Annual Report
2023

The Group at a Glance

GROUP KEY FIGURES 2020 – 2023

IFRS in EUR million	2020	2021	2022	2023	Change 2022/2023
Total Group revenues	1,453.6	1,537.6	1,748.1	1,831.1	4.7%
of which Germany	416.9	463.2	536.5	432.4	-19.4%
International	1,036.7	1,074.4	1,211.6	1,398.7	15.4%
International in %	71.3	69.9	69.3	76.4	n/a
of which Geotechnical Solutions	644.7	682.4	787.4	904.0	14.8%
Equipment	610.7	681.5	747.8	721.5	-3.5%
Resources	293.1	272.5	299.2	277.7	-7.2%
Corporate Services/Consolidation	-94.9	-98.8	-86.3	-72.1	n/a
Consolidated revenues	1,401.3	1,472.4	1,680.0	1,773.4	5.6%
Sales revenues	1,343.2	1,433.1	1,630.1	1,698.2	4.2%
Order intake	1,588.5	1,739.5	1,828.6	1,939.8	6.1%
Order backlog	1,162.5	1,364.4	1,445.0	1,553.6	7.5%
EBITDA	165.2	153.5	60.5	209.8	n/a
EBITDA margin in % (of sales revenues)	12.3	10.7	3.7	12.4	n/a
EBIT	55.5	36.0	-68.0	95.2	n/a
EBIT margin in % (of sales revenues)	4.1	2.5	-4.2	5.6	n/a
Earnings after tax	-8.2	4.0	-94.0	7.5	n/a
Capital investment in property, plant and equipment	133.4	179.7	133.0	149.0	12.0%
Equity	365.5	481.1	402.3	495.4	23.1%
Equity ratio in %	23.7	29.3	24.8	29.2	n/a
Total assets	1,544.0	1,639.5	1,620.0	1,699.2	4.9%
Earnings per share	-0.48	-0.02	-3.66	0.14	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 %	-2.1	1.1	-19.5	1.9	n/a
Employees (reporting date)	11,027	11,966	11,892	12,034	1.2%
of which Germany	4,061	4,001	4,045	3,876	-4.2%
International	6,966	7,965	7,847	8,158	4.0%

* Proposed, subject to the approval of the General Meeting on September 19, 2024

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 2023

The World is our Market

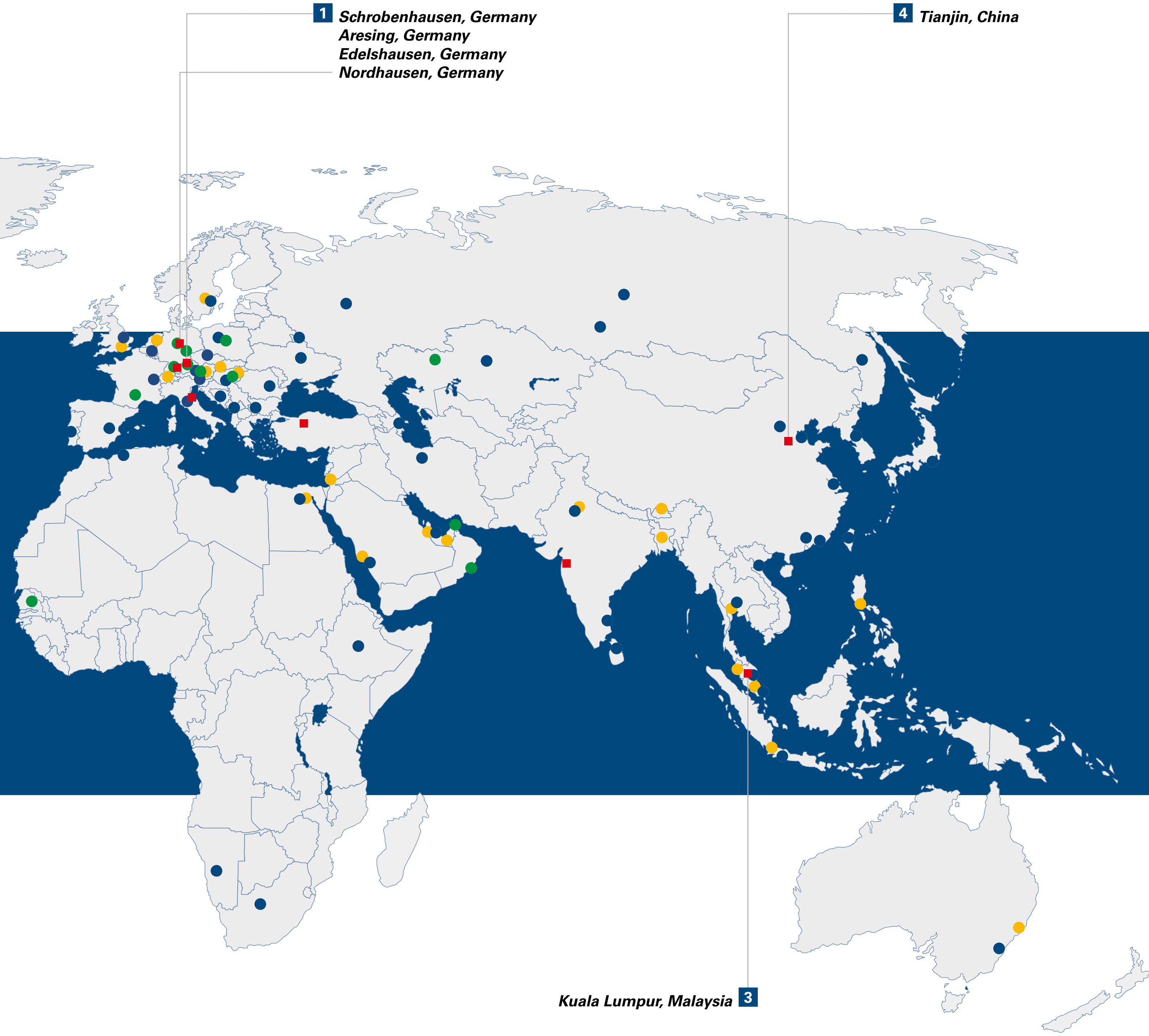
1.8 EUR BILLION
TOTAL GROUP REVENUES

WITH AROUND **100**
NATIONALITIES

AROUND **12,000**
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,

With 2023 over, we have an eventful but ultimately successful year behind us. The year was characterized by changes and challenges not only for our company, but also for politics and the economy around the world.

Looking back on the global environment over the past year, the numerous influencing factors continue to have substantial effects. Russia's war in Ukraine continues unchanged, Israel has initiated aggressions on the Gaza Strip in retaliation for the attacks by terrorist organization Hamas, the Houthi rebels are targeting ship traffic in the Red Sea – the Middle East is becoming a hotspot for crises and the future course of events can hardly be foreseen. Saudi Arabia, on the other hand, is a growing economic power in the region that is spurring on the construction markets with enormous investments. The economies in Europe and the USA are performing stably, while in China a strong downturn continues to shape the construction sector. The other countries in Asia have not yet recovered economically from the pandemic either.

The fact that in these economically and politically turbulent times we were able to achieve an increase in total Group revenues to EUR 1.83 billion and a strong EBIT of EUR 95.2 million by the end of 2023 is not something to be taken for granted. These figures show that our strategy to leave the past behind us with the changes made in the previous year has proven successful. What's more, our balance sheet is "healthier" than it has been for many years – net debt has fallen significantly, and our ratio of net debt to EBITDA has reached a nearly historical low value of 1.96.

This year-end result is also notable because on top of everything else, our IT infrastructure was targeted by an attack in late October 2023, which meant that we powered down or switched off various systems as a precautionary measure. As a result, 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, which led to considerable lost sales in the Equipment segment in the fourth quarter of 2023. The cyber attack and its consequences thus placed a significant additional financial burden on the year-end result, which shows how good our operative performance actually was before.

A significant contribution to improving our balance sheet structure after the loss in 2022 was made by the extensive capital increase in 2023. This capital increase and the subsequent delisting acquisition offer were also accompanied by a change of ownership structure, which meant that the companies SD Thesaurus GmbH and Doblinger Beteiligung GmbH acquired about 75% of the shares in BAUER AG in common after the tender offer. This extensive investment by the Doblinger family in our company, and their willingness to support us with upcoming investments in significant plant expansions at the Schrobenhausen location, demonstrates their confidence in a successful future for the BAUER Group.

In the Geotechnical Solutions segment, we succeeded in making a comprehensive turnaround. This was supported by the optimization of our international positioning with the closure of several subsidiaries which we did not consider profitable on the long term. We are not quite finished in this regard and there is still potential for achieving improved results. Furthermore, 2023 was shaped from an operative standpoint by many projects running successfully around the world, so that very good earnings contributions were achieved in some regions here as well.

The Equipment segment had a stable financial year in terms of the operative business, particularly shaped by the regions of the Americas and Europe. China on the other hand was again unsatisfactory as a market in terms of the operative business and delivered negative results. The cyber attack in late October 2023 influenced this segment most significantly, as already mentioned. As a result, almost two months of sales were lost along with the corresponding earnings contribution, which is why the expectations could not be reached by the end of the year.

The Resources segment recorded an encouraging performance overall in 2023. Here as well, the restructuring measures carried out in the last year led to the renewed emergence of an overall positive operative business. In nearly all business divisions, good revenue and earnings performance was achieved. And this was despite a market environment for construction in Germany that continued to be difficult.

Overall, we are very pleased with 2023 given the situations mentioned above. However, we also know that there is still room for improvement and we aim to further increase our earnings margins in the coming years. This will also be supported by very significant projects that we are driving forward in the BAUER Group. These include the consistent improvement of our supply chain to reduce manufacturing costs, as well as a clear strategy for our international production network. And these are just two examples among many. For instance, we are still planning extensive investments at our headquarters in Schrobenhausen to modernize and expand our equipment production. If possible, we plan to start with the construction of a logistics center this year. At our subsidiary Klemm in Drolshagen, we have also started expanding our production capacities.

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. Moreover, we want to 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 resolve their challenges. These core topics will shape our activities for the next several years: economic success, the power of innovation and being a partner and solution provider for our customers.

Over the past years, we have laid all the groundwork for being sustainably successful once again. The reinforced balance sheet gives us options for well-considered and beneficial investments in the future and our order backlog is at a very good level. It's true that the economic and political environment around the world will remain highly difficult and demanding. But we have fulfilled all the prerequisites for a successful year in 2024 and are therefore anticipating a slight increase both in total Group revenues and in EBIT.

I would like to warmly thank our employees for their tremendous dedication. It wasn't easy at times, but it paid off. After more than 36 years – including many years as CEO and most recently as Chairman of the Supervisory Board – Prof. Thomas Bauer withdrew from the company at the end of 2023. I would like to extend my sincere thanks for his many years of service and wish him all the best for the future. 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

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 operations of the Group are divided into three future-oriented segments with a high potential for synergy: 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 drilling services and water wells, environmental services, constructed wetlands, mining and rehabilitation. Areas of expertise include water extraction, brownfield remediation and waste management as well as water treatment and building rehabilitation.

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). For strategic reasons, BAUER Offshore Technologies GmbH is also part of the Corporate Services segment.

As the Group is highly diversified, no subsidiary within the Group is of a significant or material size.

PERFORMANCE INDICATORS

Financial performance indicators

The performance of 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 on training and development as well as others derived from the field of research and development are also reported.

RESEARCH AND DEVELOPMENT

In the 2023 financial year, the BAUER Group once again invested considerable sums 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.

Research and development activities in the Equipment segment in 2023 focused on sustainability, digitalization and drive technology. In addition, new products and applications were presented. For the in-house exhibition in April, the BAUER BCS 185 was presented as a new, compact special equipment for cutting sites with limited space, which has already successfully concluded its first customer applications. The new Smart Grab control system was also presented, which considerably simplifies the operation of duty-cycle cranes with free-fall winches. As part of a research project newly launched in 2023, a concept will be developed over the next three years for operating construction equipment in specialist foundation engineering with zero CO_2 emissions. The plan is to integrate a drive system comprising a hydrogen fuel cell, along with other components, into Bauer specialist foundation engineering equipment.

The development capacities in the Geotechnical Solutions segment can be strategically activated based on the specific development topic. In the course of reorganization, the responsibilities of the previous Research & Development department were integrated into the Structural Engineering department. The area of Knowledge & Innovation Transfer has now also been relocated there. This will make it possible to more efficiently pursue the goal of standardizing development results for projects within the segment. In 2023, development work was strategically aimed at construction methods in line with the sustainability strategy. In the area of soil mixing, it is now possible to construct Mixed-in-Place walls using mixing tools with a diameter of 750 mm. This results in an increase in static load-bearing capacity and the possibility of introducing the method on the US market, where larger wall cross-sections are in demand. In connection with the LWS silicate gel system, other alternative starting materials were examined in order to react more specifically to the local requirements. Furthermore, a prototype for a vibrator lance was designed and constructed to significantly reduce the use of bentonite in the skin mixture during installation.

The main focus of development in the Resources segment is placed on solutions for environmental business, brownfield remediation and dismantling. For some time now, the treatment of water polluted with per- and polyfluorinated chemicals (PFAS) has been a focus. Per- and polyfluorinated chemicals (PFAS) are currently a major environmental problem. In 2023, trials were conducted with a mobile soil washing plant to test the cleaning performance along with other parameters. The goal is to expand the product range to include corresponding equipment. In addition, intensive work is underway on products and methods for reducing the carbon footprint. Among other efforts, comparative tests were carried out with a conventional groundwater treatment plant and a pilot plant using EcoVert technology – a purely biological method for which the centerpiece is formed by two vertical bio filters. The findings concerning the environmental impact of the equipment will shape the course of future development work.

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 the Equipment segment there were 196 employees in research and development. In 2023, the Geotechnical Solutions segment had 45 employees in the area of research and development, while the Resources segment had 11 employees in this area.

For the BAUER Group in total, there were 252 employees in research and development. In 2023, research and development costs recognized in net income amounted to EUR 30.9 million (previous year: EUR 28.8 million). In the past, this expense has led to a general increase in the expertise base of the segments.

SIGNIFICANT CHANGES SINCE MAY 13, 2024

Following the audit completed on May 13, 2024, the consolidated financial statements were amended and subjected to a supplementary audit. The amendments have an impact on the consolidated income statement, the consolidated statement of comprehensive income, the consolidated cash flow statement, the consolidated balance sheet, the consolidated statement of changes in equity and all related disclosures in the notes. For a description of the nature and extent of the amendments, please refer to the section General information in the notes to the consolidated financial statements.

In addition, the following sections of the combined management report have been amended, as indicated by an asterisk (*) in the individual chapters:

- Chapter II: Economic report – sections on course of business, Geotechnical Solutions segment, Equipment segment
- Chapter III: Earnings, financial and net asset position – sections Group earnings situation, Group financial and net asset position
- Chapter V: Risk and opportunity report – section on the basic principle of risk management, subsection on the handling of project risks and section on financial market risks

II. BUSINESS REPORT

MACROECONOMIC TREND

The year of 2023 was shaped by numerous macroeconomic and political developments. The crises and factors influencing the economy have not abated – on the contrary. Persistently high inflation, another interest rate increase, the economic weakness of China, both ongoing and new wars and conflicts – such as those in Ukraine or in Gaza – have played a considerable role in shaping the year of 2023 and thus the economic situation. Nevertheless, the global economy was able to stabilize itself at a low level and the macroeconomic trend was robust overall.

The economy in Europe was largely shaped by persistently high inflation, another interest rate increase and Russia's ongoing war against Ukraine. As a result of these influencing factors, the economy in this region was consequently only able to grow in the low single-digit range. Particularly in Germany, the high interest rates and increase in raw material prices had a negative effect. A particularly strong effect was felt here in the areas of real estate development and residential construction. Additional uncertainty for the German economy came from a decision of the Federal Constitutional Court resulting in a substantial gap in the federal budget that could only be closed through comprehensive new savings plans by the government, which were made at the expense of planned investments.

In North America, particularly in the USA, the economy performed very stably in spite of the interest rate and inflation situation. A positive contribution to this development came from massive state subsidies as part of the Inflation Reduction Act. China was not able to recover economically in 2023 either and continued to suffer from weak development. In particular, the serious real estate crisis in the country placed an enormous burden on the economy. In contrast, the other countries of Asia recorded a positive macroeconomic trend, India above all. The country has now become a new driving force for the global economy.

The Middle East continues to gain strength notwithstanding the conflicts in the region. Above all, Saudi Arabia is currently experiencing an economic boom, but the United Arab Emirates and Qatar are also recording a positive economic performance.

The medium-term and long-term influencing factors on the global economy are becoming increasingly difficult to assess, since the assumption is that clusters of crisis will be generated at increasingly shorter intervals and their effects will become even more far-reaching.

Despite the ongoing crises and challenges which the world has experienced with particular frequency for the past several years, the global economy is surprisingly robust overall.

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 numerous negative influencing factors described above have impacted the individual regions of the world very differently. In North America, the effects scarcely influenced the construction and equipment markets overall, whereas in Europe the real estate sector in particular has recorded decreases. In China, the economic downturn persisted, the real estate crisis in the country has further sharpened. The other countries in Asia recorded a stable performance. India in particular experienced a boom in the area of infrastructure. The countries in the Middle East that are rich with crude oil and natural gas experienced a considerable upswing in the construction and equipment markets due to the increase in energy and raw material prices. The huge projects launched in Saudi Arabia are particularly worth mentioning. Most countries in Africa and South America remained at a low level overall.

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

In Germany, high interest rates and inflation caused a slowdown in the real estate sector, as well as for investments in industry. 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 2023 as in the previous year.

Europe

The construction sector in Europe was stable overall compared with the previous year. As in Germany, real estate construction experienced the most marked slowdown and burdened all the markets of Europe.

The equipment markets in Europe performed stably at the same level as in the previous year.

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 applies for Saudi Arabia, where numerous major projects are being advanced under the Vision 2030 program.

In the course of these developments, the equipment markets also began to recover.

Asia-Pacific

The countries and markets in the region (without China) are benefiting from the current cost trend in Europe, as a result of which investments are increasingly being made there again. The weak economic development in China also contributes to this effect. India is playing an increasingly important role in the region due to the massive government investments in the country's infrastructure. Accordingly, the construction markets in most countries of Asia performed positively, with the exception of China.

In the markets of South Asia, there is still a high demand for infrastructure and energy supply. This results in interesting projects for the construction industry and especially for specialist foundation engineering. The market for construction equipment in India recorded significant growth. Despite the current weak situation, China also is and remains a large and important construction and equipment market.

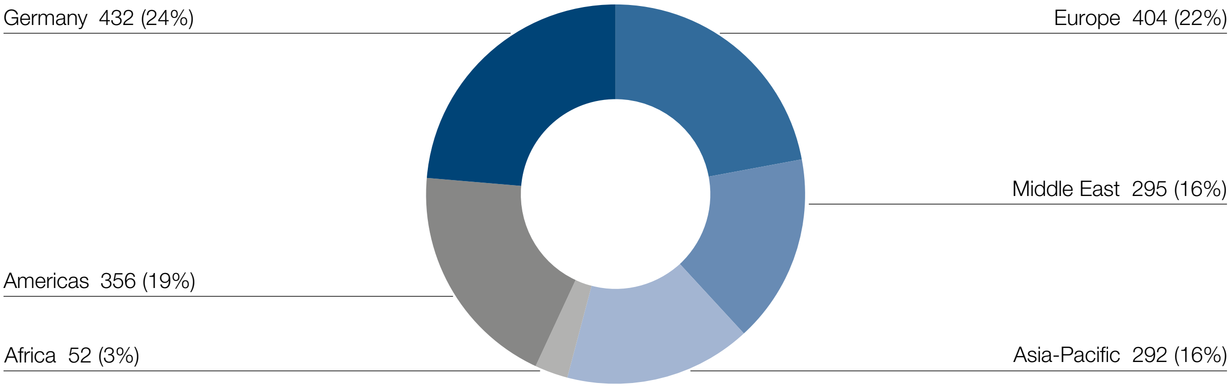
Americas

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, are having a positive effect. This

Geographical breakdown of total Group revenues

in EUR million

Total 1,831



trend also led to further growth in the sale of construction equipment. 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 2023 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 ongoing volatility of the global markets remains the greatest challenge. Political and economic framework conditions continue to change at short notice, requiring us to adapt quickly and flexibly as a company. This is particularly true for the construction and equipment markets.

Overall, the global demand in the construction and equipment markets was positive in 2023 as well. The numerous negative influencing factors, such as Russia's war against Ukraine, inflation, interest rate hikes or growing political tensions, had a negative effect on the markets. Nevertheless, the global economy was robust in 2023. Overall it is expected that the markets will continue to adjust to the modified framework conditions, which is why a slowdown in demand needs to be anticipated, particularly in Europe and North America. In spite of this, the ongoing dynamism of individual markets is continuously presenting new potential for short-term market opportunities.

COURSE OF BUSINESS*

The BAUER Group achieved **total Group revenues** amounting to EUR 1,831.1 million in the 2023 financial year, 4.7% above the previous year's figure of EUR 1,748.1 million. **EBIT** returned to markedly positive figures at EUR 95.2 million after being significantly negative at EUR -68.0 million in the previous year. **Earnings after tax** were also in the positive range again at EUR 7.5 million (previous year: EUR -94.0 million).

The total Group revenues increased compared to the previous year, particularly due to the Geotechnical Solutions segment. In contrast, decreases were recorded in the Equipment and Resources segments.

The earnings figures for 2023 improved considerably compared with 2022. In the previous year, the earnings figures were burdened by numerous negative influencing factors. These were primarily:

- unscheduled depreciations and effects of deconsolidation for companies based in Russia (EUR 17.3 million).
- considerable devaluations on the fixed assets and current assets due to the significant increase in the Weighted Average Costs of Capital (WACC), as well as the modified assessment of country risks (non-cash negative effect of EUR 61.3 million).
- The decision to sell or wind up other subsidiaries (EUR 24.6 million).

In the financial year gone by, the EBIT of the BAUER Group reflected the overall positive operating business. In particular, the Geotechnical Solutions segment executed large projects very successfully in several countries such as Saudi Arabia, UK or Hungary, which made a significant contribution to earnings. In the Equipment segment, EBIT increased despite the decrease in total Group revenues, and the Resources segment also made a good contribution to earnings.

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 due to the cyber attack.

With regard to the Group's earnings after tax, in contrast, interest rate hedging transactions due to the market interest rates falling considerably during the months of November and December 2023 and the corresponding valuation in the balance sheet had a considerable negative influence of EUR 10.4 million (previous year: positive influence of EUR 29.1 million).

With the publication of the 2022 Annual Report, the Group issued a forecast for the 2023 financial year on April 5, 2023. EBIT at the end of 2023 was now significantly above the original plans (EUR 35 - 60 million) due to the better than expected operative business performance, particularly in the Geotechnical Solutions and Resources segments. For the total Group revenues, a slight decrease was originally expected, yet a slight increase was achieved by the end of the year for the same reason.

At EUR 1,553.6 million, the **order backlog** of the Group at the end of 2023 was up 7.5%, significantly more than the previous year's already high figure of EUR 1,445.0 million. In the Geotechnical Solutions segment, the order backlog increased significantly, while this figure decreased considerably in the Equipment segment and slightly in the Resources segment. At EUR 1,940.3 million, the **order intake** rose by 6.1% compared to the previous year's EUR 1,828.6 million.

Summary of course of business

2023 marked a clear turnaround for the Group after the difficult previous years. In the Geotechnical Solutions segment, very good results were achieved in construction projects in many countries. The optimization of the international positioning and closure of several subsidiaries also contributed to the better result. With the exception of China, the operative performance in the Equipment segment improved again overall, yet this segment was the most affected by the cyber attack on the BAUER Group. The Resources segment again recorded good operative performance in most areas. Overall, consistent measures continue to be implemented to make the Group strong for the future.

GEOTECHNICAL SOLUTIONS SEGMENT*

in EUR thousand	2022	2023*	Change
Total Group revenues	787,405	903,936	14.8%
Sales revenues	731,288	859,517	17.5%
Order intake	794,478	1,034,412	30.3%
Order backlog	852,566	983,042	15.3%
EBIT	-65,528	44,896	n/a
Earnings after tax	-79,676	3,250	n/a
Employees (reporting date)	6,990	7,466	6.8%

* Figures changed after May 13, 2024; for details of the changes, please refer to the section “Significant changes since May 13, 2024”

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 903.9 million in the 2023 financial year, representing an increase of 14.8%, significantly above the previous year’s EUR 787.4 million. **EBIT** was markedly positive at EUR 44.9 million (previous year: EUR -65.5 million). Accordingly, **earnings after tax** amounted to EUR 3.3 million (previous year: EUR -79.7 million).

The earnings figures of the previous year were influenced by several significant effects that led to markedly negative earnings contributions. These included the deconsolidation of a Russian company (EUR -9.7 million), devaluations on the fixed assets and current assets (roughly EUR 35.6 million) as well as the financial impacts of planned and implemented closures of subsidiaries in the course of focusing the international presence on the markets in which sustainable positive earnings are possible.

In the 2023 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. In addition, despite the difficult global market environment, the order backlog was further increased over the course of the year.

Based on the general conditions, the individual construction markets showed themselves to be very different as well. In Germany, the construction market was generally in a downturn, which meant that revenue and earnings fell compared with the previous year. In Europe, the 2023 financial year was solid. In Great Britain, Sweden and Hungary, both good revenue and good earnings were achieved. Furthermore, in Hungary work is continuing successfully on a major project. In the Netherlands, revenue remained stable. Capacity utilization was too low in Switzerland and Austria, on the other hand.

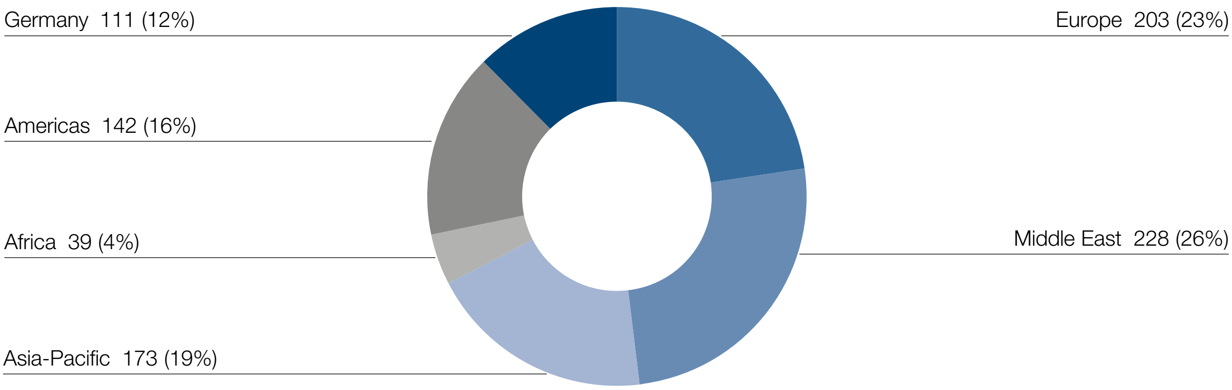
The markets in the Middle East performed very well overall. Thanks to the execution of very large orders in Jordan, in the United Arab Emirates and Saudi Arabia, very good earnings were achieved in the region. Saudi Arabia recorded an exceptional boom overall with huge projects. Here we are anticipating other extensive follow-up orders. In Qatar, the financial year was unsatisfactory.

It was pleasing to note the performance of our subsidiary in Egypt once again, which was able to deliver a good contribution to earnings thanks to several good projects. Nevertheless, the market there is becoming increasingly depressed. In the meantime, we have sharply reduced our presence in the rest of Africa.

Geographical breakdown of total Group revenues
Geotechnical Solutions segment

in EUR million (after deduction of Consolidation)

Total 896



The countries in the Asia-Pacific region continued to vary widely in their performance. Our subsidiaries in Thailand, Indonesia and the Philippines had better capacity utilization than in the previous years, although positive results could not yet be achieved everywhere. In Malaysia, a loss was recorded again due to the ongoing underutilization of capacities. In India, we were able to increase our revenue compared to the previous year and heighten our market presence.

The subsidiary in the USA had a good order situation overall, but delays in large projects as well as a too weak operative performance overall led to a loss. The business continued to be shaped by large dam rehabilitation and infrastructure projects. In Canada, similar reasons also led to a loss. In both countries, appropriate measures have been initiated to improve the situation. In Panama, the revenue and earnings were in line with the planning, as work was able to proceed here on various projects for the new subway line.

Our efforts continue to focus on establishing a streamlined and globally networked organizational structure with a lower number of individual companies. To this end, we are consistently pursuing the worldwide rollout of the BAUER Construction Process (BCP), which improves processes and sustainably unifies consistent measures for risk prevention. We aim to take on a leading role in specialist foundation engineering both in the area of sustainable construction methods and applications as well as in the area of digitalization.

Order situation

Order backlog increased significantly by 15.3%, from EUR 852.6 million in the previous year to EUR 983.0 million, and thus reached a record level. This mainly includes projects in Europe and North America, including several major projects. At EUR 1,034.9 million, the **order intake** rose very significantly by 30.3% compared to the previous year's EUR 794.5 million.

We also recorded a very good order intake in the 2023 financial year. Even though the markets continued to be very volatile, we were successful in winning several large orders. Although the order situation in some countries remained insufficient, we still see a good starting position for the current financial year due to the existing order backlog and further opportunities around the globe. In particular, we are anticipating other extensive orders, for example in Saudi Arabia or Great Britain.

EQUIPMENT SEGMENT*

in EUR thousand	2022	2023*	Change
Total Group revenues	747,847	721,483	-3.5%
Sales revenues	625,916	589,308	-5.8%
Order intake	792,109	707,530	-10.7%
Order backlog	222,061	208,108	-6.3%
EBIT	39,863	39,001	-2.2%
Earnings after tax	19,667	4,836	-75.4%
Employees (reporting date)	3,109	2,962	-4.7%

* Figures changed after May 13, 2024; for details of the changes, please refer to the section “Significant changes since May 13, 2024”

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** decreased slightly by 3.5% from EUR 747.8 million in the previous financial year to EUR 721.5 million. **EBIT** only fell slightly from EUR 39.9 million to EUR 39.0 million, while **earnings after tax** decreased significantly from EUR 19.7 million to EUR 4.8 million.

The earnings figures of the previous year were influenced by several significant effects that led to negative earnings contributions. These were the unscheduled depreciations in respect of the Russian companies (EUR 7.6 million) as well as the sale of Olbersdorfer Guß GmbH (roughly EUR 10.1 million).

In 2023, the Equipment segment recorded a slight decrease in revenue figures compared with the previous year. In contrast, the earnings figures remained behind the expectations, which was primarily attributable to the financial burdens in the region of Asia and China in particular. The deconsolidation of the Russian companies in the segment also had a negative impact on the result. Furthermore, this segment was the most 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 was significantly burdened by the negative effect of the evaluation of the interest rate hedging transactions in the financial result (see explanations in the chapter “Course of business”).

After the supply situation of materials and parts for production remained tense in 2022, the situation significantly improved in the financial year gone by.

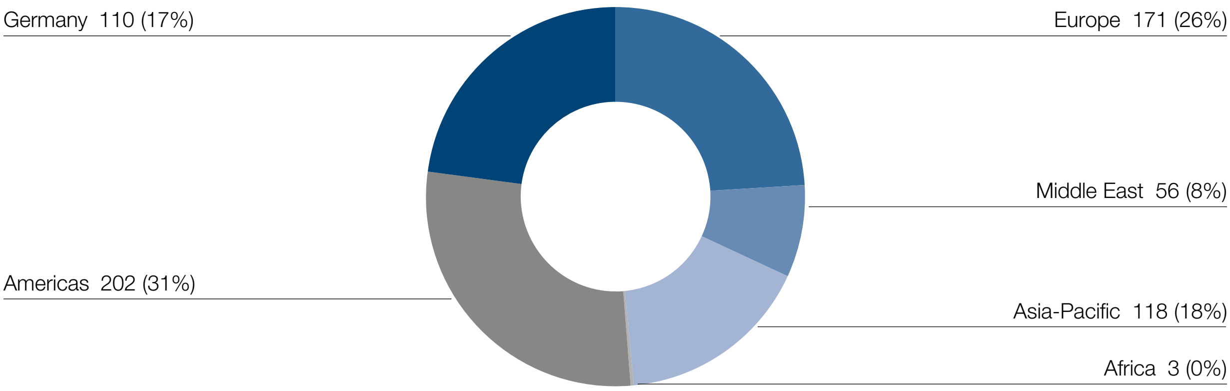
Overall, the markets in the Americas, particularly in the USA, and the Middle East, continued to record increases in sales figures. In Germany and Europe overall, the demand remained nearly constant. In the Asia-Pacific region and China in particular, sales figures remained at a very low level. The main reason for this was still the weak economic environment of the construction market. The local production and sales organization was thus significantly below planned levels again, and recorded a loss as in the previous year.

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 660



year. Pile driving equipment and rotary drives again recorded growth compared to the previous year, with good results. Sales figures also increased for the sale of well drilling rigs. For mixers and casings, the results were below the level of the previous year. Business in spare parts, drilling tools and after-sales services once again had a good impact on earnings. A solid financial year was recorded for the purchase and sale of used machines.

The sales company for specialist foundation engineering equipment in the USA had a positive market environment and was able to achieve very good earnings with an increase in revenue. On the other hand, a negative contribution to earnings came from the local product brand for water well drilling rigs.

Order situation

The **order intake** decreased significantly by 10.7% to EUR 707.5 million, compared to the previous year's EUR 792.1 million. **Order backlog** was EUR 208.1 million at the end of 2023, representing a significant decrease of 6.3% compared to the previous year's EUR 222.1 million.

Overall the demand for specialist foundation engineering equipment was stable worldwide. The numerous additional uncertainties for the capital goods market, such as high inflation, high interest rates and Russia's war against Ukraine, did not have a negative impact on demand in the previous year.

RESOURCES SEGMENT

in EUR thousand	2022	2023	Change
Total Group revenues	299,160	277,749	-7.2%
Sales revenues	271,754	248,377	-8.6%
Order intake	328,332	269,910	-17.8%
Order backlog	370,328	362,489	-2.1%
EBIT	-37,339	12,043	n/a
Earnings after tax	-40,967	7,406	n/a
Employees (reporting date)	1,378	1,187	-13.9%

General conditions

The Resources segment is focused on products and services in the business areas of drilling services and water wells, environmental services, constructed wetlands, mining and rehabilitation. 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 significantly by 7.2%, from EUR 299.2 million in the previous year to EUR 277.7 million. **EBIT** was significantly in the positive range at EUR 12.0 million compared to the previous year at EUR -37.3 million. The same was true for the **earnings after tax**, which were EUR 7.4 million, compared to EUR -41.0 million in the previous year.

The earnings figures of the previous year were influenced by several significant effects that led to markedly negative earnings contributions. These included the decisions to close or wind up subsidiaries (roughly EUR 14.5 million) along with devaluations on the participation in Oman due to the significant increase in the Weighted Average Cost of Capital (WACC) and a modified market assessment for the future sale of CO_2 certificates (EUR 25.7 million).

In the financial year gone by, the individual business divisions experienced very different trends. In the drilling services and water well construction division, our drilling companies in Africa, which primarily operate for the raw materials industry and international development companies, recorded stable performance at a low level.

The GWE Group, which manufactures and sells well materials in Germany, France and Eastern Europe as well as in Chile, recorded a good financial year. The subsidiaries in France, Poland, Hungary and Chile also recorded positive results.

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. Our participation in Oman had another successful operative financial year in the area of constructed wetlands.

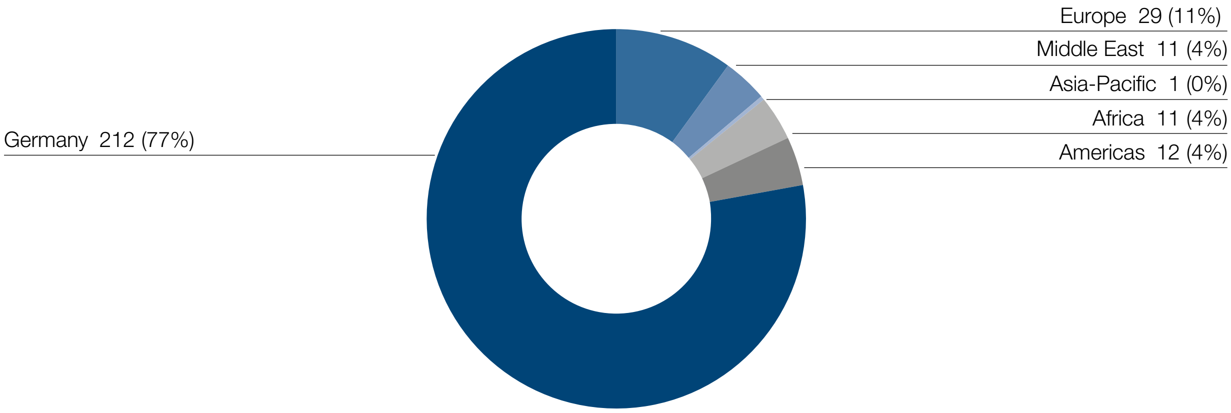
Thanks to the continuously high demand in Germany, the mining division once again made a very positive contribution to revenue and earnings. In Kazakhstan, the project which has been running successfully for several years was expanded.

In the business area of rehabilitation, revenue at the end of 2023 was significantly below the previous year and earnings were slightly in the negative range. The previous services for revitalization of consumer markets were discontinued.

Geographical breakdown of total Group revenues
Resources segment

in EUR million (after deduction of Consolidation)

Total 276



Order situation

The **order intake** was EUR 269.9 million in 2023, representing a significant decrease of 17.8% from the previous year's value of EUR 328.3 million. At EUR 362.5 million, the **order backlog** at the end of the year fell by 2.1%, only slightly under the previous year's EUR 370.3 million.

The majority of the order backlog is generated by the mining division in Germany with a volume of EUR 178.0 million. Compared to the previous year, this area recorded a slight decrease. The constructed wetland in Oman contributes another significant share of the order backlog due to its long operating time. The areas of environmental services and rehabilitation recorded a decrease compared to the previous year.

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 2023, the **Corporate Services segment** posted EBIT of EUR -0.6 million (previous year: EUR -78.7 million). This includes EUR 0.6 million of dividend payments by Group subsidiaries to the parent company. Earnings after taxes amounted to EUR -7.9 million (previous year: EUR -66.4 million). The segment revenues are generated mainly by intra-Group charges.

Consolidations were carried out in the **Consolidation segment**. The EBIT of EUR -0.08 million (previous year: EUR 73.7 million) largely matches the aforementioned distributions by Group subsidiaries to BAUER AG. Earnings after taxes amounted to EUR -0.1 million (previous year: EUR 73.4 million).

III. EARNINGS, FINANCIAL AND NET ASSET POSITION

GROUP EARNINGS POSITION*

The earnings position in 2023 was shaped overall by a fundamentally positive operative business in all three segments. A negative effect resulted from the financial impacts of the evaluation of the interest rate hedging transactions as well as the cyber attack.

The reference year 2022 was shaped by various considerable influencing factors, including primarily the unscheduled depreciations on the Group companies in Russia, the devaluations on the fixed assets and current assets as well as the decision to sell or wind up other subsidiaries. The most important key figures changed as follows:

Total Group revenues increased significantly by 4.7% from EUR 1,748.1 million in the previous year to EUR 1,831.1 million. Compared to the previous year's value of EUR -68.0 million, **EBIT** was once again positive at EUR 95.2 million, which had not been achieved for many years. At EUR 7.5 million, **earnings after taxes** were positive again – the previous year's value was EUR -94.0 million.

The individual income statement items for 2023 are summarized in the following:

Consolidated revenues rose by 5.6%, from EUR 1,680.0 million in the previous year to EUR 1,773.4 million. This growth can primarily be attributed to the significantly improved business performance in the Geotechnical Solutions segment, which overcompensated declines in the Equipment and Resources segments.

Sales revenues increased accordingly by 4.2% from EUR 1,630.1 million to EUR 1,698.2 million. This increase also results from the performance of the segments described under the consolidated revenues.

Changes in inventories changed considerably from EUR 16.0 million to EUR 36.9 million, which was mainly the result of the inventory expansion in the Equipment segment. The cyber attack also contributed to this change.

Other own work capitalized rose considerably from EUR 9.4 million to EUR 12.1 million due to increasing research work.

Other income remained nearly unchanged at EUR 26.2 million compared to the previous year's value of EUR 24.4 million.

The **cost of materials** only rose slightly by 2.0% in the year under review, from EUR 876.9 million to EUR 894.5 million. This was mainly due to the increase in revenue, compared to which however the rise in this item remained behind.

Personnel expenses decreased slightly by 1.0% from EUR 463.4 million to EUR 458.7 million, and thus opposed the increase in the consolidated revenues. We will continue to strive to improve personnel expenses in relation to consolidated revenues over the next few years.

Other operating expenses fell significantly by 7.0% from EUR 233.3 million to EUR 216.9 million. In the previous year, this item included expenses for the de-consolidation of companies (EUR 14.4 million). These amounted to EUR 8.4 million in the reporting year.

Impairments and impairment reversals in accordance with IFRS 9 in the amount of EUR 1.6 million were considerably below the previous year's value of EUR 29.8 million. In the 2022 financial year, this item primarily includes large portions of the devaluations on the current assets described in the course of business (EUR 26.8 million).

Impairments in investments accounted for using the equity method amounted to EUR 1.2 million in 2023 (previous year: EUR 25.7 million) and were related to the Geotechnical Solutions segment. In the previous year, this item mainly comprised the devaluations on the shares in the Resources participation in Oman due to the significant increase in the Weighted Average Cost of Capital (WACC) as well as a modified market assessment for the future sale of CO_2 certificates.

At EUR 9.4 million, the **income from shares accounted for using the equity method** was at the same level as the previous year's value of EUR 9.7 million.

Depreciation of fixed assets fell by 12.9% from EUR 116.0 million to EUR 101.0 million. In the previous year, this item included depreciations on equipment in connection with the offshore project in France and on the subsidiaries in Russia in the Equipment 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 8.2% from EUR 12.5 million to EUR 13.5 million in the year under review.

Financial income decreased very considerably from EUR 117.7 million to EUR 37.6 million. The currency gains and income from hedging transactions included in this item fell by EUR 28.5 million and the income resulting from changes in the market value of derivatives is lower than the previous year by EUR 52.0 million. In the previous year, this item also included a capital gain from the sale of the remaining shares in Wöhr+Bauer GmbH amounting to EUR 5.6 million.

At EUR 100.0 million, **financial expenses** were only slightly above the previous year's level of EUR 99.0 million. This primarily includes currency losses and losses from hedges.

At EUR 25.4 million, **income tax expense** was down significantly from the previous year's EUR 44.7 million. The decrease results primarily from the improved operative business, as a result of which fewer capital measures under corporate law were required and there was an increase in the recoverability of income tax losses carried forward.

The **earnings after taxes attributable to BAUER AG shareholders** were EUR 5.5 million (previous year: EUR -95.5 million).

At EUR 2.0 million, the **earnings after taxes attributable to non-controlling interests** were somewhat higher than in the previous year (previous year: EUR 1.5 million).

GROUP FINANCIAL AND NET ASSET POSITION*

Total assets of the Group rose slightly by 4.9% in 2023, from EUR 1,620.0 million to EUR 1,699.2 million. At 29.2%, the **equity ratio** increased significantly compared to the previous year's level of 24.8% and rose primarily due to the capital increase that was carried out and the positive earnings after tax.

Net debt was EUR 410.8 million in the year under review, representing a significant decrease from the previous year's figure of EUR 514.6 million. Accordingly, the net debt has improved considerably relative to total assets and revenues. The level of net debt in the Group is largely dependent on the level of working capital. The working capital of our companies is inevitably relatively high due to the nature of our business model and the special market in which we operate. We have relatively short run-times in the Geotechnical Solutions segment and there are only occasional prepayments, so that we very seldom generate a positive cash flow over the duration of the construction site; this is only generated upon completion. This is why

Development of covenants

	2022	2023*
Net Debt/EBITDA	8.50	1.96
Equity ratio in %	24.8	29.2

* Figures changed after May 13, 2024; for details of the changes, please refer to the section “Significant changes since May 13, 2024”

the majority of our contracts require financing across the many Group construction sites corresponding to roughly three months of sales in the Geotechnical Solutions segment.

The situation in the Equipment segment is similar. The preparation times for our specialist machinery are around 12 months. Since customers usually only order equipment once they have an actual contract to fulfill, and therefore expect short delivery lead times from us, we are forced to hold stocks of finished machinery. Moreover, we have a very broad product range, and we need to stock spare parts for our customers worldwide, leading to a corresponding increase in the need for financing.

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 1.96, reflects a significant improvement of the earnings and debt situation. In addition to the two syndicated loans valued at EUR 390 million (drawdown: EUR 172.7 million) and EUR 53 million (outstanding loan amount: EUR 5.8 million), the Group set covenants for a number of loans, which were valued as per the 2023 year-end at EUR 87.5 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 only marginally from EUR 481.7 million to EUR 484.4 million.

- **Investments accounted for using the equity method** increased significantly from EUR 58.6 million to EUR 65.7 million. This was primarily due to the initial consolidation of Carbo-FORCE GmbH as well as the equity adjustment of BAUER Nimr LLC in the Resources segment.

- **Deferred tax assets** rose sharply from EUR 33.2 million to EUR 50.6 million. This was mainly due to the activation of deferred tax assets on valuation differences for EURODRILL GmbH (EUR 8.3 million) as well as the increased offsetting of deferred tax assets and liabilities compared with the previous year (EUR 4.0 million).

- **Other non-current financial assets** decreased significantly from EUR 35.7 million to EUR 25.5 million, which is largely attributable to a decrease in receivables from derivatives.

- **Inventories** increased from EUR 490.0 million to EUR 526.2 million. This was primarily due to the increase in finished goods, work in progress and stock for trade in the Equipment segment. In the previous year the strategy was pursued of having more finished equipment in the inventory due to the highly unpredictable delivery situation and the price increases for raw materials. This had effects into the 2023 financial year. The increase was also associated with the cyber attack and the associated difficulties with delivery of equipment at the end of 2023.

- **Contract assets** fell back from EUR 96.4 million to EUR 78.9 million as of the balance sheet date.

- **Trade receivables** are divided into a non-current and current share and increased in total from EUR 263.1 million to EUR 286.7 million. The growth in total Group revenues as well as the billing of orders led to an increase in this item as of the balance sheet date.

- **Cash and cash equivalents** increased from EUR 44.6 million to EUR 68.7 million as of the balance sheet date. This results primarily from a large incoming payment 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** significantly increased from EUR 402.3 million to EUR 495.4 million, which is primarily attributable to the positive earnings after tax (EUR 7.5 million) as well as the capital increase with subscription rights (EUR 101.0 million). Accordingly, the subscribed capital increased by EUR 72.2 million and the capital reserve increased by EUR 28.8 million.

- The **non-current portion of liabilities to banks** increased significantly from EUR 58.4 million to EUR 95.9 million. Compared to 2022, a large proportion of liabilities to banks was reclassified from current to non-current liabilities. The covenants for primary loans were exceeded as of the end of 2022. As a result, in the previous year these loans had to be transferred to current liabilities to banks. In total, the liabilities to banks decreased very significantly in the past financial year by EUR 72.4 million.

- **Provisions for pensions** increased significantly overall from EUR 106.0 million to EUR 115.4 million. This is essentially due to the lower discount rate of 3.45% (previous year: 3.9%).

- **Other non-current financial liabilities** decreased significantly from EUR 11.5 million to EUR 8.6 million. The reason for this was a decrease in the liabilities to financing companies.

- The **current portion of liabilities to banks** decreased significantly from EUR 401.8 million to EUR 292.0 million. This item was also affected by the aforementioned reclassification of liabilities from non-current liabilities to banks.

- **Contract liabilities** increased from EUR 89.1 million to EUR 134.5 million, primarily in the Geotechnical Solutions segment due to a large project in Hungary.

- **Trade payables** rose from EUR 230.8 million to EUR 263.2 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** rose only slightly from EUR 35.3 million to EUR 38.1 million.

- **Provisions** fell from EUR 44.0 million to EUR 39.0 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 150.8 million, above the previous year's EUR 101.0 million. The following factors contributed to this change:

- The other non-cash transactions totaled EUR -64.3 million (previous year: EUR 75.8 million). This change is largely attributable to changes in the market value of derivatives as well as to exchange rate differences.

- At EUR 9.4 million, income from participations accounted for using the equity method remained at the previous year's level of EUR 9.7 million.

- The change in trade receivables was EUR -38.9 million, which is primarily attributable to the allocation of valuation allowances on trade receivables in the previous year.

- The change in contract liabilities improved the operating cash flow by EUR 45.7 million (previous year: EUR 19.8 million), which is primarily attributable to the operative business.

- The change in provisions burdened the operating cash flow by EUR -21.7 million, which is primarily attributable to the Geotechnical Solutions segment.

- The change in other liabilities as well as prepayments and deferred charges improved the operating cash flow on the order of EUR 21.7 million, which means a change of EUR 61.5 million compared with the previous year.

- The financial income burdened the operating cash flow on the order of EUR -37.6 million. The change of EUR 80.1 million compared to the previous year is primarily attributable to the development of interest rate swaps.

- The change in inventories burdened the operating cash flow on the order of EUR -62.7 million (previous year: EUR -94.8 million). Apart from the operative business, this is also largely attributable to effects from currency translation, impairments of inventories due to use as well as unplanned depreciations on the current assets of the Russian companies and of the subsidiary in Jordan in the Resources segment in the previous year.

- The change in other current and non-current liabilities improved the operating cash flow on the order of EUR 0.8 million, which means a change of EUR -26.7 million compared with the previous year.

- The income tax paid burdened the operating cash flow on the order of EUR -23.5 million (previous year: EUR -37.3 million).

Cash flow from investment activity totaled EUR -108.6 million and was above the previous year's EUR -83.7 million. The primary reason for this, among other factors, were higher investments in property, plant and equipment and intangible assets.

Cash flow from financing activities amounted to EUR -17.3 million. This essentially comprises loan repayments amounting to EUR -215.6 million, incoming payments from equity contributions of EUR 101.4 million as well as new indebtedness to banks on the order of EUR 150.7 million.

INVESTMENTS

Investments in the 2023 financial year were considerably lower than the previous year, yet remained higher than the depreciations. This was largely attributable to project-related investments in equipment. Investments in land and buildings were largely undertaken for production. In the coming years, further new investments are planned for the expansion and modernization of our production and storage facilities.

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 coming years, increasing investments will be made in capacity expansion at the subsidiary, which manufactures small drilling rigs and anchor drilling rigs. To optimize and prepare logistics in the Equipment segment for the future, significant investments will be made in this area in the coming years. 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 2023 financial year, the **BAUER Group** invested a total of EUR 158.4 million (previous year: EUR 138.4 million) in intangible assets and property, plant and equipment. Depreciation of fixed assets across the Group totaled EUR 100.8 million (previous year: EUR 116.0 million). Write-downs of inventories due to use totaled EUR 13.5 million across the Group (previous year: EUR 12.5 million).

In the 2023 financial year, additions to the property, plant and equipment assets of **BAUER AG** totaled EUR 5.1 million (previous year: EUR 6.1 million). This is set against depreciation of EUR 3.6 million (previous year: EUR 2.9 million).

IV. FINANCIAL STATEMENTS OF BAUER AKTIENGESELLSCHAFT

The consolidated management report and the management report of the parent company, BAUER AG, are combined. The balance sheet and the income statement of BAUER AG (according to the German Commercial Code, HGB) are therefore explained at this point. The following items in the balance sheet and income statement changed significantly during the 2023 financial year compared with the previous year:

Key changes in the balance sheet:

- **Intangible assets** increased from EUR 9.5 million to EUR 10.2 million, which is largely attributable to capitalized expenses for a large IT conversion project.
- **Receivables and other assets** rose significantly from EUR 34.5 million to EUR 116.0 million, which is largely attributable to an increase in receivables from affiliated companies. This is connected with the strategy of increasingly issuing loans through BAUER AG to the subsidiaries.
- **Equity** amounted to EUR 228.2 million (previous year: EUR 129.3 million) and increased largely due to the capital increase carried out in 2023.
- **Liabilities** decreased slightly from EUR 239.5 million to EUR 226.5 million. Liabilities to banks decreased by EUR 74.6 million, which can be explained by a repayment of loans using funds from the capital increase. Liabilities to affiliates increased by EUR 61.1 million, which was largely due to liabilities to BAUER Spezialtiefbau GmbH.

Main changes in the income statement:

- **Sales revenues**, primarily created by charging of administrative services and financing costs to subsidiaries, increased significantly by EUR 14.3 million to EUR 60.7 million, which is attributable to the charging of IT project costs to affiliated companies.
- **Personnel expenses** increased from EUR 25.8 million to EUR 28.3 million, which is largely due to a slightly increased number of employees at BAUER AG as well as the collectively agreed wage rises.
- **Other operating expenses** decreased very significantly from EUR 108.4 million to EUR 24.1 million. In the previous year, this item included considerable shareholder contributions of BAUER AG to subsidiaries, in particular BAUER Spezialtiefbau GmbH.
- At EUR 2.6 million, the **operating result** was in the slightly positive range (previous year: EUR -82.2 million).
- At EUR 0.6 million, **income from participations** was significantly below the previous year’s level of EUR 16.5 million, as almost no dividend payments were made from subsidiaries to BAUER AG in the year under review.
- The **net loss** was EUR -2.8 million (previous year: Net loss of EUR -77.6 million). Accumulated loss was EUR -0.005 million (previous year: accumulated loss of EUR -0.007 million). The net loss was largely offset by a withdrawal from the capital reserve.

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. The dividend policy of BAUER AG is one of continuity, meaning that in principle a dividend should be paid even in difficult years, where financially justifiable. As the Group holding company, BAUER AG is dependent on the income of its subsidiaries and additionally provides financing to them.

In 2023, the Group's equity increased again due to the capital increase that was carried out. However, it is necessary to continue striking a careful balance between continuity and shareholder participation on the one hand, and safeguarding our equity ratio on the other. 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 expected value. 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 8,000	Low risk
2	up to 20,000	Medium risk
3	up to 50,000	Significant risk
4	up to 100,000	Serious risk
5	above 100,000	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 above low threshold values, 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 assigned to a risk class and organizationally escalated according to its risk class. The project is thus subject to a strict approval process. Risk classification is based, firstly, on defined checklists applying the K.O. principle, in order to prevent inadvertent assignment to an inappropriately low risk class. Secondly, it is based on potential harm identified in relation to the project, with the worst-case outcome serving as the decisive factor. The risk classes defined by this process are also incorporated in cost surcharges to cover the identified risks.

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.

STRATEGIC RISKS

Segmental structure

We counter the strategic risks arising from the segmental structure of the Group and the orientation toward 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 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

In the Equipment segment especially, we operate in highly competitive and price-sensitive markets. To improve our competitive situation in China, structural adjustments are being 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. In addition, China’s falling economic growth will have spillover effects on the development of the global economy.

Our strategy of spreading business in each segment across a large number of markets 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 earnings. The Resources segment has also already expanded on an international scale.

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, among other things, by extending the syndicated loan agreement and the capital increase carried out in 2023, which increased the equity base and further improved the balance sheet ratios.

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 foreign exchange 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 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 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. 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, 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, 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. Despite the greatest efforts, this risk is still assessed as significant (previous year: medium).

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 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

In late October 2023, the BAUER Group was the victim of a cyber-attack with extensive consequences for all operating processes. Although the high security standards in IT prevented the worst case scenario from occurring, the attack nevertheless succeeded in causing damage to the BAUER Group. It has been demonstrated that the confidentiality, integrity and availability of information, data and systems is highly endangered by increasing cybercrime. 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: medium).

OVERALL RISK

Although the risk of cybercrime is estimated to be a significant risk with considerable damage potential and the geopolitical situation has become further exacerbated, the management currently sees no individual or aggregate risks that threaten the existence of the BAUER Group. As a whole, the management sees a slight improvement in the overall risk situation, also in view of future business prospects among other factors, due to the improvement of the balance sheet through the capital increase. The identified risks are classified as manageable. Apart from the outlined risks, unforeseeable events may occur that can have a negative impact on the earnings, financial and net asset position.

OPPORTUNITY REPORT

The opportunities arising are classified parallel to the detailing of risks. Unless otherwise specified, all opportunities set out in the following relate to all our segments.

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. A similar business grew out of the first use of specialist foundation engineering equipment for diamond exploration. Today, a wide range of drilling services are executed. In the water well construction sector, we develop equally high-quality 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.

New business opportunities are also opening up in the area of renewable energies. For example, some offshore wind turbines require complex underwater drilling, which our Geotechnical Solutions segment can carry out using special drilling rigs. The required equipment is manufactured in the Equipment segment.

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.

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. We are confident that our market opportunities for deep geothermal drilling will continue to increase.

FINANCIAL MARKET OPPORTUNITIES

Due to the capital increase, we are able to further increase the equity base and improve the balance sheet situation, as well as considerably reducing our interest burden. 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.

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 2024.

VI. FORECAST REPORT

For 2024, it remains difficult to assess the development of the economic environment. In total, the construction and equipment markets recorded growth in the year gone by that is fundamentally expected to continue. However, this is heavily dependent on geopolitical developments. Sharply increased interest rates, high inflation, multiple wars or geopolitical tensions and changes have influenced the economy in the past year and will continue to leave their mark to a noticeable extent. 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 current very good order backlog in the Geotechnical Solutions segment fundamentally indicates a positive course of business. The development of interest rates, the result of the election in the USA and the end of the conflict in the Middle East could be decisive 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 good performance for 2024 despite the abovementioned risk factors as these also proved highly robust and stable in the past year. The market in Germany remains influenced by the subdued development in regular construction, with an improvement anticipated here in the second half of the year.

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, tensions on the Korean peninsula or the election in the USA. 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.

We consider ourselves to be well-positioned for the current year and beyond, thanks to our very 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. Digitalization projects such as "Digital Construction" let us open up new markets and strengthen our position in specialist foundation engineering. With new technologies, products and methods in the area of renewable energies, 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 as well as the growing demand for alternative drive 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.

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, due to the current interest rate situation 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 with the increase in raw material prices. 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 – independently of the fact that elections will be held. 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 developed slowly with the exception of India, which will likely continue in the current year.

For 2024, 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.

Based on this, for the Geotechnical Solutions segment we expect to see a considerable increase in total Group revenues and a slight increase in EBIT compared with the previous year.

Equipment segment

In line with the expectations for the construction markets, we also anticipate slight growth for the equipment markets. 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 expect that China will experience a slight recovery, yet 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 2024, in principle we anticipate slight growth in the markets. However, 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 in total above last year's level and an improved earnings performance once again.

Given these assumptions, we expect for the Equipment segment that the total Group revenues will remain at the previous year's level and EBIT for 2024 will be significantly higher than in the previous year.

Resources segment

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

The environmental business continues to have positive prospects and has recorded good demand on the medium and long term despite a slight slowdown due to the downturn of the regular construction market in Germany. As we only anticipate a recovery for real estate development in Germany in the second half of 2024 due to the higher interest rates, 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. Intensive work is continuing to align the orientation of these activities.

For 2024, we expect for the Resources segment that the total Group revenues and EBIT will remain at the previous year's level.

BAUER AG

In 2024, BAUER AG expects a slight increase in sales revenues.

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 2024.

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. The range for our performance indicator EBIT is also defined given this background and the associated ongoing difficulty of predicting the further effects in the current financial year.

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 slight increase in **total Group revenues** as well as **EBIT** for the 2024 financial year.

The Executive Board will therefore recommend that the Supervisory Board proposes to the Annual General Meeting that no dividends be distributed, as the earnings will be invested in the future stabilization and future viability of the Group. In the medium term, however, we continue to maintain our dividend policy, which plans for a dividend ratio of approximately 25 to 30% of reported earnings after taxes.

Comparison: Actual 2023 / Forecast 2024

in EUR million	Actual 2023*	Forecast 2024
Total Group revenues	1.831	slight increase
EBIT	95.2	slight increase

* Figures changed after May 13, 2024; for details of the changes, please refer to the section “Significant changes since May 13, 2024”

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

In the 2023 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 three women and three men on the shareholder representative side of the Supervisory Board members until November 2, 2023, and subsequently two women and four men. Until the withdrawal of the shares of BAUER AG from the list for trading in the regulated market of the Frankfurt Stock Exchange (delisting) with effect from the end of June 20, 2023, the Supervisory Board of BAUER AG was subject to the statutory minimum quota rule of at least 30% women and 30% men in accordance with Section 96 (2) of the AktG, which was fulfilled with the present appointments. For the subsequent period, 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 also achieved with the present appointments.

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

As the Executive Board of the company did not consist of more than three persons up to the withdrawal of the stock market listing with effect of the delisting from the end of June 20, 2023, the statutory gender quota for the Executive Board of listed companies pursuant to section 76 (3a) of the AktG was not applicable at any time for BAUER AG in the previous year under review. 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, 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 29.63% (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, July 19, 2024
BAUER Aktiengesellschaft

Dipl.-Betriebswirt (FH) Hartmut Beutler   Peter Hingott

Report of the Supervisory Board 2023

The work of the Supervisory Board in the 2023 financial year was primarily shaped by the implementation of the capital increase resolved by the Extraordinary General Meeting on November 18, 2022 and its subsequent effects. With effect as of March 23, 2023, the share capital of BAUER Aktiengesellschaft amounting to EUR 111,186,566.76 was raised by EUR 72,211,776.98 through the issue of 16,945,697 new no-nominal-value bearer shares in the form of common shares (with voting rights) with a proportion of the share capital amounting to EUR 4.26 (rounded) per share, to a total of EUR 183,398,343.74. SD Thesaurus GmbH, Munich, had hedged the capital measure and undertook in advance to acquire all new shares that were not purchased by other company shareholders at the purchase price. After the implementation of the capital increase, the company was notified that SD Thesaurus GmbH and Doblinger Beteiligung GmbH have been coordinating their behavior with regard to BAUER Aktiengesellschaft in a particular manner in line with Section 30 (2) of the Securities Acquisition and Takeover Act (WpÜG) since March 31, 2023, and in this way have obtained control over BAUER Aktiengesellschaft in accordance with Section 35 (1) in conjunction with Section 29 (2) WpÜG. SD Thesaurus GmbH consequently published an offer document for its mandatory offer on May 12, 2023, which was also a delisting acquisition offer to the shareholders of BAUER Aktiengesellschaft for the purchase of all no-nominal-value bearer shares in BAUER AG. The Supervisory Board has intensively monitored the associated changes and assisted the company's Executive Board in its work.

Furthermore, the Supervisory Board regularly monitored the work of the Executive Board during the 2023 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 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, however, reporting was restricted at the end of the financial year. The Chairman of the Supervisory Board was also in regular contact with the Executive Board, in particular with the CEO, gathered information as appropriate relating to the course of business and key transactions and discussed strategic topics as well as risk situations.

Due to a conflict of interests because of a subscription obligation of SD Thesaurus GmbH in the context of the capital increase resolved by the General Meeting on November 18, 2022, Ms. Doblinger did not participate in the consultations and resolution concerning the details for the execution of the capital increase. Accordingly, Ms. Doblinger also did not participate in the consultations and resolutions concerning the joint statement of the Executive Board and Supervisory Board regarding the combined mandatory offer and delisting acquisition offer of SD Thesaurus GmbH. In the same manner, with the appointment of Prof. Dr. Fuchs as member of the Supervisory Board, an existing contract for legal consultation with the firm of Prof. Dr. Fuchs was negotiated without his participation. Apart from this, 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 eight plenary Supervisory Board meetings, and four resolutions were adopted by means of a resolution procedure in writing. 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. The Supervisory Board takes into account the reports of the committees.

At the start of the 2023 financial year, the Supervisory Board was focused on the implementation of the capital increase resolved by the Extraordinary General Meeting on November 18, 2022. On the one hand, the Supervisory Board monitored the settlement of the legal challenges filed against the resolution, and on the other hand the Supervisory Board was engaged with determining the details of the capital increase. Accordingly, as part of the capital increase, 16,945,697 new no-nominal-value bearer shares were issued including the shareholders' statutory subscription rights and the subscribed capital was increased by EUR 72,211,776.98 with effect as of March 23, 2023. Furthermore, in March of the year under review, a special session resolved on the termination of the Executive Board activities of acting CEO Mr. Michael Stomberg as well as the conclusion of a corresponding termination agreement with him.

At the annual financial review meeting in April relating to the annual and consolidated financial statements for the 2022 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 and the proposal of the Executive Board with regard to the appropriation of retained earnings. The key audit points comprised the special factors affecting the year-end result. After reviewing the audit reports for the annual financial statements, the annual and consolidated financial statements were adopted and approved by the Supervisory Board. The declaration on corporate governance and the non-financial Group report for the 2022 financial year were also confirmed and the remuneration topics with the remuneration report were discussed. During this meeting, the Supervisory Board also addressed the current business development, the change in the rules of procedure governing the Executive Board and the invitation to the Annual General Meeting. Another key focus of consultation was the combined mandatory offer and delisting acquisition offer of SD Thesaurus GmbH submitted shortly before. In an extraordinary session of the Supervisory Board in mid-April, after weighing the advantages and disadvantages of delisting, the Supervisory Board approved the application to withdraw the company’s shares from the list for trading in the regulated market. After obtaining and addressing a fairness opinion during an extraordinary session in May of the financial year, a written resolution was passed approving the submission and publication of the statement from the Executive Board and Supervisory Board regarding the mandatory offer and delisting acquisition offer of SD Thesaurus GmbH. Additionally, in May the tender for auditing for the 2024 financial year was resolved.

In the June session, the Supervisory Board addressed the operative business performance in the segments, the convocation of the Annual General Meeting and the identification and development of employees with high potential in the company.

In the September session, apart from addressing the business performance in the various markets, the Supervisory Board focused on the medium-term consolidated balance sheet planning, the reporting to the Supervisory Board, the development of the offshore business and the planning for constructing a new plant.

In early December, the Supervisory Board came together to discuss filling the vacant positions on the committees due to the departure of Ms. Andrea Teutenberg and Prof. Thomas Bauer as well as the course of business in the segments, and to accept a compliance report. Furthermore, the modification and new version of the rules of procedure governing the Supervisory Board were resolved including changes to the committees. In addition, the conclusion of a termination agreement with acting member of the Executive Board Mr. Florian Bauer as of the end of the financial year was approved, and the subsequent appointment of Mr. Hartmut Beutler as member of the Executive Board was resolved. Furthermore, the offers from the tender for auditing were evaluated and the proposal to the General Meeting for selecting the auditor for the 2024 financial year were resolved. After the appointment of Prof. Dr. Bastian Fuchs as member of the Supervisory Board, he was voted as Chairman of the Supervisory Board following prior discussion in the session through a written resolution, and resolutions were passed regarding the filling of vacancies on the committees as well as the approval of a legal consultation contract with the law firm at which the Chairman of the Supervisory Board is employed.

WORK CARRIED OUT BY THE COMMITTEES

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

One meeting of the Presidial and Personnel Committee was convened. At those meetings, 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 performance bonuses for members of the Executive Board, the remuneration report as well as the 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 Member due to the withdrawal of the CEO at the start of the year was prepared by the committee. A self-assessment of the Supervisory Board members in accordance with the German Corporate Governance Code was carried out and analyzed.

The Audit Committee met five times in the year under review. The committee reviewed the audit of the non-financial Group report, the quarterly statements, the half-year interim report and, in the presence of the auditors, the audit of the annual financial statements and the consolidated financial statements of the Group. It also scrutinized the Executive Board proposal regarding the appropriation of earnings as well as the selection and appointment of auditors and assessed the quality of the company audit. The Audit Committee obtained the required declaration of independence from the auditor and agreed on the fees for auditing services. The Committee also addressed and evaluated the tender for auditing for the 2024 financial year, held a special session to accept the risk management and internal auditing reports and review the earnings performance and projections for the end of the year. The Audit Committee resolved on an advance approval of non-audit services from the auditor and the design of the future reporting system was discussed. At the end of the financial year, it was resolved to dissolve the Audit Committee.

ATTENDANCE, ONGOING EDUCATION

As in previous years, in the 2023 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 principle, the members of the Supervisory Board are independently responsible for completing the training and ongoing education measures that are required for their activities. In the year under review, there were two changes in the composition of the Supervisory Board on the shareholder side. Ms. Andrea Teutenberg withdrew from her position as member of the Supervisory Board with effect as of November 2, 2023. Mr. Alfons Doblinger was legally appointed as her successor with effect as of November 2, 2023. Furthermore, Chairman of the Supervisory Board Prof. Thomas Bauer withdrew from the Supervisory Board with effect as of December 6, 2023 and Prof. Dr.-jur. Bastian Fuchs was appointed by the court with effect as of December 18, 2023.

	Supervisory Board meeting	Presidential and Personnel Committee	Audit Committee
Number of sessions held	**8**	**1**	**5**
Prof. Dr.-Ing. Thomas Bauer (until Dec.6, 2023)	7	1	
Rainer Burg	8		
Alfons Doblinger (since Nov. 2, 2023)	1		
Sabine Doblinger	8		
Petra Ehrenfried	7		
Maria Engfer-Kersten	7		4
Robert Feiger	7		
Prof. Dr.-jur. Bastian Fuchs (since Dec. 18, 2023)	0		
Reinhard Irrenhauser	8	1	
Klaus Pöllath	8	1	
Wolfgang Rauscher	8		
Dipl.-Ing. (FH) Elisabeth Teschemacher	8		
Dipl.-Kffr. Andrea Teutenberg (until Nov. 2, 2023)	7		4
Gerardus N.G. Wirken	8		5

AUDITING OF THE 2023 ANNUAL AND CONSOLIDATED FINANCIAL STATEMENTS

The annual financial statements of BAUER AG as at December 31, 2023 and the consolidated financial statements of the Group as well as the Combined Management Report, including Group Accounting, were audited by the auditors elected by the General Meeting and duly appointed by the Supervisory Board, PricewaterhouseCoopers AG Wirtschaftsprüfungsgesellschaft, Frankfurt am Main, Stuttgart branch office, and certified by the auditor with an unqualified opinion. The Supervisory Board scrutinized the audit documentation, the dependency report and the reports submitted by auditors. The auditor attended the meetings on these proposals of the plenary Supervisory 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 refinancing of the syndicated loan agreement led to changes in the combined management report and the information provided in the annual and consolidated financial statements etc., a deconsolidation of the Russian companies in the Equipment segment was made and the financial statements were subjected to a supplementary audit by the auditor. 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. 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, 3. that there are no grounds for a significantly different assessment of the measures outlined in the report than that of the Executive Board.”

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 examined and approved by the Supervisory Board in the meetings on May 14, 2024 – in particular the dependency report – and July 26, 2024. 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 departing members of the Supervisory Board, Ms. Andrea Teutenberg and Prof. Thomas Bauer, for their commitment to the company and its employees.

Schrobenhausen, July 2024
The Supervisory Board

Prof. Dr.-jur. Bastian Fuchs
Chairman of the Supervisory Board

Cementation Skanska and Bauer Maschinen jointly brought the eBG 33, the first large-scale electric rotary drilling rig, into operation in London for the HS2 infrastructure project. By using the eBG 33, CO_2 and noise emissions were significantly reduced.

Balance Sheet and Income Statement of BAUER Aktiengesellschaft in accordance with the German Commercial Code (HGB)

Income Statement of BAUER Aktiengesellschaft

in EUR thousand	12M/2022	12M/2023
Sales revenues	46,450	60,723
Other own work capitalized	1,090	1,544
Other operating income	12,526	3,925
	60,066	66,192
Cost of materials		
Expenses for raw materials and supplies and purchased goods	-393	-308
Expenses for purchased services	-5,075	-7,568
	-5,468	-7,876
Personnel expenses		
Wages and salaries	-20,651	-22,545
Social security contributions and expenses for retirement benefits and welfare support	-5,129	-5,747
	-25,780	-28,292
Amortization of intangible fixed assets and depreciation of property, plant and equipment	-2,609	-3,293
Other operating expenses	-108,425	-24,137
Operating result	**-82,216**	**2,594**
Income from participations	16,484	604
Write-downs of financial assets and marketable securities	-5,030	-191
Other interest and similar income	2,983	4,826
Interest and similar expenses	-7,025	-10,774
Financial result	**7,412**	-5,535
Taxes on income and profit	-2,769	163
Earnings after tax	**-77,573**	-2,778
Net loss	**-77,573**	**-2,778**
Withdrawal of capital reserves	75,556	2,780
Withdrawal of retained earnings	2,043	0
Losses carried forward	-33	-7
Accumulated loss	**-7**	-5

Balance Sheet of BAUER Aktiengesellschaft as at December 31, 2023

ASSETS

in EUR thousand	Dec. 31, 2022	Dec. 31, 2023
Fixed assets		
Intangible assets	9,481	10,152
Property, plant and equipment	4,985	5,764
Financial assets	331,653	335,482
	346,119	351,398
Current assets		
Inventories (of which Raw materials and supplies)	164 (164)	190 (190)
Receivables and other assets (of which receivables from affiliated companies)	34,500 (33,731)	116,002 (115,369)
Cash at banks	0	0
	34,664	116,192
Prepayments and deferred charges	**4,773**	**5,239**
Deferred tax assets	**2,961**	**3,238**
	388,517	**476,067**

EQUITY AND LIABILITIES

in EUR thousand	Dec. 31, 2022	Dec. 31, 2023
Equity		
Subscribed capital	111,186	183,398
Capital reserve	18,108	44,789
Revenue reserves	12	12
Accumulated loss (of which losses carried forward	-7 (-33)	-5 (-7)
	129,299	**228,194**
Provisions (of which provisions for pensions)	19,684 (18,199)	21,369 (19,529)
Liabilities (of which liabilities payable to affiliated companies)	239,532 (56,998)	226,504 (118,052)
Deferred tax liabilities	**2**	**0**
	388,517	**476,067**

Consolidated Financial Statements in accordance with IFRS

Consolidated Income Statement

INCOME STATEMENT

in EUR thousand	Notes	12M/2022	12M/2023*
Sales revenues	(7)	1,630,136	1,698,186
Changes in inventories		16,039	36,923
Other own work capitalized	(8)	9,396	12,073
Other income	(9)	24,395	26,177
Consolidated revenues		**1,679,966**	**1,773,359**
Cost of materials	(10)	-876,949	-894,532
Personnel expenses	(11)	-463,442	-458,714
Other operating expenses	(12)	-233,312	-216,935
Impairments and Impairment Reversals in accordance to IFRS 9	(13)	-29,817	-1,586
Impairments on shares accounted for using the equity method	(14)	-25,669	-1,217
Income from shares accounted for using the equity method	(15)	9,739	9,435
Earnings before interest, tax, depreciation and amortization (EBITDA)		**60,516**	**209,810**
Depreciations			
a) Depreciation of fixed assets	(16)	-116,030	-101,045
b) Write-downs of inventories due to use	(17)	-12,510	-13,537
Earnings before interest and tax (EBIT)		**-68,024**	**95,228**
Financial income	(18)	117,690	37,564
Financial expenses	(19)	-98,976	-99,957
Earnings before tax (EBT)		**-49,310**	**32,835**
Income tax expense	(20)	-44,707	-25,355
Earnings after tax		**-94,017**	**7,480**
of which attributable to shareholders of BAUER AG		-95,516	5,471
of which attributable to non-controlling interests		1,499	2,009

* Numbers changed after May 13, 2024; More details of the changes in section „Material changes since May 13, 2024.

	12M/2022	12M/2023*
Earnings after tax attributable to the shareholders of BAUER AG, in EUR thousand	**-95,516**	**5,471**
Weighted average number of shares in circulation in financial year (basic)	26,091,781	39,297,875
Weighted average number of shares in circulation in financial year (diluted)	26,091,781	39,297,875
Basic earnings per share in EUR	**-3.66**	**0.14**
Diluted earnings per share in EUR	**-3.66**	**0.14**

* Numbers changed after May 13, 2024; More details of the changes in section „Material changes since May 13, 2024.

Consolidated Statement of Comprehensive Income

STATEMENT OF COMPREHENSIVE INCOME

in EUR thousand	12M/2022	12M/2023*
Earnings after tax	**-94,017**	**7,480**
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	46,993	-7,491
Deferred taxes on that revaluation with no effect on profit and loss	-13,015	2,346
Market valuation of other participations	-11,033	3,613
Deferred taxes on other participations with no effect on profit and loss	53	-50
Income and expenses which will be subsequently reclassified to profit and loss		
Market valuation of derivative financial instruments (hedging reserve)	1,399	-928
Included in income and loss	-38	207
Market valuation of derivative financial instruments (reserve for hedging costs)	90	-1
Included in income and loss	-86	1
Deferred taxes on financial instruments with no effect on profit and loss	-384	196
Exchange differences on translation of foreign subsidiaries	-7,253	-11,025
Other earnings after tax	**16,726**	**-13,132**
Total comprehensive income	**-77,291**	**-5,652**
of which attributable to shareholders of BAUER AG	-69,165	-3,137
of which attributable to non-controlling interests	-8,126	-2,515

* Numbers changed after May 13, 2024; More details of the changes in section „Material changes since May 13, 2024.

Consolidated Statement of Cash Flows

in EUR thousand	12M/2022	12M/2023*
Cash flows from operational activity:		
Earnings before tax (EBT)	-49,310	32,835
Depreciation of property plant and equipment and intangible assets	116,030	101,045
Writedowns of inventories due to use	12,510	13,537
Impairment losses and reversals in accordance to IFRS 9	29,817	1,586
Impairment losses on shares accounted for using the equity method	25,669	1,217
Financial income	-117,690	-37,564
Financial expenses	98,976	99,957
Results of deconsolidations	13,862	7,459
Other noncash transactions	75,761	-64,332
Dividends received	3,600	3,334
Income from the disposal of property plant and equipment and intangible assets	-6,573	-3,346
Income from shares accounted for using the equity method	9,739	9,435
Change in provisions	13,695	-21,720
Change in trade receivables	-66,383	-38,933
Change in contract assets	17,581	14,778
Change in other assets and in prepayments and deferred charges	-39,877	21,660
Change in inventories	-94,837	-62,677
Change in trade payables	48,393	49,578
Change in contract liabilities	19,816	45,688
Change in other current and noncurrent liabilities	27,468	777
Cash and cash equivalents generated from daytoday business operations	**138,247**	**174,314**
Income tax paid	-37,258	-23,468
Net cash from operating activities	**100,989**	**150,846**
Cash flows from investing activity:		
Purchase of entities included in the consolidated financial statements less net cash	0	-1,000
Purchase of property plant and equipment and intangible assets	-121,924	-140,892
Proceeds from the sale of property plant and equipment and intangible assets	41,324	37,930
Proceeds from the sale of subsidiaries	69	530
Purchase of financial assets (participations)	-3,123	-1,775
Change in financial resources resulting from the basis of consolidation	0	-3,375
Net cash used in investing activities	**-83,654**	**-108,582**
Free Cash flow	**17,335**	**42,264**
Cash flows from financing activity:		
Raising of loans and liabilities to banks	244,093	150,734
Repayment of loans and liabilities to banks	-213,495	-215,637
Repayment of liabilities from lease agreements	-19,658	-27,125
Incoming payments from equity contributions by shareholders of the parent company	0	101,449
Payments for transaction costs related to corporate actions	0	-430
Disbursements for the purchase of additional shares in subsidiaries	-100	0
Dividends paid	-1,561	-1,674
Interest paid	-27,674	-35,970
Interest received	11,055	11,346
Net cash used in financing activities	**-7,340**	**-17,307**
Changes in liquid funds affecting payments	**9,995**	**24,957**
Influence of exchange rate movements on cash	-6,685	-815
Total change in liquid funds	**3,310**	**24,142**
Cash and cash equivalents at beginning of reporting period	**41,297**	**44,607**
Cash and cash equivalents at end of reporting period	**44,607**	**68,749**
Change in cash and cash equivalents	**3,310**	**24,142**

* Numbers changed after May 13, 2024; More details of the changes in section „Material changes since May 13, 2024.

Consolidated Balance Sheet as at December 31, 2023

ASSETS

in EUR thousand	Notes	31.12.2022	31.12.2023*
Intangible assets	(22)	16,837	27,907
Property, plant and equipment	(22)	481,743	484,752
Investments accounted for using the equity method	(22)	58,581	65,723
Participations	(22)	2,106	2,106
Deferred tax assets	(23)	33,218	50,616
Trade receivables	(24)	1,056	1,898
Other non-current assets	(25)	8,292	8,786
Other non-current financial assets	(26)	35,747	25,519
Non-current assets		**637,580**	**667,307**
Inventories	(27)	499,004	540,133
Less advances received for inventories	(27)	-8,995	-13,972
Total inventories		490,009	526,161
Contract assets	(28)	96,384	78,881
Trade receivables	(28)	262,056	284,729
Receivables from enterprises in which the company has participating interests	(28)	1,845	1,616
Prepayments	(28)	13,931	7,640
Other current assets	(28)	46,946	49,515
Other current financial assets	(28)	22,441	9,353
Effective income tax refund claims		4,156	5,210
Cash and cash equivalents	(29)	44,607	68,749
Current Assets		**982,375**	**1,031,854**
		1,619,955	**1,699,161**

* Numbers changed after May 13, 2024; More details of the changes in section „Material changes since May 13, 2024.

EQUITY AND LIABILITIES

in EUR thousand		31.12.2022	31.12.2023*
Subscribed capital		111,186	183,398
Capital reserve		16,304	42,331
Other revenue reserves and retained earnings		256,451	255,528
Equity of BAUER AG shareholders		**383,941**	**481,257**
Non-controlling interests		18,370	14,181
Equity	**(31)**	**402,311**	**495,438**
Liabilities to banks	(32)	58,431	95,856
Liabilities from lease agreements	(32)	45,368	37,807
Provisions for pensions	(33)	102,461	111,599
Other non-current liabilities	(32)	9,341	8,696
Other non-current financial liabilities	(32)	11,522	8,609
Deferred tax liabilities	(23)	10,729	13,993
Non-current debt		**237,852**	**276,560**
Liabilities to banks	(34)	401,819	292,008
Liabilities from lease agreements	(34)	26,234	24,213
Contract liabilities	(34)	89,112	134,461
Trade payables	(34)	230,836	263,157
Liabilities to companies and participations accounted for using the equity method	(34)	27,660	31,061
Other current liabilities	(34)	105,521	80,298
Other current financial liabilities	(34)	15,806	21,031
Effective income tax obligations		35,314	38,094
Other provisions	(35)	43,976	39,027
Provisions for pensions	(33)	3,514	3,813
Current debt		**979,792**	**927,163**
		1,619,955	**1,699,161**

* Numbers changed after May 13, 2024; More details of the changes in section „Material changes since May 13, 2024.

Consolidated Statement of Changes in Equity from January 1, 2022 to December 31, 2023

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, 2022	**111,186**	**91,717**	**278,278**	**-11,629**	**1**	**-2**	**8,518**	**478,069**	**3,007**	**481,076**
Earnings after tax	0	0	-95,516	0	0	0	0	-95,516	1,499	-94,017
Exchange differences on translation of foreign subsidiaries	0	0	0	2,372	0	0	0	2,372	-9,625	-7,253
Revaluation of obligations arising from employee benefits after termination of the employment relationship	0	0	46,993	0	0	0	0	46,993	0	46,993
Market valuation of other participations	0	0	0	0	0	0	-11,033	-11,033	0	-11,033
Market valuation of derivative financial instruments	0	0	0	0	1,361	4	0	1,365	0	1,365
Deferred taxes with no effect on profit and loss	0	0	-13,015	0	-384	0	53	-13,346	0	-13,346
Total comprehensive income	**0**	**0**	**-61,538**	**2,372**	**977**	**4**	**-10,980**	**-69,165**	**-8,126**	**-77,291**
Changes in basis of consolidation	0	0	0	0	0	0	0	0	0	0
Dividend payments	0	0	0	0	0	0	0	0	-1,561	-1,561
Acquisition of minority interests in fully consolidated subsidiaries	0	0	-25,050	0	0	0	0	-25,050	25,050	0
Offsetting the loss carryforward	0	-75,556	75,556	0	0	0	0	0	0	0
Other changes	0	143	-56	0	0	0	0	87	0	87
As at Dec. 31, 2022	**111,186**	**16,304**	**267,190**	**-9,257**	**978**	**2**	**-2,462**	**383,941**	**18,370**	**402,311**

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**
Earnings after tax	0	0	5,471	0	0	0	0	5,471	2,009	7,480
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
Market valuation of other participations	0	0	0	0	0	0	3,613	3,613	0	3,613
Market valuation 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**	**326**	**-6,501**	**-525**	**0**	**3,563**	**-3,137**	**-2,515**	**-5,652**
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*	**183,398**	**42,331**	**269,730**	**-15,758**	**453**	**2**	**1,101**	**481,257**	**14,181**	**495,438**

* Numbers changed after May 13, 2024; More details of the changes in section „Material changes since May 13, 2024.

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 the highest and at the same time lowest-level parent company into whose consolidated financial statements the individual financial statements of BAUER Aktiengesellschaft are incorporated. The consolidated financial statements of BAUER Aktiengesellschaft, prepared in accordance with the International Financial Reporting Standards (IFRS) as applicable in the EU, are published in the German 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.

At the end of the day on June 20, 2023, the withdrawal of the shares of BAUER AG from trading in the regulated market of the Frankfurt Stock Exchange became effective. Since that time, BAUER AG is no longer listed in the Prime Standard segment of the German stock market.

EFFECTS OF THE UKRAINE CRISIS ON ACCOUNTING

In the Equipment segment, the uncertainties existing due to the Ukraine crisis led to further reducing involvement in Russia. For this reason, the business operation of OOO BAUER Maschinen – Kurgan, OOO BAUER Maschinen Russland and OOO BG-Tools-MSI were discontinued in the financial year and the company was deconsolidated as of December 31, 2023. The deconsolidation did have a significant impact on the net assets, financial situation and earnings position that were explained under "2. Basis of consolidation".

MATERIAL CHANGES IN THE CURRENT REPORTING PERIOD

In accordance with IAS 8.41, significant errors from earlier periods must be corrected 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 errors presented hereinafter, in our opinion, do not have a significant effect on the information in the balance sheet, which means that no error correction is provided in a third column of the balance sheet.

The following errors in accordance with IAS 8.5 have resulted in preparation of the consolidated financial statements of the BAUER Group compared with the previous year:

- During the review of the amounts carried forward, in the fixed asset movement schedule under section 22. Fixed assets, the carrying amounts of the procurement and manufacturing costs as well as the cumulative depreciation were adjusted retrospectively as at January 1, 2022 in the amount of EUR +9,479 thousand. The adjustments were broken down among the different balance sheet items as follows: Licenses, software and similar rights and values EUR -125 thousand, Goodwill EUR -553 thousand, Land and buildings EUR +16,875 thousand, Technical equipment and machinery EUR -3,851 thousand, Other equipment, operating and office equipment EUR -2,054 thousand, Advance payments and equipment in construction EUR +2 thousand. The differences predominantly resulted from historically accumulated differential values between the carrying amounts originally reported from the local ERP systems and the current carrying amounts in the Group consolidation software.
- In Section 5.2 "Accounting policies" under "Impairments of assets and cash-generating units," the previous year's values for the carrying amounts reviewed for impairment were adjusted. The reason for this was the statement of the carrying amount before consolidation (aggregated balance), in which impairments as well as consolidation effects were ignored. With this

corrected representation, reference is now made to carrying amounts after consolidation but before unscheduled impairments.

- In Section 22.4, the previous year's figure for the applicable fair value of immaterial participations was updated. This involved a transcription error.

MATERIAL CHANGES SINCE MAY 13, 2024

After the audit completed on May 13, 2024, the consolidated financial statements were amended and subjected to a supplementary audit. The nature and scope of the changes can be found in the following statement and impact the consolidated income statement, consolidated statement of comprehensive income, consolidated cash flow statement, consolidated balance sheet, consolidated statement of changes in equity, as well as all related notes.

Items in the financial statements affected by the changes are (in EUR thousand):

- Intangible assets: -233
- Property, plant and equipment: 127
- Investments accounted for using the equity method: -1,520
- Deferred tax assets: 245
- Total inventories: -239
- Trade receivables: -51
- Prepayments: -165
- Other current assets: -35
- Other current financial assets: -1,838
- Cash and cash equivalents: -1,702
- Other revenue reserves and retained earnings: -8,715
- Non-controlling interests: -357
- Other non-current liabilities: -369
- Deferred tax liabilities: -96
- Contract liabilities: 522
- Trade payables: -76
- Other current liabilities: -179
- Other provisions: -3,860
- Sales revenues: -522
- Other operating expenses: -12,223
- Impairments on shares accounted for using the equity method: -1,217
- Depreciation of fixed assets: -232
- Financial income: 38
- Income tax expense: 518

Deconsolidation OOO BAUER Maschinen Russland and OOO BG-TOOLS-MSI

The deconsolidation resulted in an effect on the consolidated result amounting to EUR -8,371 thousand. The change in the position "Other revenue reserves and retained earnings" includes an increase in the currency translation adjustment amounting to EUR 5,141 thousand, which is due to the deconsolidation.

Project Calculation Rottach-Egern

The more negative forecast for the project result due to the resolution of a damage case was accounted for by the creation of a provision for onerous contracts, which had an effect on the consolidated result amounting to EUR -3,106 thousand.

Impairment of deferred tax assets at TracMec Srl

The impairment had an effect on the consolidated result amounting to EUR -756 thousand.

Impairment intangible assets at TracMec Srl

The impairment had an effect on the consolidated result amounting to EUR -231 thousand.

Impairment remaining investments on TERRABAUER S.L.

The impairment had an effect on the consolidated result amounting to EUR -1,216 thousand.

Changes due to the consolidation process

Due to the changes made, consolidation specific effects amounting to EUR 44 thousand impacted the consolidation result.

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.

2. BASIS OF CONSOLIDATION

The basis of consolidation includes the ultimate parent company BAUER AG and all major subsidiaries as part of the full consolidation. Subsidiaries are all companies over which the Group has control in terms of financial and corporate policy. 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 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 2023, 110 companies were consolidated into the consolidated financial statements (previous year: 112). In the financial year, 6 (previous year: 3) Companies were included in the basis of consolidation for the first time. Since the beginning of 2023, the number of companies removed from the basis of consolidation was 8 (previous year: 7). 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 2022*	Dec. 31 2023	Dec. 31 2022*	Dec. 31 2023	Dec. 31 2022	Dec. 31 2023	Dec. 31 2022*	Dec. 31 2023	Dec. 31 2022*	Dec. 31 2023
Segment Geotechnical Solutions	Specialist foundation engineering	Global	35	35	2	2	1	1	1	1	39	39
Segment Equipment	Equipment manufacture and sales	Global	35	34	4	1	2	2	0	0	41	37
Segment Resources	Water, environmental services and natural resources	Global	23	21	1	1	2	2	2	4	28	28
Segment Corporate Services	Corporate Services	Global	4	6	0	0	0	0	0	0	4	6
Total			**97**	**96**	**7**	**4**	**5**	**5**	**3**	**5**	**112**	**110**

* 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 allowing for full consolidation.
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. 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 consolidated according to the equity method. As at December 31, 2023, this related to 5 companies (previous year: 5). Joint ventures were likewise consolidated 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. 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 due to local statutory requirements.

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
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

On December 18, 2023, the company BAUER Designware GmbH was renamed to BAUER Design GmbH and the purpose of the company was changed.

Equipment segment

As of June 6, 2023, the merger agreement for the merger of PRAKLA Bohrtechnik GmbH as the transferring legal entity with KLEMM Bohrtechnik GmbH as the acquiring legal entity was notarized. The merger took place on the effective merger date of January 1, 2023. However, the merger only took effect upon entry in the commercial register, which occurred on July 3, 2023. When the merger took effect, BAUER Maschinen GmbH became the sole shareholder (100%) of KLEMM Bohrtechnik GmbH.

Also with effect as of July 3, 2023, the business operation (without “Grundstück”) of EURODRILL GmbH (now operating under the name “EURODRILL Grundstücks GmbH”) as the transferring legal entity was spun off onto BAUER Foralith GmbH (now operating under the name “EURODRILL GmbH”). As of December 31, 2023, OOO BAUER Maschinen Kurgan, OOO BAUER Maschinen Russland and OOO BG-Tools-MSI were deconsolidated due to loss of loss of controll. The deconsolidation resulted in a loss of EUR 7,482 thousand. This includes an income from deconsolidation of EUR 889 thousand from OOO BAUER Maschinen - Kurgan (other income) and expenses from deconsolidation of EUR 8,371 thousand from the other Russian companies (other operating expenses).

Resources segment

With the notarized document dated August 18, 2023 and upon entry in the commercial register on October 2, 2023, PURE Umwelttechnik GmbH was merged into BAUER Resources GmbH.

With effect from January 1, 2023, 50% of the shares in Carbo FORCE GmbH (joint venture) were acquired for a purchase price of EUR 1,000 thousand. In addition, according to the purchase agreement, incoming payments were made by

February 1, 2023 into the company's equity amounting to a total of EUR 2,000 thousand. The contract includes an earn-out clause which is linked to performance-related factors. The amount determined in this regard is EUR 375 thousand. This therefore results in a comprehensive balance of EUR 3,375 thousand in the first-time consolidation, which constitutes goodwill and is shown under investments accounted for using the equity method.

As of February 28, BAUER Resources Canada Ltd. was deconsolidated due to discontinuation and has therefore withdrawn from the basis of consolidation. The deconsolidation did not have a significant impact on the net assets, financial situation and earnings position.

On the date of December 21, 2023, BAUER Erdwärme GmbH was founded as a 100% subsidiary of SPESA Spezialbau und Sanierung GmbH and thus included in the basis of consolidation.

On the date of December 29, 2023, BAUER Technologies RDC Ltd. was deconsolidated due to discontinuation and has therefore withdrawn from the basis of consolidation. The deconsolidation did not have a significant impact on the net assets, financial situation and earnings position.

As of December 31, 2023, the previously non-consolidated OOO SCHACHTBAU Kirgisistan was consolidated for the first time as a joint venture (50%) of SCHACHTBAU NORDHAUSEN GmbH. The company is therefore accounted for using the equity method.

Corporate Services segment

With effect as of June 1, 2023, the company fielddata.io GmbH, which was previously not included in the basis of consolidation, was merged into BAUER Maschinen GmbH.

With effect as of November 27, 2023, BAUER Training Center GmbH was renamed to BAUER Immobilien GmbH. The sole shareholder with 100% of the shares remains BAUER Aktiengesellschaft.

In addition, on December 6, 2023, 100% of the shares in Aresing Industrie GmbH were acquired by BAUER Immobilien GmbH for a purchase price of EUR 1,000 thousand (share capital). No goodwill resulted from the purchase.

As of December 31, 2023, the company BAUER Offshore Technologies, which was previously not included in the basis of consolidation, was incorporated into the consolidated financial statements for the first time owing to reasons of materiality.

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. Consolidation 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 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. 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:

IFRS 17 "Insurance contracts"

IFRS 17 "Insurance contracts" replaces IFRS 4 "Insurance contracts." This standard contains three central approaches for modeling insurance contracts:

- The Building Block Approach (BBA) represents the basic model for modeling insurance contracts. It is relevant for all insurance contracts under the scope of IFRS 17, unless one of the following exemptions is applied.
- The Premium Allocation Approach (PAA) is a simplification of the BBA which can be applied to contracts for which the evaluation using the PAA does not lead to any material deviations compared with the BBA, or to contracts with a short duration.
- The Variable Fee Approach (VFA) is another modification of the BBA for insurance contracts whose payments are contractually tied to the earnings from specific reference values.

The accounting for reinsurance contracts is essentially carried out in the same way as the accounting for other insurance contracts, however this is extended to include individual special regulations or adjustments for reinsurance contracts held by the insurance provider. It must also be noted that the VFA is not applicable for reinsurance contracts.

The following changes have resulted to IFRS 17:

- Mandatory initial date of application now postponed by two financial years for financial years that start on or after January 1, 2023
- Costs associated with issuing insurance contracts must be allocated to the anticipated contract extensions associated with these contracts and recorded as assets
- Allocation of contractual service margin to the capital investment services performed, taking into account the scope of gain as well as the anticipated duration (this applies for VFA and BBA contracts)
- If losses are recorded due to onerous contracts, the associated contractual service margin must be adjusted and income must be recorded from the reinsurance contracts held (only to be applied if the reinsurance contract held is concluded before or at the same time as the loss is recorded)
- Exclusion of some credit card contracts or similar contracts as well as some loan agreements from the scope of IFRS 17
- Balance sheet disclosure of assets and liabilities from insurance contracts on the basis of portfolios instead of groups
- Option of applying the Risk Mitigation Option if the reduction of financial risks is accomplished using reinsurance contracts held or non-derivative financial instruments evaluated at the applicable fair value with an effect on the income statement
- Option of changing estimates made in earlier interim financial statements when applying IFRS 17
- Inclusion of income tax payments that are specifically charged to the insurance holder under the conditions of an insurance contract into the evaluation of the insurance contract
- Selected transitional simplifications and other minor changes

All companies carrying out their accounting in accordance with the IFRS who issue insurance contracts, including companies outside the insurance sector who issue such contracts, are affected by the changes to IFRS 17.

The directive on adoption of the amendments by the EU (endorsement) was published in the Official Journal of the EU on November 23, 2021.

For the BAUER Group, no effects resulted from the change to IFRS 17 "Insurance contracts" in the 2023 financial year.

First-time application of IRFS 17 and IFRS 9 – Comparative information
Upon first-time application of the regulations existing in IFRS 17 and IFRS 9 up until December 2021, accounting anomalies could result if comparative information for financial assets was not retroactively adjusted to the regulations of IFRS 9. Such adjustment is not carried out according to the IFRS if the company exercises the relevant option accordingly or if the company does adjust the comparative information retroactively, yet the affected financial assets were derecognized during the comparison period. The amendments made to IFRS 17 allow entities applying the standard for the first time to represent financial assets in the comparison period as if the classification and assessment rules in IFRS 9 had been applied to these financial assets (classification overlap). In this context, it is necessary to apply a classification of financial assets which the company expects for the initial application date based on reasonable and robust information.

The modification can also be applied by accounting entities who already implemented IFRS 9 before the transition to IFRS 17. These companies can apply the classification overlap to financial assets derecognized in the comparison period insofar as they use the rules provided in IFRS 17 for reassessment of the classification of financial assets when transitioning to IFRS 17.

Companies that apply the classification overlap to financial assets are not obliged to also apply the impairment regulations of IFRS 9 on these financial assets. If this option is used, impairments for the affected financial assets in the comparison period are still determined in accordance with IAS 39.

Notwithstanding the application of the classification overlap to financial assets, a company is obligated to observe the transitional rules of IFRS 9 that apply for these financial assets.

The carrying amount adjustments to be made at the start of the comparison period must be recorded in revenue reserves or another appropriate component of equity. Furthermore, in the Notes, qualitative information must be disclosed about the scope of use of the classification overlap as well as the option of applying the impairment rules of IFRS 9 in the comparison period. Quantitative disclosures are not required.

As the transitional rules of the IFRS 9 remain applicable even if the classification overlap is applied, there is no change either to the requirement that the disclosures required in accordance with IFRS 7 regarding first-time application of the IFRS 9 must relate to the period for first-time application of IFRS 9.

The directive on adoption of the amendments by the EU (endorsement) was published in the Official Journal of the EU on September 9, 2022.

For the BAUER Group, no effects resulted from the change “First-time application of IRFS 17 and IFRS 9 – Comparative information” in the 2023 financial year.

Change to IAS 1 and Practice Statement 2: Disclosures about accounting methods
In the future, disclosures will only be required to be made regarding “material” and no longer regarding “significant” accounting methods. What is defined as “material” is oriented based on the usefulness of the information for the balance sheet recipients for decision-making purposes.

Accounting methods that relate to immaterial business transactions, events or circumstances, are not material and therefore do not require disclosure. However, immateriality cannot solely be determined on quantitative grounds, but must also be assessed qualitatively.

Accounting methods that relate to material business transactions, events or circumstances may be material but are not necessarily classified as such.

If immaterial disclosures are made regarding accounting methods, these must not conceal any material information. If the disclosure of an accounting method is considered immaterial, there may still be other disclosure obligations that must be fulfilled regarding the business transaction.

The underlying considerations of the IAS 1 for determining when an accounting method is considered material and disclosure obligations exist were also included in their content within the IFRS Practice Statement 2 “Making Materiality Judgements.”

The directive on adoption of the amendments by the EU (endorsement) was published in the Official Journal of the EU on March 3, 2022.

The changes to IAS 1 and Practice Statement 2 had no material effects for the BAUER Group in the 2023 financial year.

Changes to IAS 8: Definition of accounting-related estimates

The changes involve clarifications regarding the differentiation of accounting methods (to be recorded retrospectively as a rule) and accounting-related estimates (to be recorded prospectively) in order to make it easier for companies to distinguish between them.

According to the new definition, accounting-related estimates are monetary amounts that are burdened with assessment uncertainties. The term thus represents a value which is determined with the help of accounting methods and input factors.

Changes to accounting-related estimates may be necessary if the circumstances on which an estimate is based change or new information, developments or experiences are available. Changes to estimates never refer to past periods of time and therefore do not constitute error corrections. The effects of changes to applied accounting methods or input factors which influence such methods constitute changes to accounting-related estimates, unless they involve the correction of earlier errors.

The directive on adoption of the amendments by the EU (endorsement) was published in the Official Journal of the EU on March 3, 2022.

For the BAUER Group, no material effects resulted from the change to IAS 8 “Definition of accounting-related estimates” in the 2023 financial year.

Changes to IAS 12 concerning the prohibition of recognition for deferred taxes upon first recognizing an asset or a debt

The changes to IAS 12 restrict the “Initial Recognition Exception” (IRE) as described below:

Up to now, the IRE stipulates a prohibition of recognition for deferred taxes upon first recognizing an asset or a debt in a business transaction that is not a business combination and does not influence the balance sheet earnings or taxable earnings.

If a transaction leads simultaneously to equal deductible and taxable temporary differences, both deferred tax assets and deferred tax liabilities must be applied. Not recognizing deferred taxes is no longer permitted, for instance in the case of leasing or dismantling obligations. The cumulative affect of initial recognition must be recorded in the revenue reserves (or in another appropriate component of equity) as of this date. This new rule must be applied to all transactions that occur on or after the start of the comparison period.

The directive on adoption of the amendments by the EU (endorsement) was published in the Official Journal of the EU on August 12, 2022.

For the BAUER Group, no material effects resulted from the changes to IAS 12 “Prohibition of recognition for deferred taxes upon first recognizing an asset or a debt” in the 2023 financial year.

Changes to IAS 12: Global minimum tax - Pillar Two model rules
With this change, a temporary exemption from the obligation of accounting for deferred taxes resulting from implementation of the Pillar Two rules, as well as targeted disclosure obligations for affected companies, are included in IAS 12.

According to the revised version, in periods in which a law regarding implementation of Pillar Two rules has been 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.

The temporary exemption from the obligation of accounting for deferred taxes resulting from implementation of the Pillar Two rules, must be applied unchanged directly after publication of the changes to IAS 12. The same applies for the obligation to disclose that the mandatory exemption 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 resulted from the change to IAS 12 “Global minimum tax - Pillar Two model rules” in the 2023 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 2024 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 1: Classification of liabilities as current or non-current	2024	Yes
Changes to IAS 7 and IFRS 7: Reverse-factoring-agreements	2024	No
Changes to IFRS 16: Lease Liability in a Sale and Leaseback	2024	Yes
Changes to IAS 21: Lack of exchangeability	2025	No

The BAUER Group had not implemented early application of these standards by December 31, 2023. We plan to adopt these standards as soon as they are recognized and adopted by the EU.

The future application of this standard 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.

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

1 EUR corresponds to		Annual average		Balance sheet date value	
		2022	2023	2022	2023
Egypt	EGP	20.17973	33.17752	26.41600	34.16800
Argentina	ARS	137.07766	315.94314	188.99940	893.18630
Australia	AUD	1.51678	1.62880	1.56930	1.62630
Bulgaria	BGL	1.95580	1.95580	1.95580	1.95580
Chile	CPL	917.69398	907.95689	909.41000	966.35000
China	CNY	7.07901	7.66002	7.35820	7.85090
Georgia	GEL	3.07018	2.83579	2.87720	2.97740
Ghana	GHS	9.44367	12.64039	10.88970	13.25300
Great Britain	GBP	0.85269	0.86979	0.88693	0.86905
Hong Kong	HKD	8.24764	8.46497	8.31630	8.63140
India	INR	82.69481	89.30011	88.17100	91.90450
Indonesia	IDR	15,626.52902	16,479.61561	16,519.82000	17,079.71000
Japan	JPY	137.98961	151.99028	140.66000	156.33000
Jordan	JOD	0.74697	0.76696	0.75730	0.78600
Canada	CAD	1.36981	1.45947	1.444000	1.46420
Qatar	QAR	3.84903	3.94729	3.89960	4.03860
Lebanon	LBP	1,592.82188	15,000.68372	1,614.40000	16,648.00000
Malaysia	MYR	4.62780	4.93196	4.69840	5.07750
Morocco	MAD	10.68421	10.95592	11.15700	10.96370
Mexico	MXP	21.19460	19.18301	20.85600	18.72310
New Zealand	NZD	1.65827	1.76215	1.67980	1.75040
Oman	OMR	0.40551	0.41626	0.41059	0.42528
Panama	PAB	1.05337	1.08144	1.06760	1.10760
Peru	PEN	4.03550	4.04629	4.03940	4.05360
Philippines	PHP	57.30999	60.16261	59.32000	61.28300
Poland	PLN	4.68585	4.54197	4.68080	4.33950
Romania	RON	4.93149	4.94672	4.94950	4.97560
Russia	RUB	71.98418	92.82191	77.51830	100.11500
Saudi Arabia	SAR	3.95495	4.05647	4.01020	4.14190
Sweden	SEK	10.62955	11.47876	11.12180	11.09600
Switzerland	CHF	1.00486	0.97180	0.98470	0.92600
Singapore	SGD	1.45150	1.45232	1.43000	1.45910
South Africa	ZAR	17,20650	19.95511	18.09860	20.34770
Taiwan	TWD	31.41226	33.70283	32.72080	33.85510
Thailand	THB	36.85238	37.63113	36.83500	37.97300
Turkey	TYR	17.40149	25.75970	19.96490	32.65310
Hungary	HUF	391.22075	381.85267	400.87000	382.80000
United Arab Emirates	AED	3.86878	3.97117	3.91680	4.05760
United States of America	USD	1.05339	1.08127	1.06660	1.10500
Vietnam	VND	24,640.10547	25,773.48837	25,233.00000	26,883.00000

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

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 is included in the carrying amount of investments in associated companies 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. Depreciation 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, 2023. The level of the carrying amounts reviewed as well as effects from any impairments can be found in the following table:

Financial year 2022:

in EUR thousand	Book value before impairment	Impairments of the year	Book value according to Consolidated Balance Sheet
Intangible Assets	16,984	147	16,837
Property, plant and equipment	492,820	11,077	481,743
Investments accounted for using the equity method	84,250	25,669	58,581

Financial year 2023:

in EUR thousand	Book value before impairment	Impairments of the year	Book value according to Consolidated Balance Sheet
Intangible Assets	27,907	0	27,907
Property, plant and equipment	488,773	4,021	484,752
Investments accounted for using the equity method	66,939	1,216	65,723

The carrying amount of the reviewed assets from the previous year was adjusted. Details about this adjustment can be found in the section “Material changes in the reporting period.”

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, 2023, the risk-adjusted interest rate (WACC – Weighted Average Cost of Capital), which is determined specifically for the respective cash-generating unit, was 9.67% (previous year: 10.56%) after tax less the country risk premium. The WACC before taxes as at December 31, 2023 was 9.89% (previous year: 10.85%). 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 32.14% in Germany (previous year: 28.08% to 32.14%) and from 0% to 32% internationally (previous year: 0% to 35%). 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 2% 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 2024, 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 2023 scenarios were carried out with a WACC amounting to 9.67% 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 -7 thousand in the Geotechnical Solutions segment and EUR -57 thousand in the Equipment 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 12.18% (previous year: 5.13%).

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 has no bearing 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, trade receivables are summarized per segment and expected credit losses are calculated per portfolio for each segment.

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 2023 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 segment.

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 32.14% (previous year: 28.08% and 32.14%). Outside Germany, income tax rates of between 0.00% and 32.00% are applied (previous year: 0.00% and 35.00%).

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.
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 2023 financial year, EUR 604 thousand (previous year: 13,900) 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	
	2022	2023	2022	2023	2022	2023
Total Group revenues	**787,405**	**903,936**	**747,847**	**721,483**	**299,160**	**277,749**
Sales revenues with third parties	731,288	859,517	625,916	589,308	271,754	248,377
Sales revenues between the segments	15,337	10,351	73,149	67,226	2,087	1,564
Changes in inventories	0	0	17,625	36,834	-397	89
Other own work capitalized	224	301	3,813	4,610	180	142
Other income	15,023	10,571	9,211	13,071	2,025	3,146
Consolidated revenues	**761,872**	**880,740**	**729,714**	**711,049**	**275,649**	**253,318**
Impairment losses on investments accounted for using the equity method	0	-1,217	0	0	-25,669	0
Income from shares accounted for using the equity method	2,271	1,907	2,043	1,464	5,425	6,064
Earnings before interest, tax, depreciation and amortization (EBITDA)	**3,799**	**106,215**	**83,841**	**81,724**	**-23,384**	**20,039**
Depreciation of fixed assets	-69,327	-61,319	-31,468	-29,186	-13,955	-7,996
Write-downs of inventories due to use	0	0	-12,510	-13,537	0	0
Earnings before interest and tax (EBIT)	**-65,528**	**44,896**	**39,863**	**39,001**	**-37,339**	**12,043**
Financial income	36,522	15,917	48,394	16,929	9,269	5,082
Financial expenses	-33,198	-38,074	-51,641	-42,585	-7,375	-9,635
Income tax expense	-17,472	-19,489	-16,949	-8,509	-5,522	-84
Earnings after tax	**-79,676**	**3,250**	**19,667**	**4,836**	**-40,967**	**7,406**
ADDITIONAL INFORMATION ON THE INCOME STATEMENT						
Sales revenues with third parties based at a point in time	0	0	625,916	589,308	75,763	66,229
Sales revenues with third parties based over time	731,288	859,517	0	0	195,991	182,148
Unscheduled write-up's and depreciation of fixed assets	-2,159	-5,356	-5,269	545	-3,796	0
Major non-cash segment items						
Depreciation losses on financial assets	0	0	-1,129	0	-20	0
Depreciation losses for impairment on inventories	-185	-81	-10,658	-6,309	-9,869	-315
Allocation of impairment for receivables	-31,111	-7,168	-12,425	-1,484	-5,983	-3,557
Reversal of impairment for receivables	4,062	6,826	2,492	649	374	2,038
ADDITIONAL INFORMATION ON THE BALANCE SHEET						
SEGMENT ASSETS DECEMBER 31	**664,444**	**723,088**	**816,545**	**883,946**	**220,260**	**224,961**
of which shares in companies accounted for using the equity method	5,151	5,099	12,005	11,670	41,425	48,954
of which capital investments in fixed assets	79,915	93,710	36,814	49,164	13,491	14,600
SEGMENT LIABILITIES DECEMBER 31	**504,315**	**570,925**	**495,574**	**573,877**	**144,116**	**141,915**

Corporate Services		Total of the segments		Consolidation		Group	
2022	2023	2022	2023	2022	2023	2022	2023
65,323	**63,546**	**1,899,735**	**1,966,714**	**-151,640**	**-135,606**	**1,748,095**	**1,831,108**
1,178	984	1,630,136	1,698,186	0	0	1,630,136	1,698,186
47,668	60,619	138,241	139,760	-138,241	-139,760	0	0
0	0	17,228	36,923	-1,189	0	16,039	36,923
1,090	1,544	5,307	6,597	4,089	5,476	9,396	12,073
13,923	151	40,182	26,939	-15,787	-762	24,395	26,177
63,859	**63,298**	**1,831,094**	**1,908,405**	**-151,128**	**-135,046**	**1,679,966**	**1,773,359**
0	0	-25,669	-1,217	0	0	-25,669	-1,217
0	0	9,739	9,435	0	0	9,739	9,435
-75,616	**3,153**	**-11,360**	**211,131**	**71,876**	**-1,321**	**60,516**	**209,810**
-3,125	-3,782	-117,875	-102,283	1,845	1,238	-116,030	-101,045
0	0	-12,510	-13,537	0	0	-12,510	-13,537
-78,741	**-629**	**-141,745**	**95,311**	**73,721**	**-83**	**-68,024**	**95,228**
46,321	15,151	140,506	53,079	-22,816	-15,515	117,690	37,564
-29,578	-24,967	-121,792	-115,261	22,816	15,304	-98,976	-99,957
-4,431	2,559	-44,374	-25,523	-333	168	-44,707	-25,355
-66,429	**-7,886**	**-167,405**	**7,606**	**73,388**	**-126**	**-94,017**	**7,480**
1,178	984	702,857	656,521	0	0	702,857	656,521
0	0	927,279	1,041,665	0	0	927,279	1,041,665
0	0	-11,224	-4,811	0	0	-11,224	-4,811
0	-9	-1,149	-9	0	9	-1,149	0
0	0	-20,712	-6,705	0	0	-20,712	-6,705
0	0	-49,519	-12,209	0	0	-49,519	-12,209
0	0	6,928	9,513	0	0	6,928	9,513
438,467	**494,654**	**2,139,716**	**2,326,649**	**-519,761**	**-627,488**	**1,619,955**	**1,699,161**
0	0	58,581	65,723	0	0	58,581	65,723
5,918	5,154	136,138	162,628	2,238	-4,219	138,376	158,409
299,971	**261,095**	**1,443,976**	**1,547,812**	**-226,332**	**-344,089**	**1,217,644**	**1,203,723**

SEGMENT REPORT BY REGION

in EUR thousand	Germany		Europe		Middle East	
	2022	2023	2022	2023	2022	2023
Total Group revenues	**536,457**	**432,388**	**355,835**	**403,512**	**228,696**	**295,190**
Sales revenues with third parties	445,872	377,740	349,740	362,172	217,904	286,403
Intangible assets, property, plant and equipment, December 31	206,117	220,802	65,672	60,379	38,211	37,993

Asia-Pacific		Americas		Africa		Group	
2022	2023	2022	2023	2022	2023	2022	2023
205,162	**292,432**	**328,095**	**355,705**	**93,850**	**51,881**	**1,748,095**	**1,831,108**
197,128	278,734	295,618	299,593	123,874	93,544	1,630,136	1,698,186
100,062	104,360	75,197	78,855	13,321	10,271	498,580	512,660

EXPLANATORY NOTES TO THE CONSOLIDATED INCOME STATEMENT

7. SALES REVENUES

The sales revenues generated in the amount of EUR 1,698,186 thousand (previous year: 1,630,136) 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 33,285 thousand in the financial year (previous year: 26,023). With regard to the presentation and breakdown of sales revenues by operating segment and region as well as the categorization according to revenues based on time period and those based on point in time, please refer to the notes on segment reporting (see item 6).

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	2022	2023
Sales revenues	1,630,136	1,698,186
Changes in inventories	16,039	36,923
Other own work capitalized	9,396	12,073
Other income	24,395	26,177
Consolidated Revenues	**1,679,966**	**1,773,359**
Subcontractor share in consortia	16,174	9,153
Revenues of associated companies and joint ventures	31,294	34,158
Revenues of non-consolidated companies	32,041	32,358
Intra-group revenues	-11,380	-17,920
Total Group revenues	**1,748,095**	**1,831,108**

Sales revenues included EUR 1,124 thousand in net out-of-period sales (previous year: 7,764) 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	2022	2023
Unfulfilled contractual obligations	**944,499**	**1,133,073**
Expected realization within 1 year	500,089	829,077
Expected realization in 1 to 5 years	324,338	303,846
Expected realization after 5 years	120,072	150

8. OTHER OWN WORK CAPITALIZED

in EUR thousand	2022	2023
Income from other own work capitalized	9,396	12,073

9. OTHER INCOME

in EUR thousand	2022	2023
Income from disposal of property, plant and equipment	8,377	7,296
Income from insurance refunds	1,363	2,143
Other income from rentals	1,248	2,030
Income with non-consolidated subsidiaries	2,863	288
Effects from de-consolidation and transitional consolidations	488	956
Other operating income	10,056	13,464
Total	**24,395**	**26,177**

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	2022	2023
Expenses for raw materials and supplies and purchased goods	589,215	611,297
Expenses for purchased services	287,734	283,235
Total	**876,949**	**894,532**

The expenses for purchased services included short-term external device rentals in the amount of EUR 40,587 thousand (previous year: 38,385). 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	2022	2023
Wages and salaries	388,840	384,210
Social security contributions	64,946	64,517
Expenses for retirement benefits	9,656	9,987
Total	**463,442**	**458,714**

The employer’s pension contributions in the financial year totaled EUR 24,914 thousand (previous year: 24,088). These are contribution-based schemes, as explained under 5.2 “Significant accounting policies in the Group.” Of that total, EUR 20,177 thousand (previous year: 14,410) relate to Germany and EUR 4,737 thousand (previous year: 9,678) relate to other countries. The wages and salaries include severance expenses in the amount of EUR 3,737 thousand (previous year: 3,906).

12. OTHER OPERATING EXPENSES

in EUR thousand	2022	2023
Losses from disposal of property, plant and equipment	1,804	3,950
Leasing expenses	18,100	19,168
Energy, heating, water	3,012	3,423
Vehicle costs	3,722	3,755
Property, motor vehicle and transport insurance	13,370	14,480
Other operating expenses	13,256	11,970
Administrative expenses	52,237	57,702
Distribution costs	54,131	49,262
Other employee-related expenses	21,565	23,876
Result from irrecoverable receivables	12,775	1,141
Bank charges	4,492	2,806
Duties	3,600	4,059
Accrued expenses	381	1,001
Other taxes	5,760	7,378
Effects from de-consolidation and transitional consolidations	14,352	8,414
Additional other operating expenses	10,755	4,550
Total	**233,312**	**216,935**

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 17,876 thousand (previous year: 12,215) 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 17,759 thousand (previous year: 16,817) and low-value leasing expenses in the amount of EUR 1,409 thousand (previous year: 1,284). 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 1,586 thousand (previous year: 29,817) 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 9,298 thousand (previous year: 3,374). We refer to section 40 for further disclosures.

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

In the financial year, a devaluation of the investment of TERRABAUER S.L. were made in the amount of EUR 1,217 thousand. The background is an existing insolvency proceeding. In the previous year, BAUER Nimr LLC (Resources segment) was affected as the result of an impairment test with a devaluation on the recoverable amount of EUR 25,669 thousand.

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 9,435 thousand (previous year: 9,739) 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	2022	2023
Income from equity participations	6,554	6,213
Expenses from equity participations	-1,096	-500
Income from consortia	4,335	3,867
Losses from consortia	-54	-145
Total	**9,739**	**9,435**

16. DEPRECIATION AND AMORTIZATION

Depreciation is as follows:

in EUR thousand	2022	2023
Depreciation of intangible assets	4,152	5,780
Depreciation of property, plant and equipment	111,878	95,265
Total	**116,030**	**101,045**

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 13,537 thousand (previous year: 12,510). 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 2023 financial year is included in these figures.

FINANCIAL RESULT

18. FINANCIAL INCOME

The financial income is broken down as follows:

in EUR thousand	2022	2023
Income from operating participations	2,667	671
Other interest and similar income	8,413	10,692
Income from changes in fair values of interest rate swaps	52,170	178
Income from foreign currency translation from financing activities	54,440	26,023
Total	**117,690**	**37,564**

In the previous year, other interest and similar income included EUR 5,599 thousand from the sale of the shares in Wöhr + Bauer GmbH.

19. FINANCIAL EXPENSES

The financial expenses are broken down as follows:

in EUR thousand	2022	2023
Interest and similar expenses	31,489	41,527
Effects from transition consolidation	1,149	0
Losses from changes in fair values of interest rate swaps	11,727	15,105
Interest portions of allocations to provisions for pensions and similar obligations	2,124	4,163
Losses from foreign currency translation from financing activities	52,487	39,162
Total	**98,976**	**99,957**

The interest from lease transactions included under “Interest and similar expenses” in the financial year totaled EUR 3,561 thousand (previous year: 2,787). The financial result includes interest income from financial assets in an amount of EUR 10,338 thousand (previous year: 8,388) and interest expenses from financial liabilities in an amount of EUR 37,967 thousand (previous year: 29,850) which were not measured at fair value affecting profit and loss.

20. INCOME TAX EXPENSE

The income tax expense is broken down as follows:

in EUR thousand	2022	2023
Actual taxes	33,683	38,329
Deferred taxes	11,024	-12,974
Total	**44,707**	**25,355**

The theoretical tax rate is 29.13% (previous year: 28.08%). The actual taxes include recorded adjustments for out-of-period actual income tax in the amount of EUR 5,024 thousand (previous year: -1,860).

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	2022	2023
Earnings before tax (EBT)	-49,310	32,835
Theoretical tax expenditure 29.13% (previous year: 28.08%)	-13,846	9,565
Reconciliation		
Differences in tax rate	7,828	-1,227
Taxation effects of non-deductible expenses and tax-free income	18,724	8,056
Effects of deviations in the tax calculation base	3,960	4,152
Valuation of associated companies using the equity accounting method	5,767	-2,748
Current and deferred tax effects relating to other periods	-1,548	952
Effects of deferred tax assets in respect of losses carried forward and temporary differences	23,671	6,557
Other	151	48
Taxes on income and profit	**44,707**	**25,355**

The tax effects of the non-deductible expenses and tax-free earnings contain effects from transitional consolidations and deconsolidations to the amount of EUR 2,173 thousand (previous year: 2,910). Internal disbursements result in taxation effects after December 31, 2023 totaling EUR 5 thousand (previous year: 110).

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:

	2022	2023
Earnings after tax attributable to the shareholders of BAUER AG, in EUR thousand	**-95,516**	**5,471**
Weighted average number of shares in circulation in financial year (basic)	26,091,781	39,297,875
Weighted average number of shares in circulation in financial year (diluted)	26,091,781	39,297,875
Basic earnings per share in EUR	**-3.66**	**0.14**
Diluted earnings per share in EUR	**-3.66**	**0.14**

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, 2022*	**37,973**	**378**	**68**	**43,038**	**81,457**
Change in basis of consolidation	-202	0	0	0	-202
Additions	1,231	0	0	4,124	5,355
Disposals	-8	0	0	4	-4
Transfers	0	0	0	0	0
Currency adjustment	216	0	0	0	216
December 31, 2022	**39,226**	**378**	**68**	**47,158**	**86,830**

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, 2022*	**34,515**	**378**	**4**	**30,616**	**65,513**
Change in basis of consolidation	-85	0	0	0	-85
Additions	1,404	0	17	2,584	4,005
Disposals	14	0	0	0	14
Impairment expenses	0	0	0	147	147
Transfers	0	0	0	0	0
Currency adjustment	216	0	1	210	427
December 31, 2022	**36,036**	**378**	**22**	**33,557**	**69,993**
Carrying amount December 31, 2022	**3,190**	**0**	**46**	**13,601**	**16,837**

* The description of the changes in the carrying amounts can be found in the section “General notes” under the paragraph “Material changes in the current reporting period.”

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**

Of the total research and development costs and patent costs incurred in 2023, EUR 9,386 thousand (previous year: 4,438) met the capitalization criteria in accordance with IFRS. The following amounts were recognized in net income:

in EUR thousand	2022	2023
Research costs and non-capitalized development costs	25,275	27,299
Depreciation of development costs and patents	3,563	3,578
Research and development costs recognized in net income	**28,838**	**30,877**

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, 2022*	**404,991**	**680,816**	**102,568**	**25,650**	**1,214,025**
Change in basis of consolidation	-6,464	-26,005	-1,490	-38	-33,997
Correction carried forward	-10,784	0	0	0	-10,784
Additions	5,702	91,400	11,473	24,446	133,021
Disposals	5,257	85,239	10,741	1,162	102,399
Transfers	11,116	3,059	380	-14,555	0
Currency adjustment	2,491	265	-132	171	2,795
December 31, 2022	**401,795**	**664,296**	**102,058**	**34,512**	**1,202,661**

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, 2022*	**179,654**	**452,580**	**74,861**	**549**	**707,644**
Change in basis of consolidation	-2,262	-18,150	-1,208	0	-21,620
Correction carried forward	-10,784	0	0	0	-10,784
Additions	16,367	72,916	11,518	0	100,801
Disposals	4,135	54,163	9,702	-259	67,741
Impairment expenses	7,287	3,727	63	0	11,077
Transfers	0	-56	56	0	0
Currency adjustment	-192	1,874	-141	0	1,541
December 31, 2022	**185,935**	**458,728**	**75,447**	**808**	**720,918**
Carrying amount December 31, 2022	**215,860**	**205,568**	**26,611**	**33,704**	**481,743**
of which carrying amount of the rights of use as at December 31, 2022	**18,943**	**44,086**	**6,009**	**0**	**69,038**

* The description of the changes in the carrying amounts can be found in the section “General notes” under the paragraph “Material changes in the current reporting period.”

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	0	0	0	0	0
Additions	6,068	46,249	6,994	58,692	118,003
Disposals	254	37,185	2,595	36,069	76,103
Transfers	309	5,496	1,350	-9,326	-2,171
Currency adjustment	2,031	-2,937	-347	-113	-1,366
December 31, 2023	**409,949**	**675,919**	**107,460**	**47,696**	**1,241,024**

The additions of right of use for the financial year 2023 amount to EUR 17,517 thousand (previous year: 27,999). The depreciations from rights of use in the financial year amounted to EUR 5,687 thousand for land and buildings (previous year: 6,400), for technical equipment and machinery, it amounted to EUR 14,917 thousand (previous year: 11,008) and for other equipment, factory and office equipment it amounted to EUR 3,355 thousand (previous year: 3,326).

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**

In the current financial year, no reassignments were made in the context of IFRS 5.

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 19,811 thousand (previous year: 12,834).

Future payment obligations from orders that were not yet recognized on the balance sheet (purchase commitments) were EUR 12,294 thousand (previous year: 14,660) as at December 31, 2023. This value primarily resulted from various open orders for the area of technical equipment and machinery for the companies SCHACHTBAU Nordhausen GmbH (EUR 8,338 thousand), BAUER Spezialtiefbau GmbH (EUR 1,450 thousand) and BAUER Aktiengesellschaft (EUR 1,325 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 OOO BAUER Maschinen Kurgan, OOO BG-TOOLS-MSI, OOO BAUER Maschinen Russland and BAUER Technologies RDC Ltd.

Items of property, plant and equipment have a carrying amount of EUR 80,456 thousand (previous year: 84,712) 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 61,885 thousand (previous year: 69,038).
No borrowing costs were capitalized in the financial year (previous year: EUR 0 thousand). Fixed assets were impaired by a total of EUR 4,811 thousand in the financial year (previous year: 11,224) on an unscheduled basis. These amounts also include write-ups. These write-ups and depreciations are attributable in the amount of EUR 5,356 thousand (previous year: 2,159) to the Geotechnical Solutions segment, in the amount of EUR -545 thousand (previous year: 5,269) to the Equipment segment and in the amount of EUR 0 thousand (previous year: 3,796) to the Resources segment. The unscheduled depreciation pertains to intangible assets in the amount of EUR 231 thousand (previous year: 147) and to property, plant and equipment in the amount of EUR 4,580 thousand (previous year: 11,077), of which EUR -503 thousand (previous year: 7,287)

Relate to developed land and buildings, EUR 4,979 thousand (previous year: 3,727) Relate to technical equipment and machinery and EUR 104 thousand (previous year: 63) To other equipment, operating and office equipment. The impairment loss for land and buildings includes a total of EUR -1,334 thousand (previous year: Devaluation EUR 4,490 thousand) from the reversal of the impairment of the two cash-generating units OOO BAUER Maschinen Russland and OOO BAUER Maschinen – Kurgan recognized in the income statement. Furthermore, an unplanned depreciation was carried out for a property of Gesellschaft Thai BAUER Co. Ltd. In the amount of EUR 832 thousand (previous year: 2,159), as the property is no longer usable as a storage area as originally planned. In the area of technical equipment and machinery, unscheduled depreciations were carried out at BAUER Spezialtiefbau GmbH in the amount of EUR 4,058 thousand, as the equipment concerned from the repurchase of the project company BAUER Fondations SAS, France (St. Brieuc project) can no longer be used for other purposes in the future. Moreover, for the technical equipment and machinery of OOO BG-TOOLS-MSI, there was a need for impairment of cash-generating units in the amount of EUR 558 thousand.

The impairments were applied on the basis of the recoverable amount. These were determined using a discount rate of 9.67% (previous year: 10.56%). 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	2022	2023
Shares in joint ventures accounted for using the equity method	20,654	27,424
Shares in associated companies accounted for using the equity method	37,927	38,299
Total	**58,581**	**65,723**

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	**2022**	**2023**	**2022**	**2023**
January 1	**64,653**	**65,746**	**19,367**	**20,654**
Additions	0	0	35	3,385
Disposals	10	0	2,575	317
Profit/loss attributable	5,601	5,226	3,842	3,713
Dividend payments	-3,600	-3,334	0	0
Change in basis of consolidation	-898	0	-4	0
Currency adjustment	0	0	-11	-11
December 31	**65,746**	**67,638**	**20,654**	**27,424**

in EUR thousand	Associated companies		Joint ventures	
Accumulated depreciation	2022	2023	2022	2023
January 1	**2,139**	**27,819**	**0**	**0**
Additions	25,680	1,520	0	0
Disposals	0	0	0	0
Change in basis of consolidation	0	0	0	0
Currency adjustment	0	0	0	0
December 31	**27,819**	**29,339**	**0**	**0**
Carrying amount December 31	**37,927**	**38,299**	**20,654**	**27,424**

* The description of the changes in the carrying amounts can be found in the section “General notes” under the paragraph “Material changes in the current reporting period.”

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 2022:

Name	Company's activities	Capital share	Accounting policies
VE30 above-ground western section	Construction consortia	10.00%	Equity method
Consortium emplacement drift Konrad shaft	Construction consortia	50.00%	Equity method
VE10 above-ground western section	Construction consortia	10.00%	Equity method
CEFAM University Hospital Cologne	Construction consortia	50.00%	Equity method
Construction consortia Babelsberger street	Construction consortia	50.00%	Equity method

Financial year 2023:

Name	Company's activities	Capital share	Accounting policies
VE30 above-ground western section	Construction consortia	10.00%	Equity method
Consortium emplacement drift Konrad shaft	Construction consortia	50.00%	Equity method
VE10 above-ground western section	Construction consortia	10.00%	Equity method
ARGE SOFO Bhf Gütersloh	Construction consortia	50.00%	Equity method
Construction consortia Babelsberger street	Construction consortia	50.00%	Equity method

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

in EUR thousand	2022					
	Sales revenues	Non-current assets	Current assets	of which cash and cash equivalents	Non-current debt	Current debt
VE30 above-ground western section	38,804	14,715	243,041	71,101	0	242,471
Consortium emplacement drift Konrad shaft	20,398	1,035	47,666	14,887	0	22,882
VE10 above-ground western section	20,299	1,941	40,402	25,782	0	30,062
CEFAM University Hospital Cologne	10,884	0	0	0	0	0
Construction consortia Babelsberger street	3,565	0	14,788	17	0	14,443

in EUR thousand	2023					
	Sales revenues	Non-current assets	Current assets	of which cash and cash equivalents	Non-current debt	Current debt
VE30 above-ground western section	35,582	14,172	283,586	51,745	0	278,954
Consortium emplacement drift Konrad shaft	19,138	824	56,509	17,797	0	28,484
VE10 above-ground western section	21,684	1,305	33,806	32,474	0	20,200
ARGE SOFO Bhf Gütersloh	1,905	0	2,028	6	0	1,831
Construction consortia Babelsberger street	2,019	0	9,074	278	0	7,985

In the 2023 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 2,601 thousand (previous year: 2,764).

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

BALANCE SHEET

in EUR thousand	Immaterial joint ventures	
	Dec. 31, 2022	Dec. 31, 2023
Non-current assets	4,675	6,268
Current assets	23,508	32,706
(of which cash and cash equivalents)	2,762	2,237
Total assets	**28,183**	**38,974**
Non-current debt	0	1,790
(of which non-current financial liabilities)	0	570
Current debt	18,775	25,241
(of which current financial liabilities)	777	1,399
Total debt	**18,775**	**27,031**

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

INCOME STATEMENT

in EUR thousand	Immaterial joint ventures	
	Dec. 31, 2022	Dec. 31, 2023
Sales revenues	23,473	47,890
Scheduled depreciation and amortization	-1,446	-2,028
Earnings before interest and tax	**2,360**	**3,505**
Interest income	710	753
Interest expense	-1,107	-1,166
Income tax expense	255	-681
Earnings after tax	**2,218**	**2,411**
Other comprehensive income	0	0
Total comprehensive income	**2,218**	**2,411**
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 2022:

in EUR thousand	Material joint ventures	Immaterial joint ventures
Net assets of joint ventures	53,730	9,408
Share in joint ventures according to investment quota	15,840	4,571
Goodwill and other adjustments	0	243
Carrying amount reported in the balance sheet	**15,840**	**4,814**

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**

We did not state the fair value of our immaterial joint ventures as there is no listed market price.

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 2022:

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 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

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, 2022	Dec. 31, 2023	Dec. 31, 2022	Dec. 31, 2023
Non-current assets	69,599	62,280	6,186	6,316
Current assets	23,433	13,181	11,640	12,359
(of which cash and cash equivalents)	13,710	2,966	159	141
Total assets	**93,032**	**75,461**	**17,826**	**18,675**
Non-current debt	23,286	18,292	481	509
(of which non-current financial liabilities)	22,666	17,612	0	0
Current debt	23,264	8,101	2,178	3,844
(of which current financial liabilities)	19,389	4,758	0	0
Total debt	**46,550**	**26,393**	**2,659**	**4,353**

INCOME STATEMENT

in EUR thousand	BAUER Nimr LLC		SPANTEC Spann- & Ankertechnik GmbH	
	Dec. 31, 2022	Dec. 31, 2023	Dec. 31, 2022	Dec. 31, 2023
Sales revenues	13,035	12,259	35,387	31,456
Scheduled depreciation and amortization	-463	-550	-248	-252
Earnings before interest and tax	**6,680**	**5,813**	**6,963**	**4,955**
Interest income	5,748	5,382	130	138
Interest expense	-3,304	-2,754	-57	-52
Income tax expense	-1,346	-1,276	-1,920	-1,385
Earnings after tax	**7,778**	**7,165**	**5,116**	**3,656**
Other comprehensive income	0	0	0	0
Total comprehensive income	**7,778**	**7,165**	**5,116**	**3,656**
Dividends distributed to the BAUER Group	1,849	1,534	1,720	1,800

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, 2022	Dec. 31, 2023
Non-current assets	938	928
Current assets	8,981	8,919
(of which cash and cash equivalents)	114	41
Total assets	**9,919**	**9,847**
Non-current debt	110	29
(of which non-current financial liabilities)	33	0
Current debt	4,442	4,523
(of which current financial liabilities)	692	701
Total debt	**4,552**	**4,552**

INCOME STATEMENT

in EUR thousand	Immaterial associated companies	
	Dec. 31, 2022	Dec. 31, 2023
Sales revenues	1,876	886
Scheduled depreciation and amortization	-22	-16
Earnings before interest and tax	**60**	**-45**
Interest income	13	3
Interest expense	-66	-51
Income tax expense	1	-2
Earnings after tax	**8**	**-95**
Other comprehensive income	0	0
Total comprehensive income	**8**	**-95**
Dividends distributed to the BAUER Group	31	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 2022:

in EUR thousand	BAUER Nimr LLC	SPANTEC Spann- & Ankertechnik GmbH	Immaterial associated companies
Net assets of joint ventures	46,482	15,167	5,367
Share in joint ventures according to investment quota	24,403	6,067	1,472
Goodwill and other adjustments	0	5,891	94
Present value of concession arrangement	0	0	0
Carrying amount reported in the balance sheet	**24,403**	**11,958**	**1,566**

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**

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.

As at December 31, 2023, the fair value of BAUER Nimr LLC was EUR 25,761 thousand (previous year: 24,403). As at December 31, 2023, the fair value of SPANTEC Spann- & Ankertechnik GmbH was EUR 68,088 thousand (previous year: 67,784). An impairment loss of EUR 1,217 thousand was recognized at TERRABAUER S.L. in the financial year. For background information, please refer to section 14 “Impairment of investments accounted for using the equity method“.

22.4. Participations

Additional financial information for participations

Financial year 2022:

in EUR thousand	Wöhr + Bauer GmbH	Deusa International GmbH	Immaterial participations
Fair value	0	1,867	239
Dividends recorded during the period for retired participations	2,584	0	0
Dividends recorded during the period for participations still held	0	83	0

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

The previous year's figure for the applicable fair value of immaterial participations was adjusted. Details about this adjustment can be found in the section "Material changes in the reporting period."

23. DEFERRED TAXES

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

in EUR thousand	Dec. 31, 2022	Dec. 31, 2023	Dec. 31, 2022	Dec. 31, 2023
	Deferred tax assets		Deferred tax liabilities	
Intangible assets	281	10,213	9,151	8,343
Property plant and equipment	1,293	4,128	5,073	4,463
Rights of use	0	1,001	3,110	4,586
Inventories	5,273	4,039	1,788	235
Contract assets	0	194	4,920	6,256
Other receivables and other assets	2,444	2,267	15,328	13,800
Provisions for pensions	12,644	14,424	0	0
Liabilities from lease agreements	4,967	3,926	28	5
Contract liabilities	987	506	0	-26
Other provisions	1,202	4,670	67	135
Other liabilities	8,170	3,969	1,068	225
Losses carried forward	20,209	16,851	0	0
Consolidation	14,501	18,819	8,949	10,362
Offsetting	-38,753	-34,391	-38,753	-34,391
Net amount	**33,218**	**50,616**	**10,729**	**13,993**

In the table above, deferred tax assets to the amount of EUR 272 thousand (previous year: 403) and deferred tax liabilities in the amount of EUR 85 thousand (previous year: 20) 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 11,568 thousand (previous year: 9,233) 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 7,485 thousand (previous year: 7,170) and the share of deferred tax liabilities to EUR 8,374 thousand (previous year: 12,951).

The decrease in deferred tax assets in respect of losses carried forward from EUR 20,209 thousand to EUR 16,851 thousand is primarily attributable to Eurodrill GmbH (EUR -4,283 thousand) and BAUER Machinery USA Inc. (EUR -1,491 thousand) as well as SCHACHTBAU NORDHAUSEN GmbH (EUR +1,484 thousand) and BAUER Verwaltungs und Beteiligungs GmbH (EUR +2,412 thousand). No losses carried forward could be applied at BAUER Machinery Inc. and TracMec Srl due to the negative earnings performance. For Eurodrill GmbH (formerly BAUER Foralith GmbH), the recognized deferred tax assets in respect of losses carried forward were converted to deferred tax assets in respect of valuation differences through a restructuring measure. For SCHACHTBAU Nordhausen GmbH and BAUER Verwaltungs und Beteiligungs GmbH, deferred tax assets in respect of losses carried forward were capitalized on the basis of the tax forecast, as also described in the next section.

Deferred tax assets were capitalized for companies in the reporting period in the amount of EUR 28,299 thousand (previous year: 16,923), 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 11,820 thousand (previous year: 6,667) 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, 2022	Dec. 31, 2023
Domestic losses (corporation tax)	69,510	74,185
Foreign losses	296,306	302,137
Total	**365,816**	**376,322**
Of which losses carried forward deductible for limited periods	111,554	106,917

No deferred taxes were recognized for unusable losses carried forward in the amount of EUR 311,184 thousand (previous year: 286,549) 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 7,891 thousand (previous year: 4,951).

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 3,914 thousand (previous year: 2,460) were not recognized for temporary differences.

24. NON-CURRENT TRADE RECEIVABLES

in EUR thousand	Dec. 31, 2022	Dec. 31, 2023
Non-current trade receivables	1,056	1,898

The non-current trade receivables include cumulative valuation allowances totaling EUR 0 thousand (previous year: 4,111).

25. OTHER NON-CURRENT ASSETS

The other non-current assets comprise the following items:

in EUR thousand	Dec. 31, 2022	Dec. 31, 2023
Claims from backup insurance	6,113	6,393
Sundry other non-current assets	2,179	2,393
Total	**8,292**	**8,786**

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, 2022	Dec. 31, 2023
Sundry other non-current financial assets	380	759
Receivables from derivatives	31,337	17,286
Shares in non-consolidated subsidiaries	4,030	7,474
Total	**35,747**	**25,519**

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 2022:

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	625	1,740	1,514	151
Dividends recognized during the period	0	0	0	0

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

CURRENT ASSETS

27. INVENTORIES

The inventories comprise the following items:

in EUR thousand	Dec. 31, 2022	Dec. 31, 2023
Raw materials and supplies	192,880	193,862
Finished goods and work in progress and stock for trade	254,723	292,031
Rental equipment	51,401	54,240
	499,004	540,133
Less advances received for inventories	-8,995	-13,972
Total	**490,009**	**526,161**

Of the inventories, EUR 109,831 thousand (previous year: 116,975) is stated at net realizable value. The impairment losses on inventories against the net realizable value affecting net expenditure in the financial year totaled EUR 20,242 thousand (previous year: 33,222).

They are broken down as follows:

in EUR thousand	Dec. 31, 2022	Dec. 31, 2023
Write-downs of inventories due to use	12,510	13,537
Depreciation losses for impairment on inventories	20,712	6,705
Total	**33,222**	**20,242**

In the financial year, the rental rate was slightly higher than in the previous year. Depreciation of used machinery due to use increased from EUR 12,510 thousand to EUR 13,537 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, 2022	Dec. 31, 2023
Carrying amount of used machines	51,401	54,240
of which rented out	27,507	27,205
of which not rented out	23,894	27,035

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, 2022	Dec. 31, 2023
Order costs incurred (plus income, less losses) for projects not yet completed	769,291	917,080
less down-payments	784,352	990,269
Balance	**-15,061**	**-73,189**
of which: Contract assets	96,384	78,881
of which: Contract liabilities	89,112	134,461
of which: Provisions for impending losses for construction contracts	22,333	17,609

In the financial year, EUR 2,248 thousand (previous year: 1,743) 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, 2022	Dec. 31, 2023
Revenue from contractual obligations included in contract liabilities at the beginning of the period	53,608	49,327
Revenue from contractual obligations that were fulfilled in previous periods	7,764	1,124

Development of receivables and other assets

The receivables and other assets comprise the following:

in EUR thousand	Dec. 31, 2022	Dec. 31, 2023
Contract assets	96,384	78,881
Trade receivables	262,056	284,729
Receivables from enterprises in which the company has participating interests	1,845	1,616
Prepayments	13,931	7,640
Other current assets	46,946	49,515
Other current financial assets	22,441	9,353
Total	**443,603**	**431,734**

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, as well as insurance premiums and other prepayments and deferred charges. Apart from this, an asset value for receivables assignments totaling EUR 140 thousand (previous year: 0) is stated under “Other current assets.” This concerns an ongoing commitment for an export and interest claim in the amount of EUR 866 thousand vis-à-vis a customer in Guatemala which is to be settled in nine successive semi-annual instalments and which was 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 carrying amount of the liability associated with the ongoing commitment is EUR 162 thousand (previous year: 0) and is stated under “Other current debt.” The decrease of other current financial assets is primarily attributable to the repayment of a loan receivable to BAUER Nimr LLC. In the previous year, this was reported with an amount of EUR 10,774 thousand.

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 49,503 thousand (previous year: 62,055) 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: 4,111).

In the financial year, other financial assets were impaired as a result of expected credit losses totaling EUR 104 thousand (previous year: 184). 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 888 thousand (previous year: 4,192).

29. CASH AND CASH EQUIVALENTS

The cash and cash equivalents totaling EUR 68,749 thousand (previous year: 44,607) include credit balances at banks and petty cash stocks. The increase compared with the previous year results from an advance payment received from a major project in Hungary. As at December 31, 2023, there were EUR 0 thousand (previous year: 3,074) In restrictions on disposal of cash or cash equivalents for the Russian subsidiaries.

30. NON-CURRENT ASSETS HELD FOR SALE

In the financial year, as in the previous year, no non-current assets held for sale were reported.

31. EQUITY

Composition of subscribed capital

In the Extraordinary General Meeting on November 18, 2022, it was resolved to increase the company's share capital from its value at the time of EUR 111,186,566.76, divided into 26,091,781 no-nominal-value bearer shares, by up to EUR 74,124,374.99 against cash contributions by the issue of up to 17,394,520 new no-nominal-value bearer shares in the form of common shares (with voting rights) with a proportion of the share capital amounting to EUR 4.26 (rounded) per share. Accordingly, as part of the capital increase, 16,945,697 new no-nominal-value bearer shares were issued including the shareholders' statutory subscription rights and the subscribed capital was increased by EUR 72,211,776.98 with effect as of March 23, 2023. The subscribed capital (share capital) of BAUER AG is divided since then 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. Since then and as at December 31, 2023, 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.

Mr. Helmuth Newin, Regensburg, communicated in accordance with Section 20 (1) AktG in the letter dated July 19, 2023 that he indirectly holds more than one quarter of the shares in BAUER Aktiengesellschaft. In accordance with Section 16 (4) AktG, the shares in BAUER Aktiengesellschaft held by SD Thesaurus GmbH, Munich, are attributable to him. Accordingly, SD Thesaurus GmbH, Munich, also communicated in accordance with Section 20 (1) AktG in the letter dated July 18, 2023 that the company directly holds more than one quarter of the shares in BAUER Aktiengesellschaft.

On the date of March 4, 2024, SD Thesaurus GmbH communicated in accordance with Section 20 (3) GwG that SD Thesaurus GmbH directly holds 33.9255% of the shares in BAUER Aktiengesellschaft with effect as of December 28, 2023.

Authority of the Executive Board to issue or buy back shares

By resolution of the General Meeting of BAUER Aktiengesellschaft on March 31, 2021, an amendment to the Articles of Association was adopted authorizing the Executive Board of the company, with the consent of the Supervisory Board, to increase the company's share capital once or more than once up to March 30, 2026 by up to a total of EUR 10,000,000.00 by the issue of no-nominal-value bearer shares against cash and/or non-cash contributions (2021 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 the following cases:

a) in the case of capital increases in return for non-cash contributions, particularly for the purpose of purchasing companies, parts of companies, participations in companies and other assets or claims for the purchase of assets, including receivables from companies or their Group companies, or for the purpose of company mergers;

b) in the event of capital increases against cash contributions where the issue amount of the new shares is not materially below the market price of the already quoted shares at the time that the issue price is set definitively and the shares issued excluding shareholders' subscription rights pursuant to section 186 (3) sentence 4 of the AktG do not in total exceed 10% of the existing share capital either at the time this authority takes effect or at the time of exercising this authority. Shares which have been or are to be sold or issued in direct or corresponding application of section 186 (3) sentence 4 of the AktG while this authority is in place until such time as it is exercised, pursuant to other authorities, excluding subscription rights, are to be set off against the said 10% limit;

c) to compensate fractional amounts resulting during capital increases in return for cash and/or non-cash contributions due to the subscription ratio;

d) to implement so-called scrip dividends where shareholders are offered an option to pay in their dividend entitlement (in full or part thereof) as a non-cash contribution to the company in return for the issuance of new shares from the 2021 authorized capital.

The Supervisory Board is authorized to amend Article 4 of the Articles of Association accordingly following complete or partial execution of the increase in share capital or on expiration of the period of authority.

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. If the acquisition is effected via the stock market, the acquisition price per share (excluding ancillary costs) may be no more than 10% above or below the mathematical average of the closing prices per share on the trading day for shares in the company in Xetra trading (or a comparable successor system) on the Frankfurt Stock Exchange for the three trading days prior to the date of entering the obligation to purchase. If the acquisition is effected by means of a public tender offer, the purchase price or the limits of the purchase price span per share (excluding ancillary costs) may be no more than 10% above or below the mathematical average of the closing prices per share in the company in Xetra trading (or a comparable successor system) on the Frankfurt Stock Exchange on the three trading days prior to the day of publication of the public tender offer. If significant deviations of the decisive share price occur after the day of issue of the public tender offer, the purchase price may be adjusted.
The Executive Board shall be authorized to appropriate shares in the company acquired pursuant to the above authorizations for all legally admissible purposes. Consequently, the acquired shares may also in particular be sold by means other than by way of the stock market or by means of an offer to the shareholders, if the shares are sold for cash at a price (excluding ancillary costs) not materially below the stock market price of shares of the company carrying the same rights at the time of the sale in Xetra trading (or a comparable successor system) on the Frankfurt Stock Exchange. The shares may also be transferred to third parties, provided this is done for the purpose of acquiring companies, parts in companies or participations in companies or other assets or effecting company mergers. They can also be issued to employees and members of management in the company and affiliated companies as part of employee participation programs. The aforementioned shares may be withdrawn without need of a further resolution by the General Meeting.
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. The facility to acquire treasury stock has not been utilized to date.

The remaining equity of the BAUER Group developed as follows:

in EUR thousand	Dec. 31, 2022	Dec. 31, 2023
I. Capital reserve	16,304	42,331
II. Other revenue reserves and retained earnings	256,451	255,528
	272,755	297,859
III. Non-controlling interests	18,370	14,181
Total	**291,125**	**312,040**

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 -39,593 thousand (previous year: -32,103). Deferred taxes were recognized in the amount of EUR 11,568 thousand (previous year: 9,221). 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). In the previous year, BAUER Resources GmbH acquired the remaining 16.67% of the shares in Site Group for Services and Well Drilling Ltd. Co., Amman, Jordan for USD 1. The non-controlling shares in the amount of EUR -25,050 thousand were set off against the purchase price due to the equity transaction among shareholders and reclassified to the other revenue reserves.

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 -15,758 thousand (previous year: -9,257).

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 1,200 thousand (previous year: -2,412) 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 -100 thousand (previous year: 53).

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 640 thousand (previous year: 1,361).

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, 2022			Dec. 31, 2023		
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%	16,673	4,496	43.73%	14,880	3,048
BAUER Casings Makina Sanayi ve Ticaret Limited Sirketi, Ankara, Turkey	Emiroglu Makina	40.00%	1,726	943	40.00%	1,513	767
Thai BAUER Co. Ltd., Bangkok, Thailand		25.81%	-1,635	49	25.81%	-4,315	-2,687
Site Group for Services and Well Drilling Ltd. Co., Amman, Jordan	Oweis Family	-	0	-4,138	-	0	0
Individual immaterial subsidiaries with non-controlling interests			1,606	149		2,103	881
Total			**18,370**	**1,499**		**14,181**	**2,009**

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		Site Group*		Thai BAUER Co. Ltd.	
	Dec. 31, 2022	**Dec. 31, 2023**	**Dec. 31, 2022**	**Dec. 31, 2023**	**Dec. 31, 2022**	**Dec. 31, 2023***	**Dec. 31, 2022**	**Dec. 31, 2023**
Non-current assets	539	991	10,070	6,572	0	0	20,456	23,258
Current assets	6,306	4,144	46,023	38,304	0	0	22,638	17,218
Non-current debt	406	398	338	268	0	0	4,596	3,589
Current debt	2,381	1,332	18,038	11,126	0	0	36,256	45,031

* In the previous year, the remaining 16.67% of the shares in Site Group were acquired.

INCOME STATEMENT

in EUR thousand	Bauer Casings		BAUER EGYPT S.A.E		Site Group		Thai BAUER Co. Ltd.	
	Dec. 31, 2022	Dec. 31, 2023	Dec. 31, 2022	Dec. 31, 2023	Dec. 31, 2022	Dec. 31, 2023	Dec. 31, 2022	Dec. 31, 2023
Sales revenues	13,923	37,495	69,559	37,495	5,736	0	16,942	30,445
Earnings before interest and tax	3,177	8,354	14,438	8,354	-24,081	0	1,778	-6,848
Earnings before tax	2,929	8,920	15,116	8,920	-24,319	0	191	-9,616
Earnings after tax	2,358	6,971	10,281	6,971	-26,360	0	191	-10,413
Profit/loss attributable to noncontrolling interests	943	767	4,496	3,049	-4,138	0	49	-2,687
Profit/loss attributable to shareholders of BAUER AG	1,415	6,204	5,785	3,922	-22,222	0	142	-7,726
Dividends distributed to noncontrolling interests	-156	-220	-1,313	-1,077	-64	0	0	0

STATEMENT OF CASH FLOWS

in EUR thousand	Bauer Casings		BAUER EGYPT S.A.E		Site Group		Thai BAUER Co. Ltd.	
	Dec. 31, 2022	Dec. 31, 2023	Dec. 31, 2022	Dec. 31, 2023	Dec. 31, 2022	Dec. 31, 2023	Dec. 31, 2022	Dec. 31, 2023
Cash flow from operating activities	818	939	4,269	4,811	670	0	7,101	8,554
Cash flow from investing activities	-98	-104	-2,752	-860	-14	0	-1,107	-5,485
Cash flow from financing activities	-460	-720	-2,611	-1,618	-446	0	-5,870	-3,330
Influence of exchange rate movements on cash	28	108	-5,274	-2,784	-4	0	6	-40
Changes in cash and cash equivalents with an effect on liquidity	288	223	-6,368	-451	206	0	130	-301

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.

The key figures are presented below:

in EUR thousand	Dec. 31, 2022	Dec. 31, 2023
Equity	402,311	495,438
Equity ratio	24.83%	29.16%
Earnings after tax	-94,017	7,480
Net debt	514,573	410,775
Financial indebtedness	559,180	479,524
frei verfügbare flüssige Mittel	44,607	68,749
Net debt / EBITDA	8.50	1.96
EBITDA / net interest coverage	-3.77	3.33

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, 2022		Remaining term December 31, 2023	
	1 to 5 years	over 5 years	1 to 5 years	over 5 years
Liabilities to banks	50,622	7,809	82,441	13,415
Liabilities from lease agreements	40,937	4,431	34,047	3,760
Other noncurrent liabilities	4,804	4,537	8,696	0
Other noncurrent financial liabilities	11,522	0	8,609	0
Total	**107,885**	**16,777**	**133,793**	**17,175**

in EUR thousand	Fair Value		Interest rate margin	
	Dec. 31, 2022	Dec. 31, 2023	Dec. 31, 2022	Dec. 31, 2023
Liabilities to banks	51,637	91,212	0.21% - 6.20%	0.80% - 6.89%
Liabilities from lease agreements	40,887	36,677	0.19% - 9.03%	0.46% - 9.83%
Other noncurrent financial liabilities	11,072	8,416	0.61% - 5.15%	0.61% - 6.00%
Total	**103,596**	**136,305**		

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, 2022				Dec. 31, 2023			
	Germany	Indonesia	Philippines	India*	Germany	Indonesia	Philippines	India*
Interest rate	3.90	7.25	7.21	-	3.45	6.75	6.26	-
Future salary increases	3.00	3.00	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, 2022	Dec. 31, 2023
Present value of obligations financed by a fund	393	463
Fair value of plan assets	-393	-463
Plan deficit	**0**	**0**
Present value of obligations not financed by a fund	105,975	115,412
Total deficit of defined benefit plan obligations	**105,975**	**115,412**
Effect of asset ceiling	0	0
Recognized provision	**105,975**	**115,412**

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, 2022	**152,699**	**-328**	**152,371**	**0**	**152,371**
Current service costs	2,705	0	2,705	0	2,705
Interest expense/income	2,124	-24	2,100	0	2,100
Post-employment expenditure, income and losses from payment in lieu	-38	0	-38	0	-38
Total	**157,490**	**-352**	**157,138**	**0**	**157,138**
Revaluation:					
Income from plan assets excluding amounts contained in the above interest	0	30	30	0	30
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	-48,871	0	-48,871	0	-48,871
Empirical value-based adjustments	1,722	0	1,722	0	1,722
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	**-47,149**	**30**	**-47,119**	**0**	**-47,119**
Exchange rate movements	105	0	105	0	105
Contributions:					
Employer	0	-71	-71	0	-71
Beneficiary employee	0	0	0	0	0
Payments from the plan:					
Ongoing payments	0	0	0	0	0
Retirement benefits (not fund-financed)	-4,078	0	-4,078	0	-4,078
Other effects	0	0	0	0	0
Date: December 31, 2022	**106,368**	**-393**	**105,975**	**0**	**105,975**

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

in EUR thousand	Dec. 31, 2022	Dec. 31, 2023
Qualifying insurance contracts	0	0
Money market fund and pension fund	393	463
Cash and cash equivalents	0	0
Total	**393**	**463**

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%	107,623	124,523
Future salary increases	+/- 0.5%	117,526	113,749
Future pension increase	+/- 0.5%	122,664	109,645
		Increase in assumption by 1 year	Decrease in assumptin by 1 year
Probability of death		120,828	110,753

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, 2022				
	Germany	Indonesia	Philippines	India	Total
Present value of obligations	103,947	1,684	681	56	106,368
Fair value of plan assets	0	-393	0	0	-393
Total	**103,947**	**1,291**	**681**	**56**	**105,975**
Effect of asset ceiling	0	0	0	0	0
Total	**103,947**	**1,291**	**681**	**56**	**105,975**

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**

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

in EUR thousand	Dec. 31, 2022	Dec. 31, 2023
Active scheme members	48,341	54,086
Deferred beneficiary employees	4,498	4,656
Retired employees	53,529	57,133
Total	**106,368**	**115,875**

The weighted average term of the provisions for pensions is 14.83 years (previous year: 14.81 years).

Pension payments in financial year 2024 are expected to amount to EUR 4,419 thousand (previous year: 4,002). Of that total, EUR 4,419 thousand (previous year: 4,002) is projected to be contributed by the employer. Contributions to the external plan assets totaling EUR 68 thousand are expected (previous year: 71) for 2024.

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	Dec. 31, 2023
Pension payments	4,419	23,643	24,652	181,960	52,714

34. CURRENT DEBT

in EUR thousand	Dec. 31, 2022	Dec. 31, 2023
Liabilities to banks	401,819	292,008
Liabilities from lease agreements	26,234	24,213
Contract liabilities	89,112	134,461
Trade payables	230,836	263,157
Liabilities to companies and participations accounted for using the equity method	27,660	31,061
Other current liabilities	105,521	80,298
Other current financial liabilities	15,806	21,031
Total	**896,988**	**846,229**

The “Trade payables” balance sheet item includes long-term payables totaling EUR 401 thousand (previous year: 572). The “Liabilities to companies and participations accounted for using the equity method” balance sheet item includes liabilities to consortia totaling EUR 30,431 thousand (previous year: 27,234).

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 0.8% to 13.00% (previous year: 0.21% to 13.00%).

35. OTHER PROVISIONS

The other provisions developed as follows in the financial year:

in EUR thousand	2022					
	Contract processing	Warranty	Litigation	Impending losses	Restructuring	Total
Date: January 1	**4,106**	**12,282**	**2,210**	**19,678**	**0**	**38,276**
Change in basis of consolidation	-1	-5	-8	0	0	-14
Currency adjustment	-113	-25	30	0	0	-108
Allocation	983	8,667	135	25,838	0	35,623
Reversal	507	2,241	1,364	225	0	4,337
Consumption	19	5,260	507	19,678	0	25,464
Date: December 31	**4,449**	**13,418**	**496**	**25,613**	**0**	**43,976**

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**

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 losses on construction projects.

The other provisions are expected to be consumed in 2024. 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, 2022	Dec. 31, 2023
Liabilities from guarantees	282,953	348,107

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 issued by banks or credit insurance companies (guarantors), and essentially 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. Maturities of payments for liabilities are not expected.

Future payment obligations from orders that were not yet recognized on the balance sheet (purchase commitments) were EUR 12,294 thousand (previous year: 14,660) as at December 31, 2023. This value primarily resulted from various open orders for the area of technical equipment and machinery for the companies SCHACHTBAU Nordhausen GmbH (EUR 8,338 thousand), BAUER Spezialtiefbau GmbH (EUR 1,450 thousand) and BAUER Aktiengesellschaft (EUR 1,325 thousand).

37. DISCONTINUED OPERATIONS

There are no plans to discontinue business operations under the terms of IFRS 5.

38. EVENTS AFTER THE BALANCE SHEET DATE

The estimates and assumptions for the financial year of which the BAUER Group is aware have been taken into consideration and described in the forecast report.

The following information was updated on July 19, 2024:
Together with other affiliated companies, the company has concluded a syndicated loan agreement with a consortium of banks for a credit volume of EUR 390 million as a key financing component of the group financing. The term of the syndicated loan agreement ends on September 21, 2024. On June 3, 2024, a refinancing agreement for the syndicated loan agreement was concluded with the lenders. The new term is three years and can be extended up to twice by one year each time with the consent of the contracting parties. The credit margin of the refinancing has increased by 25 basis points compared to the original loan agreement.

Furthermore, at the current time, no other major charges are known or foreseeable. Moreover, no events subject to mandatory reporting in accordance with IAS 10 occurred after December 31, 2023.

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, 2022	USD/EUR	GBP/EUR	AUD/EUR	CHF/EUR	CAD/EUR	other currencies/ EUR
Overall effect of +10% on OCI	755	0	319	0	0	0
Overall effect of -10% on OCI	-922	0	-390	0	0	0
Overall effect of +10% on income statement	8,616	-1,092	0	-185	0	505
Overall effect of -10% on income statement	-10,284	1,335	0	226	0	-617

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

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, 2022	Dec. 31, 2023
Overall effect of +100 base points on OCI	814	578
Overall effect of -100 base points on OCI	-820	-563
Overall effect of +100 base points on income statement	16,488	16,964
Overall effect of -100 base points on income statement	-18,042	-18,202

In the BAUER Group, as at December 31, 2022 there were interest rate hedging instruments and loan agreements subject to variable interest rates that reference the USD Libor. The nominal value of the interest rate hedging instrument was USD 10,000,000; the fair value as at December 31, 2022 was EUR 84 thousand. The nominal value of the loan agreements with reference to the USD Libor was USD 44,250,000 USD as at December 31, 2022; the utilization was EUR 24,302 thousand. In the 2023 financial year, the interest rate swap was carried out according to the agreement, which is why there was no interest rate hedging instrument as at the reporting date of December 31, 2023 which references the USD Libor.

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 311,939 thousand (previous year: 229,173) and for guarantees in the amount of EUR 268,524 thousand (previous year: 223,630). 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, 2022	Cash flow 2023	Cash flow 2024 to 2027	Cash flow 2028 et seq.
Liabilities to banks	460,250	433,473	48,565	13,282
Liabilities from subordinate loans	0	0	0	0
Liabilities from lease agreements	71,602	27,310	43,499	5,583
Other financial liabilities (excluding derivatives)	26,868	16,994	10,676	257
Trade payables	230,836	224,195	5,849	792
Liabilities to companies and participations accounted for using the equity method	27,660	27,597	8	55

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	301,923	88,535	13,976
Liabilities from subordinate loans	0	0	0	0
Liabilities from lease agreements	62,020	25,522	36,355	4,520
Other financial liabilities (excluding derivatives)	29,458	21,703	9,225	0
Trade payables	263,157	257,420	5,731	6
Liabilities to companies and participations accounted for using the equity method	31,061	31,061	0	0

There were no instances of defaulting on interest payments or capital repayments in the period under review. As at December 31, 2023, 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, 2022	2023	2024 to 2027	From 2028
Liabilities from foreign exchange forward contracts	**460**	**-522**	**0**	**0**
Outflow of cash and cash equivalents	-	-45,424	0	0
Inflow of cash and cash equivalents	-	44,902	0	0

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

To calculate the cash inflows from interest rate swaps the conditions as per December 31, 2023 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 144. The risk arising from primary financial instruments is countered by means of valuation allowances for bad debt, and in Germany also by means of credit insurance cover. 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, 2022 is transferred to the closing balance of the valuation allowance as at December 31, 2023 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, 2022	**6,574**	**37,572**	**1,253**
Change in basis of consolidation	0	-187	0
Foreign currency translation differences	0	-89	0
Allocation	3,296	29,436	490
Reversal	0	3,374	0
Consumption	0	11,173	0
Valuation allowance on December 31, 2022	**9,870**	**52,185**	**1,743**
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**

The allocations and reversals include the results from valuation allowances on receivables less the impairments on uncollectable receivables in the amount of EUR 1,141 thousand (previous year: 5,920).

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 31,2022					
not overdue	1.80%	158,120	98,127	4,609	0
overdue up to 30 days	3.84%	43,537	0	1,672	0
overdue up to 60 days	6.08%	26,765	0	1,627	0
overdue up to 90 days	8.09%	9,979	0	808	0
overdue more than 90 days	8.86%	29,650	0	2,627	0
Total		**268,051**	**98,127**	**11,342**	**57,115**
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**

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, 2022**	**Stage 1 12-month ECL**	**Stage 2 Total term ECL (not creditworthiness-impaired)**	**Stage 3 Total term ECL (creditworthiness-impaired)**	**Total**
Other financial assets	18,727	0	0	18,727

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

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 loan receivable from BAUER Nimr LLC (previous year: 10,774) which represented the largest individual item within other financial assets last year, no longer exists as at December 31, 2023. The rating of other debtors is also 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, 2021	**214**	**0**	**0**	**214**
Change in basis of consolidation	0	0	0	0
Foreign currency translation differences	0	0	0	0
Allocation	0	0	0	0
Reversal	31	0	0	31
Consumption	0	0	0	0
Valuation allowance on December 31, 2022	**183**	**0**	**0**	**183**

in Tausend EUR	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**

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, 2022	Dec. 31, 2023
Financial Assets measured at Amortised Cost	-61	4,342
Financial Liabilities measured at Amortised Cost	-35,641	-41,805
Financial Assets at Fair Value through OCI ohne Recycling	2,667	671
Financial Assets and Liabilities at Fair Value through Profit or Loss	42,651	-15,464
Total	**9,616**	**-52,256**

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 1,141 thousand (previous year: 5,920).

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, 2022	Dec. 31, 2023
Impairments for financial assets measured at amortized cost	-5,882	-7,600

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

in EUR thousand	Dec. 31, 2022	Dec. 31, 2023
Interest income	8,388	10,785
Interest expense	-32,299	-41,819
Total	**-23,911**	**-31,034**

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 144 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, 2022	Additions	Disposals	Changes without any effect on profit or loss	Changes recognized in the income statement	Dec. 31, 2022
Participations	10,803	3	8,500	-200	0	2,106
Shares of non-consolidated companies	13,608	1,290	25	-10,843	0	4,030
Total	**24,411**	**1,293**	**8,525**	**-11,043**	**0**	**6,136**

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**

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 47 thousand (previous year: 161) lower or EUR 43 thousand higher (previous year: 190). 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, 2022	Dec. 31, 2023	Dec. 31, 2022		Dec. 31, 2023	
			Positive	Negative	Positive	Negative
Interest rate swaps (including accrued interest)						
of which in hedge accounting	30,000	30,000	1,190	0	952	0
of which not in hedge accounting	268,376	250,000	30,231	0	16,327	0
Foreign exchange forward contracts						
of which in hedge accounting	12,288	32,604	13	0	151	-28
of which not in hedge accounting	147,551	63,062	4,091	-479	744	-153

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, 2022	Hedging of currency and interest risk		
	2023	2024	> 2025
Foreign exchange risk **Nominal volume (in EUR thousand)**			
of which USD/EUR	8,720	0	0
of which ZAR/EUR	0	0	0
of which AUD/EUR	3,569	0	0
Average hedging rate			
Average price USD/EUR	1.1155	-	-
Average price ZAR/EUR	0	-	-
Average price AUD/EUR	1.5718	-	-
Interest rate risks **Nominal volume (in EUR thousand)**	**0**	**0**	**30,000**
Average interest hedging rate	**1.7370%**	**1.7370%**	**1.7370%**

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	1.1074	-	-
Average price ZAR/EUR	20.35423	22.7642	-
Average price AUD/EUR	1.6460	-	-
Interest rate risks **Nominal volume (in EUR thousand)**	**0**	**20,000**	**10,000**
Average interest hedging rate	**1.3752%**	**1.3752%**	**1.3752%**

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, 2022	**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	12,288	35	-21	38	Other financial assets or other financial liabilities
Interest rate risks	30,000	1,190	0	1,361	-

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	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, 2022	**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	12,288	0	-38	0	0
Interest rate risks	0	29,908	-1,361	979	0

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	Reconciliation statement for cash flow hedge reserve					
			Amounts reclassified to the income statement			
	January 1, 2022	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, 2022
Hedging reserve						
Foreign exchange risks	0	38	0	-38	0	0
Interest rate risks	0	1361	0	0	-384	984
Reserve for hedging costs						
Foreign exchange risks	-2	840	0	-840	0	2

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

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, 2022						
Derivative financial assets	35,613	0	35,613	-342	0	35,271
Cash and cash equivalents	44,607	0	44,607	-4,989	0	39,618
Total	**80,220**	**0**	**80,220**	**-5,331**	**0**	**74,889**

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**

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, 2022						
Derivative financial liabilities	460	0	460	-342	0	118
Current-account overdrafts	470,961	0	470,961	-4,989	0	465,972
Total	**471,421**	**0**	**471,421**	**-5,331**	**0**	**466,090**

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**

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, 2022	Dec. 31, 2023	Dec. 31, 2022	Dec. 31, 2023	Dec. 31, 2022	Dec. 31, 2023	Dec. 31, 2022	Dec. 31, 2023
Non-current assets									
Participations		2,106	2,106						
	at fair value	2,106	2,106	-	-	2,106	2,106	0	0
Trade receivables	at amortized cost	1,056	1,898	1,056	1,898	-	-	-	-
Other non-current financial assets		35,747	25,519						
	at fair value	31,337	17,287		-		-	30,146	16,330
	at fair value	4,030	7,474	-	-	4,030	7,474	-	-
	at amortized cost	379	758	379	758	-	-	-	-
Current Assets									
Trade receivables		262,056	284,729						
	at amortized cost	262,056	284,589	262,056	284,589	-	-	-	-
	at fair value	0	140	-	-	0	0	0	140
Receivables from enterprises in which the company has participating interests	at amortized cost	1,845	1,616	1,845	1,616	-	-	-	-
Other current financial assets		22,441	9,353						
	at fair value	4,277	888	-	-	0	0	4,242	737
	at amortized cost	18,164	8,465	18,164	8,465	-	-	-	-
Cash and cash equivalents	at amortized cost	44,607	68,749	44,607	68,749	-	-	-	-
Total financial assets		**369,858**	**393,970**	**328,107**	**366,075**	**6,136**	**9,580**	**34,389**	**17,207**

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, 2022	Dec. 31, 2023	Dec. 31, 2022	Dec. 31, 2023	Dec. 31, 2022	Dec. 31, 2023	
-	-	-	-	2,106	2,106	3
-	-	-	-	935	1,891	3
1,191	957		-	31,337	17,287	2
-	-	-	-	4,030	7,474	3
-	-	-	-	379	758	3
-	-	-	-	n/a	n/a	n/a
0	0	-	-	0	140	3
-	-	-	-	n/a	n/a	n/a
35	151	-	-	4,277	888	2
-	-	-	-	n/a	n/a	n/a
-	-	-	-	n/a	n/a	n/a
1,226	**1,108**	**0**	**0**	**43,059**	**30,544**	

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, 2022	Dec. 31, 2023	Dec. 31, 2022	Dec. 31, 2023	Dec. 31, 2022	Dec. 31, 2023	Dec. 31, 2022	Dec. 31, 2023
Non-current debt									
Liabilities to banks	at amortized cost	58,431	95,856	58,431	95,856	-	-	-	-
Liabilities from lease agreements	n/a	45,368	37,807	-	-	-	-	-	-
Other non-current financial liabilities		11,522	8,609						
	at fair value	0	0	-	-	0	0	0	0
	at amortized cost	11,522	8,609	11,522	8,609	-	-	-	-
Current debt									
Liabilities to banks	at amortized cost	401,819	292,008	401,819	292,008	-	-	-	-
Liabilities from lease agreements	n/a	26,234	24,213	-	-	-	-	-	-
Trade payables	at amortized cost	230,836	263,157	230,836	263,157	-	-	-	-
Liabilities to companies accounted for using the equity method using the equity method	at amortized cost	27,660	31,061	27,660	31,061	-	-	-	-
Other current financial liabilities		15,806	21,031						
	at fair value	460	182	-	-	0	0	215	153
	at amortized cost	15,346	20,849	15,346	20,849	-	-	-	-
Total financial liabilities		**817,676**	**773,742**	**745,614**	**711,540**	**0**	**0**	**215**	**153**

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, 2022	**Dec. 31, 2023**	**Dec. 31, 2022**	**Dec. 31, 2023**	**Dec. 31, 2022**	**Dec. 31, 2023**	
-	-	-	-	51,637	91,212	3
-	-	45,368	37,807	40,887	36,677	3
0	0	-	-	0	0	2
-	-	-	-	11,072	8,416	3
-	-	-	-	n/a	n/a	n/a
-	-	26,234	24,213	n/a	n/a	n/a
-	-	-	-	n/a	n/a	n/a
-	-	-	-	n/a	n/a	n/a
245	29	-	-	460	182	2
-	-	-	-	n/a	n/a	n/a
245	**29**	**71,602**	**62,020**	**104,056**	**136,487**	

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, 2022	**433,785**	**64,794**	**498,579**
Raising of loans and liabilities to banks	244,093	0	244,093
Purchases – Leasing relationships	0	27,999	27,999
Amortization	-213,495	-19,658	-233,153
Other noncash changes	-4,134	-1,533	-5,667
Net liabilities as of December 31, 2022	**460,249**	**71,602**	**531,851**

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**

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

- Prof. Dr.-Ing. E.h. Dipl.-Kfm. Thomas Bauer, Chairman (until December 6, 2023) Self-employed management consultant
- Alfons Doblinger (from November 2, 2023) Managing Director of Doblinger Beteiligung GmbH, Munich
- Sabine Doblinger Personnel Director of DIBAG Industriebau Aktiengesellschaft, Munich
- Prof. Dr.-jur. Bastian Fuchs (from December 8, 2023), Chairman (from December 18, 2023) Attorney at TOPJUS Rechtsanwälte Kupferschmid & Partner mbB, Munich
- Dipl.-Ing. Klaus Pöllath Retired civil engineer
- Dipl.-Ing. (FH) Elisabeth Teschemacher, née Bauer Self-employed in the area of real estate management, building renovation and construction consulting
- Dipl.-Kffr. Andrea Teutenberg, Kaarst (until November 2, 2023) Administrative Board KSB Management SE, Frankenthal (Palatinate), Member
- Gerardus N. G. Wirken Freelance consultant for the area of strategy, managerial accounting and accounting

Employee representatives

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

- Reinhard Irrenhauser Chairman of the Works Council BAUER Maschinen GmbH, Schrobenhausen
- Dipl.-Ing. Wolfgang Rauscher Head of Production at BAUER Maschinen GmbH, Schrobenhausen

Executive Board

- Dipl.-Ing. (FH) Florian Bauer, MBA (until December 31, 2023)
- Dipl.-Betriebswirt (FH) Hartmut Beutler, Schrobenhausen (from January 1, 2024)
- Peter Hingott
- Dipl.-Phys. Michael Stomberg, CEO (until March 11, 2023)

42. SHARE-BASED REMUNERATION

The remuneration system was still applied in principle for the reference year of 2023 in the same way as the previous year 2022, however with the difference that the obligation of the Executive Board members to invest the LTI share component in shares was eliminated due to the delisting. 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 will not apply in the future either.

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 1,412 thousand (previous year: 1,780). Of that total, EUR 764 thousand (previous year: 1,130) was not performance-related and EUR 648 thousand (previous year: 650) 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 15 thousand (previous year: 12). 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 1,071 thousand for the 2023 financial year (previous year: 300). This includes payments occasioned by the end of employment relationships totaling EUR 750 thousand (previous year: 0). 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 6,158 thousand are recognized as a liability on the reporting date (previous year: 6,040).

The remuneration paid to the Supervisory Board for the 2023 financial year totaled EUR 391 thousand (previous year: 378.

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 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 close relatives, a right of use of EUR 1,526 thousand was capitalized according to IFRS 16 on December 31, 2023 (previous year: 1,350) and a liability of EUR 1,604 thousand (previous year: 1,398).
Liabilities to the BAUER Foundation arising from a mortgage-backed amortizing loan existed totaling EUR 1,500 thousand as at December 31, 2023 (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. Regarding the loan from the associated company BAUER Nimr LLC, Muscat, Sultanate of Oman, we refer to the statements in section 28 “Receivables and other assets.”
The remuneration of members of the management in key positions can be found in the following table.

in EUR thousand	2022	2023
Short-term benefits	1,618	1,340
Benefits after termination of the employment relationship	12	15
Other long-term benefits	315	463
Benefits due to the termination of the employment relationship	0	750
Share-based remuneration (LTI Shares)	232	0
Total	**2,177**	**2,568**

The outstanding balances as at the balance sheet date for variable non-share-based remuneration components was EUR 648 thousand (previous year: 425).

For exercising their role as employees, members of the Supervisory Board received a total of EUR 624 thousand (previous year: 568). Remunerations paid from contracts of employment with close family in the financial year amounted to EUR 436 thousand (previous year: 459).

Pension benefits for family members in the financial year amounted to EUR 145 thousand (previous year: 135). The pension payments to departed members of the Executive Board totaled EUR 321 thousand (previous year: 300). 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 182 thousand (previous year: 139).

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	
	2022	2023	2022	2023	2022	2023
Income	371	1,680	8,563	16,451	807	1,118
Purchased services	2,810	2,940	6,776	21,520	0	1,260
Receivables and other assets (December 31)	10,906	231	20,565	29,281	3,884	1,956
Liabilities (December 31)	324	436	1,943	11,589	27,234	32,356
Valuation allowance of receivables	0	0	9,116	6,859	2,921	4,633
Expenditure for uncollectable and uncertain receivables	0	0	8,089	6	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 3,334 thousand (previous year: 3,600) 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.

44. JOINT OPERATIONS

The material joint ventures are listed below:

Financial year 2022:

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 2023:

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:

PricewaterhouseCoopers:

in EUR thousand	2022	2023
Auditing services	1,108	1,070
(of which PricewaterhouseCoopers network Germany)	1,037	938
(of which PricewaterhouseCoopers network excluding Germany)	71	132
Other certification	61	3
(of which PricewaterhouseCoopers network Germany)	61	3
(of which PricewaterhouseCoopers network excluding Germany)	0	0
Tax advice	6	57
(of which PricewaterhouseCoopers network Germany)	0	39
(of which PricewaterhouseCoopers network excluding Germany)	6	18
Other services	31	205
(of which PricewaterhouseCoopers network Germany)	10	182
(of which PricewaterhouseCoopers network excluding Germany)	21	23
Total	**1,206**	**1,335**
(of which PricewaterhouseCoopers network Germany)	1,108	1,162
(of which PricewaterhouseCoopers network excluding Germany)	98	173

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.

47. NUMBER OF EMPLOYEES

	Average		Reporting Date	
	2022	2023	2022	2023
Employees	**3,595**	**3,574**	**3,508**	**3,490**
Germany	1,984	1,987	1,992	1,982
International	1,611	1,587	1,516	1,508
Industrial & trade employees	**8,075**	**8,385**	**8,101**	**8,268**
Germany	1,797	1,714	1,796	1,639
International	6,278	6,671	6,305	6,629
Apprentices	**242**	**240**	**283**	**276**
Germany	228	219	257	255
International	14	21	26	21
Total number of employees	**11,912**	**12,199**	**11,892**	**12,034**

48. PROPOSAL ON THE USE OF RETAINED EARNINGS

The adopted annual financial statements of BAUER Aktiengesellschaft as of December 31, 2023 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 pumpenboese 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
B. EU (excluding Germany)		
GWE Budafilter Kft., Mezöfalva, Hungary	HUF	100.00
BAUER SPEZIALTIEFBAU Gesellschaft m.b.H., Vienna, Austria	EUR	100.00
BAUER DK A/S, Søborg, Denmark	DKK	100.00
BAUER Fondations SAS, Paris, France	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 RENEWABLES LIMITED, Dundee, Great Britain	GBP	100.00
BAUER EQUIPMENT UK LIMITED, Rotherham, Great Britain	GBP	100.00
BAUER Foundations (IRL) Ltd., Dublin, Great Britain	EUR	100.00
BAUER Spezialtiefbau Schweiz AG, Baden-Dättwil, Switzerland	CHF	100.00
C. Continued: Europe (other)		

Name and place of business of company	Currency	Capital share in %
BAUER Georgia Foundation Specialists LCC, Tbilisi, Georgia	GEL	100.00
D. Middle East & Central Asia		
Saudi BAUER Foundation Contractors Ltd., Jeddah, Saudi Arabia	SAR	100.00
BAUER LEBANON FOUNDATION SPECIALISTS S.a.r.L., Beirut, Lebanon	USD	100.00
BAUER International FZE, Dubai, United Arab Emirates	AED	100.00
BAUER International Qatar LLC, Doha, Qatar	QAR	49.00*
BAUER Equipment Gulf FZE, Dubai, United Arab Emirates	AED	100.00
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	USD	100.00
Site Group for Services and Well Drilling Ltd. Co., Amman, Jordan	USD	100.00
Site Drilling Ltd. Co., Limassol, Cyprus	USD	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 Engineering International Ltd., Dubai, United Arab Emirates	AED	100.00
BAUER Bangladesh Limited, Dhaka, Bangladesh	BDT	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 Vietnam Ltd., Ho Chi Minh City, Vietnam	VND	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	EUR	100.00
BAUER EQUIPMENT SOUTH ASIA PTE. LTD., Singapore	EUR	100.00
BAUER Technologies Taiwan Ltd., Taipei, Taiwan	TWD	99.88
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	EUR	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 Equipment (Shanghai) Co. Ltd., Shanghai, People's Republic of China	CNY	100.00
BAUER Technologies Thailand Co., Ltd., Bangkok, Thailand	THB	100.00
Continued: E. Asia-Pacific, Far East & Australia		
P.T. BAUER Equipment Indonesia, Jakarta, Indonesia	IDR	100.00
NIPPON BAUER Y.K., Tokyo, Japan	JPY	100.00

Name and place of business of company	Currency	Capital share in %
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	49.39*
Thai BAUER Co. Ltd., Bangkok, Thailand	THB	74.19
BAUER Equipment Australia Pty. Ltd., Baulkham Hills, Australia	AUD	100.00
F. Americas		
BAUER FUNDACIONES PANAMÀ S.A., Panama City, Panama	USD	100.00
BAUER FUNDACIONES DOMINICANA, S. R. L., Santo Domingo, Dominican Republic	DOP	100.00
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	60.00
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
BAUER Resources Senegal SARL, Dakar, Senegal	XOF	100.00
2. Companies in the expanded basis of consolidation		
A. Germany		
Harz Hotel Grimmelallee Nordhausen Beteiligungsgesellschaft mbH, Nordhausen, Germany	EUR	100.00
pumpenboese Beteiligungs- und Verwaltungs GmbH, Peine, Germany	EUR	100.00
Obermann MAT GmbH, Michelstadt, Germany	EUR	100.00
BAUER Offshore Technologies GmbH, Schrobenhausen, Germany	EUR	100.00
B. International		
BAUER Angola Lda., Luanda, Angola	AOA	100.00
BAUER Fondations Spéciales EURL, Algiers, Algeria	DZD	100.00
BAUER Cimentaciones Costa Rica S. A., Alajuela, Costa Rica	CRC	100.00
BAUER Lybian Egyptian Specialized Corporate for Technical Engineering Works, Tripoli, Libya	LYD	36.57
TOO BAUER KASACHSTAN, Almaty, Kazakhstan	KZT	100.00
BAUER Fundaciones Colombia S. A. S., Bogota, Colombia	COP	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
BAUER Geoteknoloji Insaat Anonim Sirketi, Istanbul, Turkey	EUR	100.00
Continued: B. International		
Sverige BAUER GL AB, Stockholm, Sweden	SEK	100.00
BAUER Special Foundations Cambodia Co., Ltd., Daun Penh, Cambodia	USD	100.00

Name and place of business of company	Currency	Capital share in %
EURODRILL ASIA PTE. LTD., Singapore	EUR	100.00
BAUER Maschinen Ukraine TOV, Kiev, Ukraine	UAH	100.00
BRASBAUER Equipamentos de Perfuracào Ltda., Sao Paulo, Brazil	BRL	60.00
BAUER Servicos de Apoio Administrativo Ltda., Sao Paulo, Brazil	BRL	100.00
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	EUR	100.00
BAUER – De Wet Equipment (Proprietary) Limited, Rasesa, Botswana	BWP	51.00
BAUER Maschinen Pars LLC, Tehran, Iran	IRR	100.00
OOO TRAKMECHANIKA, Yaroslavl, Russian Federation	RUB	100.00
BAUER Bhutan Pvt. Ltd., Thimphu-Khangkhulu, Bhutan	BTN	74.00
BAUER ENGINEERING PNG LIMITED, Port Moresby – National Capital District, Papua New Guinea	PGK	100.00
BAUER Equipment Gulf LLC, Abu Dhabi, United Arab Emirates	AED	49.00*
BAUER Latvia SIA, Riga, Latvia	EUR	100.00
OOO BAUER Maschinen – Kurgan, Kurgan, Russian Federation	RUB	90.00
OOO BG-TOOLS-MSI, Lyubertsy, Russian Federation	RUB	55.00
OOO BAUER Maschinen Russland, Moscow, 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
Funderingscombinate GEWIX v.o.f., Mijdrecht, Netherlands	EUR	50.00
Consortium SOFO Train Station Gütersloh, Essen, Germany	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
B. International		
TERRABAUER S. L., Madrid, Spain	EUR	30.00
Bauer + Mooslеitner Entsorgungstechnik GmbH, Nußdorf am Haunsberg, Austria	EUR	50.00
BAUER Nimr LLC, Maskat – Al Mina, Sultanate of Oman	OMR	52.50
BAUER Resources Bahrain W.L.L., Diplomatic Area, Bahrain	BHD	52.50
TOO SCHACHTBAU Kasachstan, Almaty, Kazakhstan	KZT	50.00

Name and place of business of company	Currency	Capital share in %
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	10.00
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, July 19, 2024

The Executive Board

Dipl.-Betriebswirt (FH) Hartmut Beutler

Peter Hingott

Audit Opinion

”INDEPENDENT AUDITOR‘S REPORT

To BAUER Aktiengesellschaft, Schrobenhausen

Audit Opinions
We have audited the consolidated financial statements of BAUER Aktiengesellschaft, Schroben-hausen, and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 December 2023, and the consolidated statement of comprehensive income, con-solidated statement of profit or loss, consolidated statement of changes in equity and consolidat-ed statement of cash flows for the financial year from 1 January to 31 December 2023, and notes to the consolidated financial statements, including material accounting policy information. In addition, we have audited the group management report of BAUER Aktiengesellschaft, which is combined with the Company’s management report, for the financial year from 1 January to 31 December 2023. In accordance with the German legal requirements, we have not audited the content of the statement on corporate governance pursuant to § [Article] 289f Abs. [paragraph] 4 HGB [Handelsgesetzbuch: German Commercial Code] (disclosures on the quota for women on executive boards).

In our opinion, on the basis of the knowledge obtained in the audit,

- the accompanying consolidated financial statements comply, in all material respects, with the IFRSs as adopted by the EU and the additional requirements of German commercial law pursuant to § 315e Abs. 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 2023, and of its financial performance for the financial year from 1 January to 31 December 2023, and

- the accompanying group management report as a whole provides an appropriate view of the Group’s position. In all material respects, this group management report is consistent with the consolidated financial statements, complies with German legal requirements and appropri-ately presents the opportunities and risks of future development. Our audit opinion on the group management report does not cover the content of the statement on corporate govern-ance referred to above.

Pursuant to § 322 Abs. 3 Satz [sentence] 1 HGB, we declare that our audit has not led to any res-ervations relating to the legal compliance of the consolidated financial statements and of the group management report.

Basis for the Audit Opinions
We conducted our audit of the consolidated financial statements and of the group management report in accordance with § 317 HGB in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). Our responsibilities under those requirements and princi-ples are further described in the “Auditor’s Responsibilities for the Audit of the Consolidated Fi-nancial Statements and of the Group Management Report“ section of our auditor’s report. We are independent of the group entities in accordance with the requirements of German commer-cial 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 suf-ficient and appropriate to provide a basis for our audit opinions on the consolidated financial statements and on the group management report.

Other Information
The executive directors are responsible for the other information. The other information com-prises the statement on corporate governance pursuant to § 289f Abs. 4 HGB (disclosures on the quota for women on executive boards) as an unaudited part of the group management report.

The other information comprises further all remaining parts of the annual report – excluding cross-references to external information – with the exception of the audited consolidated financial statements, the audited group management report and our auditor's report.

Our audit opinions on the consolidated financial statements and on the group management re-port do not cover the other information, and consequently we do not express an audit opinion or any other form of assurance conclusion thereon.

In connection with our audit, our responsibility is to read the other information mentioned above and, in so doing, to consider whether the other information

- is materially inconsistent with the consolidated financial statements, with the group management report disclosures audited in terms of content or with our knowledge obtained in the audit, or

- otherwise appears to be materially misstated.

Responsibilities of the Executive Directors and the Supervisory Board for the Consolidated Financial Statements and the Group Management Report

The executive directors are 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 § 315e Abs. 1 HGB and that the consolidated financial statements, in compliance with these requirements, give a true and fair view of the assets, liabilities, financial position, and financial performance of the Group. In addition, the executive directors are responsible for such internal control as they have determined necessary to enable the preparation of consolidated financial statements that are free from material mis-statement, whether due to fraud (i.e., fraudulent financial reporting and misappropriation of assets) or error.

In preparing the consolidated financial statements, the executive directors are responsible for assessing the Group's ability to continue as a going concern. They also have the responsibility for disclosing, as applicable, matters related to going concern. In addition, they are responsible for financial reporting based on the going concern basis of accounting unless there is an intention to liquidate the Group or to cease operations, or there is no realistic alternative but to do so.

Furthermore, the executive directors are responsible for the preparation of the group management report that, as a whole, provides an appropriate view of the Group's position and is, in all material respects, consistent with the consolidated financial statements, complies with German legal requirements, and appropriately presents the opportunities and risks of future development. In addition, the executive directors are responsible for such arrangements and measures (systems) as they have considered necessary to enable the preparation of a group 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 group management report.

The supervisory board is responsible for overseeing the Group's financial reporting process for the preparation of the consolidated financial statements and of the group management report.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements and of the Group 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 group management report as a whole provides an appropriate view of the Group's position and, in all material respects, is consistent with the consolidated financial statements and the knowledge obtained in the audit, complies with the German legal requirements and appropriately presents the opportunities and risks of future development, as well as to issue an auditor's report that includes our audit opinions on the consolidated financial statements and on the group management report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with § 317 HGB and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW) will al-ways detect a material misstatement. Misstatements can arise from fraud or error and are con-sidered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements and this group management report.

We exercise professional judgment and maintain professional skepticism throughout the audit. We also:

• Identify and assess the risks of material misstatement of the consolidated financial statements and of the group management report, whether due to fraud or error, design and per-form audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our audit opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of inter-nal controls.

• Obtain an understanding of internal control relevant to the audit of the consolidated financial statements and of arrangements and measures (systems) relevant to the audit of the group management report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an audit opinion on the effectiveness of these systems.

• Evaluate the appropriateness of accounting policies used by the executive directors and the reasonableness of estimates made by the executive directors and related disclosures.

• Conclude on the appropriateness of the executive directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the consolidated financial statements and in the group management report or, if such disclosures are inadequate, to modify our respective audit opinions. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to be able to continue as a going concern.

• Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements present the underlying transactions and events in a manner that the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and financial per-formance of the Group in compliance with IFRSs as adopted by the EU and the additional requirements of German commercial law pursuant to § 315e Abs. 1 HGB.

• Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express audit opinions on the consolidated financial statements and on the group management report. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinions.

- Evaluate the consistency of the group management report with the consolidated financial statements, its conformity with German law, and the view of the Group's position it provides.

- Perform audit procedures on the prospective information presented by the executive directors in the group management report. On the basis of sufficient appropriate audit evidence we evaluate, in particular, the significant assumptions used by the executive directors as a basis for the prospective information, and evaluate the proper derivation of the prospective information from these assumptions. We do not express a separate audit opinion on the prospective information and on the assumptions used as a basis. There is a substantial unavoidable risk that future events will differ materially from the prospective information.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Note on Supplementary Audit

We issue this auditor's report on the amended consolidated financial statements and: amended group management report on the basis of our audit, duly completed as at 13 May 2024, and our supplementary audit completed as at 19 July related to the amendments of the items "Intangible assets", "Property, plant and equipment", Investments accounted for using the equity method", "Deferred tax assets", "Other non-current assets", "Total inventories", "Trade receivables", "Pre-payments", "Other current assets", "Other current financial assets", "Other non-current financial assets", Cash and cash equivalents", Other revenue reserves and retaining earnings", "Other non-current liabilities", "Deferred tax liabilities", "Contract liabilities", "Trade Payables", "Other cur-rent liabilities" and "Other provisions" of the consolidated statement of financial position, the items "Sales revenues", "Other operating expenses", "Impairments on shares accounted for using the equity method", "Depreciation of fixed assets", "Financial income" and "Income tax expense" of the consolidated statement of profit or loss and the item "Exchange difference on translation of foreign subsidiaries" of the consolidated statement of comprehensive income and the related amendments to the consolidated statement of changes in equity, the consolidated statement of cash flows and the disclosures in the notes to the consolidated financial statements and the group management report as well as to the amendments to the disclosures in sections "38. Events after the balance sheet date" and "46. Release for issue of the consolidated financial statements" in the notes to the consolidated financial statements and section "V. Risk and Opportunity Re-port", subsection „Handling of project risks" as well as subsection "Financial market risks" in the group management report. We refer to the presentation of the amendments by the executive di-rectors in the amended notes to the consolidated financial statements, section "General information about the Group", subsection "Significant changes since May 13, 2024", as well as amended group management report, section "I. Basis of the Group", subsection "Significant changes since May 13, 2024".

Stuttgart, Germany, May 13, 2024 / limited to the Note on Supplementary Audit:
Stuttgart, Germany, July 19, 2024

PricewaterhouseCoopers GmbH
Accountancy firm

Stefanie Fink	ppa. Christian Derosa
Auditor	Auditor

IMPRINT

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