 2024
Liabilities to banks	292,008	181,846
Liabilities from lease agreements	24,213	20,716
Contract liabilities	134,461	79,318
Trade payables	263,157	306,560
Liabilities to companies and participations accounted for using the equity method	31,061	37,528
Other current liabilities	80,298	82,574
Other current financial liabilities	21,031	18,593
Total	**846,229**	**727,135**

The “Trade payables” balance sheet item includes long-term payables totaling EUR 501 thousand (previous year: 401). The “Liabilities to companies and participations accounted for using the equity method” balance sheet item includes liabilities to consortia totaling EUR 35,733 thousand (previous year: 30,431).

The other current debt mainly comprises obligations in respect of flexitime and holiday credits, employer’s liability insurance associations, the compensation levy for the shortfall in handicapped employees, performance bonuses as well as other tax liabilities and liabilities in respect of social security.

The other current financial liabilities mainly comprise obligations to finance companies. The market values almost match the carrying amounts. The interest rate margin on current debt to banks is 0.95% to 12.68% (previous year: 0.80% to 13.00%).

35. OTHER PROVISIONS

The other provisions developed as follows in the financial year:

in EUR thousand	2023					
	Contract processing	Warranty	Litigation	Impending losses	Restructuring	Total
Date: January 1	**4,449**	**13,418**	**496**	**25,613**	**0**	**43,976**
Change in basis of consolidation	0	0	0	0	0	0
Currency adjustment	45	–207	0	–187	–69	–418
Allocation	787	8,834	531	12,775	2,398	25,325
Reversal	561	1,673	127	1,884	0	4,245
Consumption	8	8,331	257	17,015	0	25,611
Date: December 31	**4,712**	**12,041**	**643**	**19,302**	**2,329**	**39,027**

in EUR thousand	2024					
	Contract processing	Warranty	Litigation	Impending losses	Restructuring	Total
Date: January 1	**4,712**	**12,041**	**643**	**19,302**	**2,329**	**39,027**
Change in basis of consolidation	–136	0	0	4,000	0	3,864
Transfers	–694	0	0	0	0	–694
Currency adjustment	–70	145	–31	297	69	410
Allocation	131	11,552	785	26,704	0	39,172
Reversal	657	3,946	40	4,440	2,398	11,481
Consumption	118	5,731	113	10,555	0	16,517
Date: December 31	**3,168**	**14,061**	**1,244**	**35,308**	**0**	**53,781**

The provisions for risk from contract processing and warranties include some risks arising from carrying out specialist foundation engineering work and from the sale of machinery, equipment and tools for specialist foundation engineering, with the associated services. These primarily relate to warranty obligations and to other uncertain commitments. The risk from contract processing and warranties is determined specific to project/construction site.

The provisions for impending losses result primarily from anticipated or impending or expected losses on construction projects.

The other provisions are expected to be consumed in 2025. As at the balance sheet date, there were no other provisions that are expected to be consumed within a time period of 1 – 5 years (previous year: 0). The provisions for litigation relate for the most part to provisions for legal disputes on receivables.

36. CONTINGENT LIABILITIES

Contingent liabilities are liabilities not yet recognized in the financial statements, which are recognized in the amount of the maximum possible exposure on the balance sheet date.

in EUR thousand	Dec. 31, 2023	Dec. 31, 2024
Liabilities from guarantees	348,107	440,371

In the construction industry, it is common and essential practice to issue various guarantees to secure obligations arising from construction contracts. These guarantees are usually guarantee quotations, contract performance, prepayments and warranty commitments. In the event of a guarantee being given, the guarantors have a right of recourse against the Group. A risk of a guarantee being implemented exists only when the underlying contractual obligations are not duly met.

The contingent liabilities were mainly in relation to the securing of contract performance, to warranty obligations and to advance payments. Liabilities from guarantees exist to third parties. In addition, we are subject to joint and several liability in respect of all consortia in which we participate. Based on the knowledge gained up to the date of preparation with regard to the respective performance, it is assumed that no outflows will arise in connection with the contingent liabilities.

Future payment obligations from orders that were not yet recognized on the balance sheet (purchase commitments) were EUR 11,769 thousand (previous year: 12,294) as at December 31, 2024. This value primarily resulted from various open orders for the area of technical equipment and machinery for the companies BAUER Maschinen GmbH (EUR 2,066 thousand) and SCHACHTBAU NORDHAUSEN GmbH (EUR 1,783 thousand) as well as BAUER Aktiengesellschaft (EUR 5,394 thousand).

37. DISCONTINUED OPERATIONS

In the financial year, no business operations were discontinued under the terms of IFRS 5. Moreover, there are no plans to discontinue business operations.

38. EVENTS AFTER THE BALANCE SHEET DATE

No events subject to mandatory reporting in accordance with IAS 10 occurred after December 31, 2024.

OTHER DISCLOSURES

39. STATEMENT OF CASH FLOWS

The funds shown in the statement of cash flows comprise only the cash and cash equivalents stated on the balance sheet. The consolidated statement of cash flows details payment flows, broken down by inflow and outflow of funds from operating activities and from investment and financing activities.

The cash flow from operating activities is derived indirectly from the earnings before tax. The earnings before tax are adjusted by non-cash transactions. The cash flow from operating activities is produced taking account of the changes in working capital.

Investment activities include additions to property, plant and equipment and to financial assets and intangible assets, as well as income from the sale of fixed assets. Financing activities include outflows of cash and cash equivalents arising from dividend payments as well as the change in other financial indebtedness.

The changes in balance sheet items applied for the preparation of the statement of cash flows are not directly derivable from the balance sheet, as the effects of currency translation and changes in the basis of consolidation, as well as the allocation and elimination of valuation allowances on trade receivables and provisions, do not affect payments and are stripped out. The other non-cash transactions include non-cash income and expenses, such as allocations to and reversals of provisions, non-cash effects from foreign currency translation and impairments and recoveries of current assets. The change compared to the previous year in this item is largely attributable to changes in the market value of derivatives.

40. FINANCIAL INSTRUMENTS

In its business operations and financing activities the BAUER Group is subject in particular to fluctuations in exchange rates and interest rates as well as liquidity and default risks. It is the company’s policy to exclude, or at least limit, these risks by entering into hedge transactions. All hedging measures are controlled and executed centrally by BAUER AG. Application of the segregation-of-duties approach ensures that there is an adequate split between the trading and execution functions. All derivatives transactions are entered into only with banks of the highest possible credit rating.

MARKET RISKS

Foreign exchange rate risks

Foreign exchange rate risks under the terms of IFRS 7 are created by financial instruments which are denominated in a currency different to the functional currency and are of a monetary nature. Exchange rate-related differences when converting financial statements into the Group currency are ignored. The exchange rates between functional and non-functional currencies in which the BAUER Group enters into financial instruments are classed as relevant risk variables.

The existing foreign exchange contracts safeguard the currency hedging strategy. Within the BAUER Group, the primary monetary financial instruments are either denominated directly in functional currency or the fluctuations resulting from the exchange rate risk are largely eliminated by means of derivatives. In view of the usually short-term maturity of the instruments too, possible changes in exchange rates have only very minor effects on earnings or equity.

For the purposes of sensitivity analysis, foreign exchange rate risks arising from monetary financial instruments as well as foreign exchange contracts which were not concluded in the functional currencies of the individual member companies of the BAUER Group are included in the assessment.
Effects due to exchange rate shifts of +/- 10% in the respective foreign currency on the income statement and OCI:

in EUR thousand **as at Dec. 31, 2023**	**USD/EUR**	**GBP/EUR**	**AUD/EUR**	**CHF/EUR**	**CAD/EUR**	**other currencies/EUR**
Overall effect of +10% on OCI	2,600	0	225	0	0	0
Overall effect of –10% on OCI	–3,178	0	–274	0	0	0
Overall effect of +10% on income statement	2,624	–2,240	–55	–8	–315	–3,475
Overall effect of –10% on income statement	–3,208	2,738	67	10	385	4,248

in EUR thousand **as at Dec. 31, 2024**	**USD/EUR**	**GBP/EUR**	**AUD/EUR**	**CHF/EUR**	**CAD/EUR**	**other currencies/EUR**
Overall effect of +10% on OCI	0	0	165	0	0	0
Overall effect of –10% on OCI	0	0	–201	0	0	0
Overall effect of +10% on income statement	1,912	–1,061	64	–96	0	97
Overall effect of –10% on income statement	–2,337	1,297	–79	118	0	–119

No concentrations of risk exist.

Interest rate risks

The interest rate risk of the Group is based on financial liabilities with floating interest rates (as well as the short-term credit lines used). The existing interest rate swaps serve to safeguard our financing and interest rate hedging strategy. Agreements exist in respect of swaps from variable to fixed interest rates in order to reduce the risk of fluctuation in market interest rates. Changes in market interest rates affect the interest results of variable-rate primary financial instruments of which the interest payments are not hedged by derivatives, and consequently are included in the calculation of earnings-related sensitivity. Changes in market interest rates of interest rate derivatives (interest rate swaps) which are not embedded in a hedging relationship pursuant to IFRS 9 have effects on financial income and financial expenses (net valuation based on adjustment of financial assets and financial liabilities to applicable fair value) and so are included in the calculation of earnings-related sensitivity. The effects of changes in market interest rates of interest rate derivatives to which hedge accounting is applied are recognized in the OCI.

Effects due to interest rate shifts of +/- 100 base points on the income statement and OCI:

in EUR thousand	**Dec. 31, 2023**	**Dec. 31, 2024**
Overall effect of +100 base points on OCI	578	165
Overall effect of –100 base points on OCI	–563	–201
Overall effect of +100 base points on income statement	16,964	13,959
Overall effect of –100 base points on income statement	–18,202	–11,819

Raw material price risk

Raw material price risks to which the BAUER Group is exposed in respect of availability and potential fluctuations in price on the market are excluded, or limited, by means of supply promises and fixed pricing agreements entered into with suppliers prior to execution of contracts. The raw material price risk relates mainly to steel. Due to the fixed pricing agreements, no sensitivity is stated.

Liquidity risks

The liquidity risk is managed by means of business planning, which ensures that the necessary funds to finance operating activities and current and future capital investments are made available at the appropriate time, in the required currency, and at optimum cost, in all Group companies. In liquidity risk management, the liquidity requirement arising from operating activities, from investing activities and from other financial measures is determined in the form of a banking report and a liquidity plan.
Liquidity is guaranteed by means of a liquidity forecast focused on a fixed planning horizon and by unused lines of credit and guarantee facilities available in the BAUER Group.

In the reporting period, there were free credit lines for short-term loans and current account overdrafts in the amount of EUR 309,036 thousand (previous year: 311,939) and for guarantees in the amount of EUR 269,262 thousand (previous year: 268,524). The following tables present the contractually agreed and undiscounted interest payments and capital repayments in respect of primary financial liabilities of the BAUER Group:

in EUR thousand	Carrying amount Dec. 31, 2023	Cash flow 2024	Cash flow 2025 to 2028	Cash flow 2029 et seq.
Liabilities to banks	387,864	294,188	88,535	13,976
Liabilities from subordinate loans	0	0	0	0
Liabilities from lease agreements	62,020	25,148	36,290	4,520
Other financial liabilities (excluding derivatives)	29,458	21,698	9,225	0
Trade payables	263,157	251,387	5,731	6
Liabilities to companies and participations accounted for using the equity method	31,061	31,061	0	0

in EUR thousand	Carrying amount Dec. 31, 2024	Cash flow 2025	Cash flow 2026 to 2029	Cash flow 2030 et seq.
Liabilities to banks	383,611	199,943	188,996	9,857
Liabilities from subordinate loans	0	0	0	0
Liabilities from lease agreements	53,395	22,608	30,719	3,715
Other financial liabilities (excluding derivatives)	31,119	21,553	10,395	403
Trade payables	311,872	324,185	12,232	181
Liabilities to companies and participations accounted for using the equity method	37,528	37,528	0	0

There were no instances of defaulting on interest payments or capital repayments in the period under review. As at December 31, 2024, BAUER AG fulfilled the agreed ratio of net debt/EBITDA and equity ratio for all loan agreements.

It is not to be expected that liabilities arising from sureties (contingent liabilities) will result in significant actual liabilities, and thus in significant cash flows, for which no provisions have yet been made.

The due dates of derivative financial instruments based on non-discounted outflow and inflow of cash and cash equivalents are as follows:

in EUR thousand	Carrying amount Dec. 31, 2023	2024	2025 to 2028	From 2029
Liabilities from foreign exchange forward contracts	**182**	**–200**	**0**	**0**
Outflow of cash and cash equivalents	-	–21,578	0	0
Inflow of cash and cash equivalents	-	21,378	0	0

in EUR thousand	Carrying amount Dec. 31, 2024	2025	2026 to 2029	From 2030
Liabilities from foreign exchange forward contracts	**1,001**	**–1,227**	**0**	**0**
Outflow of cash and cash equivalents	-	–30,138	0	0
Inflow of cash and cash equivalents	-	28,911	0	0

To calculate the cash inflows from interest rate swaps the conditions as per December 31, 2024 were applied. The foreign exchange forward contracts represent a gross settlement.

Risk of default

The risk of default is managed at Group level. Default risks arise from cash and cash equivalents, derivative financial instruments and deposits at banks and financial service companies, as well as trade receivables, receivables from enterprises in which the company has participating interests, other financial assets and contract assets. Only banks and financial services companies with the highest possible credit ratings are selected as partners. No credit limit was exceeded in the reporting period.

The risk of default on financial assets exists in terms of the risk of failure of a contract party and thus to a maximum equal to the gross carrying amount of the exposure to the said party. A presentation of the carrying amounts and the resultant maximum risk of default per category is given in the tables starting on page 138. The risk arising from primary financial instruments is countered by means of valuation allowances for bad debt, and in Germany also by means of securities. As derivative financial instruments are entered into only with banks with the highest possible credit ratings, and the risk management system sets limits for each party, the actual risk of default for completed derivative financial instruments is negligible. No concentrations of risk exist.

The valuation allowance for trade receivables and contractual assets as at December 31, 2023 is transferred to the closing balance of the valuation allowance as at December 31, 2024 as follows:

in EUR thousand	Trade receivables		Contract Assets
	Stage 2 (simplified approach)	Stage 3 (creditworthiness-impaired)	Stage 2 (simplified approach)
Valuation allowance on January 1, 2023	**9,870**	**52,185**	**1,743**
Change in basis of consolidation	0	–580	0
Foreign currency translation differences	0	–1,798	0
Allocation	745	9,684	505
Reversal	0	9,298	0
Consumption	0	11,305	0
Valuation allowance on December 31, 2023	**10,615**	**38,888**	**2,248**
Valuation allowance on January 1, 2024	**10,615**	**38,888**	**2,248**
Change in basis of consolidation	–67	–5,386	2
Foreign currency translation differences	94	1,107	–33
Allocation	2,358	25,045	301
Reversal	2,425	4,259	590
Consumption	862	620	0
Valuation allowance on December 31, 2024	**9,713**	**54,775**	**1,928**

The allocations and reversals include the results from valuation allowances on receivables less the impairments on uncollectable receivables in the amount of EUR 2,982 thousand (previous year: 1,141).

The following tables display the gross carrying amounts based on risk of default rating classes in the form of overdue payments for trade receivables and contract assets:

in EUR thousand	Valuation allowance matrix for risk of default				
	Credit default rate	Gross carrying amount		Total term ECL	Gross carrying amount of creditworthiness-impaired trade receivables
		Trade receivables	Contract Assets		
Valuation allowance matrix on December 31.2023					
not overdue	2.27%	189,048	81,128	6,132	0
overdue up to 30 days	4.22%	45,515	0	1,922	0
overdue up to 60 days	5.31%	19,930	0	1,058	0
overdue up to 90 days	8.22%	7,488	0	616	0
overdue more than 90 days	8.90%	33,440	0	2,975	0
Total		**295,421**	**81,128**	**12,703**	**41,200**
Valuation allowance matrix on December 31.2024					
not overdue	2.27%	170,934	70,066	6,359	0
overdue up to 30 days	4.22%	38,034	0	1,140	0
overdue up to 60 days	5.31%	18,140	0	759	0
overdue up to 90 days	8.22%	11,455	0	645	0
overdue more than 90 days	8.90%	68,546	0	2,988	0
Total		**307,109**	**70,066**	**11,891**	**58,715**

The overdue payments arise, on the one hand, from limitations in acknowledgment of performance, and on the other hand because construction is very often carried out for public-sector clients whose processes for internal payment approval are lengthy but generally result in full payment.

The following table displays the gross carrying amounts of other financial assets as per ECL stages on December 31:

in EUR thousand **as at Dec. 31, 2023**	**Stage 1 12-month ECL**	**Stage 2 Total term ECL (not creditworthiness-impaired)**	**Stage 3 Total term ECL (creditworthiness-impaired)**	**Total**
Other financial assets	9,328	0	0	9,328

in EUR thousand **as at Dec. 31, 2024**	**Stage 1 12-month ECL**	**Stage 2 Total term ECL (not creditworthiness-impaired)**	**Stage 3 Total term ECL (creditworthiness-impaired)**	**Total**
Other financial assets	6,809	0	0	6,809

The other financial assets evaluated at amortized cost are seen as “subject to a low risk of default,” which is why the valuation allowance recorded in the period was limited to the expected 12-month credit losses. Debt instruments are classified as having a “low risk of default” if the risk of default is low and the debtor is always in a position to fulfill its contractual payment obligations at short notice. Financial assets are classified as stage 2 if the risk of default has increased significantly since being first recognized, but default has not yet occurred. Accordingly, all financial assets reduced by way of individual valuation allowance can be found in stage 3. At the BAUER Group, other financial assets mainly comprise short-term loans to related parties, surety receivables and other receivables. The rating of the principal debtors is known, thereby allowing continuous monitoring.

The valuation allowance for other financial assets valued at amortized cost is transferred to the closing balance of the allowance as follows:

in EUR thousand	Stage 1 12-month ECL	Stage 2 Total term ECL (not creditworthiness-impaired)	Stage 2 Total term ECL (creditworthiness-impaired)	Total
Valuation allowance on December 31, 2022	**183**	**0**	**0**	**183**
Change in basis of consolidation	0	0	0	0
Foreign currency translation differences	0	0	0	0
Allocation	0	0	0	0
Reversal	80	0	0	80
Consumption	0	0	0	0
Valuation allowance on December 31, 2023	**103**	**0**	**0**	**103**

in EUR thousand	Stage 1 12-month ECL	Stage 2 Total term ECL (not creditworthiness-impaired)	Stage 2 Total term ECL (creditworthiness-impaired)	Total
Valuation allowance on December 31, 2023	**103**	**0**	**0**	**103**
Change in basis of consolidation	74	0	0	74
Foreign currency translation differences	–93	0	0	–93
Allocation	189	0	0	189
Reversal	23	0	0	23
Consumption	0	0	0	0
Valuation allowance on December 31, 2024	**250**	**0**	**0**	**250**

Net result by valuation category

The following table sets out the net profits and losses (before tax) on financial instruments stated in the income statement, broken down by valuation category as per IFRS 9:

in EUR thousand	Dec. 31,2023	Dec. 31,2024
Financial Assets measured at Amortised Cost	4,342	6,659
Financial Liabilities measured at Amortised Cost	–41,805	–34,289
Financial Assets at Fair Value through OCI ohne Recycling	671	6,075
Financial Assets and Liabilities at Fair Value through Profit or Loss	–15,464	–9,502
Total	**–52,256**	**–31,057**

The net result of the “financial assets measured at amortized cost” category includes results from the creation and reversal of valuation allowances in respect of trade receivables, impairments and write-ups of uncollected receivables, effects from currency translation as well as interest income. The net result of the “financial liabilities measured at amortized cost” category includes the result from interest expenses to third parties, for current and non-current loans and results from bank fees.

The net result of the “financial assets at fair value through OCI without recycling” category includes dividend income from other participations and shares in non-consolidated companies.

The net result of the “financial assets and liabilities at fair value through profit or loss” category includes results from foreign exchange forward contracts and options, as well as results from changes to the fair values of interest rate swaps.

In contrast to the reconciliation statement for valuation allowances, the impairments for financial assets measured at amortized cost also include the results from uncollectable receivables in the amount of EUR 2,982 thousand (previous year: 1,141).

In the table below the included impairments on assets in the category of financial assets measured at amortized cost are evident:

in EUR thousand	Dec. 31,2023	Dec. 31,2024
Impairments for financial assets measured at amortized cost	–7,600	–878

The total interest income and expense from financial instruments valued at amortized cost is represented as follows:

in EUR thousand	Dec. 31,2023	Dec. 31,2024
Interest income	10,785	7,482
Interest expense	–41,819	–33,646
Total	**–31,034**	**–26,164**

Carrying amounts and fair values

The fair value of a financial instrument is the amount for which an asset might be exchanged, or a liability paid, between informed, willing and mutually independent parties. Where financial instruments are quoted on an active market – such as in particular shares held and bonds issued – the price quoted on the market in question is the fair value. If no active market exists, the fair value is determined by financial valuation methods. The tables on page 138 and onward provide a comparison of the carrying amounts and fair values of financial instruments and reconcile these according to the categories of IFRS 9. For derivative financial instruments without option components, including foreign exchange forward contracts and interest rate swaps, future payment flows are determined based on term curves. The fair value of these instruments corresponds to the sum of discounted payment flows. Foreign exchange options are valued on the basis of customary market option price models.

Currency pair options are valued on the basis of customary market option price models. For cash and cash equivalents, current trade receivables and other current financial assets, current trade payables and other current financial debt, owing to their short remaining terms the carrying amount should be adopted as a realistic estimate of the fair value.

The fair values of non-current financial assets and of other non-current financial liabilities correspond to the present values of the payment flows linked to the assets or liabilities, taking into account the applicable interest rate structure curves and the respective applicable risk of default for the counterparties or the BAUER Group.

The fair values of financial instruments are determined on the basis of one of the input parameters set out on the three following levels:

- Level 1: Quoted prices (adopted unchanged) on active markets for identical assets and liabilities
- Level 2: Directly or indirectly observable input data for the asset or liability other than quoted prices as per level 1
- Level 3: Applied input data which does not originate from observable market data for the measurement of the asset and liability (non-observable input data)

The following table represents the balance sheet items measured at the fair value of level 3:

in EUR thousand	January 1, 2023	Additions	Disposals	Changes without any effect on profit or loss	Changes recognized in the income statement	Dec. 31, 2023
Participations	2,106	0	0	0	0	2,106
Shares of non-consolidated companies	4,030	2,761	2,930	3,613	0	7,474
Total	**6,136**	**2,761**	**2,930**	**3,613**	**0**	**9,580**

in EUR thousand	January 1, 2024	Additions	Disposals	Changes without any effect on profit or loss	Changes recognized in the income statement	Dec. 31.2024
Participations	2,106	649	63	480	0	3,172
Shares of non-consolidated companies	7,474	1,020	1,433	13,622	0	20,683
Total	**9,580**	**1,669**	**1,496**	**14,102**	**0**	**23,855**

These are participations valued at fair value through OCI as well as shares in non-consolidated companies.
The parameters relevant for the valuation are derived from the annual medium-term planning. The company value is determined from the planned values of each entity using the capitalized earnings method. The plausibility of the planning is reviewed by Controlling and Corporate Governance. After the final report, a committee from the divisions of Group Accounting and Investment Controlling reviews the results of the capitalized earnings method as well as the next steps if there is a shortfall in the earnings value compared with the carrying amount.
The assumptions regarding company planning, the growth rate for the estimation of cash flows after the end of the planning period and the discount rate are included in the valuation as non-observable input parameters. Based on information that is currently available, a significant change to corporate planning is estimated as being improbable. For this reason, the used cash flow forecasts are considered as a suitable foundation for determining the fair value. If the WACC calculated on the after-tax basis varied by +/- 0.5 percentage points, the equity would be EUR 436 thousand (previous year: 47) lower or EUR 502 thousand higher (previous year: 43). There are no significant relationships between the significant, non-observable entry parameters. There were no transfers between the levels during the year. If circumstances arise necessitating a reclassification, it is undertaken at the end of the reporting period.

Other disclosures relating to hedging transactions

Within the scope of intra-Group lending, the BAUER Group is exposed to foreign currency risks, the majority of which are hedged by cash flow hedges using forward exchange contracts that are recognized according to the rules of hedge accounting pursuant to IFRS 9. The BAUER Group only applies hedge accounting pursuant to IFRS 9 to foreign currency transactions if the underlying transaction is a short-term or long-term maturity loan or amortizing loan. The hedging transaction is concluded so that the nominal value of the hedging transaction and the underlying transaction are identical, which corresponds to a hedge ratio of 1:1. The main contractual features of the forward foreign exchange contracts are in accordance with the contractual components of the underlying transaction. The effective fair value changes in hedging instruments included in the hedge reserve in the OCI are recognized in the income statement in the period in which the hedged transaction (intercompany loan in foreign currency) impacts on the income statement due to the foreign currency conversion. The likely effectiveness and economic relationship are determined using the critical term match method. Any ineffectiveness is determined using the dollar offset method based on the hypothetical derivatives method. When hedging foreign currency transactions, inefficiencies are likely to arise when the creditworthiness of the Group or counterparty of the derivative changes or the date of the planned transaction changes with respect to the original estimate. No inefficiencies emerged during the reporting period.

Moreover, the interest-rate-related cash flow risk of variable-interest promissory notes were hedged by means of interest rate swaps and the promissory notes thus converted into fixed-interest financial liabilities. The main contractual features of the interest rate swaps are in accordance with the contractual components of the underlying transaction. In this context, the nominal value of the underlying transaction is identical to the nominal value of the hedging transaction on the basis of which the interest payments are made. This corresponds to a hedging ratio of 1:1. The promissory notes and interest rate swap are designated as a hedging relationship. Gains and losses are recognized in the income statement in the period in which the hedged transaction (loan) impacts on the income statement (when the interest expense is recognized). When hedging interest risks, inefficiencies may arise when the date of the planned transaction changes with respect to the original estimate or the credit risk of a party changes. No inefficiencies to be recognized arose in the financial year, as in the previous year.

The following table provides an overview of the nominal volumes and market values of derivative financial instruments used in the Group:

in EUR thousand	Nominal volumne		Market value			
	Dec. 31,2023	Dec. 31,2024	Dec. 31, 2023		Dec. 31, 2024	
			Positive	Negative	Positive	Negative
Interest rate swaps (including accrued interest)						
of which in hedge accounting	30,000	55,000	952	0	522	–8
of which not in hedge accounting	250,000	419,376	16,327	0	10,232	0
Foreign exchange forward contracts						
of which in hedge accounting	32,604	1,857	151	–28	25	0
of which not in hedge accounting	63,062	131,649	744	–153	382	–1,001

In addition to the interest rate swaps and foreign exchange forward contracts, foreign exchange options were concluded during the financial year (as in the previous year). The term ended in the same year, which means that there are no options in the inventory as at the reporting date.

Amount, timing and uncertainty of future cash payment flows

The following table presents quantitative information per risk category. This includes the time profile for the notional amount of the hedging instrument and the average rate of the hedging instrument. With regard to interest risk hedging, this involves regular interest payments until the final due date of the interest swap:

Dec. 31,2023	Hedging of currency and interest risk		
	2024	2025	> 2026
Foreign exchange risk **Nominal volume (in EUR thousand)**			
of which USD/EUR	29,251	0	0
of which ZAR/EUR	446	415	0
of which AUD/EUR	2,491	0	0
Average hedging rate			
Average price USD/EUR	1.10737	-	-
Average price ZAR/EUR	20.35423	22.7642	-
Average price AUD/EUR	1.64595	-	-
Interest rate risks **Nominal volume (in EUR thousand)**	**0**	**20,000**	**10,000**
Average interest hedging rate	**1.3752%**	**1.3752%**	**1.3752%**

Dec. 31,2024	Hedging of currency and interest risk		
	2025	2026	> 2027
Foreign exchange risk **Nominal volume (in EUR thousand)**			
of which USD/EUR	-	-	-
of which ZAR/EUR	-	-	-
of which AUD/EUR	1,857	-	-
Average hedging rate			
Average price USD/EUR	-	-	-
Average price ZAR/EUR	-	-	-
Average price AUD/EUR	1.6772	-	-
Interest rate risks **Nominal volume (in EUR thousand)**	**20,000**	**-**	**10,000**
Average interest hedging rate	**1.5830%**	**-**	**1.8910%**

Effects of hedge accounting on the net asset, financial and earnings position

The following table shows the carrying amounts of the hedging instruments (financial assets and liabilities shown separately) and the balance sheet items of the hedging instruments:

in EUR thousand	Information about hedging instruments				
as at December 31, 2023	Nominal	Carrying amounts of hedging instruments		Cumulative value change of hedging instruments for determining inefficiencies	Balance sheet items
		Assets	Liabilities		
Cash flow hedges					
Foreign exchange risks	32,604	151	–28	183	Other financial assets or other financial liabilities
Interest rate risks	30,000	952	0	957	-

in EUR thousand	Information about hedging instruments				
as at December 31, 2024	Nominal	Carrying amounts of hedging instruments		Cumulative value change of hedging instruments for determining inefficiencies	Balance sheet items
		Assets	Liabilities		
Cash flow hedges					
Foreign exchange risks	1,857	25	0	24	Other financial assets or other financial liabilities
Interest rate risks	55,000	449	0	464	Other financial assets

The following table shows the carrying amounts of the hedged items and the balances of the cash flow hedge reserve:

in EUR thousand	Informations on underlying transaction of cash flow hedges				
as at December 31, 2023	Carrying amount of hedged items		Cumulative value change of hedged items for determining inefficiencies	Balance of the cash flow hedge reserve	
	Assets	Liabilities		Active hedges	Ended hedges
Cash flow hedges					
Foreign exchange risks	32,740	0	–183	2	142
Interest rate risks	0	29,937	–957	453	0

in EUR thousand	Informations on underlying transaction of cash flow hedges				
as at December 31, 2024	Carrying amount of hedged items		Cumulative value change of hedged items for determining inefficiencies	Balance of the cash flow hedge reserve	
	Assets	Liabilities		Active hedges	Ended hedges
Cash flow hedges					
Foreign exchange risks	1,857	0	–24	2	0
Interest rate risks	0	54,967	–464	192	0

in EUR thousand	Reconciliation statement for cash flow hedge reserve					
			Amounts reclassified to the income statement			
	January 1, 2023	Changes in market value	due to non occurrence of expected cash payment flows	due realization of underlying transaction in income statement	Tax effect of change in reserves	Dec. 31,2023
Hedging reserve						
Foreign exchange risks	0	183	0	–183	0	0
Interest rate risks	984	–240	0	–481	190	453
Reserve for hedging costs						
Foreign exchange risks	2	86	0	–86	0	2

in EUR thousand	Reconciliation statement for cash flow hedge reserve					
			Amounts reclassified to the income statement			
	January 1, 2024	Changes in market value	due to non occurrence of expected cash payment flows	due realization of underlying transaction in income statement	Tax effect of change in reserves	Dec. 31,2024
Hedging reserve						
Foreign exchange risks	0	24	0	–24	0	0
Interest rate risks	453	–503	0	–108	134	192
Reserve for hedging costs						
Foreign exchange risks	2	2	0	–2	0	2

The forward component that is recorded in the reserve for hedging costs is intended to hedge a time-period-related underlying transaction. Reassignment for recognition in the income statement was carried out using the financial income and financial expenses items in the financial year. No inefficiencies emerged during the reporting period.

Offsetting financial assets and financial liabilities

a) Financial assets

The following financial assets are subject to potential offsetting, enforceable master-netting arrangements or similar arrangements. The gross amount of recognized financial assets corresponds to the net amount because no offsetting was performed in the balance sheet.

in EUR thousand				Related amounts, which are not offset in the balance sheet		
	Gross amount of financial assets recognized	Gross amount of financial liabilities offset on the balance sheet	Net amount of financial assets recognized on the balance sheet	Financial instruments	Cash securities paid	Net amount
Date: December 31, 2023						
Derivative financial assets	18,174	0	18,174	–179	0	17,995
Cash and cash equivalents	68,749	0	68,749	–6,663	0	62,086
Total	**86,923**	**0**	**86,923**	**–6,842**	**0**	**80,081**

in EUR thousand				Related amounts, which are not offset in the balance sheet		
	Gross amount of financial assets recognized	Gross amount of financial liabilities offset on the balance sheet	Net amount of financial assets recognized on the balance sheet	Financial instruments	Cash securities paid	Net amount
Date: December 31, 2024						
Derivative financial assets	11,161	0	11,161	–247	0	10,914
Cash and cash equivalents	72,944	0	72,944	–14,626	0	58,318
Total	**84,105**	**0**	**84,105**	**–14,873**	**0**	**69,232**

b) Financial liabilities

The following financial liabilities are subject to potential offsetting, enforceable master-netting arrangements or similar arrangements. The gross amount of recognized financial liabilities corresponds to the net amount because no offsetting was performed in the balance sheet.

in EUR thousand				Related amounts, which are not offset in the balance sheet		
	Gross amount of financial liabilities recognized	Gross amount of financial assets offsets on the balance sheet	Net amount of financial liabilities recognized on the balance sheet	Financial instruments	Cash securities paid	Net amount
Date: December 31, 2023						
Derivative financial liabilities	182	0	182	–179	0	3
Current-account overdrafts	379,554	0	379,554	–6,663	0	372,891
Total	**379,736**	**0**	**379,736**	**–6,842**	**0**	**372,894**

in EUR thousand				Related amounts, which are not offset in the balance sheet		
	Gross amount of financial liabilities recognized	Gross amount of financial assets offsets on the balance sheet	Net amount of financial liabilities recognized on the balance sheet	Financial instruments	Cash securities paid	Net amount
Date: December 31, 2024						
Derivative financial liabilities	1,009	0	1,009	–247	0	762
Current-account overdrafts	364,647	0	364,647	–14,626	0	350,021
Total	**365,656**	**0**	**365,656**	**–14,873**	**0**	**350,783**

The “Financial instruments” column lists the amounts which are subject to master-netting arrangements but are not netted on the balance sheet because the prerequisites for offsetting are not met. The “Cash securities received” column lists the amounts of cash and financial instrument securities received relative to the sum total of assets and liabilities which do not meet the criteria for netting on the balance sheet.

At the Group, financial instruments are assigned to balance sheet items as per the classification rules of IFRS 9. No fair value was stated for current financial instruments recognized at amortized cost in accordance with IFRS 7.29a. The following table presents a progression of the classes to the categories of IFRS 9 and the respective market values:

in EUR thousand				Balance sheet valuation under IAS 9					
	Measurement benchmark	Carrying amount		Amortized cost		Fair Value through OCI (without recycling)		Fair Value through profit or loss	
		Dec. 31, 2023	Dec. 31.2024	Dec. 31, 2023	Dec. 31.2024	Dec. 31, 2023	Dec. 31.2024	Dec. 31, 2023	Dec. 31.2024
Non-current assets									
Participations		2,106	3,172						
	at fair value	2,106	3,172	-	-	2,106	3,172	0	0
Trade receivables	at amortized cost	8,720	23,980	8,720	23,980	-	-	-	-
Other non-current financial assets		25,519	32,002						
	at fair value	17,287	10,452	-	-	-	-	16,330	10,272
	at fair value	7,474	20,683	-	-	7,474	20,683	-	-
	at amortized cost	758	867	758	867	-	-	-	-
Current Assets									
Trade receivables		277,794	241,957						
	at amortized cost	277,654	241,679	277,654	241,679	-	-	-	-
	at fair value	140	278	-	-	0	0	140	278
Receivables from enterprises in which the company has participating interests	at amortized cost	1,616	1,093	1,616	1,093	-	-	-	-
Other current financial assets		9,353	6,905						
	at fair value	888	407	-	-	0	0	737	382
	at amortized cost	8,465	6,498	8,465	6,498	-	-	-	-
Cash and cash equivalents	at amortized cost	68,749	72,944	68,749	72,944	-	-	-	-
Total financial assets		**393,857**	**382,053**	**365,962**	**347,061**	**9,580**	**23,855**	**17,207**	**10,932**

Derivatives in hedge accouting		Not assignedto IFRS 9 category		Fair value according to IFRS 7 and IFRS 13		Measurement level under IFRS 13
Dec. 31, 2023	Dec. 31.2024	Dec. 31, 2023	Dec. 31.2024	Dec. 31, 2023	Dec. 31.2024	
-	-	-	-	2,106	3,172	3
-	-	-	-	8,720	23,980	3
957	180	-	-	17,287	10,452	2
-	-	-	-	7,474	20,683	3
-	-	-	-	758	867	3
-	-	-	-	n/a	n/a	n/a
0	0	-	-	140	278	3
-	-	-	-	n/a	n/a	n/a
151	25	-	-	888	407	2
-	-	-	-	n/a	n/a	n/a
-	-	-	-	n/a	n/a	n/a
1,108	**205**	**0**	**0**	**37,373**	**59,839**	

in EUR thousand				Balance sheet valuation under IAS 9					
	Measurement benchmark	Carrying amount		Amortized cost		Fair Value through OCI (without recycling)		Fair Value through profit or loss	
		Dec. 31, 2023	Dec. 31, 2024	Dec. 31, 2023	Dec. 31, 2024	Dec. 31, 2023	Dec. 31, 2024	Dec. 31, 2023	Dec. 31, 2024
Non-current debt									
Liabilities to banks	at amortized cost	95,856	182,865	95,856	182,865	-	-	-	-
Liabilities from lease agreements	n/a	37,807	32,450	-	-	-	-	-	-
Other non-current financial liabilities		8,609	11,737						
	at fair value	0	8	-	-	0	0	0	0
	at amortized cost	8,609	11,729	8,609	11,729	-	-	-	-
									0
Current debt									
Liabilities to banks	at amortized cost	292,008	181,846	292,008	867	-	-	-	-
Liabilities from lease agreements	n/a	24,213	20,716	-	-	-	-	-	-
Trade payables	at amortized cost	263,157	306,560	263,157	306,560	-	-	-	-
Liabilities to companies accounted for using the equity method using the equity method	at amortized cost	31,061	37,528	31,061	37,528	-	-	-	-
Other current financial liabilities		21,031	18,593						
	at fair value	182	1,001	-	-	0	0	153	1,001
	at amortized cost	20,849	17,592	20,849	17,592	-	-	-	-
Total financial liabilities		**773,742**	**792,295**	**711,540**	**557,141**	**0**	**0**	**153**	**1,001**

With regard to the fundamental classification of the different accounting categories and standards, we refer to section 5.2 “Accounting policies.”

Derivatives in hedge accouting		Not assignedto IFRS 9 category		Fair value according to IFRS 7 and IFRS 13		Measurement level under IFRS 13
Dec. 31, 2023	Dec. 31, 2024	Dec. 31, 2023	Dec, 31, 2024	Dec. 31, 2023	Dec, 31, 2024	
-	-	-	-	95,856	182,865	3
-	-	37,807	32,450	36,677	32,450	3
0	0	-	-	0	8	2
-	-	-	-	8,609	11,729	3
-	-	-	-	n/a	n/a	n/a
-	-	24,213	20,716	n/a	n/a	n/a
-	-	-	-	n/a	n/a	n/a
-	-	-	-	n/a	n/a	n/a
29	0	-	-	182	1,001	2
-	-	-	-	n/a	n/a	n/a
29	**0**	**62,020**	**53,166**	**141,324**	**228,053**	

Net liabilities

The development of the net liabilities is represented in the following table:

in EUR thousand	Borrowings	Leasing relationships	Total
Net liabilities as of January 1, 2023	**460,249**	**71,602**	**531,851**
Raising of loans and liabilities to banks	150,734	0	150,734
Purchases – Leasing relationships	0	17,517	17,517
Amortization	–215,637	–27,125	–242,762
Other noncash changes	–7,482	26	–7,456
Net liabilities as of December 31, 2023	**387,864**	**62,020**	**449,884**

in EUR thousand	Borrowings	Leasing relationships	Total
Net liabilities as of January 1, 2024	**387,864**	**62,020**	**449,884**
Raising of loans and liabilities to banks	172,039	0	172,039
Purchases – Leasing relationships	0	23,963	23,963
Amortization	–205,097	–33,475	–238,572
Other noncash changes	9,905	658	10,563
Net liabilities as of December 31, 2024	**364,711**	**53,166**	**417,877**

Other changes mainly include the effects of currency translation in the Liabilities to banks and Liabilities from lease agreements.

41. EXECUTIVE BODIES

In the year under review the Supervisory Board comprised the following members:

Shareholder representatives

- Alfons Doblinger, Munich
  Managing Director of Doblinger Beteiligung GmbH, Munich
- Sabine Doblinger, Munich
  Personnel Director of DIBAG Industriebau Aktiengesellschaft, Munich
- Prof. Dr.-jur. Bastian Fuchs, Schrobenhausen, Chairman
  Attorney at TOPJUS Rechtsanwälte Kupferschmid & Partner mbB, Munich
- Dipl.-Ing. Klaus Pöllath, Stuttgart
  Retired civil engineer
- Sebastian Sennebogen, Straubing (as of September 19, 2024)
  Managing Director of SENNEBOGEN Multi Line GmbH & Co. KG, Wackersdorf
- Florian Freiherr Tucher von Simmelsdorf, Rottach-Egern (as of September 19, 2024)
  CEO of MuP Verwaltungs- und Beteiligungs AG, Tegernsee
- Dipl.-Ing. (FH) Elisabeth Teschemacher, née Bauer, Schrobenhausen (until September 19, 2024)
  Self-employed in the area of real estate management, building renovation and construction consulting
- Gerardus N. G. Wirken, Breda, Netherlands (until September 19, 2024)
  Freelance consultant for the area of strategy, managerial accounting and accounting

Employee representatives

- Rainer Burg, Gerolsbach
  Technical Marketing Manager at BAUER Spezialtiefbau GmbH, Schrobenhausen
- Dipl.-Ing. (FH) Petra Ehrenfried, Langenmosen
  Chairwoman of the Works Council BAUER Resources GmbH, Schrobenhausen
- Maria Engfer-Kersten, Langenhagen
  Union secretary of IG BCE Industriegewerkschaft Bergbau, Chemie, Energie, Hannover
- Robert Feiger, Deputy Chairman, Neusäß
  Federal Chairman at the Bauen-Agrar-Umwelt industry union, Frankfurt am Main
- Reinhard Irrenhauser, Schrobenhausen
  Chairman of the Works Council BAUER Maschinen GmbH, Schrobenhausen
- Dipl.-Ing. Wolfgang Rauscher, Gachenbach
  Head of Production at BAUER Maschinen GmbH, Schrobenhausen

Executive Board

- Dipl.-Betriebswirt (FH) Hartmut Beutler, Schrobenhausen
- Peter Hingott, Schrobenhausen

42. SHARE-BASED REMUNERATION

As at January 1, 2024, the existing remuneration system was cancelled by the Supervisory Board, which means that the obligation of the Executive Board to invest variable remuneration components in shares does not apply in the future.

43. RELATED PARTY DISCLOSURES

Total remuneration pursuant to section 314 (1) no. 6 of the HGB

Members of the Executive Board of BAUER AG are members of Supervisory Boards and Executive Boards of other companies with which BAUER AG maintains relations in the course of its ordinary business operations.

The total remuneration paid to members of the Executive Board pursuant to section 314 (1) no. 6 of the HGB for their activities on the Executive Board in the year under review, excluding allocations to pension provisions, was EUR 702 thousand (previous year: 1,412). Of that total, EUR 432 thousand (previous year: 764) was not performance-related and EUR 270 thousand (previous year: 648) was performance-related. The total remuneration includes benefits in kind arising from the private use of a company car and reimbursement of expenses for each member of the Executive Board, as well as group accident insurance premiums and employer's liability insurance association contributions.

Old contracts with members of the Executive Board include pension commitments and a survivor's pension as part of the company pension scheme. A retirement pension is also offered through a direct pension plan with a deferred compensation option. The company pension scheme for members of the Executive Board incurred pension service costs totaling EUR 0 thousand (previous year: 15). The baseline salary defined for calculating retirement benefits is significantly lower in all contracts than the basic salary. The total remuneration of the former members of the Executive Board amounted to EUR 333 thousand for the 2024 financial year (previous year: 1,071). This includes payments occasioned by the end of employment relationships totaling EUR 0 thousand (previous year: 750). The contracts of Executive Board members include individual severance clauses regulating the specific terms of premature termination, with settlements oriented to the length of service of the member of the Executive Board concerned and gauged so as not to exceed the amount of two years' remuneration for any one Executive Board member. No provisions for compensation in the event of a takeover offer being made have been agreed with the members of the Executive Board. For departed members of the Executive Board, provisions for pensions amounting to EUR 7,172 thousand are recognized as a liability on the reporting date (previous year: 6,158).

The remuneration paid to the Supervisory Board for the 2024 financial year totaled EUR 386 thousand (previous year: 391).

Related party disclosures pursuant to IAS 24

Related parties under the terms of IAS 24 are parties that the reporting enterprise has the ability to control or exercise significant influence over, or parties that have the ability to control or exercise significant influence over the reporting enterprise.

Transactions with related parties are defined as the transfer of resources, services or obligations between the reporting entity and a related party, regardless of whether an invoice is issued in respect of the transaction or not.

In the previous financial year, the existing remuneration system for members of the Executive Board was adjusted such that the variable remuneration component of long term share-based incentives (“LTI Share”) is eliminated. Variable remuneration thus now only comes from the short-term component, known as short-term incentives (“STI”) and the multi-year component, long term incentives with cash settlement (“LTI Cash”).

At the start of the reference year, the Supervisory Board specifies performance targets for “STI” and “LTI Cash” using financial and non-financial performance criteria. After each financial year has elapsed, payment is made in the following year after approval of the annual financial statements based on the achievement of the previously defined targets.

As target values, both qualitative and quantitative goals were agreed.

Apart from taking into account the total Group revenues and earnings after tax, performance criteria from the areas of Market, Employees, Corporate Culture, Finance, Earnings Performance, Balance Sheet, Organization, Processes, Strategy, IT, Accounting, Stakeholders as well as ecological and social aspects are included in the assessment. Additional individual prescribed goals are also possible.

The specific payment amount of the “STI” depends on achievement of the targets for the financial year.

The “LTI Cash” extends to the current and three preceding financial years with the assessment period for target achievement.

For existing lease contracts with related parties of the Group, a right of use of EUR 1,553 thousand was capitalized according to IFRS 16 on December 31, 2024 (previous year: 1,526) and a liability of EUR 1,640 thousand (previous year: 1,604).

Liabilities to the BAUER Foundation arising from a mortgage-backed amortizing loan existed totaling EUR 1,500 thousand as at December 31, 2024 (previous year: 1,500), for which set interest in the amount of EUR 83 thousand (previous year: 83) was paid. The BAUER Foundation is classified under other related parties.

in EUR thousand	2023	2024
Short-term benefits	1,340	1,088
Benefits after termination of the employment relationship	15	0
Other long-term benefits	463	0
Benefits due to the termination of the employment relationship	750	0
Total	**2,568**	**1,088**

The outstanding balances as at the balance sheet date for variable non-share-based remuneration components was EUR 270 thousand (previous year: 648).

For exercising their role as employees, members of the Supervisory Board received a total of EUR 428 thousand (previous year: 624).

The pension payments to departed members of the Executive Board totaled EUR 333 thousand (previous year: 321).

Calculated in accordance with IAS 19, the defined benefit obligation entailed by all pension commitments to members of the Executive Board serving at the end of the financial year was EUR 0 thousand (previous year: 182).

The key relationships between fully consolidated Group companies and related parties are set out in the following table:

in EUR thousand	Associated companies		Non-consolidated companies		Joint ventures	
	2023	2024	2023	2024	2023	2024
Income	1,680	1,199	16,451	7,977	1,118	3,564
Purchased services	2,940	6,375	21,520	4,514	1,260	1,834
Receivables and other assets (December 31)	231	115	29,281	16,051	1,956	2,400
Liabilities (December 31)	436	1,726	11,589	7,251	32,356	44,422
Valuation allowance of receivables	0	0	6,859	10,564	4,633	1,135
Expenditure for uncollectable and uncertain receivables	0	0	6	8,046	0	0

The purchased services essentially comprise all expenses incurred with related parties during the financial year. Dividends from associated companies to the amount of EUR 4,965 thousand (previous year: 3,334) and from joint ventures in the amount of EUR 0 thousand (previous year: 0) were included.

Transactions with related parties are conducted at standard market terms.

The receivables and other assets include uncollectable receivables as well as financial assets in respect of related parties. In addition, orders were placed with DIBAG Industriebau Aktiengesellschaft in the financial year with a contract value of EUR 3,327 thousand (previous year: 0).

44. JOINT OPERATIONS

The material joint ventures are listed below:

Financial year 2023:

Project	Company's activities	Place of business	Investment quota
“Gleisgründungszug” Consortium RTG Rammtechnik GmbH – Kirow Ardelt GmbH	Equipment manufacturing	Leipzig, Germany	29.23%

Financial year 2024:

Project	Company's activities	Place of business	Investment quota
“Gleisgründungszug” Consortium RTG Rammtechnik GmbH – Kirow Ardelt GmbH	Equipment manufacturing	Leipzig, Germany	29.23%

45. FEES AND SERVICES OF THE AUDITORS

The fee paid to the auditor of the consolidated financial statements and recorded as expenditure in the financial year is broken down as follows:

in EUR thousand	2023	2024
Auditing services	1,070	871
(of which Germany)	938	851
(of which excluding Germany)	132	20
Other certification	3	14
(of which Germany)	3	14
(of which excluding Germany)	0	0
Tax advice	57	0
(of which Germany)	39	0
(of which excluding Germany)	18	0
Other services	205	0
(of which Germany)	182	0
(of which excluding Germany)	23	0
Total	**1,335**	**885**
(of which Germany)	1,162	865
(of which excluding Germany)	173	20

The fees for other services and for other confirmation services include near-audit consulting services, audits concerning the use of information technology over the course of the project and services as part of disclosure obligations.

46. RELEASE FOR ISSUE OF THE CONSOLIDATED FINANCIAL STATEMENTS

The Executive Board has submitted the consolidated financial statements to the Supervisory Board for authorization for issue on April 14, 2025.

47. NUMBER OF EMPLOYEES

	Average		Reporting Date	
	2023	2024	2023	2024
Employees	**3,574**	**3,527**	**3,490**	**3,471**
Germany	1,987	1,994	1,982	2,005
International	1,587	1,533	1,508	1,466
Industrial & trade employees	**8,385**	**7,771**	**8,268**	**7,634**
Germany	1,714	1,683	1,639	1,668
International	6,671	6,088	6,629	5,966
Apprentices	**240**	**244**	**276**	**275**
Germany	219	229	255	265
International	21	15	21	10
Total number of employees	**12,199**	**11,542**	**12,034**	**11,380**

48. PROPOSAL ON THE USE OF RETAINED EARNINGS

The adopted annual financial statements of BAUER Aktiengesellschaft as of December 31, 2024 show an accumulated loss. Therefore, the General Meeting will not be presented with any suggestions relating to the use of the retained earnings.

49. LIST OF HOLDINGS

Name and place of business of company	Currency	Capital share in %
1. Fully consolidated companies		
BAUER Aktiengesellschaft	EUR	
A. Germany		
BAUER Spezialtiefbau GmbH, Schrobenhausen, Germany	EUR	100.00
BAUER Maschinen GmbH, Schrobenhausen, Germany	EUR	100.00
SCHACHTBAU NORDHAUSEN GmbH, Nordhausen, Germany	EUR	100.00
SPESA Spezialbau und Sanierung GmbH, Schrobenhausen, Germany	EUR	100.00
BAUER Erdwärme GmbH, Schrobenhausen, Germany	EUR	100.00
BAUER Resources GmbH, Schrobenhausen, Germany	EUR	100.00
BAUER Immobilien GmbH, Schrobenhausen, Germany	EUR	100.00
BAUER Design GmbH, Schrobenhausen, Germany	EUR	100.00
KLEMM Bohrtechnik GmbH, Drolshagen, Germany	EUR	100.00
EURODRILL Grundstücks GmbH, Drolshagen, Germany	EUR	100.00
WW Beteiligung GmbH, Schrobenhausen, Germany	EUR	100.00
RTG Rammtechnik GmbH, Schrobenhausen, Germany	EUR	100.00
MMG Mitteldeutsche MONTAN GmbH, Nordhausen, Germany	EUR	100.00
EURODRILL GmbH, Drolshagen, Germany	EUR	100.00
GWE GmbH, Peine, Germany	EUR	100.00
BAUER Verwaltungs und Beteiligungs GmbH, Schrobenhausen, Germany	EUR	100.00
rig.plus GmbH, Schrobenhausen, Germany	EUR	100.00
Aresing Industrie GmbH, Schrobenhausen, Germany	EUR	100.00
BAUER Offshore Technologies GmbH, Schrobenhausen, Germany	EUR	100.00
B. EU (excluding Germany)		
GWE Budafilter Kft., Mezöfalva, Hungary	HUF	100.00
BAUER SPEZIALTIEFBAU Gesellschaft m.b.H., Vienna, Austria	EUR	100.00
BAUER Magyarorszàg Speciális Mélyépitö Kft., Budapest, Hungary	HUF	100.00
BAUER Funderingstechniek B.V., Mijdrecht, Netherlands	EUR	100.00
BAUER Maszyny Polska Sp.z.o.o., Warsaw, Poland	PLN	100.00
GWE France S.A.S., Aspiran, France	EUR	100.00
BAUER Machines SAS, Strasbourg, France	EUR	100.00
TracMec Srl, Mordano, Italy	EUR	100.00
BAUER Macchine Italia Srl, Mordano, Italy	EUR	100.00
GWE Pol-Bud Sp.z.o.o, Lodz, Poland	PLN	100.00
C. Europe (other)		
BAUER Resources UK Ltd., East Yorkshire, Great Britain	GBP	100.00
BAUER Technologies Limited, Bishops Stortford, Great Britain	GBP	100.00
BAUER EQUIPMENT UK LIMITED, Rotherham, Great Britain	GBP	100.00
BAUER Spezialtiefbau Schweiz AG, Baden-Dättwil, Switzerland	CHF	100.00
D. Middle East & Central Asia		
Saudi BAUER Foundation Contractors Ltd., Jeddah, Saudi Arabia	SAR	100.00
BAUER International FZE, Dubai, United Arab Emirates	AED	100.00

Name and place of business of company	Currency	Capital share in %
Continued: D. Middle East & Central Asia		
BAUER Equipment Gulf FZE, Dubai, United Arab Emirates	AED	100.00
BAUER Equipment Gulf LLC, Abu Dhabi, United Arab Emirates	AED	49.00*
BAUER Emirates Environment Technologies & Services LLC, Abu Dhabi, United Arab Emirates	AED	49.00*
BAUER Resources GmbH / Jordan Ltd. Co. - (subsidiary consolidated financial statements), Amman, Jordan	JOD	100.00
Site Group for Services and Well Drilling Ltd. Co., Amman, Jordan	JOD	100.00
Site Drilling Ltd. Co., Limassol, Cyprus	EUR	100.00
BAUER Casings Makina Sanayi ve Ticaret Limited Sirketi, Ankara, Turkey	TRY	60.00
BAUER Corporate Services Private Limited, Mumbai, India	INR	100.00
BAUER Geotechnical Specialized Foundation LLC, Abu Dhabi, United Arab Emirates	AED	49.00*
BAUER Specialized Foundation Contractor India Pvt. Ltd., Gurgaon (Haryana), India	INR	100.00
BAUER Equipment India Private Limited, Delhi, India	INR	100.00
BAUER Engineering India Private Limited, Gurgaon (Haryana), India	INR	100.00
BAUER Resources Saudi LLC, Al Khobar, Saudi Arabia	SAR	100.00
BAUER Environment Bahrain W.L.L., Al Seef District, Bahrain	BHD	100.00
BAUER Resources Bahrain W.L.L., Al Seef District, Bahrain	BHD	100.00
E. Asia-Pacific, Far East and Australia		
BAUER (MALAYSIA) SDN. BHD. – (subsidiary consolidated financial statements), Petaling Jaya, Malaysia	MYR	100.00
BAUER Foundations Australia Pty Ltd, Brisbane, Australia	AUD	100.00
P.T. BAUER Pratama Indonesia, Jakarta, Indonesia	IDR	100.00
BAUER Services Singapore Pte Ltd, Singapore	EUR	100.00
BAUER Foundations Philippines, Inc., Quezon City, Philippines	PHP	40.00*
BAUER Piling Inc., Quezon City, Philippines	PHP	100.00
BAUER Technologies Far East Pte. Ltd. – (subsidiary consolidated financial statements), Singapore	SGD	100.00
BAUER EQUIPMENT SOUTH ASIA PTE. LTD., Singapore	SGD	100.00
BAUER Technologies Taiwan Ltd., Taipei, Taiwan	TWD	100.00
BAUER Tianjin Technologies Co. Ltd., Tianjin, People’s Republic of China	CNY	100.00
BAUER Equipment Hong Kong Ltd., Hong Kong, People’s Republic of China	HKD	100.00
BAUER Equipment (Malaysia) Sdn. Bhd., Shah Alam, Malaysia	MYR	100.00
Shanghai BAUER Technologies Co. Ltd., Shanghai, People’s Republic of China	CNY	100.00
BAUER Technologies Thailand Co., Ltd., Bangkok, Thailand	THB	100.00
P.T. BAUER Equipment Indonesia, Jakarta, Indonesia	IDR	100.00
NIPPON BAUER Y.K., Tokyo, Japan	JPY	100.00
BAUER (Shanghai) Resources Environmental Engineering Technology Co. Ltd., Shanghai, People’s Republic of China	CNY	100.00
Inner City (Thailand) Company Limited, Bangkok, Thailand	THB	49.00*
Thai BAUER Co. Ltd., Bangkok, Thailand	THB	73.99
BAUER Equipment Australia Pty. Ltd., Baulkham Hills, Australia	AUD	100.00
F. Americas		
BAUER FUNDACIONES PANAMÀ S.A., Panama City, Panama	USD	100.00

Name and place of business of company	Currency	Capital share in %
Continued: F. Amerika		
BAUER Foundations Canada Inc., Calgary, Canada	CAD	100.00
BAUER FOUNDATION CORP., Odessa, United States of America	USD	100.00
BAUER Resources Chile Limitada – (subsidiary consolidated financial statements), Santiago de Chile, Chile	CLP	100.00
GWE Tubomin S.A., Santiago de Chile, Chile	CLP	0.01
BAUER Machinery USA Inc., Conroe, United States of America	USD	100.00
BAUER Equipment America Inc., Conroe, United States of America	USD	100.00
BAUER Financial Services Inc., Wilmington, United States of America	USD	100.00
BAUER Manufacturing LLC, Conroe, United States of America	USD	100.00
G. Africa		
BAUER EGYPT S.A.E Specialised Foundation Contractors, Cairo, Egypt	EGP	56.27
BAUER Technologies South Africa (PTY) Ltd., Cape Town, South Africa	ZAR	100.00
MINERAL BULK SAMPLING NAMIBIA (PTY) LTD, Windhoek, Namibia	NAD	100.00
BAUER RESOURCES SOUTH AFRICA (PTY) LTD, Cape Town, South Africa	ZAR	100.00
BAUER Resources Maroc S.A.R.L., Kenitra, Morocco	MAD	100.00
2. Companies in the expanded basis of consolidation		
A. Germany		
BAUER Spezialtiefbau Deutschland GmbH & Co. KG, Germany	EUR	100.00
Harz Hotel Grimmelallee Nordhausen Beteiligungsgesellschaft mbH, Nordhausen, Germany	EUR	100.00
pumpenboese Beteiligungs- und Verwaltungs GmbH, Peine, Germany	EUR	100.00
BMR Beteiligung GmbH, Schrobenhausen, Deutschland	EUR	100.00
B. International		
BAUER RENEWABLES LIMITED, Dundee, Great Britain	GBP	100.00
BAUER Lebanon Foundation Specialists S.a.r.l., Beirut, Lebanon	USD	100.00
BAUER Latvia SIA, Riga, Latvia	EUR	100.00
BAUER International Qatar LLC, Doha, Qatar	QAR	49.00*
BAUER Angola Lda., Luanda, Angola	AOA	100.00
BAUER Vietnam Ltd., Ho Chi Minh City, Vietnam	VND	100.00
BAUER Fondations Spéciales EURL, Reghaia / Algiers, Algeria	DZD	100.00
BAUER Geotechnical America LLC, Odessa, Florida, USA	USD	100.00
BAUER Georgia Foundation Specialists LCC, Tbilisi, Georgia	GEL	100.00
BAUER Engineering International Ltd., Dubai, United Arab Emirates	AED	100.00
BAUER Bangladesh Limited, Dhaka, Bangladesh	BDT	100.00
BAUER Lybian Egyptian Specialized Corporate for Technical Engineering Works, Tripoli, Libya	LYD	36.57
BAUER Fundaciones Dominicana S.R.L., Santo Domingo, Dominican Republic	DOP	100.00
BAUER Fundaciones America Latina S.A., Panama City, Panama	USD	100.00
BAUER-Iraq for Construction Contracting LLC, Baghdad, Iraq	IQD	100.00
Sverige BAUER GL AB, Stockholm, Sweden	SEK	100.00
BAUER DK A/S, Søborg, Denmark	DKK	100.00
BAUER Special Foundations Cambodia Co., Ltd., Daun Penh, Cambodia	USD	100.00
BAUER Bhutan Pvt. Ltd., Thimphu, Bhutan	BTN	74.00

Name and place of business of company	Currency	Capital share in %
Continued: B. International		
BAUER ENGINEERING PNG LIMITED, Port Moresby, Papua New Guinea	PGK	100.00
BAUER Fondations SAS, Paris, France	EUR	100.00
BAUER Foundations Singapore Pte. Ltd, Singapore, Singapore	0	100.00
BAUER Foundations QLD Pty. Ltd., Brisbane, Australia	AUD	100.00
BAUER CHILE SPA, Santiago de Chile, Chile	CLP	100.00
OOO BAUER Maschinen Russland, Moscow, Russian Federation	RUB	100.00
OOO BAUER Maschinen – Kurgan, Kurgan, Russian Federation	RUB	90.00
OOO BG-TOOLS-MSI, Lyubertsy, Russian Federation	RUB	62.86
BAUER Maschinen Ukraine TOV, Kiev, Ukraine	UAH	100.00
BRASBAUER Equipamentos de Perfuracào Ltda., Sao Paulo, Brazil	BRL	60.00
BAUER-DE WET EQUIPMENT (PROPRIETARY) LIMITED, Rasesa, Botswana	BWP	51.00
BAUER Fundaciones America Latina, S. A., Panama Pacifico – Panama City, Panama	PAB	100.00
BAUER Maschinen Canada Ltd., Calgary, Canada	CAD	100.00
BAUER Parts HUB (Singapore) Pte. Ltd., Singapore	0	100.00
BAUER Maschinen PARS LLC, Tehran / I.R. Iran, Iran	IRR	100.00
OOO TRAKMECHANIKA, Yaroslavl, Russian Federation	RUB	100.00
3. Associated companies and joint ventures		
A. Germany		
TMG Tiefbaumaterial GmbH, Emmering, Germany	EUR	50.00
Grunau und Schröder Maschinentechnik GmbH, Drolshagen, Germany	EUR	30.00
SPANTEC Spann- & Ankertechnik GmbH, Rohrenfels, Germany	EUR	40.00
SMS Seabed Mineral Services GmbH, Schrobenhausen, Germany	EUR	50.00
Schacht- und Bergbau Spezialgesellschaft mbH, Mülheim an der Ruhr, Germany	EUR	50.00
Carbo-FORCE GmbH, Kassel, Germany	EUR	50.00
Biochar Rendsburg GmbH, Borgstedt, Germany	EUR	50.00
ARGE Backfilling Works A14 BL3.4.3, Halle, Germany	EUR	100.00
Consortium Spezialtiefbau PSKW Happurg, Rimpar, Deutschland	EUR	50.00
Consortium Potsdam Babelsberg Street, Berlin, Germany	EUR	50.00
Consortium VE 10 Above Ground East, Munich, Germany	EUR	10.00
Consortium VE 30 Tunnel Central Station, Munich, Germany	EUR	10.00
Consortium Backfilling Pit Obermantelkirchen, Neuötting, Germany	EUR	40.00
Consortium „ETS" Konrad shaft, Nordhausen, Germany	EUR	50.00
Steel Construction Consortium Müngsten Bridge, Duisburg, Germany	EUR	50.00
Consortium „Track Foundation Train" RTG Rammtechnik GmbH - Kirow Ardelt GmbH, Leipzig, Germany	EUR	29.23
Konsortium Schleuse Kriegenbrunn, Stuttgart, Germany	EUR	20.00
B. International		
TERRABAUER S. L., Madrid, Spain	EUR	30.00
Bauer + Moosleitner Entsorgungstechnik GmbH, Nußdorf am Haunsberg, Austria	EUR	50.00

Name and place of business of company	Currency	Capital share in %
Continued: B. International		
BAUER Nimr LLC, Maskat – Al Mina, Sultanate of Oman	OMR	52.50
TOO SCHACHTBAU Kasachstan, Almaty, Kazakhstan	KZT	50.00
OcOO SCHACHTBAU Kirgistan, Bischkek, Kirgistan	KGS	50.00
4. Enterprises in which the company has participating interests		
A. Germany		
Nordhäuser Bauprüfinstitut GmbH, Nordhausen, Germany	EUR	20.00
Deusa International GmbH, Bleicherode, Germany	EUR	100.00
Stadtmarketing Schrobenhausen e.G., Schrobenhausen, Germany	EUR	4.18
Digitales Gründerzentrum der Region Ingolstadt GmbH, Ingolstadt, Germany	EUR	2.00
B. International		
BAUER Technology (Shanghai) Co. Ltd., Shanghai, People's Republic of China	CNY	3.00
AO Mostostrojindustria, Moscow, Russian Federation	RUB	20.70

* Companies are fully consolidated despite capital share < 50%. This may be owing to contractual agreements that enable the BAUER Group to exercise control in this regard under the terms of IFRS 10.

Schrobenhausen, April 14, 2025

The Executive Board

Dipl.-Betriebswirt (FH) Hartmut Beutler

Peter Hingott

Audit Opinion

"INDEPENDENT AUDITOR'S REPORT

To BAUER Aktiengesellschaft, Schrobenhausen

Audit judgements

We have audited the consolidated financial statements of BAUER Aktiengesellschaft, Schrobenhausen, and its subsidiaries (the Group), which comprise the consolidated balance sheet as at 31 December 2024, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated cash flow statement for the financial year from 1 January to 31 December 2024, and notes to the consolidated financial statements, including a summary of significant accounting policies. In addition, we have audited the combined management report of BAUER Aktiengesellschaft, Schrobenhausen, for the financial year from 1 January to 31 December 2024. In accordance with German legal requirements, we have not audited the content of the corporate governance statement pursuant to Section 289f (4) HGB (disclosures on the proportion of women).

In our opinion, based on the findings of our audit

- the accompanying consolidated financial statements comply, in all material respects, with the IFRS Accounting Standards issued by the International Accounting Standards Board (hereinafter referred to as "IFRS Accounting Standards") as adopted by the EU and the additional requirements of German commercial law pursuant to Section 315e (1) HGB and, in compliance with these requirements, give a true and fair view of the assets, liabilities and financial position of the Group as at 31 December 2024 and of its financial performance for the financial year from 1 January to 31 December 2024, and
- the accompanying summarised management report as a whole provides a suitable view of the Group's position. In all material respects, this combined management report is consistent with the consolidated financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development. Our opinion on the combined management report does not cover the content of those parts of the combined management report not audited by us referred to above.

Pursuant to § 322 Abs. 3 Satz 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 judgements

We conducted our audit of the consolidated financial statements and of the combined management report in accordance with § 317 HGB and German generally accepted standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). Our responsibilities under those requirements and principles are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements and of the Combined Management Report" section of our auditor's report. We are independent of the Group companies in accordance with the requirements of German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. 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.

Reference to other facts

The consolidated financial statements and combined management report of BAUER Aktiengesellschaft for the previous financial year ending 31 December 2023 were audited by another auditor who issued unmodified audit opinions on these consolidated financial statements and combined management report dated 13 May 2024 and 4 June 2024 (supplementary audit) and 19 July 2024 (supplementary audit).

Other information

The legal representatives or the Supervisory Board are responsible for the other information. The other information comprises

- the declaration on corporate governance pursuant to Section 289f HGB in the summarised management report under "VII. Legal information",
- the report of the Supervisory Board,
- the remaining parts of the annual report,
- but not the consolidated financial statements, the audited content of the combined management report and our auditor's report thereon.

Our opinions on the consolidated financial statements and on the combined management report do not cover the other information, and consequently we do not express an opinion or any other form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information referred to above and, in doing so, consider whether the other information

- are 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 appear to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this context.

Responsibility of the legal representatives and the Supervisory Board for the consolidated financial statements and the summarised management report

Management is responsible for the preparation of the consolidated financial statements that comply, in all material respects, with IFRSs 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, management is responsible for such internal control as they have determined necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud (i.. accounting fraud or error) or error.

In preparing the consolidated financial statements, the legal representatives are responsible for assessing the Group's ability to continue as a going concern. Furthermore, they are responsible 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, management is responsible for the preparation of the combined management report that, as a whole, provides an appropriate view of the Group's position and is, in all material respects, consistent with the consolidated financial statements, complies with German legal requirements, and appropriately presents the opportunities and risks of future development. In addition, management is responsible for such arrangements and measures (systems) as they have considered necessary to enable the preparation of a combined management report that is in accordance with the applicable German legal requirements, and to be able to provide sufficient appropriate evidence for the assertions in the combined management report.

The Supervisory Board is responsible for overseeing the Group's financial reporting process for the preparation of the consolidated financial statements and the summarised management report.

Auditor's responsibilities for the audit of the consolidated financial statements and of the combined management report

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and whether the combined management report as a whole provides an appropriate view of the Group's position and, in all material respects, is consistent with the consolidated financial statements and the knowledge obtained in the audit, complies with the German legal requirements and appropriately presents the opportunities and risks of future development, as well as to issue an auditor's report that includes our opinions on the consolidated financial statements and on the combined management report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Section 317 HGB and German generally accepted standards for the audit of financial statements 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 summarised management report.

During the audit, we exercise professional judgement and maintain professional scepticism. In addition

- Identify and assess the risks of material misstatement of the consolidated financial statements and of the combined management report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than the risk of not detecting a material misstatement resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal 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 opinion on the effectiveness of the Group's internal control or on the effectiveness of these arrangements and measures.
- Evaluate the appropriateness of accounting policies used by the executive directors and the reasonableness of accounting estimates and related disclosures made by the executive directors.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the consolidated financial statements and in the combined management report or, if such disclosures are inadequate, to modify our respective opinions. We draw our conclusions on the basis of 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 IFRSs as adopted by the EU and 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 opinions on the consolidated financial statements and on the combined management report. We are responsible for the direction, supervision and performance of the audit of the consolidated financial statements. We are 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 legal representatives in the combined management report. On the basis of sufficient appropriate audit evidence we evaluate, in particular, the significant assumptions used by management as a basis for the prospective information, and evaluate the proper derivation of the prospective information from these assumptions. We do not express a separate opinion on the forward-looking statements or on the underlying assumptions. There is a significant unavoidable risk that future events will differ materially from the forward-looking statements.

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.

Munich, 07 May 2025

Rödl & Partner GmbH
auditing company

Hager	Stauber
Certified Public Accountant	Certified Public Accountant

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BAUER Group

Contact
Investor Relations
BAUER Aktiengesellschaft
BAUER-Strasse 1
86529 Schrobenhausen, Germany
investor.relations@bauer.de

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BAUER Aktiengesellschaft
BAUER - Strasse 1
86529 Schrobenhausen
Germany
Phone: +49 8252 97-0
www.bauer.de