



Profitable growth

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2024 highlights

- Krones continued its profitable growth path in 2024. Revenue increased by 12.1% year on year to €5,293.6 million.
- Due to customers' continued good willingness to invest, Krones increased its order intake compared to the previous year's high level by 1.6% to €5,460.7 million. At €4,289.5 million as of the end of 2024, the order backlog was up 4.1% on the previous year.
- Despite persistently high costs, Krones has significantly improved profitability. EBITDA improved by 17.5% in 2024 to €537.1 million. The EBITDA margin increased from 9.7% in the previous year to 10.1%.
- Free cash flow was significantly higher than in the previous year. Adjusted for acquisitions, it increased in 2024 from €13.2 million to €292.5 million. Krones improved ROCE (return on capital employed) to 18.2% in 2024 (previous year: 16.3%).
- Due to the positive business performance, Krones intends to pay an 18.2% higher dividend of €2.60 per share for 2024 (previous year: €2.20).
- The Executive Board is confident overall for the 2025 financial year and forecasts revenue growth of 7% to 9% with an improved EBITDA margin of 10.2% to 10.8% and ROCE of 18% to 20%.

		2024	2023	Change
Revenue	€ million	5,293.6	4,720.7	+ 12.1 %
Order intake	€ million	5,460.7	5,376.6	+ 1.6 %
Order backlog at 31 December	€ million	4,289.5	4,122.3	+ 4.1 %
EBITDA	€ million	537.1	457.3	+ 17.5 %
EBITDA margin	%	10.1	9.7	+ 0.4 PP*
EBIT	€ million	368.6	291.0	+ 26.7 %
EBT	€ million	381.6	310.5	+ 22.9 %
EBT margin	%	7.2	6.6	+ 0.6 PP*
Consolidated net income	€ million	277.2	224.6	+ 23.4 %
Earnings per share	€	8.77	7.11	+ 23.3 %
Dividend per share	€	2.60**	2.20	+ 18.2 %
Capital expenditure for PP&E and intangible assets	€ million	181.1	162.7	+ €18.4 million
Free cash flow	€ million	113.2	– 101.3	+ €214.5 million
Free cash flow excluding acquisitions	€ million	292.5	13.2	+ €279.3 million
Net cash at 31 December***	€ million	439.9	444.7	– €4.8 million
Working capital to revenue ****	%	17.0	17.8	– 0.8 PP*
ROCE	%	18.2	16.3	+ 1.9 PP*
Employees at 31 December				
Worldwide		20,379	18,513	+ 1,866
Germany		11,312	10,654	+ 658
Outside Germany		9,067	7,859	+ 1,208

*Percentage points **As per proposal for the appropriation of earnings available for distribution

Cash and cash equivalents less debt *Average of last 4 quarters



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Profitable growth

Krones operates in markets that present major growth opportunities. As a global leader, we aim to use those opportunities. “Profitable growth” – the title of our Annual Report 2024 – is a key strategic group objective.

Our company is very well positioned and has set itself the target of increasing revenue to around €7.0 billion by 2028. To achieve that, we are going to make substantial investment. Krones also continues to need a strong, motivated team.

We provide detailed information on these topics in the cover story to this Annual Report 2024. In addition, we describe how we will continuously increase profitability in the years ahead and keep Krones on track for profitable growth.





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»Krones will continue its established **profitable growth** path and contribute significantly to mitigating climate change.«



Christoph Klenk, CEO

Krones wants to continue its profitable growth and has set ambitious mid-term targets for 2028. What makes you so optimistic?

Christoph Klenk: “We operate in a long-term growth market that benefits from megatrends such as the growing world population. This gives us an advantage from the start.

Also, Krones itself has the best preconditions for above-average growth. We have an innovative portfolio of products and services and a dense international service network. On top of that, we are going to improve the efficiency of our production operations by investing heavily in more automation. And most important of all, Krones has a qualified and motivated workforce.

But we are not going to rest on our laurels. To achieve our growth targets and extend Krones’ market lead, we plan to continue our high levels of investment.”

Are you pursuing other aims with your investment besides profitable growth?

CK: “Krones’ ambitions are not all financial. In our 2030 sustainability strategy, we have also set ambitious non-financial targets. A key area here is reducing our greenhouse gas emissions. By 2040, we want to cut our carbon emissions to net zero along the entire value chain. These are major challenges that we can only meet by investing.

What sort of investment will this involve?

CK: “Krones will only achieve the 2040 net zero target if we drastically reduce our carbon emissions along the entire value chain.

We have direct influence over Scope 1 and 2 emissions, which are the greenhouse gas emissions from our own production operations. So we are investing heavily in modern infrastructure for generating renewable energy that we can use at our production sites. One major project here is the new central

power plant that Krones is building in Neu-traubling. A second example is our Debrecen plant. We are going to reduce operational greenhouse gas emissions there by 80% as soon as 2025 with a photovoltaic system and the plant’s own geothermal system. I could cite many other measures that will help make our sites sustainable for the future.

To reduce Scope 3 emissions, which are mainly generated by our products in use, we are investing heavily in the development and optimisation of resource-efficient machines and lines. All investment spending will also help us achieve our non-financial targets.”



Profitable growth

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Megatrends: growth drivers for the global beverage industry

Krones operates in long-term growth markets. Their growth is driven by megatrends. Global demand for packaged beverages continues to increase, fuelled by a rising global population, an expanding middle class and urbanisation. Up to 2028, global beverage consumption is forecast to grow by an average of around 3% per year. As demand for packaged beverages increases, so does the need for innovative filling and packaging technology and for process technology and intralogistics solutions.

Sustainability is another megatrend that benefits Krones. Our customers need resource-efficient machines and lines to reduce their carbon footprint, meet their climate targets and lower costs.

The world's population is set to grow from around eight billion today to almost ten billion by 2050.¹



More than 110 million people rose into the middle class in 2024.³



The proportion of people living in cities will increase from around 55% today to almost 70% in 2050.²



Consistent focus on sustainability among our customers in order to achieve their climate targets.



Sources:

¹ United Nations (World Population Prospects 2022)

² United Nations (World Urbanization Prospects)

³ World Data Lab (August 2023)



Why Krones achieves above-average growth

Full-system solutions: single-source provider

Krones has long developed from a machinery manufacturer into a full-range provider to the food and beverage industry. The result is a solution portfolio that covers the entire value chain of a beverage or liquid food producer, from the inbound delivery of raw materials to shipment of the packaged product.

Before pallets of beverages leave the factory, the product undergoes numerous different production stages – and Krones has the engineering solution for each and every stage. Our Process Technology segment provides the full portfolio of products and services for the production of beverages and liquid foods.

Using innovative machines and lines from Krones' core Filling and Packaging Technology segment, customers can fill, label, package and transport their products in PET bottles, glass bottles and cans. Following the acquisition of Netstal Maschinen AG, the segment also offers innovative solutions for the production of PET preforms (*see page 14*).

Fully automated material flow, warehousing and order picking systems from the Intralogistics segment make for efficient internal material supply and problem-free shipping of packaged products.





Why Krones achieves above-average growth

Global footprint: competitive advantage from proximity to customers

Our dense global network of service companies is a key investment criterion for customers. Krones can provide them with products, service personnel, spare parts and digital services quickly and in top quality. That saves customers time and money.

The Krones network ensures customer proximity around the globe:

- Around 3,000 service engineers globally
- Over 100 subsidiaries and locations across the globe
- Global spare parts availability
- 6 international digital service centres
- 27 production sites worldwide



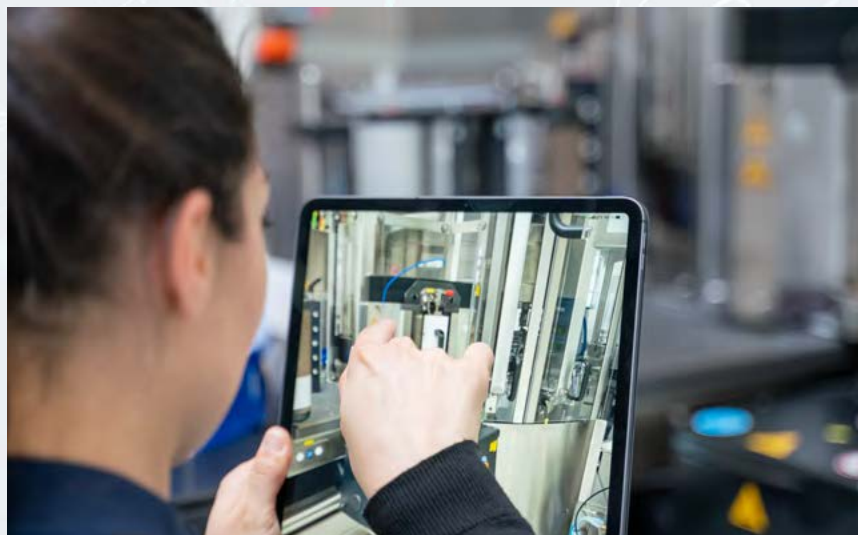
Why Krones achieves above-average growth

Growth through innovation

Innovations secure the company's future and are a major driver of Krones' long-term growth. We base all product developments and improvements on customer needs.

The best example is the filling and packaging line of the future. We collected wishes and suggestions from customers at drinktec 2022 and have since been incorporating them in the development of our innovative lines.

Krones will be presenting the first line of the future for the filling and packaging of PET water bottles at the upcoming drinktec in September 2025. With the line of the future, Krones sets new standards in terms of efficiency, sustainability and digitalisation.





Why Krones achieves above-average growth

Leading position in growth market of sustainable technology

The primary innovation and growth driver is sustainability. Conserving resources and reducing emissions are top priorities for our customers because of their ambitious climate targets.

As a pioneer in the industry, Krones introduced the enviro sustainability programme back in 2008 and has been developing it dynamically ever since. Our enviro machines and lines save valuable resources, such as energy and water, and therefore also costs. What's more, Krones boasts the unique selling point of being able to provide all technologies for closed-loop PET recycling solutions from a single source.

Krones is confident that it can drive further growth with innovative sustainability solutions.

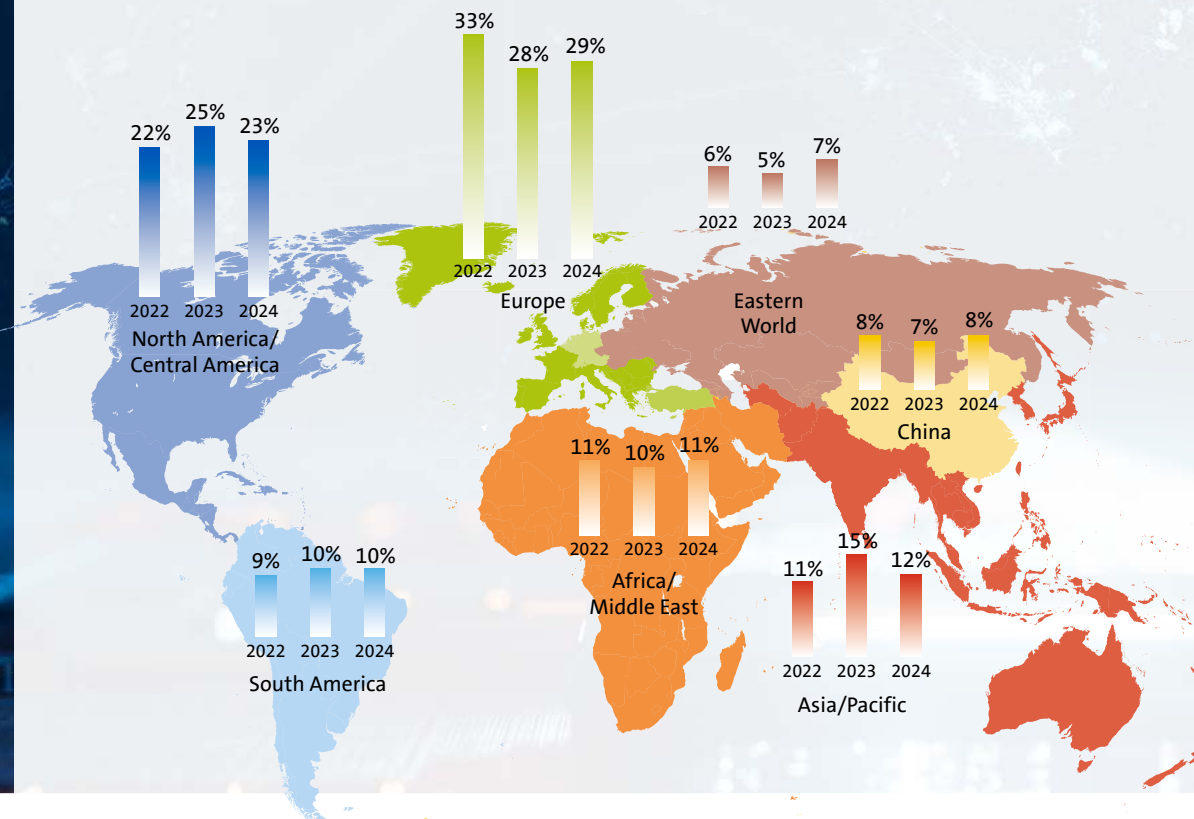


Why Krones achieves above-average growth

Balanced global revenue split

Krones serves all regions of the world, in some 150 countries. The company generates around half of its consolidated revenue in emerging and developing economies. Furthermore, the company has an excellent reputation in large established markets such as North America and Western Europe.

The balanced global revenue split evens out demand fluctuations in individual countries and regions and is one of the company's strategic strengths.



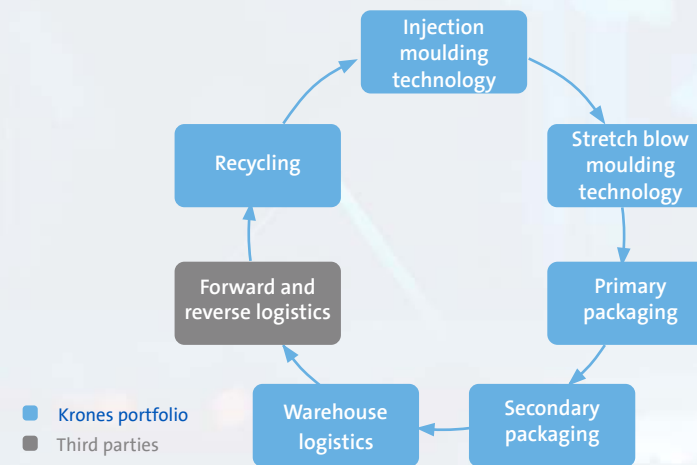


Why Krones achieves above-average growth

Acquisitions strengthen the product portfolio

Acquisitions are targeted in order to improve Krones' technological or regional market position. The company continued to successfully pursue this acquisition strategy in 2024. Through the acquisition of Netstal Maschinen AG, a leading provider of injection moulding machines for the beverage market (PET preforms and closures), we now offer all technologies required for closed-loop PET solutions – a strategically significant unique selling point.

Furthermore, Netstal has products and technologies that enable Krones to diversify into and exploit growth opportunities in new markets outside the beverage industry.



How Krones will deliver the planned growth

New employer brand boosts attractiveness

One of the major challenges for Krones is to recruit sufficient numbers of qualified employees to implement its growth strategy. Competition for young talent is intensive all over the world. In order to attract new employees and retain existing staff, we enhanced our employer brand in 2024 to highlight what makes Krones special. Derived directly from our vision, the employer brand conveys the company's values and future direction.

In particular, Krones aims to continue expanding the service team. The company takes a global approach to recruiting, training and retaining skilled talent. In addition to training centres of its own in Germany and internationally, the company also collaborates with recognised independent training and continuing education centres in the rapidly expanding regions of Africa, Asia and South America.





How Krones will deliver the planned growth

Investment in home base increases efficiency

Krones is investing heavily in automating all German production sites in order to increase their efficiency.

A significant portion of this investment is for expanding and automating the LCS logistics centre in Neutraubling. Our headquarters warehouse supplies spare parts to customers in Europe and our global LCS centres. This investment will not only roughly double our warehouse capacity by 2030. With the aid of automated high-bay warehouses and improved material flows, we will also significantly reduce throughput times – the length of time between ordering and delivery – and so increase warehouse turnover rates and efficiency.

Krones will also continue to invest heavily in the Nittenau site. This investment will mainly go into new production machinery and automating assembly.



How Krones will deliver the planned growth

Expanding the global footprint: investment in worldwide locations

By globalising and broadening Krones' procurement and production footprint, the company can respond flexibly to crisis scenarios such as trade conflicts, regional supply chain problems or production stoppages. Expanding our global footprint thus increases the company's resilience.

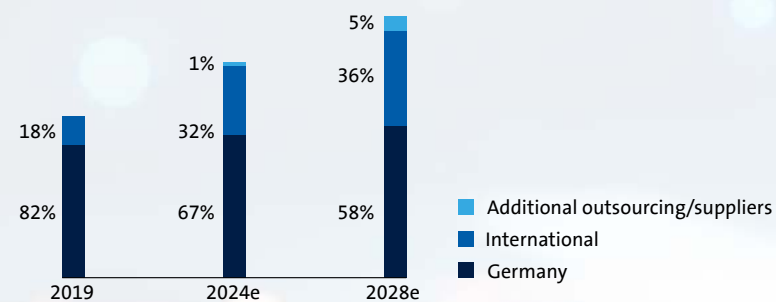
Regional proximity to customers not only reduces transportation costs, but also delivery times. This benefits customers and Krones alike.

In the next few years, the international focus will be on expanding capacity at the existing plant in Taicang, China, and establishing a second production site in India.

While the company is also investing heavily in its sites in Germany, we intend to expand the proportion of international value creation within the Krones Group over the coming years.

Continuous expansion of the global footprint

Proportion of value generation in the Krones Group





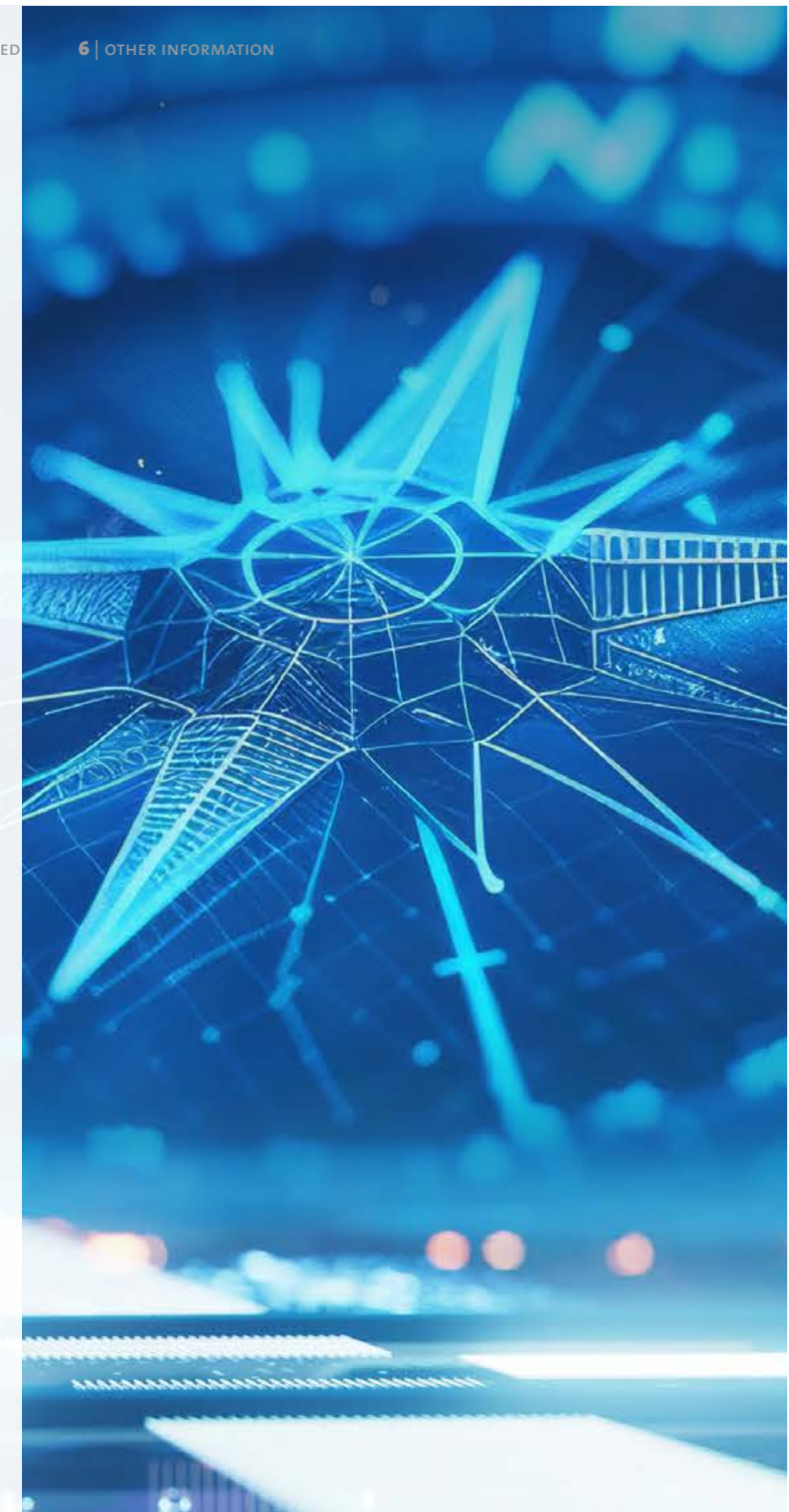
Continuous profitability improvement through ...

... sustainable price strategy

The foundation for improving Krones' profitability consists of selling at prices that are based on the development of costs. To achieve this in a persistently highly competitive market, we have to win over customers with innovative products and services that add value. Furthermore, during recent crises such as Covid-19 and the supply chain disruptions, Krones has demonstrated that even in difficult circumstances, customers can continue to rely on Krones' commitments and excellence in international project delivery.

... efficiency improvements

In addition to the ongoing automation of our production processes (see page 16), we are going to significantly improve efficiency by modernising our existing globally standardised IT systems across key areas of the company worldwide, including procurement, engineering, sales, production, after-sales and administration. This will enable us to accelerate order processing and increase output with the available resources while maintaining our consistently high quality standards.





Continuous profitability improvement through ...

... faster project execution and implementation

Alongside shorter throughput times, there is also potential for improvement regarding faster commissioning of machines and lines in customers' facilities. This enhances customer satisfaction and saves Krones valuable working time and money. Remote digital technologies are one tool that can be used to speed up commissioning processes.

... expansion of profitable service business

Our high-quality after-sales service is not only important for customer loyalty, but also contributes significantly to profitable growth. Accordingly, Krones will continue to expand its Lifecycle Service (LCS) business. We operate here on the basis of individually tailored service packages known as modular service agreements (MSAs).

The attractive LCS business benefits from our growing installed base of machines and lines. We also intend to further increase the proportion of Krones supplied managed lines.





Continuous profitability improvement through ...

... continuous cost-cutting measures

A key element in improving profitability is the continuous implementation of cost optimisation measures. The faster a business grows, the harder it is to keep costs under control. For this reason, Krones has for many years prioritised strict internal cost and spending discipline in all areas and across all cost types.





Letter from the **Executive Board**



"Krones grew profitably in the 2024 financial year and achieved its financial targets. Despite the many uncertainties, the stable sales markets and our strong position allow us to look to the future with realistic optimism."

Christoph Klenk
CEO

Dear shareholders and friends of Krones,

The entire Krones team can look back on a very successful 2024 financial year. Despite all the political and economic uncertainties, Krones has grown as forecast and in 2024 generated revenues of more than €5 billion for the first time in the company's history – now with more than 20,000 employees worldwide. All other financial and non-financial key performance indicators also improved.

Krones once again benefited in the reporting period from the stable long-term growth of the beverage and liquid food market, which is less affected by economic cycles. The willingness of customers from the international food and beverage industry to invest remained stable at a high level, despite the critical general economic conditions. We benefited from this as a global leader with a broad and innovative range of products and services.

Krones continued its profitable growth in 2024 – revenue and profitability further improved as forecast

At €5.46 billion, order intake once again reached a very good level in the past financial year and was slightly higher than in the previous year (€5.38 billion). The continuing very high level of incoming orders led to a further 4% increase in the order backlog to €4.29 billion at the end of 2024.

Revenue also developed very positively. Thanks to the stable availability of materials and the great flexibility of our workforce, we were able to significantly increase output in the after-sales business and particularly in the production of machines and lines in 2024. This enabled us to process and complete orders more quickly again and significantly reduce delivery times. Thanks to the high overall production capacity utilisation, we increased revenue by 12.1% in 2024 to €5.29 billion. The company thus achieved its growth target of 9% to 13% for the full year 2024.

Krones also improved profitability in the reporting period, despite persistently high material and labour costs. In addition to good capacity utilisation, our smart production and procurement management and the stable price level also contributed here. The ongoing measures to reduce costs and improve efficiency, which we continue to implement in a disciplined manner, also made an important contribution. Krones improved profitability, as measured by the EBITDA margin, to 10.1% in the reporting period (previous year: 9.7%) and was thus within the guidance range of 9.8% to 10.3%. Return on capital employed (ROCE) increased from 16.3% to 18.2% (guidance: 17% to 19%).



Shareholders to benefit from the company's success with dividend of €2.60 per share

Our shareholders are also to benefit from the good business results. Krones will therefore significantly increase the dividend. Shareholders are to receive a dividend of €2.60 per share for the 2024 financial year, up 18.2% from €2.20 per share in the previous year.

Economic and political risks continue in 2025

Despite the good business results and prospects, risks remain. These include the ongoing geopolitical disputes. At worst, these can have a negative impact on supply chains and on energy and commodity prices – and ultimately on the global economy. Another source of uncertainty is the tariff policy of the new US administration, which could present the threat of potential trade conflicts. Partly due to the global uncertainties, the experts at the International Monetary Fund (IMF) forecast global economic growth of only 3.3% both for this year and for 2026. This is well below the long-term average growth of 3.7% for the global economy (2000-2019).

Executive Board expects continuation of profitable growth in 2025

Despite the continuing uncertainties, Krones looks ahead to 2025 with realistic optimism. Going into the year, demand for our products and services remained robust. Together with the comfortable order backlog, we have a solid basis for stable capacity utilisation until early 2026. Based on the continuing positive market trend and Krones' strong market position, the Executive Board therefore expects consolidated revenue to rise in 2025. We expect an increase of 7% to 9% on the previous year.

Krones plans for further growth in profitability this year compared to 2024. In addition to higher sales, further efficiency improvements and the ongoing implementation of cost optimisation measures will also contribute to improved profitability. We are also confident that we will continue to obtain stable selling prices for our innovative and value-added products and services in 2025. At group level for the current financial year overall, we are forecasting an EBITDA margin of 10.2% to 10.8%. The forecast for the third target, ROCE, is 18% to 20%.

Krones sets mid-term targets for 2028

We have the same realistic optimism looking beyond 2025. The less cyclical food and beverage industry benefits from megatrends such as world population growth and the expanding middle class. This offers Krones good opportunities for further profitable growth – the title of this Annual Report. Our mid-term targets for 2028, which the company published in early July 2024, reflect the positive conditions in our markets and Krones' strong position. The company plans to increase consolidated revenue to around €7 billion by 2028. The mid-term target for the EBITDA margin is between 11% and 13%. For ROCE, Krones is aiming for a figure of at least 20% by 2028.

Netstal acquisition: a major strategic milestone

We continued to successfully implement our acquisition strategy in the reporting year with the purchase of Netstal in March 2024. As a leading supplier of injection moulding machines for the beverage market (PET preforms and closures), this Swiss-based company is a perfect strategic fit for Krones. Through the acquisition of Netstal, Krones can now offer customers all important machines, lines and services for circular closed-loop PET solutions. With injection moulding technology for medical applications and thin-wall packaging, Netstal also underpins Krones' strategy of extending the customer focus to the medical/pharmaceutical, cosmetics and food industries.



High investments secure the company's future

By investing in the transformation in the areas of digitalisation, sustainability, product innovation and internal processes, Krones is creating the foundation for achieving its ambitious mid-term goals. Furthermore, we will be investing heavily over the coming years in our German sites. Germany remains very important for Krones as a production and innovation location. With the further expansion of our global footprint, we will increase the company's flexibility and resilience so that we are well positioned for emerging international trade conflicts or other crises.

Sustainability and innovation: key to Krones, key to customers

The high level of investment will also help us achieve our net zero emissions target by 2040. In the reporting period, Krones once again made further progress on this long and ambitious journey, while improving many of its sustainability indicators. Further details can be found in the non-financial statement on *pages 76 to 178*.



It is not only within its own organisation that Krones takes responsibility for the economical use of resources. Sustainability remains the most important driver of innovation and growth in our industry. Conserving resources and reducing emissions and operating costs are top priorities for our customers. With our future-ready, sustainable technologies and products, we will contribute to a world worth living in and create added value for our customers. Another major focus of our research and development activities is digitalisation. This is the basis for new business models and improved services. True to our motto of "Solutions beyond tomorrow", we aim to develop solutions for our customers that go beyond what is expected.

At this year's drinktec in September, we will be presenting a wide variety of new, technologically leading products and services. One of the trade fair highlights will be our line of the future, which we have packed with innovations. This will set new standards in terms of sustainability, digitalisation and efficiency, enabling Krones to implement new business models along the entire life cycle of the line.

A strong Krones team: the basis for a successful future

Our employees are and will remain the key to Krones' success. All employees work with competence and high motivation to reliably complete orders and projects every day.

To successfully master the challenge of the global shortage of skilled workers, we enhanced our employer brand in 2024 to highlight what makes Krones special. Our employer brand, which we have aligned with "Solutions beyond tomorrow", is designed to attract new talent worldwide and strengthen the loyalty and motivation of the existing workforce.

Krones' positive development in the 2024 financial year is the result of continuous hard work, innovation, and operational excellence by the entire Krones team. On behalf of the entire Executive Board, I would like to take this opportunity to thank all our employees worldwide. They work every day to ensure that, together, we consistently live and implement our vision: Sustainable and affordable beverages, food and essentials for everyone and everywhere. This goal spurs us all on and will lead Krones to a successful future.

Christoph Klenk
CEO



The **Executive Board**



Markus Tischer
International Operations
and Services

Uta Anders
CFO

Christoph Klenk
CEO

Thomas Ricker
CSO

Ralf Goldbrunner
Operations



Report of the **Supervisory Board**



*Volker Kronseder
Chairman of the
Supervisory Board*

Ladies and Gentlemen,

Krones was able to continue its profitable growth in 2024. The company's success is based on important strategic decisions. Krones is thus continuously expanding its global footprint, ensuring proximity to customers worldwide. We also moved early to develop machines and systems that enable customers to save resources and costs. As a result, Krones is benefiting from the fact that sustainability criteria and, in particular, lower total cost of ownership are playing an increasingly important role in customers' investment decisions. Successful implementation of

the acquisition strategy, as with the purchase of Ampco Pumps and Netstal, also supports Krones' profitable growth. A key factor in the company's success is the qualified and motivated workforce. The entire team will continue to work with full commitment to keep Krones on track for profitable growth.

The Supervisory Board will also play its part in the company's successful future. We will continue to work together with the Executive Board in a trust-based and efficient manner and to provide advice and support, particularly on matters of strategy.

Advice and oversight

As prescribed by the German Stock Corporation Act and the company's articles of association, the Supervisory Board of Krones AG continuously oversaw and advised the Executive Board during the 2024 financial year and discharged its responsibilities with due care.

Provisions of the German Stock Corporation Act and the German Corporate Governance Code concerning the Executive Board's reporting obligations to the

Supervisory Board were complied with at all times. The Executive Board regularly informed the Supervisory Board about the company's business and financial situation and risk management in written and oral reports both during and outside of Supervisory Board meetings. With regard to decisions of particular significance to Krones AG and the Krones Group, the Supervisory Board was informed and involved by the Executive Board at an early stage. The Chairman of the Supervisory Board and the Chief Executive Officer in particular maintained regular personal contact between meetings. In that connection, they jointly discussed matters of corporate strategy, current business performance, the risk situation, risk management and compliance.

Over the course of the 2024 financial year, the Supervisory Board focused on the expansion of the global footprint, M&A activities and other strategic issues.

Krones supports Supervisory Board members in professional development

There were no changes in the membership of the Supervisory Board of Krones AG in the 2024 financial year. The members of the Supervisory Board engaged in professional development on their own initiative in 2024. Individual Supervisory Board members thus took part in external and internal training on topics such as annual financial statements and auditing, cybersecurity, sustainability reporting, financial reporting and financial ratio analysis. Krones accordingly provided them with support in this regard.

No conflicts of interest

According to recommendation E.1 of the German Corporate Governance Code, each member of the Supervisory Board is required to disclose conflicts of interest to the Chairman of the Supervisory Board without delay. No conflicts of interest were disclosed in the reporting period.



Attendance at Supervisory Board meetings

Six Supervisory Board meetings were held in 2024. The Executive Board attended some meetings in a guest capacity. However, the Supervisory Board also met regularly without the Executive Board. All Supervisory Board meetings in the 2024 financial year were held in person, although it was possible for individual Supervisory Board members to take part in meetings by video conference or telephone if required.

In accordance with Recommendation D.7 of the German Corporate Governance Code, we provide the following information on meeting attendance by individual members of the Supervisory Board:

Supervisory Board member	Number of meetings	Meetings attended
Volker Kronseder	6	6
Josef Weitzer	6	6
Norbert Broger	6	6
Nora Diepold	6	6
Robert Friedmann	6	5
Oliver Grober	6	6
Thomas Hiltl	6	5
Markus Hüttner	6	6
Prof. Dr. jur. Susanne Nonnast	6	6
Dr. phil. Verena Di Pasquale	6	6
Beate Eva Maria Pöpperl	6	6
Stefan Raith	6	6
Olga Redda	6	6
Petra Schadeberg-Herrmann	6	6
Stephan Seifert	6	4
Matthias Winkler	6	5

Supervisory Board meeting reports

The first meeting of the Supervisory Board in the 2024 financial year took place on 21 March. A significant agenda item was the annual financial statements of Krones AG and the Krones Group for 2023. A representative of Krones’ auditors attended for a portion of the meeting as a guest. CFO Uta Anders provided the Supervisory Board with a presentation of how the key financial performance indicators developed in the 2023 financial year. Following that, the representative of Krones’ financial statements auditor gave the Supervisory Board an explanation of the audit engagement together with the focal points of the review of the annual financial statements and details of the audit. The Supervisory Board’s Audit and Risk Management Committee commented on the results of the audit. Finally, the Supervisory Board ratified the annual financial statements and management report of Krones AG for 2023 and approved the 2023 consolidated financial statements and group management report. The Supervisory Board also approved the non-financial statement for 2023.

Also at the first meeting in 2024, the Supervisory Board reviewed the appropriateness of Executive Board remuneration. Furthermore, it resolved to extend the contract of Executive Board member Thomas Ricker until 31 December 2029. A further resolution adopted by the Supervisory Board concerned the inclusion of ESG targets (Scope 1 and Scope 2 greenhouse gas emissions and the percentage of women in management positions) in the long-term performance-related component of Executive Board remuneration (“long-term incentive”). The Supervisory Board also endorsed the remuneration report of the Executive Board and Supervisory Board for approval at the annual general meeting.

The agenda for the 2024 annual general meeting and the necessary resolutions, such as an amendment of the Articles of Association due to a change in the law regarding the record date for shareholdings, comprised an additional topic at the first Supervisory Board meeting in 2024. At the same meeting, the Supervisory Board resolved that a dividend of €2.20 per share for the 2023 financial



year was to be proposed to the annual general meeting. A further topic of the Supervisory Board meeting was the Executive Board's economic report. The Executive Board provided the Supervisory Board with an explanation of the current business situation and economic conditions. It also presented the Supervisory Board with the final key financials for the acquisition of Netstal Maschinen AG.

On 4 June, following the Annual General Meeting, the Supervisory Board convened for its second meeting in 2024. A key topic was the Executive Board's report. The Executive Board informed the Supervisory Board about the development of the financial key performance indicators in the first quarter of 2024 and about the current market and business situation. Additionally, the Executive Board reported on the outlook for the full year 2024.

The third meeting of the Supervisory Board in 2024 took place on 17 July at the Krones subsidiary Konplan in Plzeň (Czech Republic). There, the Executive Board provided the Supervisory Board with detailed information on Krones' current business situation and on the market and competitive situation. The Executive Board explained the individual business units' programmes to increase efficiency, together with the M&A strategy. Sustainability was another topic of the third Supervisory Board meeting, with a presentation of Krones' 2040 net zero target.

The Supervisory Board met for its fourth meeting of the reporting period on 22 October. Among other matters, it addressed cybersecurity at Krones. The Supervisory Board was provided with information on the current status and further development of security measures taken for data security in Krones' IT systems and production facilities, as well as in the company's products. Krones' sustainability strategy was also a topic of discussion at the meeting. In the economic report, the Executive Board reported to the Supervisory Board on the cur-

rent business situation and Krones' further outlook. Also at its fourth meeting, the Supervisory Board adopted a resolution to replace the previous EBT margin target in the Executive Board remuneration system with an EBITDA margin target.

The fifth meeting of the Supervisory Board in 2024 took place on 3 December. A major topic was corporate strategy. The Executive Board informed the Supervisory Board in detail about the growth strategy, the expansion of the company's global footprint and the implementation of the sustainability strategy in Krones' individual segments and business units. In addition, the Supervisory Board held in-depth discussions on the challenges posed by the changed political situation in the USA and its impact on Krones. Another topic discussed at the Supervisory Board meeting was Krones' international business activities.

The Supervisory Board convened for its sixth and final meeting of 2024 on 4 December. A major focus was the report of the Audit and Risk Management Committee addressing the topics of risk management, internal auditing, compliance and the internal control systems. Committee chairman Matthias Winkler explained to the Supervisory Board the subject matter of the committee meeting of 25 November 2024 and the determinations on the risk management system and its effectiveness. He gave the Supervisory Board a detailed presentation on the strategic risks and explained that, in the opinion of the Audit and Risk Management Committee, Krones' risk management system adequately reflects the risks. Likewise at its sixth meeting, the Supervisory Board passed resolutions on issuing the declaration of compliance pursuant to Section 161 of the German Stock Corporation Act (AktG) and dealt with the further elaboration and revision of the Supervisory Board's profile of skills and expertise. Budget planning was also on the agenda. The Executive Board presented the annual and capital expenditure budget for 2025 for the Supervisory Board. The Supervisory Board then approved the budgets presented by the Executive Board.

The work of the Audit and Risk Management Committee

The Audit and Risk Management Committee comprises Volker Kronseder, Josef Weitzer, Norbert Broger, Markus Hüttner, Olga Redda and Matthias Winkler. Matthias Winkler chairs the committee. As tax adviser and partner in a tax consulting firm, he has the necessary expertise in accounting and auditing required by law, as does Norbert Broger (former Chief Finance Officer of Krones AG).

The Audit and Risk Management Committee oversees the company’s accounting and financial reporting, the audit of the financial statements and other reporting, and prepares related proposals for Supervisory Board resolutions. The Committee also prepares the Supervisory Board’s review of the annual financial statements, the management report and the auditor’s report for the separate and consolidated financial statements and makes recommendations. Furthermore, the Audit and Risk Management Committee monitors the quality of the financial statements and the effectiveness of the internal control, risk management and compliance system.

Two meetings of the Audit and Risk Management Committee were held in 2024. These were each held in person. However, it was possible for individual committee members to take part by video conference or telephone if required. In accordance with Recommendation D.7 of the German Corporate Governance Code, we provide the following information on meeting attendance by individual members of the Audit and Risk Management Committee:

Committee member	Number of meetings	Meetings attended
Matthias Winkler	2	2
Josef Weitzer	2	2
Norbert Broger	2	2
Markus Hüttner	2	2
Volker Kronseder	2	2
Olga Redda	2	2

At its first meeting of the year on 13 March 2024, the Audit and Risk Management Committee dealt mainly with the reporting on the annual financial statements and consolidated financial statements of Krones AG as of 31 December 2023, the auditor’s report on the audit of the annual financial statements and consolidated financial statements of Krones AG as of 31 December 2023, and the non-financial statement for 2023.

The Audit and Risk Management Committee prepared recommendations on these matters for resolutions of the Supervisory Board at its meeting on 21 March 2024. The committee also prepared the Supervisory Board’s resolution on the appointment of the auditor for Krones AG and the Krones Group at the 2024 annual general meeting.

The second meeting of the Audit and Risk Management Committee took place on 25 November 2024. At this meeting, the committee addressed in depth the effectiveness of Krones’ risk management system. To this end, the heads of function informed the committee in detail about internal auditing, corporate governance and compliance, and about Krones’s current risk situation and risk management. The current status of cybersecurity at Krones was also explained in detail to the committee. Furthermore, the committee was provided with information on the non-financial statement and the associated legal framework.

The work of the Standing Committee

The Standing Committee consists of Volker Kronseder, Josef Weitzer, Markus Hüttner and Prof. Dr. jur. Susanne Nonnast. It is chaired by Volker Kronseder. The committee generally deals with all other topics that are outside the remit of the Audit and Risk Management Committee. These include, for example, human resources strategy and Executive Board and Supervisory Board remuneration.

Three meetings were held in 2024, each as an in-person meeting. However, it was possible for individual committee members to take part by video conference or telephone if required. In accordance with Recommendation D.7 of the German Corporate Governance Code, we provide the following information on meeting attendance by individual committee members:

Committee member	Number of meetings	Meetings attended
Volker Kronseder	3	3
Josef Weitzer	3	3
Markus Hüttner	3	3
Prof. Dr. jur. Susanne Nonnast	3	3

At the first meeting of 2024, on 13 March, the Standing Committee discussed, among other topics, the current draft of the rules of procedure for the Supervisory Board and of the review of the appropriateness of Executive Board remuneration, together with the related recommendations. The Standing Committee also resolved to extend the contract of Executive Board member Thomas Ricker until 31 December 2029. A further recommendation made by the committee to the Supervisory Board concerned the inclusion of ESG targets in the long-term performance-related component of Executive Board remuneration (“long-term incentive”).

At its second meeting of 2024 on 16 September, the Standing Committee was mainly concerned with preparing a recommendation for the Supervisory Board. The committee adopted a resolution recommending that the Supervisory Board should adjust the Executive Board remuneration system and replace the previous EBT margin target with an EBITDA margin target.

At its third meeting of the reporting year, held on 25 November, the Standing Committee addressed general Executive Board matters.

Supervisory Board concurs with audit results

The annual financial statements of Krones Aktiengesellschaft prepared by the Executive Board, the consolidated financial statements, the management report for Krones AG and the group management report for the period ended 31 December 2024 were examined by the auditors elected by the annual general meeting, EY GmbH & Co. KG Wirtschaftsprüfungsgesellschaft, and each issued with an unqualified audit report. The audited annual financial statements and consolidated financial statements, the management report for Krones AG and the group management report for the period ended 31 December 2024 were duly submitted to all members of the Supervisory Board for review. The audited financial statements and management reports were the subject of the Supervisory Board meeting held to ratify the financial statements on 19 March 2025. The auditor also attended for part of that meeting and informed the Supervisory Board of the audit results and the focal points of the audit.

The Supervisory Board noted and approved the audit results. No objections were raised following the final review by the Supervisory Board, which covered in particular the matters described in the auditor’s audit report, including the audit procedures. The Supervisory Board has ratified the annual financial statements of Krones AG and approved the consolidated financial statements as well as the Executive Board’s proposal for the appropriation of earnings available for distribution. The 2024 annual financial statements for Krones AG are thus ratified.



The auditors included in their audit the Executive Board's report, in accordance with section 312 of the German Stock Corporation Act, on Krones AG's relations to affiliated companies and submitted their audit report to the Supervisory Board. The audit by the auditors did not give rise to any objections. The auditor issued the following unqualified audit opinion on the dependency report:
"Based on our due audit and assessment, we confirm that

1. the statements as to fact made in the report are accurate,
2. the consideration given by the company in respect of the legal transactions referred to in the report was not unreasonably high."

The Supervisory Board's review of the report, in accordance with section 312 of the German Stock Corporation Act, on Krones AG's relations to affiliated companies did not give rise to any objections. The Supervisory Board therefore concurred with the results of the audit by the auditors. Following the final outcome of its own review, the Supervisory Board did not raise any objections to the Executive Board's concluding declaration on relations with affiliated companies.

In addition to the statutory audit, EY GmbH & Co. KG Wirtschaftsprüfungsgesellschaft also performed a limited assurance review of the combined non-financial statement of Krones AG and the Krones Group for the period from 1 January to 31 December 2024, which is part of the group management report.

On the basis of that review, the auditor did not raise any objections to the non-financial statement and the fulfilment of the statutory requirements in relation to it.

Thanks to the Executive Board and the workforce

Krones completed 2024 with very good results. This is largely due to the exceptional work of the committed and motivated Krones team. The members of the Supervisory Board would like to thank the Executive Board and all of the company's employees for their contribution to the successful 2024 financial year.

Neutraubling, March 2025
The Supervisory Board

Volker Kronseder
Chairman of the Supervisory Board



The Supervisory Board



Volker Kronseder

Chairman of the Supervisory Board

* University Hospital Regensburg

* Economic Advisory Board, Bayerische
Landesbank



Josef Weitzer**

Deputy Chairman of the Supervisory Board

Chairman of Group Works Council

Chairman of the Central Works Council

Chairman of the Works Council Neutraubling

* Bay. Betriebskrankenkassen



Norbert Broger

Diplom-Kaufmann



Nora Diepold

Chief Executive Officer

nk Immobilienverwaltungs GmbH, Regensburg



Robert Friedmann

Chairman of the Central managing board
of the Würth Group

* zF Friedrichshafen



Oliver Grober**

Chairman of the Works Council, Rosenheim



Thomas Hiltl**

Chairman of the Works Council,
Nittenau



Markus Hüttner **

Deputy Chairman of the Group Works Council

Deputy Chairman of the Central Works Council

Deputy Chairman of the Works Council Neutraubling



Prof. Dr. jur. Susanne Nonnast
Professor at Ostbayerische Technische
Hochschule (OTH) Regensburg



Dr. phil. Verena Di Pasquale**
Deputy Chairperson of DGB Bayern



Beate Eva Maria Pöpperl **
Works Council representative
(released from all other responsibilities)



Stefan Raith**
Head of Business Line, Line Solutions
* re-sult AG, Regensburg



Olga Redda **
Second authorised representative and
managing director, IG Metall Regensburg

* OSRAM Licht AG

* OSRAM GmbH

* ams OSRAM International GmbH

* Maschinenfabrik Reinhausen GmbH



Petra Schadeberg-Herrmann
Managing partner Krombacher Brauerei
Bernhard Schadeberg GmbH & Co. KG,
Krombacher Finance GmbH, Schawei GmbH,
Diversum Holding GmbH & Co. KG



Stephan Seifert
Chairman of the Executive Board
of Körber AG, Hamburg

* Board of trustees of the Körber Foundation



Matthias Winkler
Partner at Baker Tilly Germany



The Krones share



"Krones shares were once again a clear outperformer in 2024 thanks to the good business results and good growth prospects. Our share price gained 7.3%, while the MDAX was down over the year."

Olaf Scholz
Head of Investor Relations

- Falling interest rates drive up share prices
- Krones shares outperform the MDAX with a 7.3% share price gain
- Dividend for 2024 increases from €2.20 in the previous year to €2.60 per share

DAX passes 20,000 mark in 2024

Following significant price gains in 2023, the upward trend in equity markets continued in 2024. Despite geopolitical uncertainties and a subdued economic outlook, international equity indices reached new record highs. The dominant focus of the markets was on the turnaround in interest rates in the US and Europe. Prospects of falling interest rates gave buoyancy to share prices. Tech shares were also boosted by euphoria surrounding artificial intelligence.

Germany's best-known share index, the DAX, started 2024 at around 16,750 points. After a short period of weakness, the index rose significantly, driven by the hopes of falling interest rates. The DAX passed the 18,000 mark in mid-March and rose to around 18,500 points by the end of the first quarter of 2024. Germany's benchmark index then underwent a slight correction but then quickly recovered. The DAX moved within a relatively narrow range from mid-May to the end of July. However, market volatility then increased significantly.

In early August, stock prices collapsed around the world. The DAX slid by some 8% to around 17,000 points within a few days. The decline was triggered by an interest rate hike in Japan and investor fears that the Federal Reserve would be slow to lower interest rates and the US economy would suffer as a result. However, these fears quickly dissipated and equity markets continued their record run. On 19 September, the DAX passed the 19,000 mark for the first time. From then on, the index stayed relatively stable with some fluctuation before starting a new rally in late November. The DAX broke the 20,000-point barrier on 3 December. It reached its high for the year and thus a new all-time high on 13 December at 20,523 points. At the end of 2024, the DAX was up 18.8% on the beginning of the year at 19,909 points.

Most shares outside the DAX – German mid and small caps – were unable to benefit from the positive sentiment on the stock markets in 2024. The MDAX performed significantly worse than the DAX, losing 5.7%. The SDAX was down 1.8%.

Krones share price rises by 7.3% in 2024

Krones shares continued their upward trend in 2024. Our share price rose for the fourth year in succession. The positive business development and the company’s good growth prospects are thus also reflected in our share price performance.

Krones shares started 2024 at €111.80. Our shares then fell slightly to €108.30 on 5 January, which was to be the lowest closing price in the whole of 2024. After the sluggish start, the share price moved sideways with some fluctuations before embarking on a strong upward trend in late February. This was triggered by the publication of the preliminary full-year figures for 2023 and the positive forecast for the 2024 financial year.

Our shares once again significantly outperformed the MDAX in 2024, gaining by 7.3%. Including the dividend, the increase in value amounts to 9.3%. In contrast, the MDAX lost 5.7%.

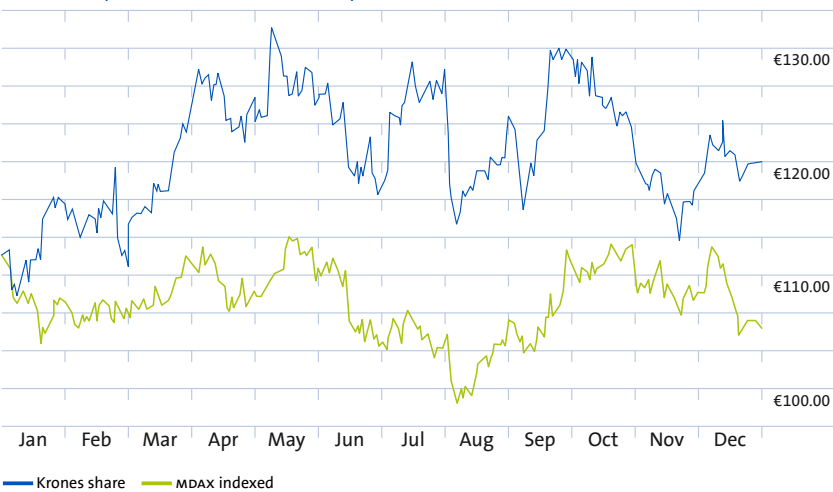
Krones shares surpassed their 2018 all-time high of €122.80 on 26 March and climbed to around €128 early in April. The share price then fell slightly through to the end of April. Following the publication of the figures for the first quarter of 2024 on 3 May, the Krones

share price rose again to reach a new all-time high of €131.80 on 8 May. This was also the highest closing price in 2024.

Our shares came under some selling pressure in June, partly due to the weaker overall market. At the end of the second quarter, our share price stood at €117.20. The beginning of the third quarter once again saw a significant rise in the Krones share price. A key source of impetus was the publication of our mid-term targets for 2028 at the Capital Market Day on 3 July. Many analysts commented positively after this event and our shares rose to around €128.

At the beginning of August, Krones shares were also caught up in the global slump in equity prices and fell to €115. Our shares recovered quickly, however, and rose sharply through to the end of the third quarter. On 30 September, the Krones share price stood at €129.00. Krones shares came under slight pressure in the first half of the fourth quarter of 2024 for no particular reason, before recovering again from the end of November. At the end of 2024, the share price stood at €120.00, up 7.3% on the beginning of the year. Including the €2.20 per share dividend, the value of the Krones share gained 9.3% over 2024 as a whole. This means that our shares significantly outperformed the MDAX, which fell by 5.7% in 2024.

Price development of Krones shares compared with the MDAX, 2024



Key figures for the Krones share

	2024	2023	2022
At 31 December			
Earnings per share	€ 8.77	7.11	5.92
Equity per share	€ 60.82	54.30	50.58
Free cash flow per share	€ 3.58	−3.21	11.74
Price-earnings (P/E) ratio based on closing price for the year	13.7	15.7	17.7
Dividend per share	€ 2.60*	2.20	1.75
High	€ 131.80	120.30	111.40
Low	€ 108.30	89.25	67.50
Year's closing price	€ 120.00	111.80	105.00

*As per proposal for the appropriation of earnings available for distribution; share price data source: Xetra (closing price)

Krones shares provide above-average 10-year performance

Krones shares are also a clear outperformer over the long term. The price of our shares has risen by an average of 4.0% per year over the last ten years (MDAX: 2.0%). Including dividends, the average annual performance was 5.6% (MDAX: 4.2%).

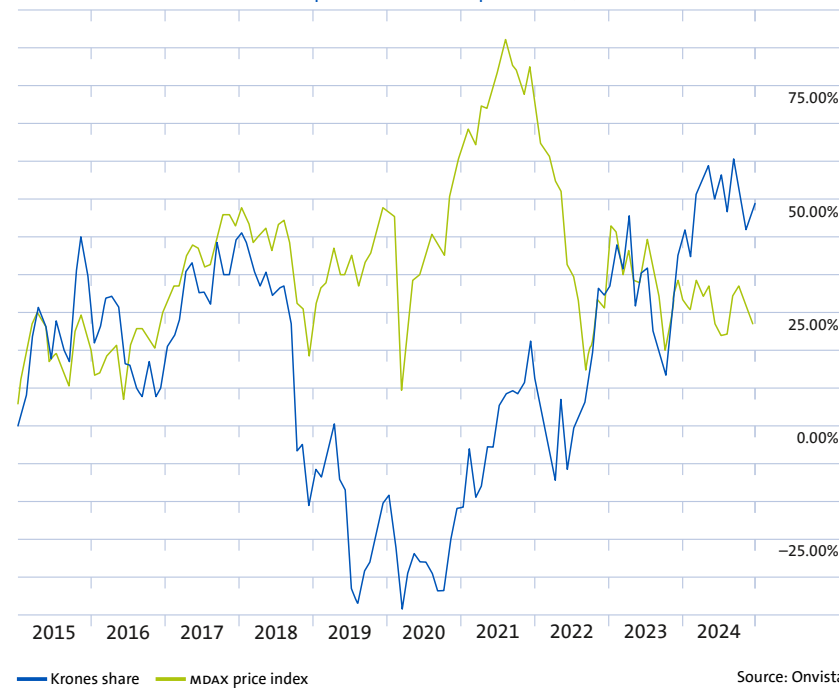
The Krones share price rose by a total of 49% between 2015 and 2024. This corresponds to an average annual price gain of 4.0% over the ten-year period. The MDAX Price Index – the MDAX excluding dividends – gained an average of 2.0% per year over the same period. Krones shares are thus also a clear

outperformer over the long term. This also applies when dividends are included. Including dividends, and assuming that they are reinvested in Krones shares after payout, the average annual return on our shares since 2015 comes to 5.6%. The comparable MDAX Performance Index rose by an average of 4.2% per year over the last ten years.

Informative Capital Market Day for analysts and investors

Krones held a Capital Market Day for analysts and institutional investors in Neutraubling on 3 July 2024. Focal topics comprised the company's strategy and growth prospects together with the presentation of the mid-term financial targets for 2028. The Executive Board detailed how Krones will seize the opportunities presented by the stable growth of the food and beverage market in its three segments. During a tour of the production facility, attendees at the Capital Market Day were able to see for themselves how Krones' innovative machines and lines are manufactured and tested.

Performance of Krones shares compared to the MDAX price index, 2015 – 2024



Key data for the Krones share

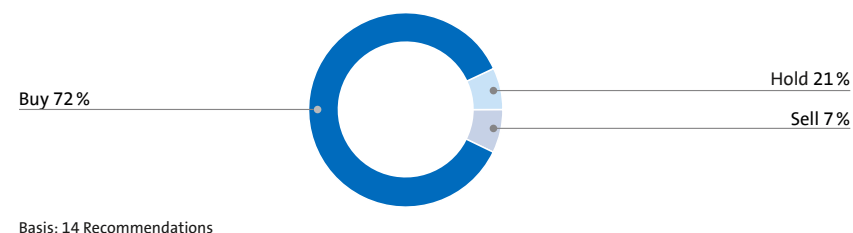
Number of shares	31,593,072
German securities identification number	633500
ISIN	DE 0006335003
XETRA ticker symbol	KRN



Analyst recommendations for the Krones share

The international investment community continues to show strong interest in our company. Krones securities are thus analysed by numerous major national and international banks. At the end of February 2025, 14 recommendations for Krones shares were available from analysts at various institutes. Ten banks gave a buy recommendation. Three analysts rated the Krones share as a hold, while one recommended selling.

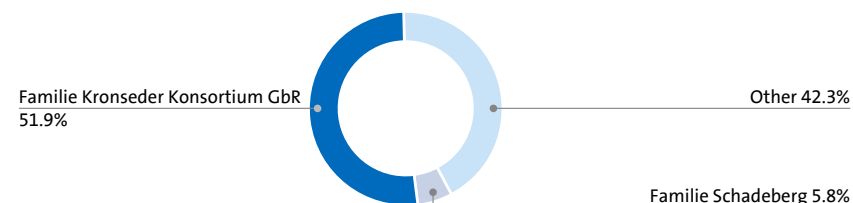
Analyst recommendations (as of February 2025)



Shareholder structure

Krones' shareholder structure remained virtually unchanged in the reporting period. At 31 December 2024, Familie Kronseder Konsortium GbR held the majority of Krones AG's shares, with 51.9%. The Kronseder family intends to remain a stable majority shareholder of Krones AG. 5.8% of the shares were held by the Schadeberg family as of the reporting date.

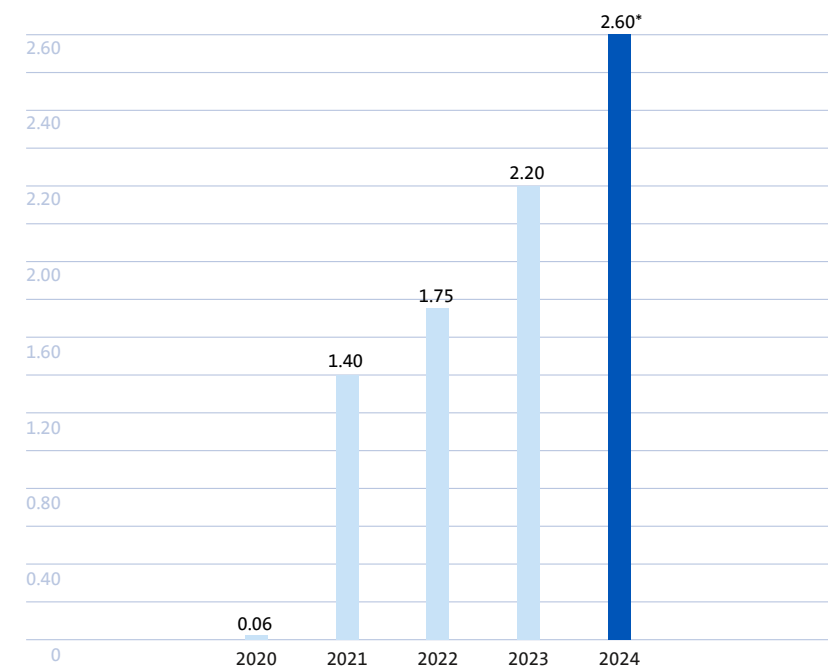
Shareholder structure as of 31 December 2024



Krones to pay shareholders a dividend of €2.60 per share for 2024

Shareholders are also to benefit from the positive business results and the further improvement in earnings in the reporting year. For the 2024 financial year, Krones plans to increase the dividend by 18.2% to €2.60 per share (previous year: €2.20). This corresponds to 29.6% of consolidated net income. Krones' long-term dividend policy is to pay out 25% to 30% of consolidated net income to shareholders.

Dividend per share (€)



* As per proposal for the appropriation of earnings available for distribution



2

CONSOLIDATED MANAGEMENT REPORT

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Krones at a glance

Business model, business areas and organisational structure

Krones (Krones AG together with its subsidiaries) provides machinery and systems for filling and packaging and for beverage production. Process technology and innovative digitalisation and intralogistics solutions round out our portfolio. Krones' customers include beverage producers and companies from the food, chemical, pharmaceutical and cosmetic industries. Services are an important part of Krones' business model. Krones has service centres and offices around the world.

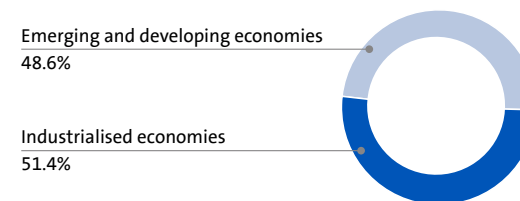
Krones reports on three segments: **Filling and Packaging Technology, Process Technology** and **Intralogistics**.

Major markets and competitive position

Customers in the beverage industry account for most of Krones' revenue. The remaining revenue comes primarily from the food, chemicals, pharmaceuticals and cosmetics sectors.

Krones is heavily export-oriented, generating around 90% of consolidated revenue outside Germany. The regional revenue split is well balanced overall. In the reporting period, Krones generated 51.4% of its revenue in industrialised countries and 48.6% in the rapidly growing emerging and developing markets.

Krones Group revenue split 2024



Apart from a few large companies that are part of a corporate group, such as KHS (Salzgitter AG) in Germany and Sidel (Tetra Laval Group) in France, Krones competes with a number of companies that do not offer the entire filling and packaging technology product range. Most of our main competitors are based in the euro area. Krones competes with Chinese providers primarily in their home market. In the two smaller segments, Process Technology and Intralogistics, the company is in competition worldwide with major suppliers such as GEA and Kion and with smaller regional companies.

Supported by our global service portfolio, which enables us to provide fast on-site service to customers throughout the group, Krones is well positioned in the competitive arena as a full-service, full-range provider.



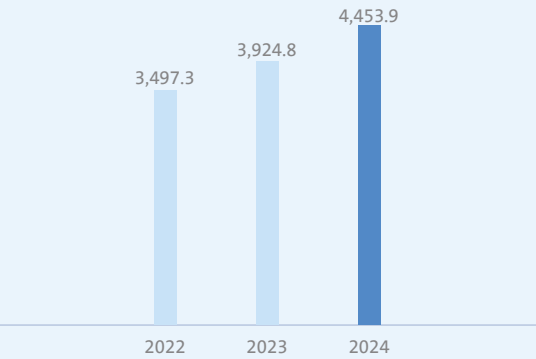
Filling and Packaging Technology segment

This is by far Krones’ largest segment. It offers machines and lines with which customers fill, label, pack and transport their products, primarily in PET bottles, glass bottles and cans. The lines provided by the segment additionally include machines and systems for producing PET bottles (using injection moulding and stretch blow moulding). Also in this segment, Krones offers recycling systems for converting used plastic bottles into food-grade recycled material (PET recycling). A further important part of the segment is the service business.

- PET preform and container production
- Product treatment technology
- Labelling technology
- Inspection technology
- Filling technology
- Cleaning technology
- Plastics technology
- Packing and palletising technology
- Conveyor technology
- Plastics recycling

 See also Segment report, pages 207 and 262.

Revenue (€ million)



	2022	2023	2024
EBITDA (€ million)	332.7	402.3	464.4
EBITDA margin (%)	9.5	10.3	10.4



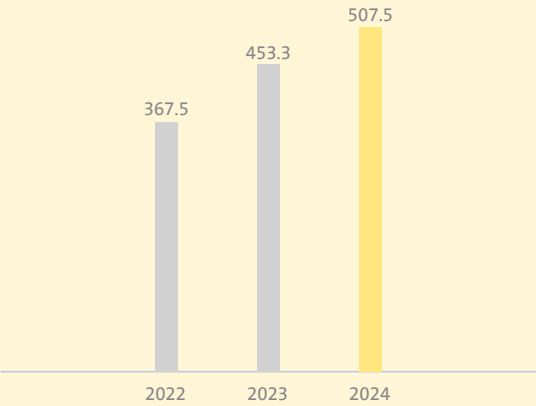
Process technology segment

This Krones segment supplies customers with machines and lines for producing and processing soft drinks, fruit juices, milk, dairy drinks, beer and alternative proteins. In addition to water treatment, the Process Technology segment also includes components (valves and pumps) under the Evoguard and Ampco Pumps brands, together with the service business.

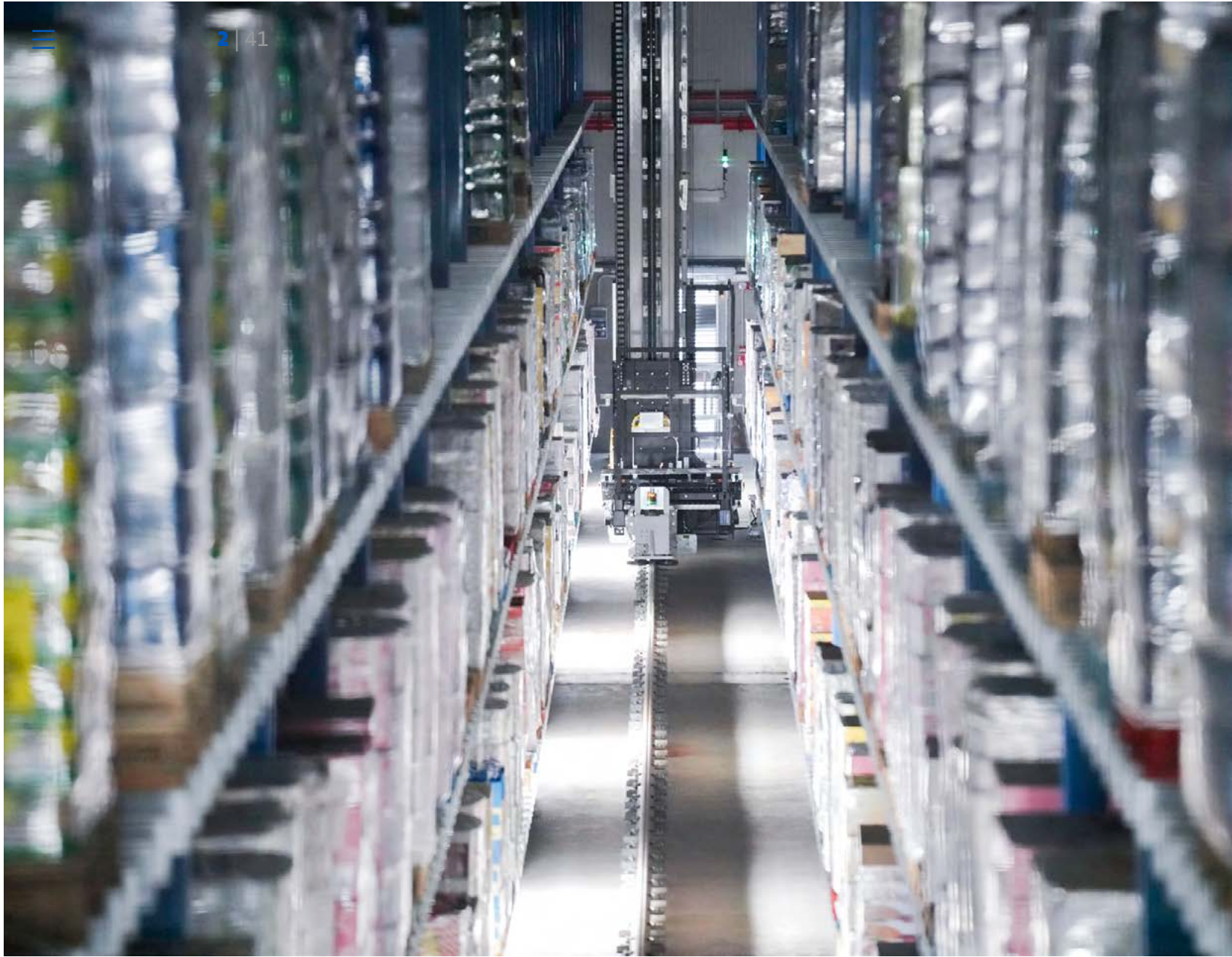
- Components (valves, pumps, etc.)
- Water treatment
- Alternative proteins
- Brewhouse and filtration technology

 See also Segment report, pages 209 and 262.

Revenue (€ million)



	2022	2023	2024
EBITDA (€ million)	20.4	34.7	49.5
EBITDA margin (%)	5.5	7.7	9.7



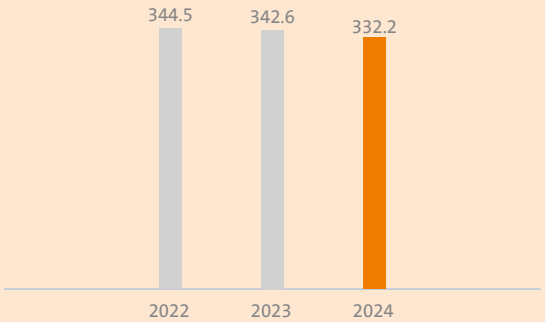
Intralogistics segment

In this segment, through subsidiary System Logistics, Krones provides the planning and design of fully automated warehousing, order-picking and material flow systems with automated guided vehicle (AGV) systems together with matching software tools. Software and other services are an additional part of the segment.

- Warehouse and material flow technology
- Automated guided vehicles
- System and software solutions

 See also Segment report, pages 211 and 262.

Revenue (€ million)



	2022	2023	2024
EBITDA (€ million)	20.2	20.3	23.2
EBITDA margin (%)	5.9	5.9	7.0



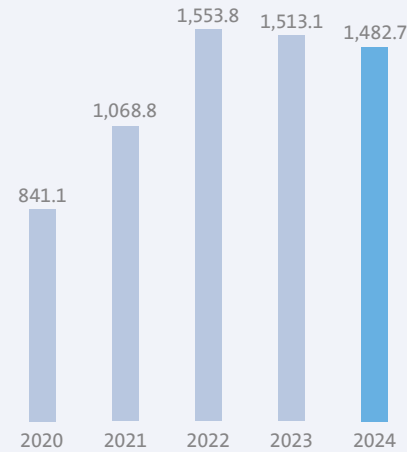
First quarter 2024

The first quarter of 2024 went successfully for Krones. Revenue increased by 4.0% year on year to €1,247.1 million. At €1,482.7 million, order intake was close to the previous year's very high level (€1,513.1 million). Krones further improved profitability. Between January and March, earnings before interest, taxes, depreciation and amortisation (EBITDA) went up by 9.1% year on year to €125.4 million. The EBITDA margin consequently rose from 9.6% to 10.1%.

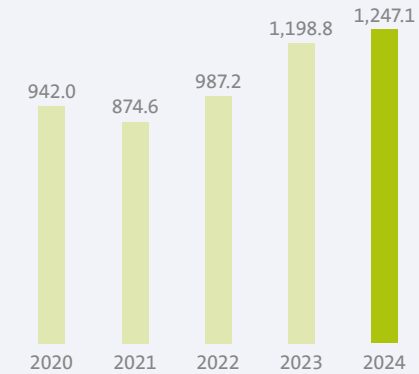
On 28 March, Krones finalised the acquisition of the Swiss company Netstal Maschinen AG. The company, which has around 560 employees and generates revenue of over €200 million a year, is a leading supplier of injection moulding machines for the beverage market (PET preforms and closures). With Netstal, Krones now covers all technologies required for circular PET solutions.

Following the price gains in 2023, the upward trend in international equity markets continued in the first quarter of 2024. Krones shares also performed well in a generally favourable market environment. The share price benefited from the publication on 22 February of the company's preliminary results for 2023 and the positive outlook for the 2024 financial year. Our shares reached a new high of €124.20 on 26 March before closing the first quarter of 2024 at €122.70. The share price was thus 9.7% higher than at the beginning of the year. The MDAX lost 0.3% in the first quarter.

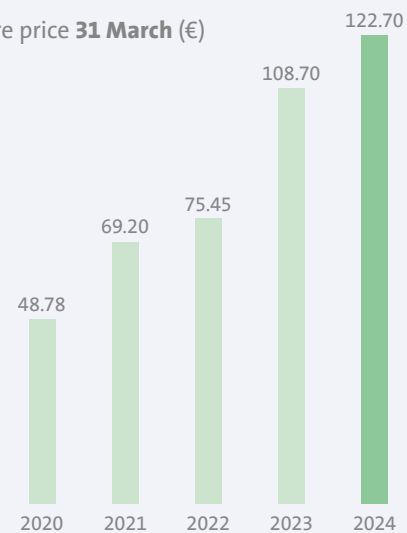
Order intake **Q1** (€ million)



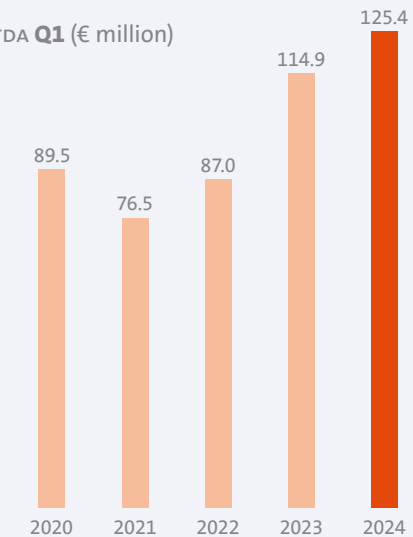
Revenue **Q1** (€ million)



Share price **31 March** (€)



EBITDA **Q1** (€ million)





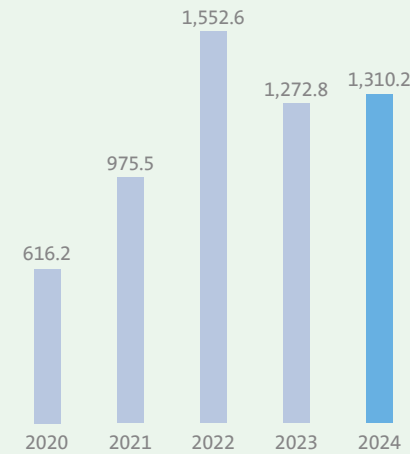
Second quarter 2024

On 4 June, the 44th Annual General Meeting of Krones AG was held at the marinaforum in Regensburg. Attendance – the proportion of the company's share capital represented at the meeting – was 77%. All agenda items submitted for voting were approved by a large majority of shareholders. Krones paid out a dividend of €2.20 per share for the 2023 financial year. This was 25.7% higher than in the previous year (€1.75).

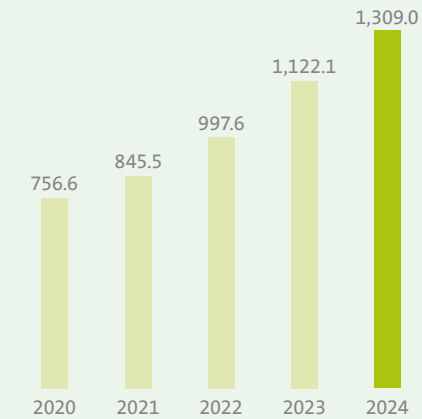
In the second quarter of 2024, Krones further improved all financial key performance indicators compared to the previous year. Revenue rose significantly by 16.7% to €1,309.0 million. At €1,310.2 million, order intake exceeded the already high prior-year figure by 2.9%. EBITDA increased by more than revenue, rising 22.8% to €130.8 million. The EBITDA margin improved from 9.5% in the previous year to 10.0% in the second quarter.

Equity markets paused their upward trend in the second quarter and consolidated at high levels. Krones' share price reached a new record high of €131.80 on 8 May. However, some selling pressure followed in mid-June, partly due to the overall market. At the end of the second quarter, our share price stood at €117.20. Including the €2.20 per share dividend, the first-half performance of our share price in 2024 was 6.8%. The MDAX lost 7.2% in the same period.

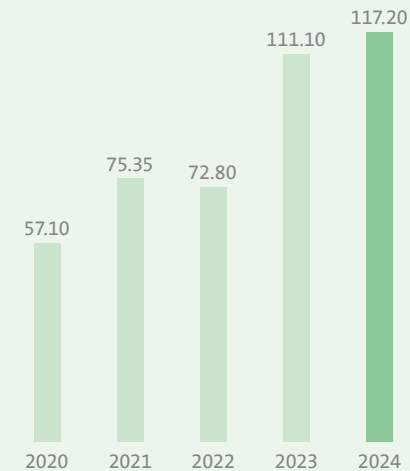
Order intake Q2 (€ million)



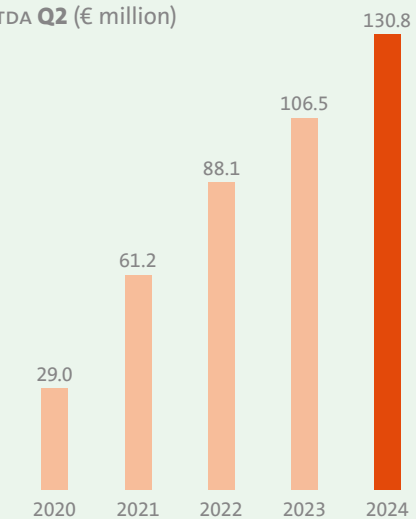
Revenue Q2 (€ million)



Share price 30 June (€)



EBITDA Q2 (€ million)





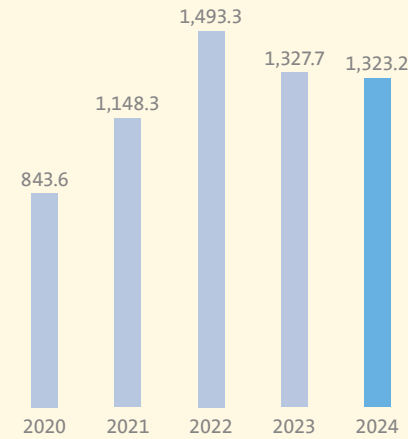
Third quarter 2024

The willingness of Krones' customers to invest remained at a high level in the third quarter, with both revenue and earnings rising significantly year on year. At €1,323.2 million, order intake from July to September almost matched the strong prior-year figure (€1,327.7 million). Revenue climbed by 13.2% year on year to €1,318.7 million, while EBITDA increased by a disproportionately high 21.6% to €134.9 million. This corresponds to a significant year-on-year improvement in the EBITDA margin to 10.2% (previous year: 9.5%).

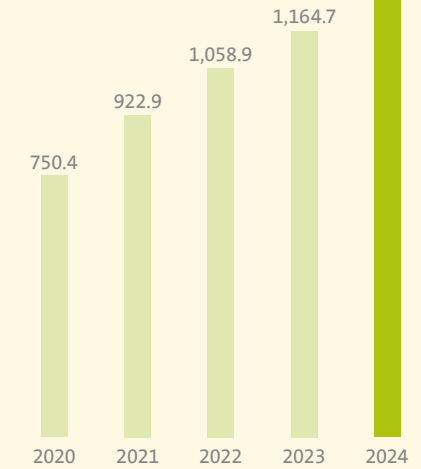
In this year's "Investors' Darling" competition for financial communication – in which the capital market communication of companies from the DAX, MDAX and SDAX is analysed comprehensively by experts – Krones achieved an outstanding second place among the 50 MDAX companies. Krones ranked sixth out of all 160 DAX family companies analysed. Krones was once again honoured in September for its sustainability performance with the EcoVadis Gold Medal, placing the company in the top 2% of its sector.

Following the above-average performance in the first half of the year, the rise in Krones' share price accelerated from July to September. Our share price benefited at the beginning of the third quarter from positive analyst comments in response to the strategy and mid-term targets for 2028 presented at the Capital Market Day. In August, our share price came under pressure together with the broader market. The share price quickly recovered and stood at €129.00 on 30 September, 10.1% higher than at the end of the second quarter.

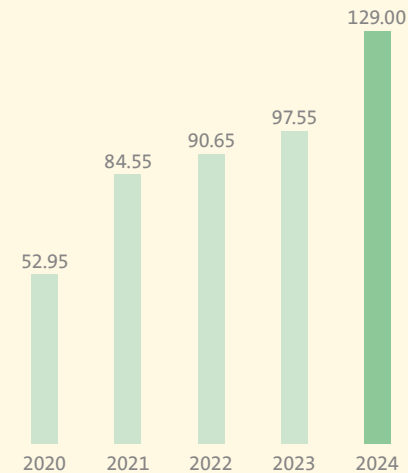
Order intake Q3 (€ million)



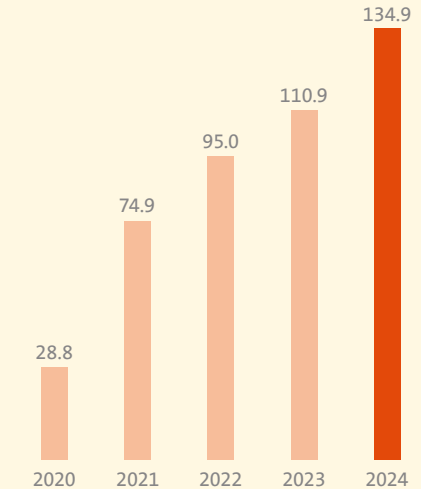
Revenue Q3 (€ million)



Share price 30 September (€)



EBITDA Q3 (€ million)





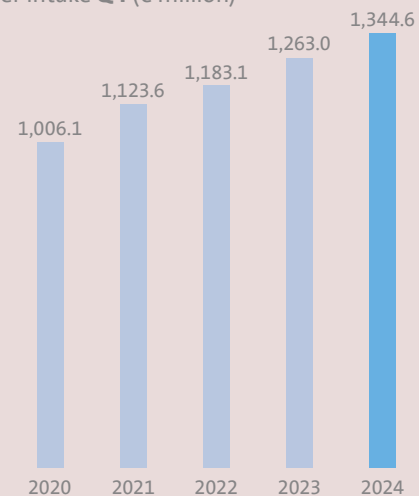
Fourth quarter 2024

Krones' business continued to develop very well from October to December. At €1,344.6 million, incoming orders exceeded the previous year's high level by 6.5%, while revenue climbed 14.9% to €1,418.8 million. Profitability also increased significantly. In the final quarter of the year, Krones increased EBITDA by 16.8% year on year to €146.0 million. The EBT margin consequently improved from 10.1% to 10.3%.

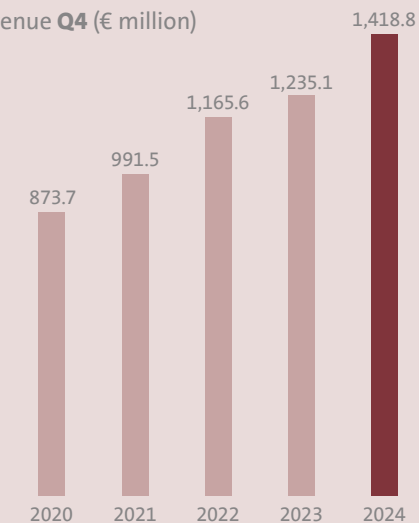
BrauBeviale, the most important trade fair for the beverage industry, took place in Nuremberg from 26 to 28 November. Krones, together with subsidiaries Steinecker, Evoguard and Ampco Pumps, presented both established and newly developed solutions for beer, soft drinks, alternative proteins and more.

The Krones share price came under pressure in the first half of the fourth quarter. This was for no particular reason. From late November, the share price trended upwards again and recovered some of its losses. The closing price for the year was €120.00. This put the Krones share price 7.3% higher than at the beginning of the year. Including the €2.20 per share dividend, the Krones share price gained 9.3% over 2024 as a whole. This means it significantly outperformed the MDAX, which fell by 5.7% in 2024.

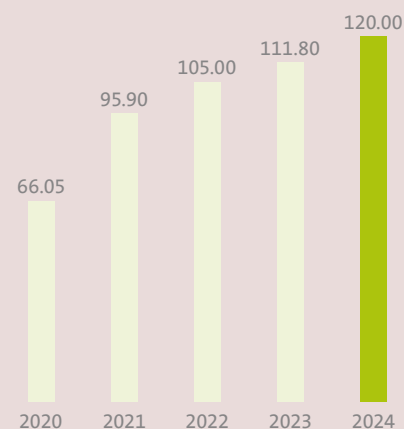
Order intake **Q4** (€ million)



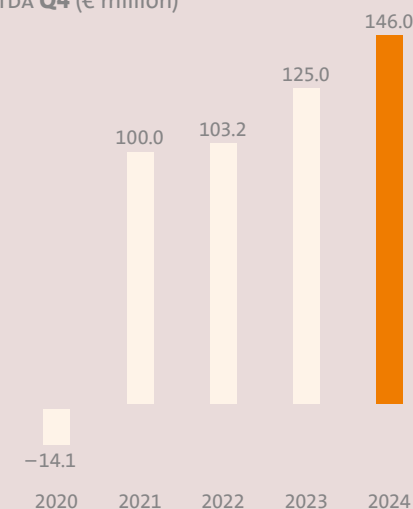
Revenue **Q4** (€ million)



Share price **31 December** (€)



EBITDA **Q4** (€ million)





Systems and lifecycle service – **sustainable, reliable, high-performance production**

Krones delivers turnkey plants for the beverage and liquid food industry. We use our knowhow and our line expertise to reduce customers' total cost of ownership (TCO). As a reliable partner, we also ensure that our customers can produce safely and at high quality.

We supply all machines and lines needed for producing, filling and packaging beverages. Furthermore, we provide complete logistics systems and custom IT and digitalisation solutions that manage and optimise all production processes.

Our lifecycle service (LCS) experts additionally support customers with excellent, 24/7 after-sales service and advice. In this way, we ensure that beverage manufacturers' production runs at the highest possible performance level at

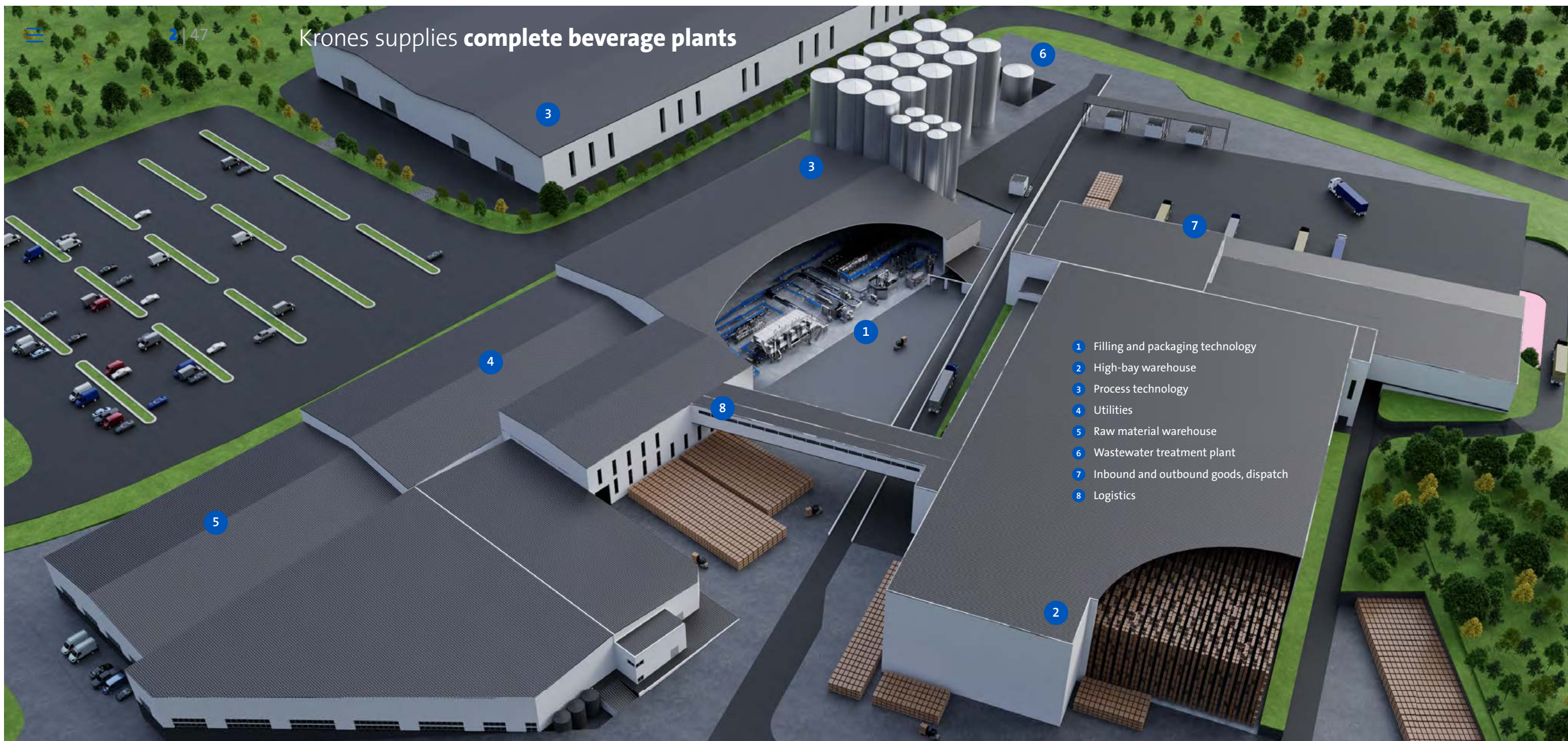
all times. The Krones LCS teams work together with customers to find solutions for efficient, secure, cost-effective and sustainable production – in line with our corporate vision of "Solutions beyond tomorrow". They also provide expert consulting on maintenance and retrofitting.

The digital services provided by Krones that are accessible to customers on the Krones.world portal play an increasingly important role in further improving overall line efficiency. Krones' modular service packages are optimally tailored to customer lines and requirements. The service team analyses production data and works with customers to find solutions that lastingly improve production performance.

The two illustrations of a beverage plant and a PET filling and packaging line for sensitive beverages provide a brief overview of our portfolio.



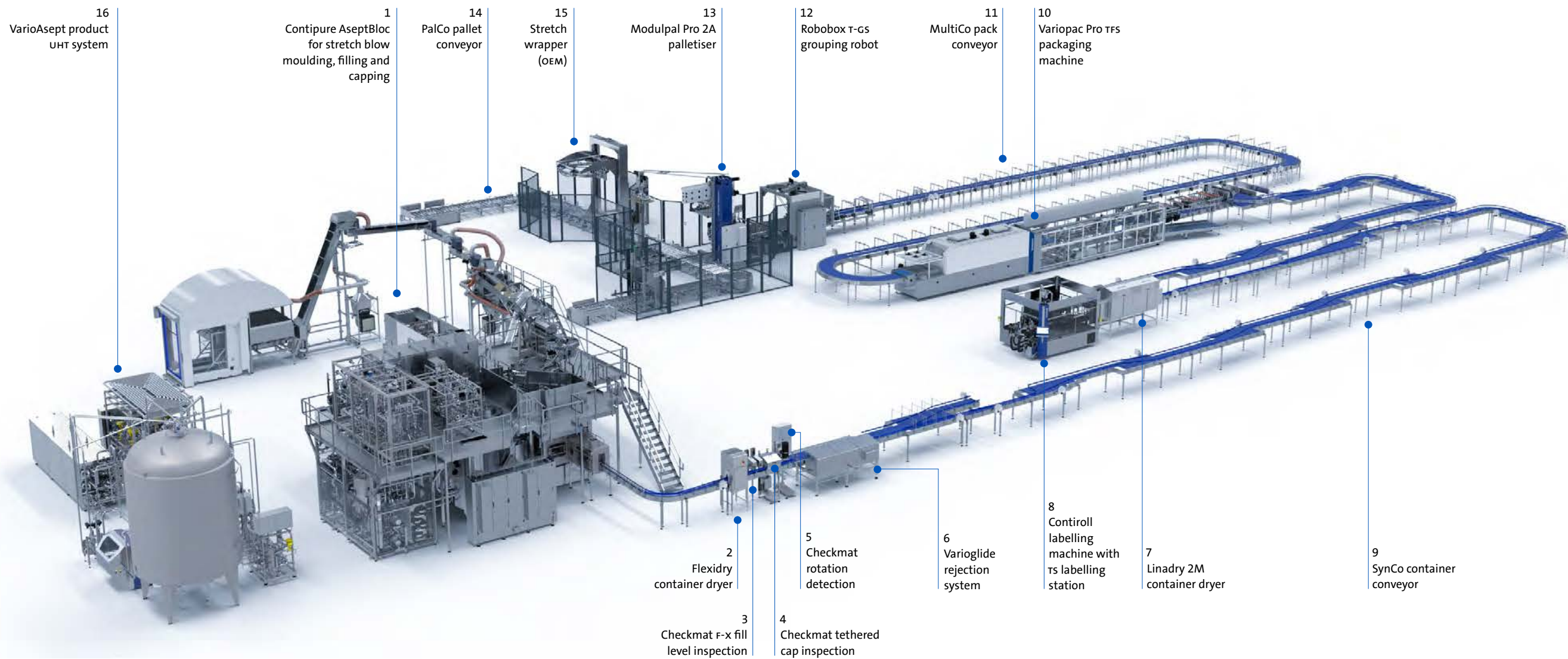
Partner for
Performance





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PET filling and packaging line for carbonated soft drinks





Krones' strategy



"By investing in sustainability, digitalisation, product innovation, internal processes and employees, Krones is laying the foundation for achieving its ambitious medium-term goals by 2028."

*Christoph Klenk
CEO*

The past financial year has demonstrated once again that Krones is well positioned in stable markets. Despite the challenging macroeconomic landscape, the willingness of the beverage and liquid food industry to invest remained at a robust level. The company successfully used the favourable overall market trend for further profitable growth. At the same time, we had to process an extremely large order backlog on schedule without compromising on quality, while significantly reducing delivery times. That we achieved this in 2024 is down to the great adaptability and motivation of the entire Krones workforce.

Megatrends make for stable strong demand – despite global uncertainties

We are also planning with realistic optimism for the future. The stable growing and less cyclical food and beverage market benefits from several megatrends. Global population growth, the rise of the middle classes in emerging markets and the continuing increase in urban populations, particularly in emerging and developing countries, are all driving demand for packaged beverages. Sustainability is another factor that supports demand for Krones products on a long-term basis, because customers need to achieve their ambitious climate targets and save costs. As an internationally leading provider of resource-efficient beverage filling and packaging technology and a process technology and intralogis-

tics solution provider with a comprehensive product and service portfolio and global service network, Krones is ideally placed to capitalise on the opportunities in this attractive market.

Despite the positive outlook for our markets, we are careful not to lose sight of the short and long-term risks. There are a number of geopolitical and economic uncertainties. At worst, these can have a negative impact on supply chains and on energy and commodity prices – and ultimately on the global economy. Potential trade conflicts between the major economic blocs comprising the US, China and Europe would severely impact global trade and weaken global economic growth. Climate change and the availability of natural resources are long-term societal challenges. The resulting issue of sustainability offers opportunities for Krones.

To achieve the profitable growth essential to Krones' future success, a series of strategic measures are to be implemented consistently and sustainably in all three segments.

Improved and more flexible cost base and organisational structure

One of our core strategic priorities is to further improve Krones' cost base and organisational structure and to reduce fixed costs as a percentage of total costs. This will make us more adaptable and resilient in the more volatile economic environment. To this end, Krones is accelerating, digitalising and automating internal processes and workflows. We are increasing efficiency by modernising our existing globally standardised IT landscape for the entire value chain. The company is also implementing cost improvement programmes in almost all areas.



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Solutions
beyond
tomorrow

Expanding the global value chain also helps significantly in improving cost structures. Global procurement and production with built-in redundancy make Krones more flexible and more resistant to crisis scenarios such as protectionist policies, regional supply chain disruptions and production stoppages. After successfully establishing a production site and the associated supply chains in Hungary, the company is now going to significantly expand the Taicang site in China. Krones likewise plans a new production site in the fast-growing Indian market.

While the company is also investing heavily in its sites in Germany, we intend to expand the proportion of international value creation within the Krones Group over the coming years.

Disciplined pricing strategy is the basis for profitable growth

Alongside cost structure, another key profitability factor for Krones is selling prices. By delivering innovative solutions that provide customers with added value and by reliably completing projects for our international customers, we can succeed at offsetting any cost increases with higher prices. Despite ongoing intense competition, we are adhering to our disciplined pricing strategy. The large order backlog gives us the latitude needed to uphold our price discipline.

Innovation secures our company's future

Innovations are crucial to Krones' long-term success. High-quality, technologically leading products and services are key to maintaining good levels of price realisation. For many years, Krones has therefore invested an above-average 4% to 5% of revenue in research and development (R&D).

Innovations at Krones must provide measurable added value to customers and help them achieve their goals. We work in dialogue with our customers to develop solutions based on their needs.

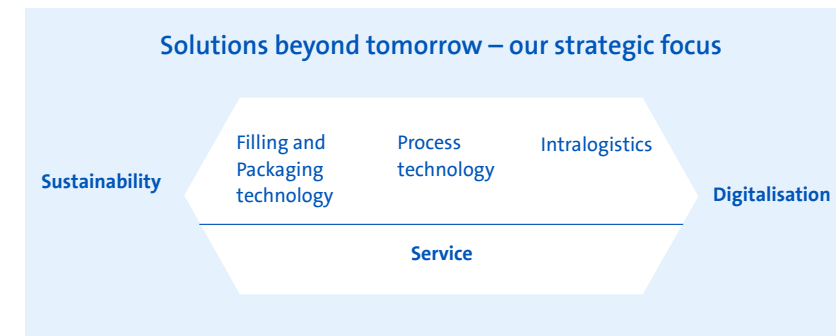
An example is the line of the future, in which we have combined numerous innovations and which we will be presenting at drinktec in 2025. The line of the future was primarily developed on the basis of detailed customer feedback from drinktec 2022. It enables Krones to create even more closely integrated solutions and new business models along the entire line life cycle.

Krones' focus in innovation is on sustainability, digitalisation and system solutions. We present our R&D strategy and a selection of our innovations from the reporting period on *pages 67 to 75*.



Solutions beyond tomorrow – successfully taking responsibility

With its corporate vision of “Solutions beyond tomorrow”, Krones aims to contribute to three key challenges confronting humanity: **Combating climate change, feeding the world**, and ensuring **responsible use of packaging materials**. This gives rise to the company's strategic orientation, with clear focus on the core areas of **sustainability, service quality** and **digitalisation**. These three areas also determine the strategic orientation of our three segments.



Krones sets net-zero emissions target for 2040

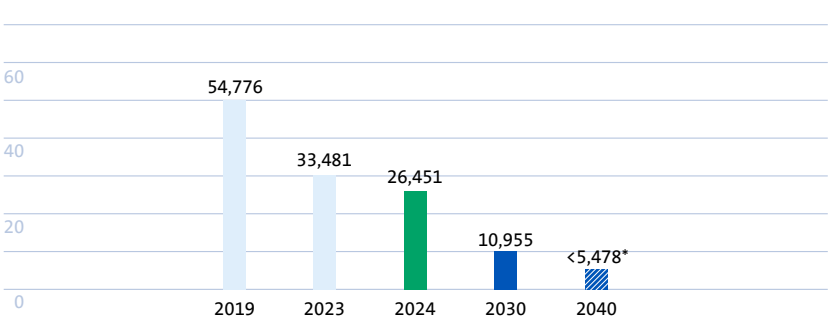
In “Solutions beyond tomorrow”, Krones has committed to making a significant contribution to combating climate change and conserving resources. The group has adopted the strategic goal of reducing its greenhouse gas emissions along the entire value chain to net zero by 2040. This places Krones Group’s net zero strategy in line with the 1.5-degree Celsius target in the Paris Climate Agreement.

For the implementation of its climate strategy, the company has also set milestones through to 2030. The company aims for an 80% reduction in operational greenhouse gas emissions (Scope 1 and Scope 2) and a 30% reduction in Krones’ upstream and downstream value chain emissions (Scope 3) by 2030 relative to 2019. At the end of the 2024 financial year, we stand at around a 52% reduction in Scope 1 and Scope 2 and just under 15% decrease in Scope 3.

Development of Scope 1 and 2 (own operational carbon emissions) ...

Status quo (relative to 2019 base year):	– 51.7%
Interim target (2030 target relative to 2019):	– 80%
Net zero (2040 target relative to 2019):	at least – 90%

Carbon emissions in tonnes



* The remaining max. 10 % must be neutralised in accordance with the criteria of the SBTi Corporate Net-Zero Standard.

Krones supports customers with their climate targets – sustainability the most important innovation and growth driver

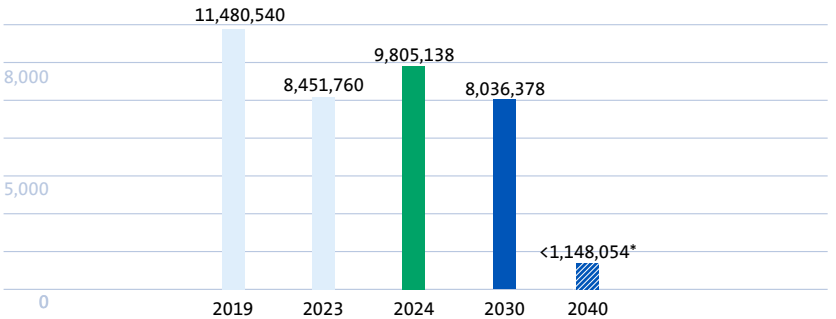
Krones is not alone in adopting ambitious climate targets: our customers have similarly challenging climate targets of their own. These drive rapidly growing demand for machines, systems, lines and entire beverage plants that save valuable resources and reduce carbon emissions. The company supports customers in achieving their climate targets. Our TÜV-certified energy and media-efficient enviro product range verifiably and measurably saves customers valuable resources and thus costs in operation. Beverage producers have long benefited from the lower energy and resource consumption of our machines and lines. The share of enviro machines and systems in the order intake exceeded the 50% mark for the first time in 2023. Krones expects this proportion to grow in the coming years.

Furthermore, our sustainability consultants assist customers in quantifiably and demonstrably reducing their ecological footprint, both for existing systems and for new lines.

... and Scope 3 (upstream and downstream value chain carbon emissions)

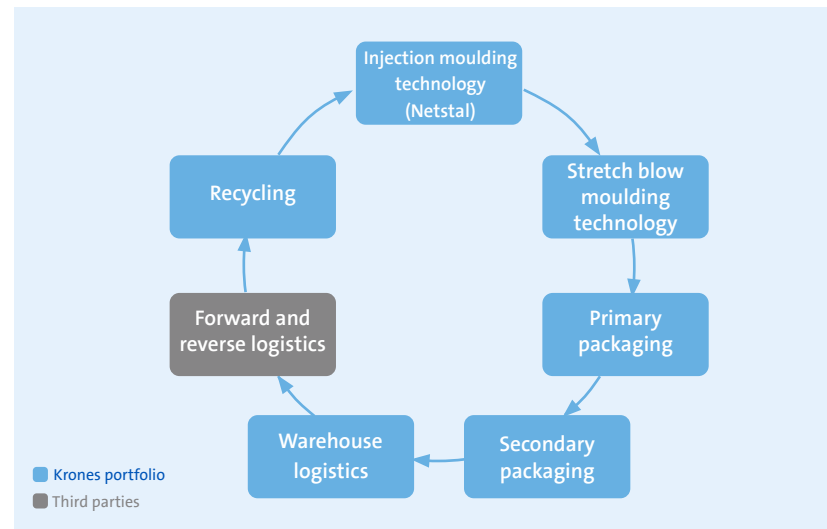
Status quo (relative to 2019 base year):	– 14.6%
Interim target (2030 target relative to 2019):	– 30%
Net Zero (2040 target relative to 2019):	at least – 90%

Carbon emissions in tonnes



Closing the loop to cut emissions and plastic, and avoid waste

Plastic is a valuable resource that should not end up as waste in the oceans or on land. If we are to solve the global problem of plastic waste, we need to move away from high-quality single-use plastics and towards a circular economy. This makes it possible to reduce emissions from the production of plastic packaging, become less dependent on fossil resources and avoid waste.



Over the next few years, many beverage producers will significantly increase the amount of recycled PET (rPET) in their bottles in order to reduce their reliance on virgin PET, which is a valuable resource. Krones will provide its customers with the best possible support in terms of the circular economy, from material-saving packaging design, preform production (injection moulding) and bottle production (stretch blow moulding) through filling, labelling and packaging to the recycling of used plastic bottles and their reuse in the food industry.

We completed the recycling loop by acquiring injection moulding machine manufacturer Netstal in the reporting period, and now have all of the main products and technologies needed to produce new PET bottles from used PET bottles in what is called bottle-to-bottle recycling. In this way, Krones is able to maintain PET in an environmentally friendly and sustainable cycle.

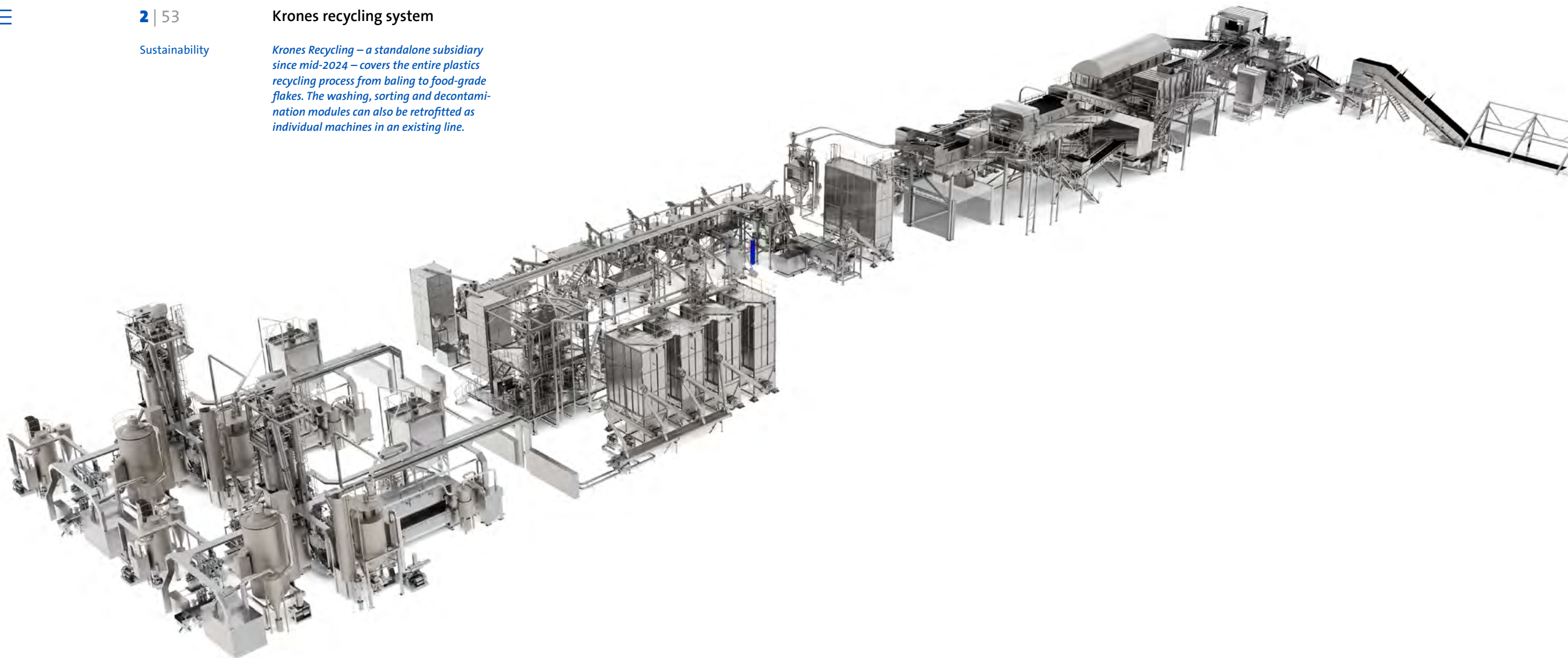
Plastics recycling: independent and future-ready

As well as for PET (bottle-to-bottle recycling), Krones recycling technology can also be used to recycle other high-quality packaging plastics and thus reduce the volume of plastic waste. To realise the full potential of our recycling technology, we spun off “Krones Recycling” as a separate subsidiary in mid-2024. This enables us to respond even more rapidly to new developments on the recycling market. Alongside PET, there has also been a sharp rise in demand for polyolefin recycling solutions. In the USA in particular, recycling companies are currently investing heavily with regard to polyolefins (HDPE, LDPE, PP and PE).



Krones recycling system

Krones Recycling – a standalone subsidiary since mid-2024 – covers the entire plastics recycling process from baling to food-grade flakes. The washing, sorting and decontamination modules can also be retrofitted as individual machines in an existing line.



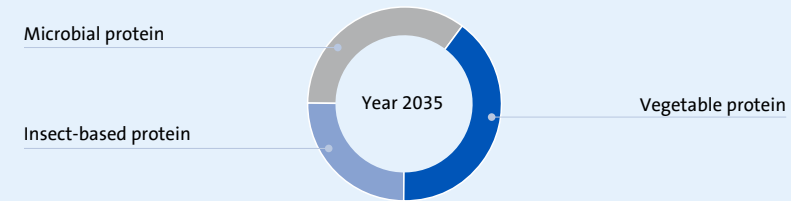


Alternative proteins: feeding the world in a sustainable and climate-friendly way

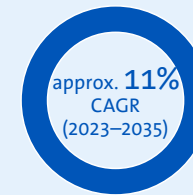
The world's high consumption of animal protein generates massive greenhouse gas emissions and uses enormous quantities of fresh water. In order to feed the world's population in a sustainable manner without placing an undue burden on the planet, the production of high-quality plant proteins as an alternative to animal proteins is becoming increasingly important. Krones intends to take advantage of opportunities in this emerging medium to long-term market – which analysts from Nester Research expect to grow by 11% annually worldwide between 2024 and 2036 – and to contribute its decades of experience in process technology.

In the already established market for plant-based dairy alternatives (soya, oats, nuts, etc.), Krones has focused on the production of oat milk, where the company supports producers with its extensive dairy industry expertise and full range of process technology. In the production of solid plant-based proteins, Krones draws on decades of experience in fermentation. Proteins produced by fermentation can be combined with other ingredients and further processed to replicate meat, egg or dairy products. With its products and services, Krones is well positioned in the fast-growing market for alternative proteins, and aims to achieve above-average growth here in the medium term.

Global share of alternative proteins by protein type



Growth rate



Growth drivers

- Rising number of vegans
- Growing demand for protein supplements
- Increase in livestock numbers

Source: Nester Research



The digital beverage plant saves valuable resources and is the basis for future service business

To remain competitive, beverage and food manufacturers must produce as efficiently and flexibly as possible. The digitalisation of production plays a key part here, helping to identify potential for fine tuning, save resources and prevent disruptions and stoppages. Another advantage for customers is that as digitalisation increases, the need for production labour decreases. This helps to alleviate the skilled labour shortage and save costs.

When it comes to the digitalisation of beverage plants, Krones benefits from its line and factory expertise – knowledge of how to perfect the interoperation of numerous individual machines and lines. The company has already digitally connected more than 200 lines for customers and provides the related digital products and services in various forms. These create added value for customers, either through enhanced product safety, more reliable production or reduced total cost of ownership (TCO).

Our digital services support customers in key areas



Reducing
downtimes



Preventing
food waste



Maintenance
planning



Production
parameters



Employee training
and knowledge



Changeovers



Reducing resource
consumption



Material
management

Krones' goal is to provide digital support throughout the entire life cycle of a machine or line and to profit more from services. An important building block in this regard consists of our individually configurable and coordinated service packages known as Modular Service Agreements (MSAs). With over 1,000 MSAs now in place, Krones supports plant operators in measurably improving production efficiency and achieving clearly defined targets. Customers benefit with fixed, predictable costs. A contact person at Krones analyses and interprets the data collected by the digital tools and shows the line operator possible measures for improving the line's performance.

At the beginning of 2025, the first "Lifecycle Alliance" line will go into operation, with Krones assuming full responsibility for service and the line's performance – on the basis of digital services. With the service agreements, which also include the globally available LCS products, Krones aims to increase customer loyalty and generate a stable long-term revenue stream.

Approximately 1,500 people are dedicated to digitalisation initiatives within the Krones Group. At "Krones.digital", around 600 software and IT engineers now work exclusively on the development of digital products and services. In the medium term, we plan a significant further expansion of this unit with the addition of around 100 specialists per year. Furthermore, some 100 service professionals provide customers with 24/7 support at six digital service centres around the world.

We also aim to reap the benefits of digitalisation within our own company. Numerous work operations and processes are accelerated and automated using digital tools, including artificial intelligence (AI). This significantly reduces internal and external processing times and improves efficiency and customer satisfaction.

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Service

Customer proximity: expansion of the service network and further internationalisation

The practical implementation of our digital and other services is the job of our approximately 3,000 local service technicians in over 70 countries around the world. With their factory and line expertise, they respond quickly and directly to customer needs – a key factor in long-term customer satisfaction.



- Over 6,000 service staff worldwide
 - 3,000 service technicians
 - 1,200 production and supply chain experts
 - 1,800 technical support and back office staff
- On-demand global spare parts supply
- Digitalisation for next-level service

In addition to services, our strategically located LCS centres enable us to quickly deliver spare parts to operators around the world. A long-term growth driver for the attractive LCS business is our growing installed base of machines and lines. As in past years, Krones also intends to further increase the proportion of Krones-supplied managed lines.

In order to meet the growing demand for high-quality service, Krones will continue to invest heavily in the expansion of the sales and service organisation. The focus here is on international markets, where growth rates will remain above average. In particular, the Asia-Pacific region and Africa are expected to see the strongest growth over the long term. In the reporting period, the company once again increased the size of its workforce in the international regions shown in the table by 10.2% to 7,115 employees.

Development of employee numbers 2020–2024

Year	South America	North America	Africa	Asia-Pacific	Eastern Europe	China	Total
2020	778	1,011	639	974	922	742	5,066
2021	803	1,046	633	959	1,006	732	5,179
2022	871	1,206	671	1,023	1,092	802	5,665
2023	943	1,430	681	1,143	1,345	915	6,457
2024	1,006	1,593	753	1,237	1,528	998	7,115

To further expand our highly qualified service units, we have launched targeted activities and projects as part of the onward evolution of our employer brand in order to find, train and retain suitable service technicians worldwide. Our goal is to grow the international service team by around 100 employees each year.

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Filling and
Packaging
Technology
segment

Strategic focus in the segments

Filling and Packaging Technology

PET: ongoing strong demand

Demand for PET lines remains at a high level. PET continues to be very popular with end consumers as a packaging material for beverages, and is growing faster than other forms of packaging. PET bottles are lightweight but sturdy. They have a relatively small carbon footprint and are comparatively inexpensive. Our PET lines thus make an important contribution to providing the world with a sustainable and affordable supply of beverages, fully in line with our corporate vision.

At drinktec 2025, will be presenting the line of the future, a highly innovative PET line. With this system, we will set new standards of sustainability, digitalisation and efficiency while consolidating and extending our lead in PET filling and packaging lines.





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Filling and
Packaging
Technology
segment

Netstal acquisition a major strategic milestone

Following the acquisition of Netstal Maschinen AG, a leading manufacturer of injection moulding machines for the beverage market (PET preforms and closures), Krones has been able since mid-2024 to offer all technologies required for closed-loop PET solutions – a notable unique selling point relative to the competition.

A further benefit of the Netstal acquisition is that with its injection moulding technology for medical applications and thin-wall packaging, Netstal also supports Krones' strategy of diversifying into the medical/pharmaceutical market and the food and body care sectors.

Krones is ideally positioned in the recycling of used plastic bottles with Krones Recycling, a separate subsidiary established in July 2024, and with the innovative systems in the Krones Recycling portfolio. This area is set to grow significantly faster than the segment as a whole in the coming years.



Aseptic lines and cans also contribute to growth

The market for aseptic filling in PET containers also presents good growth opportunities. Demand will stay particularly high in the USA. There, numerous lines are still based on the extremely energy-intensive hotfill process, in which bottles are filled aseptically under heat. Many US beverage producers will increasingly switch to technologically advanced and sustainable aseptic systems that save PET packaging material and energy and can also use recycled PET. This will significantly reduce operating costs, the carbon footprint and plastic usage. Another advantage of our aseptic filling technology is the energy and media-efficient Krones sterilisation process, which requires no water.

Cans have become a very popular packaging choice in recent years. Krones picked up on this trend early on and is the global market leader in the filling of beer and soft drinks in aluminium cans. Consumers appreciate the fact that cans are convenient and space-saving, and that their contents cool quickly. Aluminium beverage cans are also the most recycled form of beverage packaging in the world. Because they are made from a single material, they can be easily recycled almost indefinitely without any loss of quality. Cans are consequently a popular, recyclable product that contributes significantly to resource conservation. Krones aims to expand its leading market position here with resource-efficient, flexible and hygienic canning lines.

Across the core segment, we also plan to continue expanding the life cycle service (LCS) business. This is targeted to grow faster than the installed base of machinery. To this end, the company will continue to invest in its service network and digitalisation.





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Process
Technology
segment**Process Technology:****Diversification increases profitability and resilience**

The Process Technology segment is making good progress with its diversification strategy. Technologies for the production of plant proteins, energy-efficient solutions for beverage production and water treatment systems continue to gain in importance. Demand for these technologies will grow at above-average rates in the medium to long term, driven by the global megatrends of carbon reduction and water scarcity.

Revenue and earnings growth in Process Technology will also be supported by the expansion of the LCS and components business. The latter is increasingly benefiting from the 2023 acquisition of Ampco Pumps in the USA. Ampco is able to benefit from Krones' global selling capacity. The components business with Evoguard valves and pumps can capitalise on Ampco's excellent sales channels in North America and was rounded out by the acquisition. The Process Technology segment will also continue to optimise its cost structure by continuously expanding its global footprint, particularly in India, and through synergies between the various companies internationally.



2
Intralogistics
segment**Intralogistics:****Market with significant potential**

The market for automated warehouse logistics is expected to grow faster than the global economy in the medium and long term. The market is driven by rapidly growing demand for fast and efficient order processing. The Intralogistics segment, with our subsidiary System Logistics, benefits from the dynamic market with innovative and sustainable solutions. As well as saving energy and reducing operating costs, our automated products increase efficiency and reduce the number of operating personnel required, thus helping to counter the effects of labour shortages.

System Logistics will bolster the segment's profitable growth with automated order-picking solutions, expansion of the service business and supporting software tools. In addition, the company will continue to internationalise its intralogistics business and increasingly extend it to areas outside of the beverage and liquid food market, such as food wholesalers and the animal food trade.





Strong finances increase resilience and enable future investment from own resources

Thanks to the very positive business performance and a free cash flow (before M&A activities) of €292.5 million in the reporting period, Krones has further strengthened its capital and financial resources. At the end of 2024, Krones had an equity ratio of 40.5% and a net cash position of €439.9 million. In addition, the company has around €850 million in undrawn credit lines. This strong financial and capital structure gives the company the necessary stability and security in today's unpredictable political and economic landscape. Its comfortable equity and liquidity base also enables Krones to make strategic investments in growth and in the future from internal resources and thus further strengthen its competitiveness.

Krones will continue to spend some 4% to 5% of revenue on research and development. In addition, the company plans capital expenditure of around 4% of revenue in the coming years (2024: 3.4%). This spending will go into replacement investment, projects to improve efficiency within the company, expansion of the global footprint, growth initiatives and intangible assets such as software. Internal sustainability projects (Scopes 1 and 2) continue to account for a notable proportion of capital expenditure.

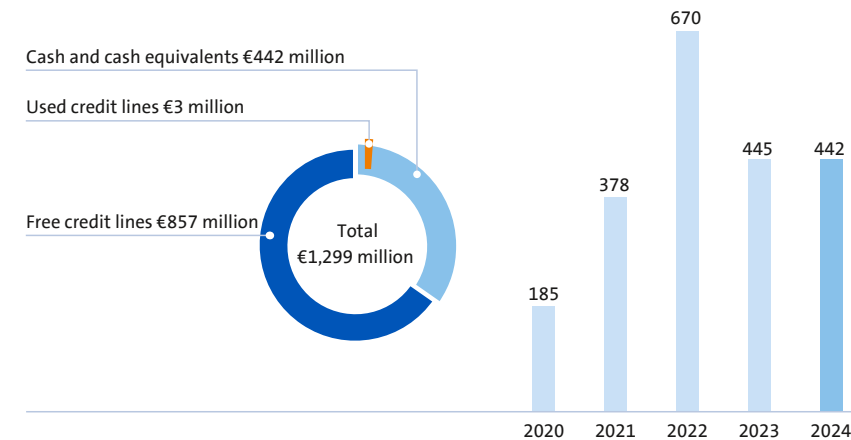
Acquisitions remain part of Krones' strategy, with the short-term emphasis on the rapid and successful integration of recent acquisitions. When identifying potential future acquisitions, we focus on medium-sized, profitable companies that complement the existing portfolio technologically and regionally or provide access to markets beyond the beverage and liquid food industry.

Following the acquisition of Ampco Pumps in 2023, we continued to implement our acquisition strategy in the reporting period. Through the acquisition of the Swiss injection moulding machine manufacturer Netstal, Krones can now offer its customers all machines, lines and services for the complete PET packaging cycle, thus underscoring its pioneering role in sustainability and the circular economy.

Krones remains committed to sharing its success with shareholders through dividends. The company's dividend strategy is to distribute 25% to 30% of consolidated net income to shareholders, although in recent years it has aimed for the upper end of this range.

Liquidity reserves 31 Dec 2024

Net cash (€ million) at 31 Dec



Optimising working capital and increasing free cash flow and ROCE

Key financial performance indicators for Krones alongside revenue and EBITDA are free cash flow and return on capital employed (ROCE). To achieve our ROCE target of over 20% by 2028 (2024: 18.2%), we will increase EBIT, invest with a view to profitability and further optimise working capital in the medium term. The company has taken various steps to relieve working capital for this purpose. Lower working capital has a positive effect on ROCE.

Working capital also significantly influences the development of free cash flow, which is an important parameter. Less working capital tied up in the operating business leaves the company more liquidity for other purposes.

Krones sets medium-term targets to 2028



The stable market environment and the continued robust demand for our products and services make us confident that Krones will continue on its profitable growth path in the years ahead. On this basis, in July 2024, the company adopted ambitious targets for the period up to 2028.

The company plans to increase consolidated revenue to around €7 billion by 2028 (2024: €5.3 billion). Profitability is also set to improve. The mid-term target for the EBITDA margin is between 11% and 13% (2024: 10.1%). For the third financial target, return on capital employed (ROCE), Krones is aiming for more than 20% by 2028 (2024: 18.2%).

Alongside the financial targets, Krones also pursues other strategic group targets. These are summarised in the following table:

Group strategic targets at a glance

Strategic target	Target for 2030	At year-end 2024
Reduction in Scope 1 and 2*	–80 %	–51.7%
Reduction in Scope 3*	–30 %	–14.6%
Increase in percentage of women in management positions	20 %	16.5%
* Base year 2019		
Strategic target	Target for 2028	At year-end 2024
Profitable growth	Revenue: around €7 billion EBITDA margin: 11–13 %	Revenue: €5.3 billion EBITDA margin: 10.1%
Increase in international share of total value added (incl. outsourcing)	40%	33%

The Krones team: the most important success factor for sustained positive business performance

Krones' employees are and will always be the foundation of its future success. The entire Krones team has done an outstanding job over the past few years, proving that they can adapt quickly and flexibly to changing conditions. Our employees have worked hard to earn our customers' trust in Krones' reliability. Customers thus cite Krones employees as a key reason for a positive decision to buy. The team spirit, expertise, creativity and commitment of the Krones workforce make the company resilient and successful.

To continue attracting motivated and well-qualified talent for Krones – despite the global shortage of skilled workers – we have enhanced our employer brand in the reporting period to highlight what makes Krones special. Our employer brand, which we have aligned with our vision of “Solutions beyond tomorrow”, is designed to attract new talent and strengthen the loyalty and motivation of the existing workforce.

In the coming years, Krones will add to its workforce, particularly in IT, software and service, and also in emerging and developing markets.

In “Solutions beyond tomorrow”, we have developed an ambitious vision that extends far into the future. In order to make this a reality, we need a clear strategy and also a team that will remain as strong in the years and decades to come as it is today.





Krones' management system

Financial performance indicators

Krones' management primarily uses the following most significant financial performance indicators to steer the group and its three segments:

- Revenue growth
- EBITDA margin (earnings before interest, taxes, depreciation and amortisation as a percentage of revenue)
- ROCE – return on capital employed – the ratio of EBIT to average net capital employed in the past four quarters. Net capital employed is defined as non-current assets (excluding goodwill and financial assets) plus working capital.

In order to strengthen our market position and utilise economies of scale, we will continue to generate **profitable growth** in all three segments in the medium term.

Earnings before interest, taxes, depreciation and amortisation (**EBITDA**) is a key earnings performance indicator. Profitability, measured as the **EBITDA margin** (earnings before interest, taxes, depreciation and amortisation as a percentage of revenue) is among our key targets and metrics. The EBITDA margin indicates the company's profitability in relation to revenue, irrespective of the tax rate, financial income/expense and depreciation and amortisation.

Since the 2022 financial year, our third performance indicator has been **ROCE** (return on capital employed), calculated at Group level. This is the ratio of EBIT (earnings before interest and taxes) to average net capital employed in the past four quarters. ROCE is a very important profitability indicator for the capital markets. Return on capital employed shows investors how efficiently the company makes use of capital. Until the 2021 financial year, our third key performance indicator was working capital as a percentage of revenue.

Development of the key performance indicators in the last five years

	2020	2021	2022	2023	2024
Year-on-year revenue growth	–16.1%	9.4%	15.8%	12.2%	12.1%
EBITDA margin	4.0%	8.6%	8.9%	9.7%	10.1%
ROCE (from 2022)	–2.2%	10.0%	14.1%	16.3%	18.2%
Working capital to revenue (up to and including 2021)	28.3%	24.8%	19.0%	17.8%	17.0%

Other financial key performance figures

In addition to the above, further important performance indicators for Krones are **free cash flow** (cash flow from operating activities less cash flow from investing activities) and the **working capital to revenue ratio**. We take further guidance from the development of **EBT** (earnings before taxes) and the **EBT margin** (EBT as a percentage of revenue).



Non-financial performance indicators

In addition to financial performance indicators, non-financial targets are also firmly embedded in Krones' corporate strategy. These are set out in detail in the non-financial statement (*pages 76 to 178*). Sustainability is an area of major importance and is also the focus of the Krones corporate vision.

Key non-financial performance indicators:

- **Percentage of women in management positions**
- **Greenhouse gas emissions (Scope 1, Scope 2 and Scope 3)**
- **Water consumption**
- **Hazardous waste**
- **Work-related accidents**

As part of the Krones Group's sustainability targets, which the Executive Board officially adopted in the 2020 financial year, the company has set ambitious emission reduction targets along the entire value chain.

- We aim for an 80% reduction in our own carbon footprint (Scope 1 and Scope 2) by 2030, relative to the 2019 baseline.
- For Scope 3 emissions – which are significantly higher and are mainly generated by the operation of our machines and lines at customer sites – we are targeting a reduction of 30% over the same period, again with 2019 as the baseline.

Additional **sustainability goals** are as follows:

- The Krones Group is committed to a 10% reduction in hazardous waste and water consumption by 2030, with 2020 as the baseline.
- We will reduce both work-related accidents and the resulting lost days per million hours worked by 30% across the Krones Group by 2030, compared to the 2020 baseline.
- The company aims to increase the percentage of women in management positions to 20% by 2030.



Research and development (R&D)

- Krones invests 4.2% of revenue in R&D
- Number of patents at a high level
- Line of the future to be presented at drinktec 2025
- R&D partnerships and networks for broader innovation base

To realise the visions in “Solutions beyond tomorrow”, Krones needs innovative products and services. Our research and development (R&D) function plays a crucial role here. This is the nucleus of all Krones innovations, which are the basis of our technology leadership and sustainable business performance.

Strong patent portfolio secures leadership in technology

Krones commits consistent high levels of investment to research and development. The success of this investment spending is also reflected in a high number of patents.

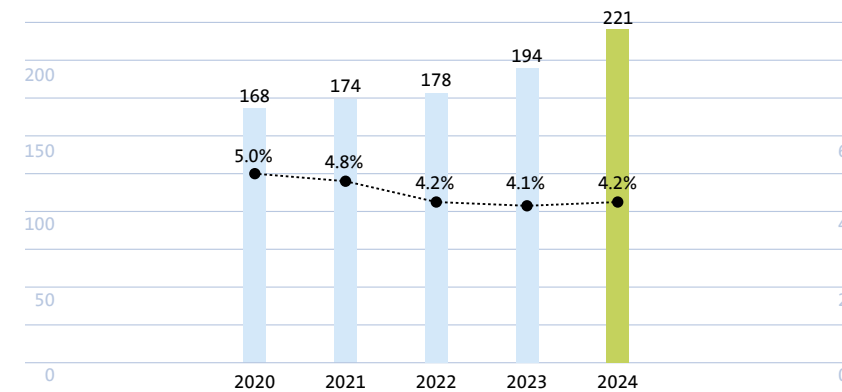
Highly qualified, motivated and creative Krones employees worldwide work on developing and improving machines, systems, lines and services. The innovative strength of the Krones R&D team is also reflected in the substantial number of registered patents and utility models. This has increased in recent years and stood at 7,030 at the end of 2024 (previous year: 7,058).

It is worth noting here that despite the introduction of European unitary patents, which should essentially result in fewer patents overall, the number of patents and utility models remained almost at the same high level as the previous year. European unitary patents currently apply in 18 EU countries. Through an active patenting strategy, Krones ensures legal protection for all important new developments and improvements, thus safeguarding its technological lead.

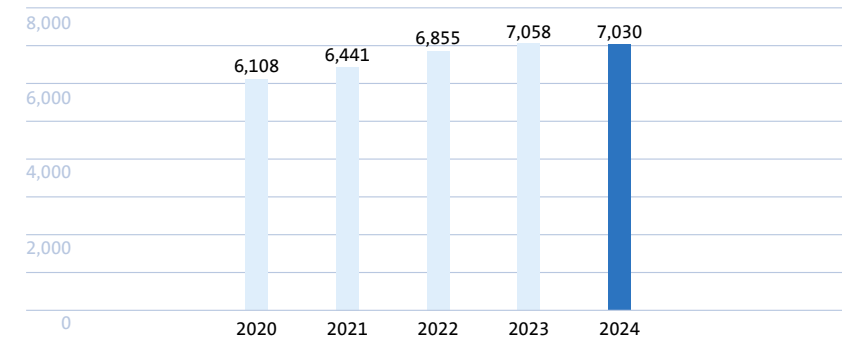
Krones invested 4.2% of revenue in the reporting period in R&D

To maintain the high pace of innovation, Krones once again spent a significant share of revenue on R&D in 2024. R&D spending amounted to €221 million (previous year: €194 million), or 4.2% of consolidated revenue (previous year: 4.1%). €32.3 million of this was capitalised as development costs in the reporting period (previous year: €21.7 million).

R&D expense (€ million) and R&D ratio (%)



Registered patents and utility models – Krones Group

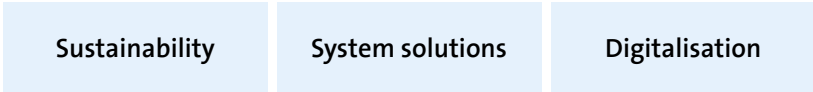




The Krones R&D strategy

New Krones products and services must create added value for customers. Krones’ R&D strategy is closely aligned with our corporate vision based on the slogan “Solutions beyond tomorrow”. We therefore aim to develop solutions for our customers that go beyond the obvious.

Krones focuses in its R&D strategy on **three focal areas**:

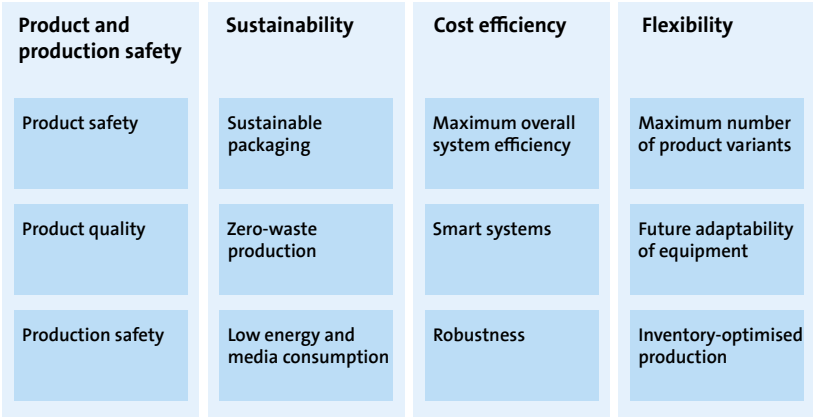


Sustainability remains the primary innovation driver. Reducing emissions, conserving resources and lowering total cost of ownership (TCO) are top priorities for our customers. We place an equally strong focus in R&D activities on digitalisation. This is the basis for new business models and improves service quality.

Krones follows a top-down approach to new developments and improvements. This means that in all development projects, we initially focus on the entire beverage plant as a system solution, from beverage production, filling and packaging to intralogistics. We then split out the targeted improvements across the individual line components.

The four value drivers in our R&D strategy

Based on our R&D strategy and active partnership with our customers, Krones has identified four value drivers for our R&D strategy, in line with customer needs.





R&D strategy programmes

Krones' R&D programmes are derived from the value drivers and our R&D strategy. They ensure that we translate the visions embodied in "Solutions beyond tomorrow" as fast as possible into market-ready solutions for our customers.

Based on customer feedback at drinktec 2022, we have developed the highly innovative Krones filling and packaging line of the future. We will be presenting this at the upcoming drinktec 2025. In line with our corporate vision, the development focus for all line types is on sustainability, digitalisation and efficiency.

The ideas incorporated in the line of the future enable even more closely integrated solutions and business models along the entire line life cycle.

Line of the future program

Customer inspiration from drinktec 2022

Customer feedback reflected in our Line of the future



First pilot project in 2025

- PET Line of the future
 - Modular block system
 - Automated material transport
 - New IT architecture
 - Higher performance and efficiency



What we will be presenting at drinktec 2025

- Steep change in energy and media consumption
- Long-term performance and TCO guarantees
- No operators – monitoring only
- Fully digitalised and connected
- Reduced carbon footprint
- Lifecycle Alliance



Concept applicable for:

- Advanced aseptic
- Glass line of the future
- Canning line of the future
- PET line of the future





Clearly defined R&D processes and group-wide collaboration

Across all segments and businesses, the entire development portfolio is managed through a clearly defined and focused innovation process. Employees from various organisational units collaborate on development projects. In total, some 50 development teams worked on a wide variety of innovations in the reporting period. Progress is regularly analysed and evaluated by a committee comprising the Executive Board and executives from various technical units.

Since 2021, we have brought together and aligned all digitalisation and automation activities in a single unit, Krones.digital. The unit's approximately 600 employees from various sites and Krones companies cooperate very closely, including with the R&D team who develop our machines and lines.

Our Innovation Lab housed in the TechBase innovation and start-up centre in Regensburg likewise focuses on digitalisation and sustainability. Its interdisciplinary teams launch new projects at a very early stage of the innovation process and conduct preliminary studies on technical and economic feasibility.

Expansion of international R&D locations

Krones is expanding its global footprint and international locations in R&D. In the reporting period, for example, we expanded capacity at Krones Digital Solutions India (KDSI), which was launched in 2023. KDSI's approximately 150 IT experts are part of the international Krones.digital unit and develop digital solutions on site for our customers. Krones has also expanded the workforce at its

engineering services provider subsidiary Konplan in Plzeň and the IT site in Prague (both Czech Republic) and at the R&D hub in northern Italy. There, Krones is collaborating with prestigious universities on the complex task of analysing and quantifying the environmental impact of various packaging types and products over their entire life cycle.

Close collaboration with partners and research networks

Krones also relies on external partnerships to maintain internationally very high levels of quality and output in terms of innovations. The company collaborates with customers, other companies' R&D departments, universities and scientific institutions. Krones is also actively involved in various research and innovation networks, such as the Open Innovation Forum at the University of Cambridge. This platform brings together some 20 global companies from all along the food and beverage industry value chain, together with producers of consumer essentials. Collaborating with other companies in this way is a good means of enriching our own thinking with ideas and insights from elsewhere.

Another successful external innovation initiative is our partnership with the "Smart Green Island Makeathon". International student teams from 16 countries work here on smart and green solutions for various industries in an inspiring setting on Gran Canaria. At the end of 2024, we also launched a collaboration with Unternehmertum in Munich, Europe's largest hub for start-ups and innovation. This gives us deep insights into the technology and start-up landscape and enables us to combine our in-house expertise with further ideas from outside.



Solving the major environmental and societal problems of our time calls for international, cross-sectoral collaboration between companies and their stakeholders. To this end, Krones is an active member of a large number of associations and initiatives promoting sustainability. Among others, Krones has joined the econsense sustainability network and is also a member of the European Circular Economy Stakeholder Platform and the Business Ambition for 1.5 °C campaign.



To raise the visibility of Krones R&D within the company and expand the pool of ideas, Krones has organised the in-house InnoDays fair annually since 2018. In 2024, this was held in mid-November at the Krones Academy in Neutraubling. Over a two-day period, at some 50 booths, developers provided their colleagues at Krones with demonstrations of machines and services that create added value for customers. Presentations by R&D experts were livestreamed on the Krones intranet for all employees worldwide. Both the development team and the employees who work in other areas of the Krones value chain outside R&D benefit from this fruitful exchange.





Innovative new and improved solutions: the products of successful R&D

In the following, we present a selection of Krones innovations from the 2024 reporting period.

Compact Contipure AseptBloc: extremely safe and space-saving

For the aseptic filling of sensitive beverages, Krones has been deploying its tried-and-tested Contipure AseptBloc system for many years. From preform sterilisation to capping, every processing step is embedded in an aseptically safe process chain. In addition to the established basic version for the medium and higher output range, Krones has developed a compact version that can economically fill containers at outputs as small as 8,000 units per hour.

A benefit is the system's very small footprint of only around 100 m² – with potential for further space savings. Thanks to its well thought-out layout, the compact version of the Contipure AseptBloc is ideal for companies that have little space available in production.

The system also has all the advantages of the well-proven standard version: only one sterilisation medium and material savings of around two grams per bottle, since the preform is sterilised rather than subsequently sterilising the bottle. This enables lightweight containers to be used. The compact version of the Contipure AseptBloc is suitable for a wide range of different product categories. This means that all non-carbonated beverages such as juice or dairy products can be safely processed on the system.





Fully automated material supply in the production line improves safety and efficiency

An important component of the line of the future is the fully automated supply and management of all materials in the production line. From autonomous feeding of preforms, closures and labels to automatic bottle handling and palletising of the finished products, the new automation architecture and Krones' proprietary mobile and stationary robotics mean that the line of the future will deliver considerable benefits for customers.

Intralogistics segment subsidiary System Logistics makes a significant contribution here. System Logistics supports autonomous material flows with innovative products such as transporters, automated guided vehicle and matching software tools.

With material supplies fully automated, the number of operators on the filling line can be reduced by 50% to 100%. This reduces operating costs and unavoidable human error, with benefits in terms of production safety and quality. Furthermore, automated management of the material flow and robot operations reduce system downtimes. This increases the output and efficiency of the line. It also saves material and energy.

Digital management of the filling process, which Krones can provide itself on the basis of tailor-made service agreements, also increases line availability and thus cost predictability and performance for customers.

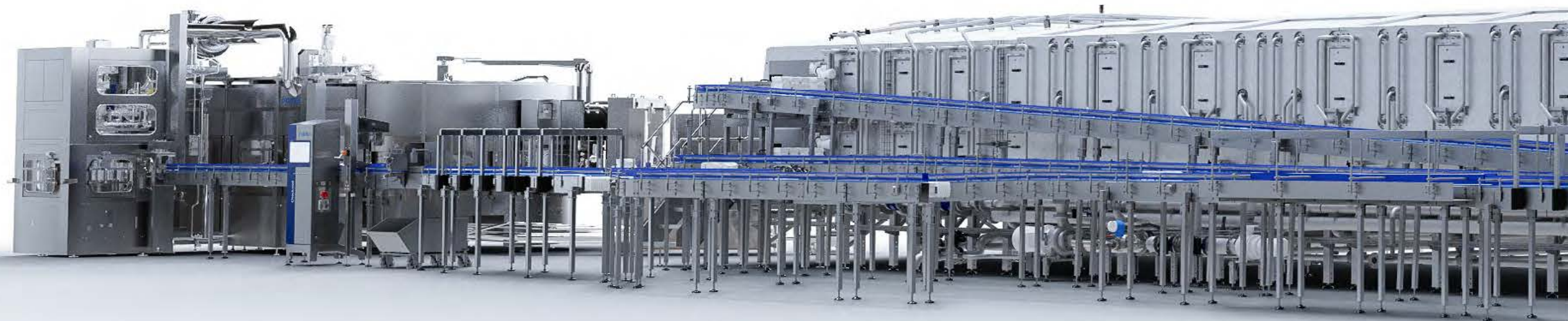




LinaFlex eSync pasteuriser: flexible and space-saving pasteurisation for sensitive products

The LinaFlex eSync is a new modular block solution developed by Krones for canning. It combines a filler and pasteuriser into one compact unit. That saves space and eliminates fault-prone crossover points. A single-lane conveyor to transfer cans from the filler to the pasteuriser allows the speed to be flexibly adjusted and means that the cans are exposed to less pressure than in a bulk conveyor. Single-lane conveyors also need less maintenance and are space-saving. A buffer conveyor belt integrated into the pasteuriser makes up for any production fluctuations.

Overall, LinaFlex eSync can save up to 40% of the space required. Operator effort is also reduced because of the significantly shorter distance between the filler and the pasteuriser. The simple and compact design of the filler-pasteuriser block makes for an extremely flexible line layout and significantly reduces product changeover times. That increases output – while taking up less space.





Prefero system: preform production completes the PET loop

With the Prefero preform system, Krones has closed the loop for the production, filling and packaging of PET containers. This makes the company the only supplier with a portfolio covering the entire PET beverage industry value chain. In the Prefero system, Krones combines Netstal's injection moulding technology with plastic moulds from its subsidiary MHT and the established Krones Contiform stretch blow moulding technology to create a unique solution for the production of PET containers.

The heart of the preform system is the Prefero PET injection moulding machine. This can handle up to 100% recycled PET and, thanks to an integrated energy recovery system, saves up to 20% of total energy consumption compared to competing machines. The machine also has an extremely high output, producing up to 130,000 preforms per hour.

Inhouse preform production offers additional benefits for Krones customers: improved security of supply and quality in the supply chain, customised preform design, plus energy and carbon savings thanks to reduced transportation, warehousing and logistics. The direct connection to the Contiform stretch blow-moulding machine also reduces internal logistics as the preforms are transferred directly from the injection moulding machine to the stretch blow-moulding machine without any intermediate handling. Furthermore, the Prefero system is 100% digital-ready and can thus be fully integrated into the Krones digital ecosystem and the digital beverage plant.





Non-financial statement





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Performance 2024

	Target	Progress towards target: 2024			Target 2030
E	Reducing Scope 3 emissions in upstream processes	2019	<div><div>+17.5%</div></div>	2030	−30%
	Reducing Scope 1+2 emissions at our plants	2019	<div><div>−51.7%</div></div>	2030	−80%
	Reducing Scope 3 emissions for the sold products	2019	<div><div>−18.1%</div></div>	2030	−30%
	Reducing energy footprint of sold products	2022	<div><div>−7.2%</div></div>	2030	−25%
	Reducing water in own operations	2020	<div><div>+10.4%</div></div>	2030	−10%
	Reducing water footprint of sold products	2022	<div><div>−10.0%</div></div>	2030	−20%
	Reducing hazardous waste in our operations	2020	<div><div>+31.2%</div></div>	2030	−10%
	Krones lines' plastics output recycled with Krones technology (equivalent)	2022	<div><div>7.6%</div></div>	2030	30%
S	Women in leadership	2020	<div><div>16.5%</div></div>	2030	20%
	Reducing occupational accidents in relation to hours worked	2020	<div><div>−37.2%</div></div>	2030	−30%
	Suppliers managed with regard to human rights	2022	<div><div>11.6%</div></div>	2030	100%
G	Legal entities evaluated with compliance risk analyses (FTE covered)	2022	<div><div>94.8%</div></div>	2030	100%
	Implementing iso 27001 for relevant entities	2022	<div><div>66.8%</div></div>	2030	85%



General disclosures (ESRS 2)

About the non-financial statement

The Krones Group's combined non-financial statement is a central document that transparently presents the company's sustainability performance at a consolidated level. It explains the material impacts, risks and opportunities (IROs) related to sustainability topics, both within the company and along the entire value chain. The scope of consolidation for the combined non-financial statement of the Krones Group goes beyond the scope of consolidation for financial reporting and includes all companies for which material IROs have been identified. This section of the management report is the combined non-financial statement for the 2024 financial year for Krones AG and the Krones Group, in accordance with Sections 289b et seq. and 315b et seq. of the German Commercial Code (HGB) and Article 8 of the EU Taxonomy Regulation 2020/852. A table of Krones AG's non-financial key performance indicators is provided at the end on *page 178*. This document has been prepared for the first time in partial compliance with the European Sustainability Reporting Standards (ESRS) and uses these as a framework, which has been adopted as a reporting standard by the European Commission. A small number of disclosure requirements that we have not yet been able to comply with in full are marked accordingly (see »*List of disclosure requirements not complied with*«, *page 177*). The reporting period for the statement is the same as for the consolidated financial statements; for strategic metrics, prior-year figures are also included for better comparability and to show changes. Other parts of the management report have been incorporated by reference during preparation. This is indicated where applicable. This combined non-financial statement has been reviewed by the German public audit firm EY GmbH & Co. KG Wirtschaftsprüfungsgesellschaft on the basis of a limited assurance engagement.





Reporting standards

Group-wide Sustainability Accounting Guidelines provide the uniform basis for the definition, calculation and presentation of sustainability information. The sustainability-related quantitative metrics to be determined are collected by the operating departments and are generally based on process data systems, measurements, readings, calculations and procurement data. Financial information is taken from the financial reporting that is prepared in parallel. Any adjustments and changes to sustainability data – whether in terms of definition, calculation or presentation – are clearly identified and communicated.

The complexity and heterogeneity of many information items necessitates the use of estimates and assumptions. We aim to reduce such cases to a minimum in our combined non-financial statement and to ensure that all estimates and assumptions are based on sound empirical values and have been subjected to careful plausibility checking in accordance with the dual control principle. For smaller, non-production sites where we do not have complete data, estimates have been made based on comparable sites. The main parameter for such estimates is the employee headcount, which in our opinion provides an appropriate and relevant basis for comparison to ensure consistent and proportionate estimation of sustainability performance. To increase the transparency and understandability of the metrics, we explain additional underlying assumptions for each metric in context. In order to continuously improve the accuracy of estimated metrics along the value chain, Corporate Sustainability, in close collaboration with the relevant departments, reviews and improves data collection and

calculation methodologies on an annual basis. For data that cannot be measured directly, a systematic procedure has been established in the data collection process to document the necessary estimates and assumptions. This approach enables us to ensure the quality and reliability of the information reported while increasing the verifiability of the data in this statement. To improve the accuracy of estimates and projections, historical data is systematically collected and analysed. This makes it possible to refine methods and infer future trends. A process review has identified sources of error and led to improvements that enhance data integrity. Employees are also provided with training to optimise data collection and processing and ensure reliable estimation.

The Krones Group's combined non-financial statement has been fundamentally revised for the 2024 financial year compared to past reports, as it is prepared for the first time in partial compliance with the European Sustainability Reporting Standards. Key changes relative to the previous year include the findings of a newly conducted materiality assessment, including descriptions of the identified impacts, risks and opportunities, restructuring of the report content into environmental, social and governance information, and the addition of qualitative information and several metrics. In addition, changes have been made relative to the previous year's reporting due to errors relating to the EU Taxonomy capex KPI and to Scope 1 emissions. Adjustments due to methodological changes are explained at the relevant point.



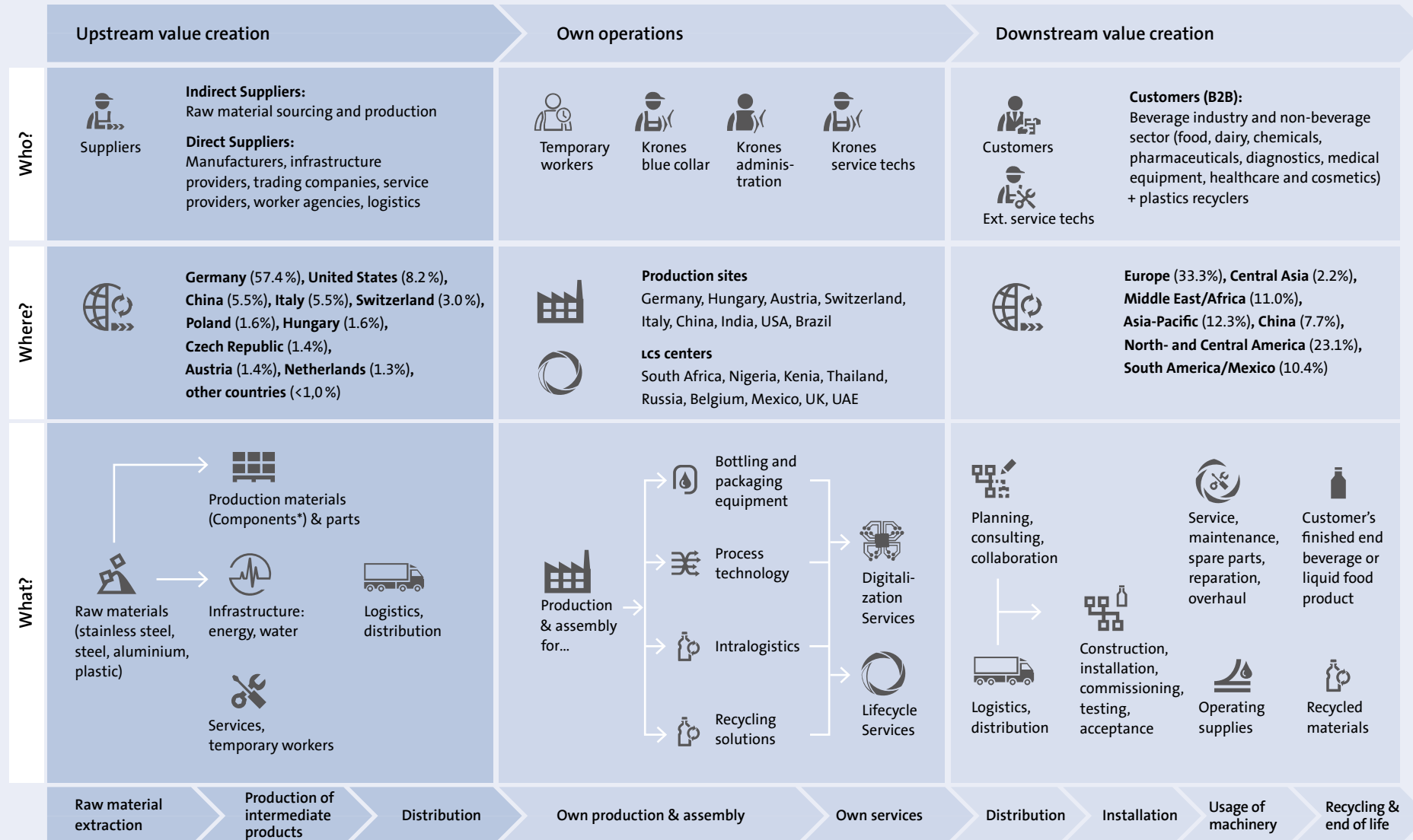
Strategy, business model and value chain

The Krones Group is a globally leading provider of packaging and filling technologies for the food and beverage industry. Our business model is based on the development, manufacture and sale of machines and entire lines for process, filling and packaging technology. Krones products include bottle washers, fillers, labellers, inspection devices, complete packaging lines, recycling systems, and process technology and intralogistics solutions. Our services encompass consulting, planning, installation, maintenance and training. We serve a wide variety of customers, from small breweries to large multinational beverage producers. In sales, we work closely with our customers to offer tailored solutions that meet their specific requirements. Our own operating processes begin with research and development. This is where we create innovative solutions that enable our customers to produce more efficiently and sustainably and that digitalise the related processes. Manufacturing takes place in state-of-the-art production facilities intended to ensure high quality and precision for our products. Subsequent to installation, we offer comprehensive after-sales services to ensure system longevity and performance. Our upstream value chain includes sourcing high-quality materials and components from trusted suppliers and working with logistics partners to ensure problem-free transportation and timely delivery. Outcomes of our business activities include not only our sales of machines and lines, but also positive impacts on our customers' production processes such as increased efficiency, reduced resource consumption and improved product quality. Trust-based working relationships with our business partners, risk management and auditing and security measures help to ensure that we can gather, develop and secure the inputs from our business model and supply chain as resiliently as possible.





Value chain



* As a retailer, KIC Krones indirectly sources chemicals (adhesives, lubricants, detergents, and disinfectants)



Sustainable business strategy

The Krones corporate vision, »Solutions beyond tomorrow«, shows how sustainability drives our company. The Krones Group seeks to do its part to build a sustainable world, and we view digital innovation as a sustainability enabler in both our own business activities and our customers' business. Efficient and environmentally compatible technologies for safe, high-quality beverages: That is the mission that the Krones Group has set itself in terms of product sustainability. Consumers are making sustainability part of their buying choices more than ever before, and so our customers rely on us to provide future-ready technology solutions for their production operations. We work continuously to improve the efficiency, longevity and eco-friendliness of our products and services while also increasing the sustainability of our own operations and value creation processes. We firmly believe that a consistent approach to sustainability will help us leverage new opportunities for growth.

Under our corporate vision, we seek to address three global challenges – curbing climate change, responsible use of packaging materials and feeding the world's population – and contribute to solving them. With innovative products and technologies for safe and resource-efficient food production, we contribute indirectly to feeding a growing world population. We address climate change by reducing carbon emissions not only in the manufacture of our machines and lines, but also in their operation in customers' plants. With our recycling technologies and solutions for material-saving packaging production, we combat the problem of plastic waste. To actively manage our contributions to addressing the challenges – such as our enviro portfolio, recycling technologies and consulting activities – we have set ourselves specific product-related sustainability targets. These are geared to the energy and media-efficient operation of our products and technologies and contribute to the transition to a circular economy.

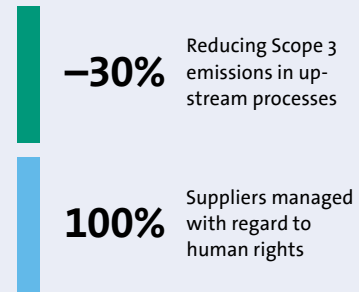
Sustainability targets 2030

The Krones Group's sustainability targets were officially adopted by the Executive Board in the 2020 financial year. In 2024, they were subjected to a review in which twelve environmental, social and governance (ESG) key performance indicators were selected to manage sustainability along the value chain through to 2030. Overall, a target has not been specified for all identified IROs, as this is the first year that the ESRS materiality assessment has been conducted. The targets will be reviewed as needed in the future on the basis of new materiality assessments, legal and regulatory requirements and stakeholder interests. Various departments were involved in specifying the sustainability targets in order to ensure a comprehensive and integrative target setting process. The base year for each target has been internally validated with regard to representativeness and is the year in which the target was adopted. In defining the targets, Krones applied an integrated approach encompassing internal requirements, external stipulations and benchmarking. The process included workshops in which the relevant departments discussed the business processes and legal requirements in order to develop uniform targets. Involvement of the Works Council in the development process was ensured by its presence on the Supervisory Board. The targets were reviewed and given final approval by the Executive Board. The sustainability targets and their development process were publicly communicated and were also presented at Capital Markets Day in order to ensure transparent communication with investors and analysts. No interim targets were specified in this context.

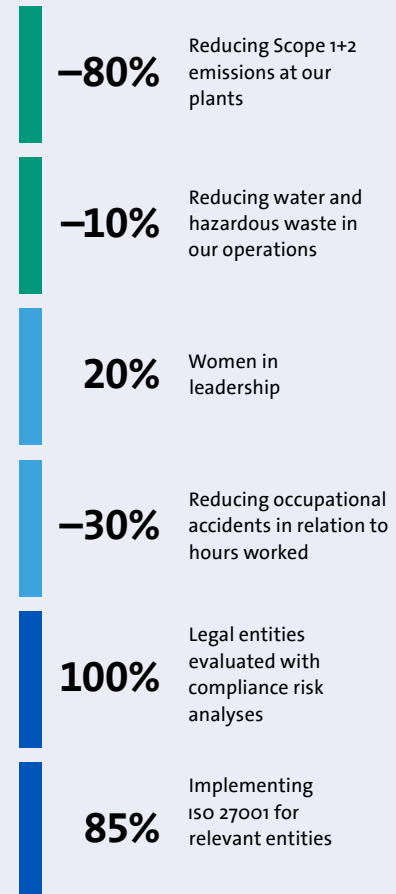


Krones sustainability targets 2030 and Net-Zero until 2040

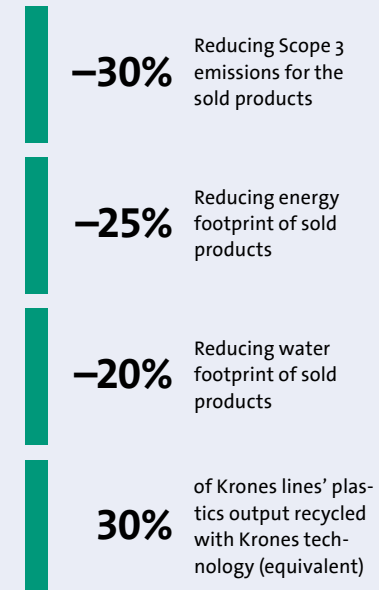
Upstream chain



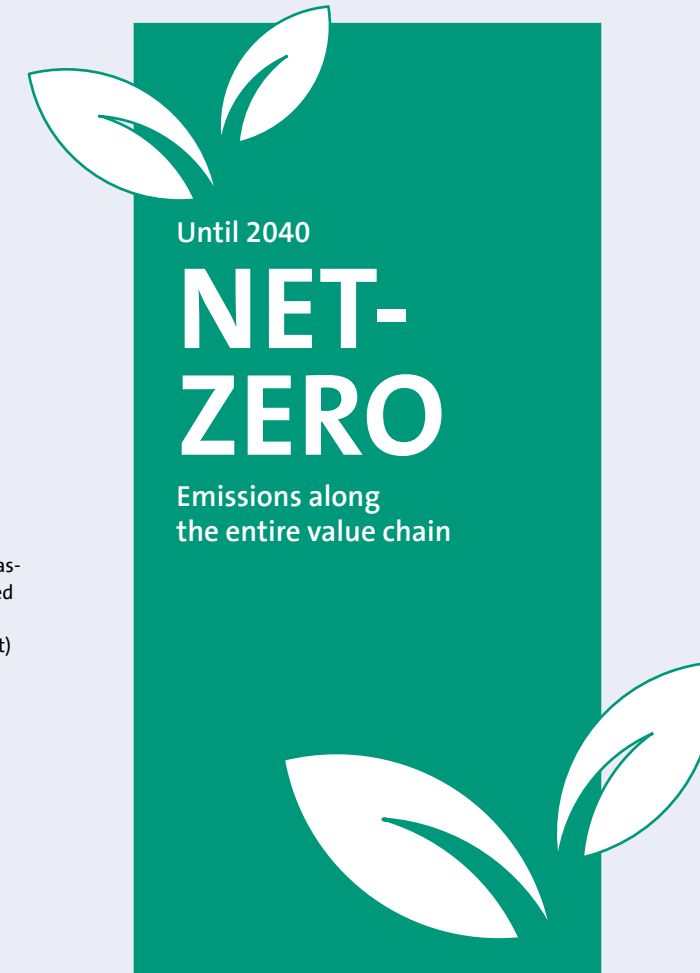
Own operations



Downstream chain



■ Environmental
■ Social
■ Governance





To achieve these targets, we are taking various courses of action, which are described in the relevant parts of the topic-specific sections under »Climate change«, »Water resources«, »Resource use and circular economy«, »Own workforce«, »Workers in the value chain« and »Business conduct«. The actions taken by Krones are an integral part of our sustainable corporate strategy to achieve our 2030 targets and make a significant contribution to the long-term 2040 net zero target. We work continuously on implementation and adjust our strategies to maximise the effectiveness of our actions. To this end, we track the metrics listed in the individual sections.

The process of quantitative data collection, verification and consolidation in the Krones Group is implemented in centralised software. To ensure the comparability and accuracy of the reported data, all metrics are converted into a standardised reference unit directly in the software. Uniform conversion factors are applied to enable consistent and efficient data processing. The Executive Board holds coordination meetings on sustainability topics at six-weekly intervals so as to bring the management of our sustainability targets into the top tier of company leadership. Progress in target achievement is monitored and assessed on a quarterly basis as part of reporting to the Executive Board. In this reporting, the twelve sustainability key performance indicators are tracked and strategic decision papers formulated regarding the company's sustainable development. The reporting includes detailed information on how the targets are monitored, an assessment of whether progress is in line with the targets as originally planned and an analysis of trends or significant changes in performance. This structured approach enables us to accurately assess target achievement, respond quickly to any off-target performance and make any necessary adjustments.

Financial effects and investments

Krones is not yet able to fully quantify the financial effects of material ESG-related risks and opportunities in monetary terms as required by the ESRS. We capture the expected financial impact and incorporate it into our strategic considerations by using qualitative assessment logic. However, we work continuously to improve our risk assessment processes and plan to carry out a comprehensive financial impact assessment in the coming year or at the latest by the end of the phase-in period. We are also not yet able to provide quantitative information on the financial impacts of our current and future action plans and the actions within them. This applies both to the main activities and plans that we intend to implement and to their financial significance relative to the figures in our financial reports. Information on our taxonomy-eligible and taxonomy-aligned capex, opex and revenue can be found in the EU Taxonomy section (see »EU Taxonomy« page 128).



To channel investment towards measures promoting target achievement, investment project applicants must assess their projects against a list of ESG criteria as part of the budgeting and investment process. After a review by Corporate Sustainability, relevant ESG-related investment is given a green flag for the subsequent investment request process. This highlights its contribution to Krones' sustainability targets. The goal is to promote the consideration of more than purely economic arguments in the overall assessment of sustainability-related investments.

Investments in connection with our group-wide climate targets play a particularly prominent role in the investment process. When planning and making investments, we attach particular importance to measures that contribute to the implementation of our climate transition plan and thus to achieving our climate targets. Part of the investment budget is allocated in the annual budgeting process for projects and initiatives with a positive climate impact. The aim here is to provide sufficient financial resources to implement all planned activities and to ensure a positive impact towards the climate targets. An equally important element is thorough process-based and criteria-based evaluation to ensure the effectiveness of our actions and efficient use of resources. Last but not least, achieving our targets requires close collaboration with partners along the value chain in order to ensure coordinated and lasting implementation.

Contribution to the Sustainable Development Goals

The United Nations Sustainable Development Goals (SDGs) are considered the most important set of global targets for sustainable development. The 17 goals were published in September 2015 as part of the UN's Agenda 2030. They articulate the key challenges and ambitions of global sustainability policy and thus serve as a guide for the sustainable development of society, culture and the economy. As it is embedded in global value chains, the Krones Group also influences economic, environmental and social developments – in some cases directly and materially, and in others only indirectly and to a minor degree. Under our corporate vision, »Solutions beyond tomorrow«, we have analysed which SDGs are influenced by our strategic targets.





Materiality Assessment

For the combined non-financial statement for the 2024 financial year, a double materiality assessment for the Krones Group was carried out for the first time in accordance with the requirements of the ESRS. Under the double materiality principle, information must be provided on an ESRS topic if the assessment identifies a material impact on people or the environment or a financial impact on Krones. The materiality assessment incorporated a range of methodologies and assumptions, including stakeholder analysis, stakeholder engagement, value chain analysis and engagement, and the application of specific assessment criteria and thresholds. Following the initial double materiality assessment carried out in collaboration with internal departments and taking into account the expectations of external stakeholders, the Executive Board evaluated the identified IROs and approved them in an Executive Board resolution. The Supervisory Board is also informed of the findings via the Executive Board's regular reporting. The material topics listed below and the associated impacts, risks and opportunities are included in the monitoring of the corporate strategy, in decision-making processes and in risk management (see »*Risk and opportunity report*«, page 216). The current materiality assessment for Krones was carried out from April to June 2024. The findings, which were reviewed in December to ensure that they are still current, comprise the basis for Krones' sustainability reporting for the 2024 financial year. As this is the first time the materiality assessment has been carried out in accordance with the ESRS, it is not currently possible to provide historical comparisons or trend information.



Scope

The materiality assessment identified and assessed the impacts of our business activities on people and the environment and the risks and opportunities for our business. This process takes into account the impacts connected with Krones through its own business activities and business relationships. Our assessment included actual and potential positive and negative impacts in relation to sustainability topics. The financial impact assessment took account of sustainability-related risks and opportunities that could have a negative or positive impact on our business. Our process is designed to identify specific activities, business relationships, geographies or other factors that give rise to heightened risk of negative impacts.

Stakeholder engagement

We carried out the double materiality assessment with the involvement of internal experts from various business units and corporate functions at Krones. In place of direct consultation or evaluation of material topics by external stakeholders, internal subject-matter experts with in-depth specialist knowledge examined the potential and actual impacts from the perspective of affected stakeholders. These experts are in regular contact with external stakeholders and therefore have a good insight into their interests and views.



Methodology

To determine the materiality of a sustainability matter for reporting purposes, Krones assesses the related IROs. The first step is to identify and name these IROs. Impact materiality is thus assessed ‘inside-out’ by looking at the (actual or potential) positive or negative impacts of Krones’ business activities on people and the environment along the value chain. Next, each sustainability topic is assessed for its financial impact on Krones in order to determine whether it has financial materiality (»outside-in«).

The company’s impact on people and the environment can be actual or potential, negative or positive, it can arise directly through Krones or indirectly along the value chain and it can have a short, medium or long-term effect. An impact’s materiality is determined by its severity, which is based on an assessment of its scale, scope and (in the case of negative impacts) remediability and (for potential impacts) its likelihood of occurrence. Risks and opportunities are (potential) financial impacts of a sustainability matter on Krones in that it has an influence on the company’s cash flows, development, performance, position, cost of capital or access to finance. This is not constrained to matters under Krones’ control. Dependencies on natural, human and social resources can be sources of financial risks or opportunities. The materiality of risks and opportunities is assessed based on the magnitude of the financial effects and their likelihood of occurrence. Based on a predefined materiality threshold, which is based on the EFRAG recommendation, matters are considered material if they are associated with either a significant positive or negative impact or significant financial risks or opportunities.

Assessment criterion	Description	Scale
Scale	How grave the impacts are	None to very high
Scope	How widespread the impacts are	None to global
Remediability	How readily the impacts can be remediated	Very easily remediable to irreducible
Likelihood of occurrence	The likelihood of occurrence of the impact	Very low to high
Magnitude of the financial impact	The size of the financial loss or gain	None to very high

The table shows the assessment criteria used in the materiality assessment.

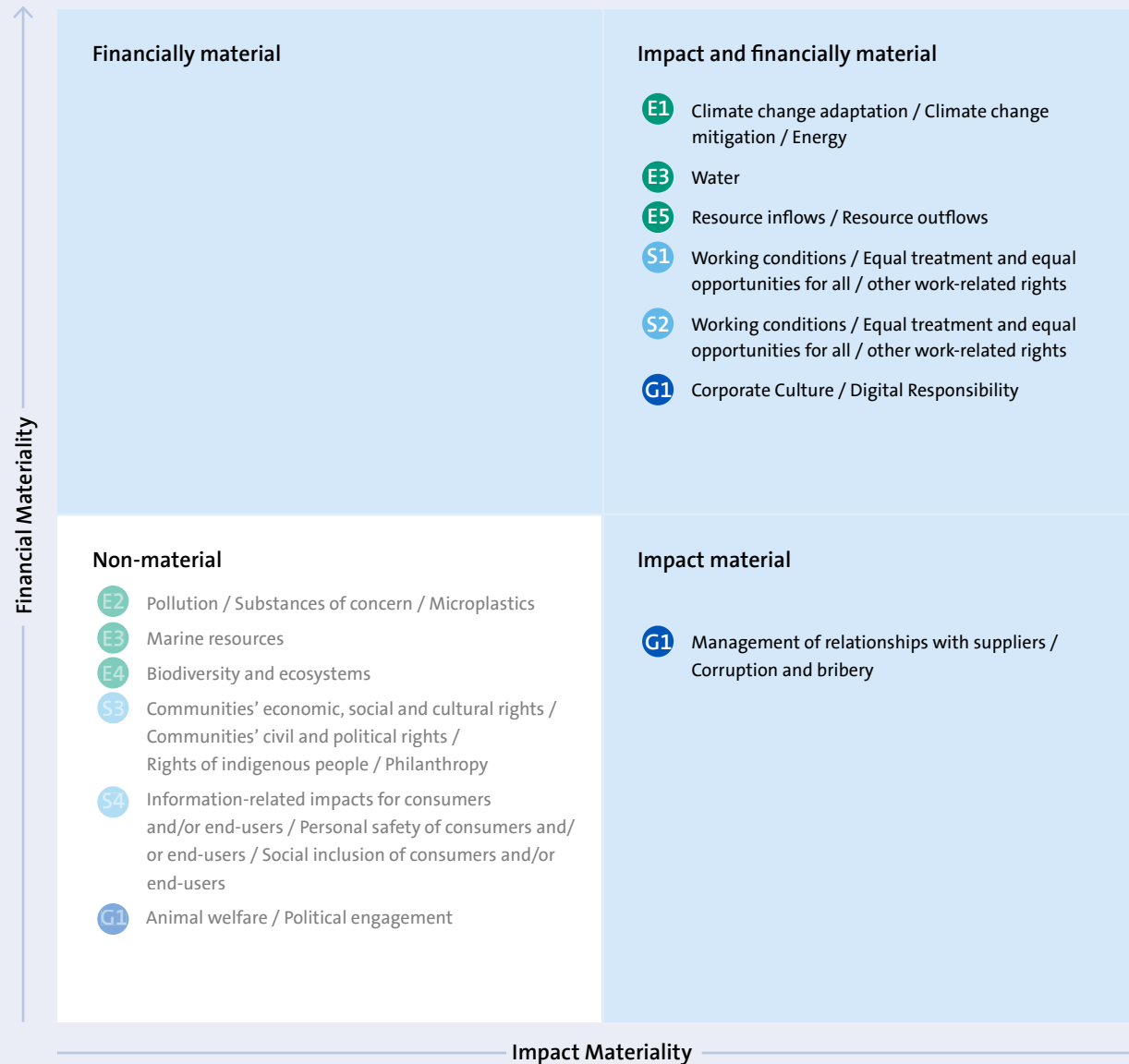
Process

The materiality assessment process began with the compilation of a longlist of potentially material topics, reflecting both the ESRS criteria and entity-specific characteristics. An integral part of this process was the identification of relevant stakeholders and the analysis of their interactions and expectations. On the basis of this longlist, the positive and negative impacts, risks and opportunities along the Krones Group’s value chain were analysed in detail. These IROs were assessed by recognised subject-matter experts within the company and then reviewed and validated by the Sustainability Steering Board. By applying predefined thresholds, we were able to precisely identify the material sustainability topics of greatest significance to our corporate strategy. Based on scores for the respective IROs, a given topic is identified as material and both qualitative and quantitative data is collected in accordance with the ESRS requirements. We have established control mechanisms as part of our data collection process. These are covered in the “Risk management and internal controls” section (see page 96).





Materiality Matrix



Material topics

As the outcome of the materiality assessment, six out of ten topics are material for Krones. The sustainability-related impacts, risks and opportunities associated with the material topics are presented in detail in the topic-specific sections.



Non-material topics

No locations or business activities have been identified where environmental pollution, biodiversity and the ecosystem, affected communities or consumers and end-users is a material topic. Nor did the subject-matter experts identify any material IROs for these matters in our upstream and downstream value chain.

Pollution

The assessment of the environmental impacts of our business activities covered pollution (air, water, soil, living organisms and food resources), substances of concern and microplastics. The assessment of these topics and the related stakeholder groups showed the topic of pollution to be non-material for Krones.

Biodiversity and the ecosystem

As most of our sites are in long-established commercial and industrial zones, our existing activities have been assessed to have little impact on biodiversity. When developing new sites for use, preliminary assessments are carried out in consultation with the authorities. We also use recognised screening tools that enable us to analyse, assess and respond to biodiversity risks. A biodiversity scenario analysis considers physical, regulatory and reputation risks. No material risks have been identified for our sites as a result of this analysis, which was conducted in part in dialogue with local communities. We recognise that climate change not only threatens our ecosystems, but also has a direct impact on biodiversity, as changing climatic conditions endanger the habitats of many species.

Affected communities

As part of the materiality assessment, Krones examined the impact of its business activities on local communities. The matters considered included potential noise emissions from operating processes, the volume of traffic caused by our activities, and the related air and light pollution. Potential health effects on local residents were also taken into consideration. Krones is committed to continuous interaction with stakeholders to ensure that their interests and concerns are taken into account. However, no material negative or positive impacts, risks or opportunities related directly to our business processes were identified in the assessment.

Consumers and end-users

Our business-to-business customers use Krones machinery and services to manufacture their products, which are then consumed by private end-consumers. The quality and functionality of Krones machines can influence the quality of the end products. For this reason, the double materiality assessment considered matters potentially related to the personal safety of consumers and end-users. However, the assessment did not identify consumer safety as a material topic. Krones aims to ensure that its machines and lines meet the highest quality standards in order to guarantee the safety of end-consumers. Due to the small likelihood of occurrence, the topic is therefore considered non-material. Product safety, meaning the safety of our machinery, is addressed in the social information on value chain workers. *For further information see »Workers in the value chain«, page 154.*





Material impacts, risks and opportunities and their interaction with strategy and business model

The various negative and positive impacts, risks and opportunities already directly and indirectly influence our business model, our value chain and our strategic decisions. Investment in implementing sustainability-related actions and optimising our value creation processes is a key part of our corporate strategy to manage the wide variety of effects influencing our business. Our sustainable business strategy is therefore a dynamic and continuous process that evolves with changing circumstances, with the aim of developing innovative and sustainable solutions that not only meet our customers' needs, but also have a positive impact on the environment and promote social values. At the same time, we have implemented a systematic approach for monitoring, analysing and thus tracking the impacts of our business activities on people and the environment. The time horizons over which we expect our business activities to have a significant impact on the environment and society are very varied, reflecting the complexity of our global operations.

Resilience of strategy and business model in relation to material impacts, risks and opportunities

In line with our corporate vision of »Solutions beyond tomorrow«, the Krones Group's strategy and business model are geared to sustainability and efficiency. Krones proactively incorporates sustainability risks such as climate change, the need for responsible use of packaging materials and feeding the world's population into its strategic planning and thus into investment, development and sales decisions. The vision of making sustainable products widely available drives innovation and reinforces Krones' market position, enabling it to seize opportu-

nities and increase its resilience in a changing market environment. Viewed over the medium term, Krones benefits from a stable international beverage and liquid food market and from customers who show constant willingness to invest. We have the strategic flexibility to repurpose, modernise or decommission assets as needed to maintain our competitiveness and sustainability. Furthermore, we invest in the professional development of our employees to ensure that our team has the skills needed for any adjustments in our product and service portfolio. These measures contribute to Krones' ability to operate successfully in a changing market environment.

Sustainability governance

Sustainability is embedded in the Krones Group's corporate vision as a strategic focus. The resulting sustainability transformation of the company is managed by the Executive Board, with the Chief Executive Officer (CEO) having overall responsibility for sustainability. Target achievement and the implementation of action is assigned to the departments responsible for the Environment, Social and Governance dimensions of sustainability. Corporate Sustainability, which reports directly to the CEO, serves as a catalyst for our sustainable transformation along the entire value chain. It coordinates the sustainability targets, empowers employees and monitors performance and target achievement, which it regularly reports to the Executive Board. A group-wide network of sustainability coordinators supports the corporate unit and drives sustainability in the international subsidiaries. Information on general corporate governance at Krones can be found in the Corporate Governance Statement or in the governance information section (*see page 242 and page 160*).



The role of the administrative, management and supervisory bodies

In the Corporate Governance Statement, the Executive Board and Supervisory Board report on the company's corporate governance. The responsibilities of the Krones Group Executive Board and Supervisory Board are governed by rules of procedure. The Executive Board consists of five executive members, 20% of whom are women, while the Supervisory Board consists of 16 non-executive members, 37.5% of whom are women. An overview of the composition and competencies of the Supervisory Board is disclosed in the profile of skills and expertise. As a result of regular reporting by Corporate Sustainability, all members of our Executive Board have knowledge of sustainability issues. (see »Duties and activities of the Executive Board and the Supervisory Board«, page 252 and »Status of implementation of the profile of skills and expertise«, page 247).

Clear roles and responsibilities are defined for the monitoring of IRO management. The Executive Board sets the targets and monitors sustainability performance, whereas responsibility for carrying out the materiality assessment and IRO management is delegated to Corporate Sustainability. Sustainability priorities are an integral part of Executive Board decision-making. The Executive Board is provided with quarterly updates on progress towards the sustainability targets. The Supervisory Board monitors implementation of the sustainable corporate strategy and compliance with regulatory requirements.

The members of the Executive Board each have the sustainability expertise and experience necessary for their areas of responsibility. All members of the Supervisory Board have the necessary skills to fulfil their advisory and supervisory

role for sustainability topics and the impact of these topics on the strategy and business model. The Executive Board and Supervisory Board are able to assess industry-specific and entity-specific IROs on the basis of their many years of industry experience, subject-matter expertise and understanding of Krones' specific challenges and circumstances.

Percentage of independent board members in the administrative, management and supervisory bodies

- Total percentage on the shareholders side who are independent: 62.5%
- Percentage on the shareholders side who are independent of the Executive Board and the company: 87.5%
- Percentage on the shareholders side who are independent of controlling shareholders: 75%

Integration of sustainability-related performance in incentive schemes

Sustainability matters are included in the policies that govern Executive Board remuneration. From the 2024 financial year onwards, ESG targets account for 20% of the target amount of the long-term incentives (LTIs), and further ESG targets are to be added in turn. In addition to Scope 1 and Scope 2 greenhouse gas (GHG) emissions, the LTI has also been based since the 2023 financial year on the percentage of women in management (Krones AG and Krones Group). Emissions are weighted at 70%, the percentage of women in management in the Krones Group is weighted at 20% and the percentage of women in management within Krones AG is weighted at 10%.

Policy documents

Our fundamental codes – the Code of Conduct and the Supplier Code of Conduct – are derived from the company's corporate vision. These documents apply without exception to all workers and service providers along the value chain. Their purpose is to ensure compliance with laws, standards and policies throughout the company in order to foster a working environment characterised by integrity, respect and fair and responsible conduct. At the same time, the policy

documents serve to embed a strong compliance culture within the company, reinforce our values and encourage employees throughout the value chain to report wrongdoing. In the interests of all stakeholders, violations of our codes are systematically investigated and dealt with. All value chain workers and external stakeholders of the Krones Group have various means to be heard in the event of a violation. Besides direct contact with the company, the main point of contact is the Krones Integrity reporting system (see »Whistleblower system«, page 166).



Policy documents	Subject matter and objectives			Scope	Responsibility	Third-party standards and initiatives	Communication
	E	S	G				
Code of conduct	General standards under our corporate vision of »Solutions beyond tomorrow« as part of our sustainable corporate strategy			Own workforce, suppliers and customers	Corporate Governance, Executive Board	<ul style="list-style-type: none">Sustainable Development Goals (SDGs)United Nations Global Compact (UNGC) principlesOrganisation for Economic Cooperation and Development (OECD) Guidelines for Multinational EnterprisesInternational Labour Organization (ILO) core labour standardsEthical Trading Initiative (ETI) Base CodeGerman Supply Chain Due Diligence Act (LkSG)	Corporate website; internal communication channels such as: <ul style="list-style-type: none">SharePointIntranetExecutive Board
	Environmental protection and climate change mitigation	Respect for human rights including human trafficking, prohibition of forced labour and child labour, anti-discrimination, diversity and inclusion	<ul style="list-style-type: none">Anti-corruptionFraud preventionConflicts of interestCompetitionConfidentialityPrivacyDangers of digital media	No specific groups – entire workforce			
Supplier Code of Conduct (supplemented by the Supplier Handbook, including ESG requirements)	General standards under our corporate vision of »Solutions beyond tomorrow« as part of our sustainable corporate strategy – expectations regarding the ethical, social and environmental responsibility of business partners			Suppliers	Corporate Governance, Executive Board	<ul style="list-style-type: none">Guiding Principles on Business and Human RightsInternational Bill of Human RightsUK Modern Slavery Act	Corporate website; internal communication channels such as: <ul style="list-style-type: none">SharePointIntranetExecutive Board
	Environmental protection and climate change mitigation	Respect for human rights including human trafficking, prohibition of forced labour and child labour, anti-discrimination, diversity and inclusion	<ul style="list-style-type: none">Anti-corruptionFraud preventionConflicts of interestCompetitionConfidentialityPrivacy				



Cross-cutting documents related to sustainability

Human Rights Statement

Subject matter and objectives	Scope	Responsibility	Third-party standards and initiatives	Communication
Human rights strategy – Why human rights due diligence and Krones belong together Topics: <ul style="list-style-type: none">Governance and playersDue diligence obligationsRisk managementPreventive measuresReporting systemReporting and effectiveness control	Own workforce, suppliers and customers No specific groups – entire workforce	Corporate Sustainability, Executive Board	<ul style="list-style-type: none">Sustainable Development GoalsUNGC principlesOECD guidelines for Multinational EnterprisesILO core labour standardsETI Base CodeGerman Supply Chain Due Diligence Act (LkSG)Guiding Principles on Business and Human RightsInternational Bill of Human RightsUK Modern Slavery Act	Corporate website; internal communication channels such as: <ul style="list-style-type: none">SharePointIntranetExecutive Board

Climate Transition Plan

Subject matter and objective	Scope	Responsibility	Third-party standards and initiatives	Communication
Presentation of group-wide targets and strategic actions to achieve our climate targets as part of our overall business strategy: <ul style="list-style-type: none">Positive contribution to climate change mitigationTransition to a low-emission circular economySignificant reduction in GHG emissions Transparent reporting on progress through annual update (see »Climate change ESRS E1«, page 99)	Entire value chain	Corporate Sustainability, Executive Board	<ul style="list-style-type: none">Paris Climate AgreementGreenhouse Gas ProtocolScience Based Targets initiative	Corporate website; internal communication channels such as: <ul style="list-style-type: none">SharePointIntranetExecutive Board




* We recognise the importance of assessing potential locked-in GHG emissions. However, a qualitative assessment in relation to our assets and products is not yet available. Under the provisions on the EU Paris-aligned benchmarks in Delegated Regulation (EU) 2020/1818, Krones is not excluded from the EU Paris-aligned benchmarks.



Interests and views of stakeholders

The interests of our stakeholders range from product quality and innovation to working conditions, environmental protection, economic performance and social responsibility. Ongoing communication with our stakeholders is an integral part both of our sustainability initiatives and of our project and process design

to ensure that we are aligned with our stakeholders’ interests and views. The insights we gain from this dialogue are incorporated into our due diligence processes and into the double materiality assessment. The management and supervisory bodies are briefed on stakeholder interests in reports and meetings to ensure that those interests inform strategic decisions.

Stakeholder group	Stakeholder interaction	Examples	Purpose
 Employees	Regular interaction, unidirectional; information on relevant ESG topics	<ul style="list-style-type: none">Employee reviewsExecutive Board members in dialogueWorks meetingsSurvey on corporate visionEmployee magazineRegular communication between Works Council and Human Resources	Engagement with employee expectations and experiences; contribution to an attractive and sustainable working environment
 Customers	Regular interaction; discussions and collaboration for a sustainable portfolio	<ul style="list-style-type: none">Customer meetingsCustomer supportBusiness partner due diligenceTrade fairs and events	Promoting trust and collaboration; sale of sustainable solutions; supporting our customers in achieving their goals
 Suppliers	Regular interaction; discussions and collaboration on ESG topics within the supply chain	<ul style="list-style-type: none">Supplier meetingsBusiness partner due diligenceAudit formatsSustainability AssessmentsSupplier days	Compliance with the Supplier Code of Conduct and protection of human rights; decarbonisation of our supply chain
 Investors	As the need arises, unidirectional; publication of ESG information and rating results at events/communication	<ul style="list-style-type: none">ESG ratings and rankingsInvestor callsCapital Market DaysRegular information for investors	Understanding expectations; increasing transparency on sustainability performance
 Auditors	As the need arises, bidirectional; interviews to validate ESG reporting	<ul style="list-style-type: none">Audit meetings	Review of ESG reporting
 Management	Regular interaction; collaboration on the company's sustainable development	<ul style="list-style-type: none">Quarterly reportingTopic-specific communicationDirect Report: Sustainability	Strategic decision and deciding action
 Supervisory Board	As the need arises, unidirectional with questions; communication of ESG information and rating results at events/communication	<ul style="list-style-type: none">Meetings of the Audit and Risk Management Committee	Strategic decision and deciding action

Continuation of table on page 96

Continuation of table from page 95

 Applicants	Regular interaction; selective interviews (rarely on ESG)	<ul style="list-style-type: none"> Job interviews Social media communication 	Enhancing Krones' attractiveness as an employer and employee recruitment
 Competitors	Regular dialogue in industry associations; mostly unidirectional; research on competitors' sustainability performance	<ul style="list-style-type: none"> Research/benchmarking 	Competitiveness
 Public and media	Regular interaction, unidirectional; information on relevant ESG topics and projects	<ul style="list-style-type: none"> Press releases Communication channels (such as Krones magazine and social media) 	Enhancing Krones' attractiveness for new employees; competitiveness; supplier and customer communication
 Research	Regular interaction; discussions and collaboration on sustainable portfolio	<ul style="list-style-type: none"> Joint workshops and research and development projects with universities 	Problem solving; development of new innovations
 Works Council	Regular interaction, bidirectional; information on relevant ESG topics	<ul style="list-style-type: none"> Works meetings Communication between Works Council and Human Resources 	Engagement with employee perspective
 Local communities	As the need arises, bidirectional; interaction on employment and infrastructure topics (such as water and energy)	<ul style="list-style-type: none"> Interaction in connection with local topics and events 	Feedback on questions and concerns; positioning as an attractive employer
 NGOs/civil society	As the need arises, bidirectional, communication	<ul style="list-style-type: none"> Interaction in connection with local topics and events 	Feedback on questions and concerns; positioning as an attractive employer
 Trade unions	As the need arises, unidirectional with questions; communication of ESG information and rating results at events/communication	<ul style="list-style-type: none"> Collective bargaining 	
 Ratings and rankings	Regular interaction, unidirectional; information on relevant ESG topics and projects	<ul style="list-style-type: none"> Questionnaires 	Improving sustainability performance; competitiveness; customer communication

Risk management and internal controls over sustainability reporting

Sustainability-related risks are regularly tracked, assessed and prioritised in our group-wide risk management system. The assessment of existing risks is updated and newly identified risks are added in a half-yearly risk inventory. Risks can be reported informally at any time by submitting an ad-hoc report.

The risk of providing inaccurate, incomplete or misleading information in the non-financial statement was identified as a material risk. Policies, work instruc-

tions and manuals are established in order to identify and reduce risks in the area of sustainability reporting. In this connection, we have developed control mechanisms to ensure the accuracy and completeness of our sustainability reporting and thus the provision of precise, complete and clear information. Our sustainability reporting processes and controls are continually reviewed to ensure they meet changing needs and are adjusted as necessary to improve their effectiveness. *For further information see »Risk and opportunity report«, page 216 and »Statement on due diligence«, page 177.*





Environmental information

Introduction to the management of environmental topics

Krones' group-wide environmental and climate targets form a key component of the corporate strategy. Our corporate vision, »Solutions beyond tomorrow«, addresses the three global challenges of mitigating climate change, responsible use of packaging materials and feeding the world's population, all of which are phenomena with significant environmental implications and impacts. As a technology group, we are dependent in many of our value creation processes on resources, and therefore have an influence on their production, use and disposal. The policies, targets, actions and metrics presented in the following serve to reduce our ecological footprint and to increase the company's environmental and climate resilience.

In the sections that follow, we describe how Krones addresses the management of environmental matters along the value chain that are material for the company, specifically on the basis of disclosures relating to:

Climate change

- Climate change adaptation
- Climate change mitigation
- Energy

Water resources

- Water

Circular economy

- Resources inflows, including resource use
- Resource outflows related to products and services
- Waste

For the entire value chain, uniform documents apply that clearly define our obligations and expectations in terms of environmental responsibility: The Code of Conduct and Supplier Code of Conduct set out the core principles to which all employees and business partners must adhere. Alongside these, the Climate Transition Plan charts the company's path to the net zero emission target, including the implications of this target for other environmental topics (see »Policy documents«, page 93).





Policy related to the management of environmental topics

As part of our sustainable corporate strategy, the following group-wide policy applies to environmental topics:

Policy	General objectives	Main subject matter	Reference to third-party standards or initiatives	Scope	Organisational unit accountable for implementation	Process for monitoring	Consideration given to the interests of stakeholders	Availability of the policy to stakeholders	iros that the policy relates to
Climate and Environment policy	<ul style="list-style-type: none"> Definition of group-wide minimum standards for environmental protection Embedding of climate and environmental protection in business processes and projects 	<p>Climate change:</p> <ul style="list-style-type: none"> Reduction of GHG emissions and energy consumption Promotion of energy efficiency Focus on own production and use of renewable energy Climate change adaptation actions <p>Water and marine resources:</p> <ul style="list-style-type: none"> Standards for water management, water resources and water treatment Standards for water consumption and withdrawal Proper wastewater management Avoidance of surface sealing <p>Resource use and circular economy:</p> <ul style="list-style-type: none"> Promotion of the circular economy Mindful use of resources Waste management 	<ul style="list-style-type: none"> United Nations Sustainable Development Goals (SDGs) UNGC principles European Green Deal ISO 14001/ISO 50001 	<ul style="list-style-type: none"> Binding on all Krones Group employees worldwide Applies along the entire value chain 	<ul style="list-style-type: none"> Corporate Sustainability Adoption by the Executive Board 	<ul style="list-style-type: none"> Internal review in regular audits External audits and ISO certifications by independent third parties 	Dialogue-based engagement in policy development	<ul style="list-style-type: none"> Available to all employees Access via internal policy management system 	<ul style="list-style-type: none"> Climate change adaptation Climate change mitigation Energy matters Water Resource inflows Resource outflows

In the event of an environmental violation, all workers along the entire value chain and external stakeholders of the Krones Group have various means to be heard. Besides direct contact with the company, the main point of contact is the

Krones Integrity reporting system. This enables environmental violations to be clearly identified as such from the outset (see »Whistleblower system«, page 166).





Climate change (ESRS E1)

Climate change refers to long-term shifts in temperatures and weather patterns on Earth. Scientific evidence shows that these changes are primarily due to an anthropogenic greenhouse effect that drives global warming. This global warming has numerous negative impacts on ecosystems and poses a threat to biodiversity and the wellbeing of future generations.

Impact, risk and opportunity management

As an industrial enterprise, we consume energy for power, heat and transport at our production sites. This can only be sustainable if the energy comes from renewable sources. The majority of GHG emissions are indirect – that is, upstream and downstream of our own business activities. The products of the Krones Group are mostly made of four materials: stainless steel, steel, aluminium and plastic. The extraction, manufacture and processing of these materials is energy-intensive. Parts and services that we purchase from our suppliers also generate GHG emissions in our upstream supply chain. As a technology group, the Krones Group supports its customers in climate change mitigation by pro-

viding innovative solutions and technologies. Our machines and lines require electrical power and heat, primarily for the production, filling and packaging of beverages and liquid foods. With our technological expertise, we can help our customers achieve their own climate targets – and thus reduce our own indirect emissions in the downstream value chain.

Corporate Sustainability serves as the central coordinating, advisory and monitoring body for managing the company's climate change-related impacts, risks and opportunities. In this capacity, it reports directly to the Chief Executive Officer (CEO) of the Krones Group and provides the entire Executive Board with six-weekly reports on progress and target achievement. The climate targets set by the Executive Board apply throughout the group and have been validated by the Science Based Targets initiative (SBTi). They are thus based on scientific criteria for limiting global warming to 1.5 degrees Celsius. The regular reporting enables the Management Board to make well-informed decisions and adjust corporate strategy as needed. We have aligned our climate strategy to support not only our own operations, but also those of our customers in jointly addressing the challenges of climate change and promoting sustainable growth.



Impacts, risks and opportunities related to climate change

Impacts, risks and opportunities related to climate change								
IRO cluster	Description	Type	Upstream	Own operations	Downstream	Short-term (<1 year)	Medium-term (1–5 years)	Long-term (>5 years)
			Value chain			Time horizon		
[E1] Climate change adaptation								
Negative impacts of insufficient action to adapt to climate change	Insufficient action to adapt to climate change (such as little or no building refurbishment, failure to change supply sources or a lack of climate-resilient products) can negatively impact the company's financial stability, employee wellbeing, society and the environment.	Negative impact	●	●	●		●	
Short and long-term adaptation costs	Both for operations and for the product portfolio, the physical and transition impacts of the climate crisis can require investment in climate resilience. At the same time, environmental disasters can cause severe disruption to operations, transportation routes or service delivery, for example by preventing affected employees from working.	Risk	●	●	●		●	
Reputational risks due to lack of adaptation	Insufficient efforts to adapt to both physical climate change and the associated transition processes could reduce the value of the company due to loss of confidence among financial market players concerned about threats to the company's financial stability.	Risk	●	●	●		●	
Opportunities from efficiency gains and increased demand	Financial benefits may arise due to positive side-effects of climate adaptation, such as reduced dependence on external energy supplies as a result of an increase in self-generated energy. Secondly, business opportunities may arise for Krones as the physical effects of climate change lead to increased demand for and consumption of packaged beverages and liquid foods.	Opportunity		●	●		●	
[E1] Climate change mitigation								
Contribution of emission-intensive value creation processes to climate change	Inadequate implementation of GHG emission reduction measures could have a negative impact on global efforts to mitigate global warming, with the associated negative impacts on society and the planet. Examples of such negative impacts along the value chain: <ul style="list-style-type: none">▪ Emission-intensive resource extraction and manufacture of intermediate products▪ GHG emissions from combustion processes and chemical reactions▪ GHG emissions related to energy procurement (upstream) and use (own operations)▪ GHG emissions from the operation of vehicles and other means of transportation (ships, trains, planes, cars; employee travel, etc.)▪ GHG emissions in the utilisation phase of Krones components in machines and lines▪ GHG emissions from waste and recycling▪ GHG emissions from livestock farming through the provision of enabling technologies and machine components for dairy products	Negative impact	●	●	●			●
Contribution to climate change mitigation from plant-based food technologies	The provision of technologies for plant-based nutrition solutions can contribute to the reduction of GHG emissions from livestock farming.	Positive impact			●		●	
High investment costs of climate change mitigation measures	Consistent implementation of GHG emission reduction measures along the value chain can incur high investment costs for purposes such as upgrading buildings and infrastructure, procuring renewable energy and electrifying the vehicle fleet (Scope 1 and Scope 2), or sourcing low-emission materials, developing low-emission products and introducing low-emission transportation options (Scope 3).	Risk	●	●	●		●	

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IRO cluster	Description	Type	Upstream	Own operations	Downstream	Short-term (<1 year)	Medium-term (1-5 years)	Long-term (>5 years)
			Value chain			Time horizon		
Revenue losses from inadequate climate change mitigation measures	Inadequate implementation of climate change mitigation measures can lead to a decline in the value of the company and on revenue due to comparison with more sustainable competitors, changes in customer purchasing behaviour and higher capital market costs.	Risk		●	●		●	
Increased revenue from sustainable products	Effective implementation of climate change measures can have a positive financial impact on the value of the company, on attractiveness for customers and on revenue due to reduced GHG emissions and increased demand for low-emission machinery and equipment, alternative food technologies and recycling solutions.	Opportunity		●	●		●	
[E1] Energy								
Environmental impacts due to high or unsustainable energy consumption	Very high energy consumption, or the use of energy from conventional/fossil and non-renewable sources along the entire value chain, can impact the environment and natural resources.	Negative impact	●	●	●	●	●	
Conservation of energy resources as a result of consulting activities	Energy-related consulting projects at new or existing customer factories can have a positive impact on energy resources by building renewable energy capacity and increasing energy efficiency.	Positive impact			●		●	

The link between climate-related risks and opportunities and our business model and strategy is clear from our vision and mission. We are committed to creating solutions that benefit not only our customers, but also society and the planet, helping to address the global challenges mentioned above, including climate change. We continually analyse the risks and opportunities arising from climate change and from physical conditions, and monitor political, technological, market and reputational developments. We identify and assess climate-re-

lated impacts, risks and opportunities as part of our overall double materiality assessment process, complemented by selected scenario analyses, in order to adapt and strengthen our business strategies accordingly. In 2023, we carried out a physical climate scenario analysis for 25 Krones sites and also a climate transition risk assessment. The results of the analyses are incorporated into the group's risk inventory and updated if the risk assessment changes.



Transition risks

In the assessment of climate transition risks, medium-term risks were identified using Representative Concentration Pathway (RCP) 8.5. The assessment of transition risks focuses on two matters: The availability of renewable energy (technology), and regulatory developments with regard to single-use plastics (current regulation). In order to ensure secure supplies of green energy and reduce our dependence on external energy sources, we are systematically investing in our own generating capacity for green electricity and green heat energy. As well as addressing the potentially limited availability of green energy, this investment also offers the potential for long-term cost savings. The regulation of single-use plastics also plays a key role in our business model, as a significant proportion of our revenue is based on solutions for filling and packaging beverages in PET bottles. While a global blanket ban on single-use plastics is not currently likely, regional initiatives such as the EU directives on increasing the recycled content of plastic packaging could have an impact on our business. However, we see these developments not only as a challenge, but also as an opportunity: Our advanced recycling technologies are designed to keep plastics in a closed loop. In this way, we are actively contributing to the circular economy and are leading the way in a changing market environment.

Krones has not identified any assets or business activities in the climate transition risk assessment that are incompatible with or need significant efforts to be compatible with a transition to a climate-neutral economy.

Physical risks

As part of our physical climate risk management, we have established a structured process to identify and assess climate-related hazards and risks. The identification of climate-related hazards is based on the classification of climate hazards in Commission Delegated Regulation (EU) 2021/2139. Among other hazards, this includes extreme weather events, long-term climate changes and other relevant environmental changes caused by climate change. We compare the current climate with the expected future climate scenarios using the four RCP scenarios published by the Intergovernmental Panel on Climate Change (IPCC): RCP 2.6, RCP 4.5, RCP 6.0 and RCP 8.5 (in each case for the 20-year period from approximately 2020 to 2040). These scenarios were chosen because they cover a wide range of potential future developments and include both the 1.5 degrees Celsius target scenario and scenarios with more climate change. The scenarios are taken from the IPCC's Sixth Assessment Report and represent the recognised state of scientific knowledge. They range from a scenario with strict climate change mitigation policies (RCP 2.6), which aims to limit global warming to below two degrees Celsius, to a scenario with no additional climate mitigation policies (RCP 8.5), which would lead to much greater warming. Using this wide range of scenarios enables us to adequately cover the risks and uncertainties potentially facing our company. The scenarios are based on a large number of assumptions and parameters, including different emission pathways, technological developments and policy measures. These assumptions and limitations are necessary in order to understand the complexity of climate change and its potential impact on our business.

We identify high-risk locations and work closely with local experts to validate and assess the related risks. Where necessary, adaptation strategies are developed to strengthen the resilience of our sites. The current climate data is compared with the forecasts in order to identify changes and trends. If today's climate figures are forecast to be exceeded with a likelihood of more than 95%, we classify a location as very high risk and mark it with a red flag. We have identi-

fied five high-risk locations: Tampa (USA), Secunderabad (India), São Paulo (Brazil), Taicang (China) and Shanghai (China). After validating the identified risks with the site experts, no significant medium-term physical risks were identified, as regulatory measures or internal adaptation measures are already being implemented. These risk mitigation measures are regularly reviewed to ensure that they are up to date and effective for the long term.

Targets

Target	Scope	Target type	Unit	Base value	2023	2024	Progress towards target (base year / progress / target year)	Target	SDGs	Scientific evidence
Emission reduction	The Krones Group is committed to reducing its absolute Scope 1 and Scope 2 GHG emissions in its own operations by 80% by 2030.									
	Scope 1 and 2 (market-based)	Absolute	t CO ₂ e	54,776	33,481	26,451	2019 <div><div></div></div> -51.7%	2030	-80%	12 climate action, 13 climate action, IPCC, GHG-Protocol, SBTi
	The Krones Group is committed to reducing its Scope 3 emissions in upstream processes by 30% by 2030.									
	Scope 3 upstream processes	Absolute	t CO ₂ e	1,143,312	1,213,210	1,342,896	2019 <div><div></div></div> +17.5%	2030	-30%	12 climate action, 13 climate action, IPCC, GHG-Protocol, SBTi
	The Krones Group is committed to reducing its Scope 3 emissions related to sold products in the downstream value chain by 30% by 2030.									
	Scope 3 downstream processes	Absolute	t CO ₂ e	10,337,228	7,238,550	8,462,243	2019 <div><div></div></div> -18.1%	2030	-30%	12 climate action, 13 climate action, IPCC, GHG-Protocol, SBTi
Reduction in energy footprint	The Krones Group is committed to achieving net-zero GHG emissions along the entire value chain (Scope 1, Scope 2 and Scope 3) by 2040, corresponding to a 90% absolute reduction across all emissions. In accordance with the SBTi standard, the remaining 10% must be neutralised using technologies such as carbon removal and carbon capture.									
	Scope 1, 2 and 3	Absolute	t CO ₂ e	11,535,316	8,473,964	9,831,590	2019 <div><div></div></div> -14.8%	2040	-90%	12 climate action, 13 climate action, IPCC, GHG-Protocol, SBTi
Reduction in energy footprint	Krones AG is committed to reducing the electrical and thermal energy footprint of its products by 25% by 2030.									
	Scope 3 downstream processes	Relative	kWh/1,000 bottles	23.7	26.6	22.0	2022 <div><div></div></div> -7.2%	2030	-25%	12 climate action, 13 climate action, 9 economic, 13 climate action, -

As part of our climate strategy, our climate targets are set out in our Climate and Environment policy and address the climate change-related impacts, risks and opportunities along our value chain. In setting our climate targets, we used the Science-Based Targets Initiative (SBTi) and Greenhouse Gas Protocol (GHG Protocol) methodologies to ensure that our targets are science-based and consistent with the ambitious goals under the Paris Agreement, and in particular the goal of limiting global warming to 1.5 degrees Celsius. Our targets are based on con-

sistent emission factors from recognised databases provided by the UK Department for Environment, Food & Rural Affairs (DEFRA), the International Energy Agency (IEA) and others. We also base our targets on the robust findings of the latest reports of the Intergovernmental Panel on Climate Change (IPCC) to ensure that our strategies are in line with the latest science and global efforts to mitigate climate change. Our emission reduction targets relate to greenhouse gases quantified in tonnes of CO₂ equivalent (t CO₂e). This unit of measurement



allows us to put the different greenhouse gases generated by our activities on a common footing, providing a consistent and comparable basis for our targets and for measuring our progress. Our Scope 2 target uses the market-based approach, with Scope 2 emissions reported in accordance with the GHG Protocol to avoid double counting.

In connection with its sustainability targets, Krones has involved the SBTi as an external stakeholder in order to validate the set targets. The SBTi has confirmed that our targets are consistent with the science on limiting climate change. Both our short-term targets and long-term targets, including the net zero target, have been validated by the SBTi.

The Scope 3 GHG emission reduction targets for the short-term time horizon were adjusted in the 2024 financial year. This adjustment reflects increased ambition to demonstrate our responsibility and reinforce our commitment to a more sustainable value chain on the 1.5 degrees Celsius reduction pathway. We regularly review our emission reduction targets to take account of new scientific findings and developments in the policy framework.

The entity-specific energy footprint KPI measures the electrical and thermal energy consumption of the filling and packaging technology portfolio products sold per 1,000 filled and packaged containers in production operations. The KPI

relates to Krones AG. Krones AG is responsible for the main consumption and therefore uses this metric as a steering element. It is weighted by order intake in euros for complete and partial lines in each line cluster. The aim of the KPI is to track our performance in terms of the energy and media efficiency of the line clusters we sell, as well as research and development activities relating to our machinery. It enables us to tell whether the machines and lines we sell are becoming more energy-efficient and reducing overall energy consumption. Based on consumption data forecasts from the ERP system on all Krones AG lines sold during the year, we calculate the average energy consumption per 1,000 bottles and containers for each line cluster and then the total energy index across all line clusters weighted by order intake.

We have not set a specific target for the material topic of climate change adaptation and do not currently plan to do so. However, this is continually reviewed based on current developments and needs. The topic of climate change adaptation is part of our Climate and Environment policy, in which we specify related standards. Compliance with the policy is monitored by defined processes that include the monitoring of actions and audits. We are thus taking action, based on the results of the climate transition risk assessment in 2023, to adapt to the negative impacts of climate change. *For further information see »Sustainability targets«, page 83.*





Actions and resources



For more information see »Climate Transition Plan«, page 94, »Financial effects and investment«, page 85 and »EU Taxonomy«, page 128.

Action	Scope	Time horizon	Financial and other resources	Requirements		
Climate adaptation actions focused on buildings	Own operations	Short-term, medium-term, long-term	Human resources; capital expenditure	Human resources, financial resources, collaboration in the value chain, technical requirements, evaluation of action		
Use of heat pump technology to optimise heating						
Electrification of the vehicle fleet						
Procurement of renewable energy						
Expanding photovoltaic capacity for own electricity generation						
iso 50001 and awareness-raising	Upstream value chain		Human resources; certification costs			
Material intensity optimisation through ecodesign			Human resources			
Emission reduction programme with suppliers			Human resources; capital expenditure			
Sustainability programme for products – enviro			Human resources			
Development of sustainable product solutions			Human resources; capital expenditure			
Promotion of electrification in thermal processes						

Climate adaptation actions focused on buildings

Based on the results of the physical climate transition risk assessment, Krones has taken action to adapt to climate change. These include the air conditioning of office space to cope with rising temperatures and the construction of a new building in India with improved ventilation. In addition, new buildings world-wide are constructed in accordance with LEED Gold or a comparable local standard.

Scope 1 actions

Use of heat pumps, solar thermal energy and local heat networks for renewable heat energy

At the Neutraubling site, Krones is investing in energy-efficient heating systems such as heat pumps in order to reduce the energy consumption of and direct emissions from heating systems. This is expected to reduce annual GHG emissions by around 7,000 tonnes of CO₂e. A consulting project is to be launched in 2025 with the aim of evaluating and optimising on-site heat energy infrastructure.

**Electrification of the vehicle fleet**

Electrification of the worldwide vehicle fleet serves to reduce the direct emissions from the use of company vehicles. This changeover is not expected to result in any significant cost changes. The global electrification of the fleet that is already underway will be accelerated from 2025 under a group-wide car policy.

Scope 2 actions**Procurement of renewable energy**

We buy 100% green power with guarantees of origin for the Krones AG production sites in Germany. This is a significant lever for reducing our Scope 2 GHG emissions. At our major international sites, too, we are transitioning to buying only green power. The short-term switch to green power is a key step enabling us to significantly reduce our Scope 2 emissions.

Expanding photovoltaic capacity for own electricity generation

Sustainable energy supplies and the expansion of our own renewable power and heat generation capacities – combined with intelligent energy management – are at the heart of our efforts to reduce energy-related GHG emissions. Installing photovoltaic systems to provide self-generated electricity increases independence from externally sourced electricity and reduces Scope 2 emissions. We have made generating our own electricity from renewable sources a priority in our company climate strategy and have related projects in progress worldwide. At our most energy-intensive sites, photovoltaic projects are in progress or have already been completed.

ISO 50001 and awareness-raising

Energy management at the German production sites of Krones AG is ISO 50001 certified. As part of the existing audit and certification processes under ISO 50001, we conduct regular employee training on energy and environment topics. Another way we raise awareness among our workforce is through regular internal reporting on the progress of our climate strategy via the various internal communication platforms.

Scope 3 actions*Upstream value chain***Material intensity optimisation through ecodesign**

By developing machinery that uses less material, Krones helps reduce the emissions related to the machinery's manufacture. The enviro sustainability programme plays an active role in the product development process, purposefully integrating ecological design aspects from the Eco-Design framework. To ensure that development work is guided by the principles of environmental sustainability, ongoing development projects are evaluated on the basis of a checklist and managed by way of milestones that incorporate enviro requirements into the product development process.

Emission reduction programme with suppliers

By collaborating with suppliers to reduce the carbon footprint of purchased products, Krones is helping to reduce emissions in the upstream supply chain. To present one face to the supplier, the Procurement category team serves as the supplier's primary point of contact. In order to obtain a clear picture of emissions in our supply chain, we analyse and quantify our suppliers' emissions. To



improve our understanding in this regard, we require our suppliers to provide primary emission data in the form of cradle-to-gate product carbon footprints. This not only improves comparability, but also increases transparency on our environmental impact. Moreover, we expect selected suppliers that have a significant impact on our upstream Scope 3 emissions to set ambitious climate targets. These are required to be validated as science-based targets by the SBTi.

Downstream value chain

Sustainability programme for products – enviro

By optimising the energy efficiency of existing machines, Krones is reducing energy consumption and the associated emissions. For many years now, our enviro sustainability programme for machines and lines has been a key component of our product sustainability. It was developed in collaboration with TÜV SÜD and focuses on the energy and media consumption as well as the eco-friendliness of Krones machines, lines and solutions. The associated processes are established within the enviro management system. Underlying it all is the enviro manual, which defines the principles of the management system, presents the assessment criteria and thus acts as a company-wide guide for energy and media-efficient product design and optimisation. Krones carries out Life Cycle Assessments (LCA) for its machines to determine their carbon footprint, primarily quantifying GHG emissions on the basis of ISO 14067:2018. To demonstrate the benefits of our technologies, we use a special tool to calculate the GHG savings. Based on the results, we can show that machinery in the enviro product portfolio achieves significant GHG savings in use compared to standard models.

Development of sustainable product solutions

Developing and selling products that are more energy-efficient than previous products and technologies helps reduce emissions at end-customers. The sustainability of a product starts in the design and development stages. Strategic portfolio planning and the continued development of new and existing Krones products and solutions is handled by Research and Development and the respective product lines. Environmental compatibility, with a special focus on GHG emissions, is one of the key value drivers under which development projects are initiated and prioritised.

Promotion of electrification in thermal processes

Where possible, Krones promotes the conversion of thermal processes to renewable heat energy systems such as the use of heat pumps. Electrifying thermal processes in our machinery has the potential to reduce GHG emissions by up to 1.9 million tonnes per year when using green electricity.

Other

Krones has not currently implemented any nature-based solutions as part of its climate change mitigation activities. In accordance with the SBTi, we intend to reduce a portion of our GHG emissions by using carbon dioxide removal technologies from 2035 at the earliest. We are also developing a proposal for implementation of an internal carbon pricing system as a decision aid and to incentivise climate action and targets.



Metrics

GHG emissions

Our data collection tool uses integrated emission factors from external sources provided by DEFRA and the IEA. These are updated annually to ensure that our emission calculations are accurate and current. The acquisition of a new company during the reporting period resulted in structural changes to our business. We have taken the resulting changes into account in our emissions reporting to maintain data comparability. For this purpose, we recalculated the Scope 1, 2 and 3 emissions, including the base year, to reflect the structural changes resulting from the acquisition. In addition, a correction was made to the Scope 1 emissions for both the base year and the previous year, as quantities of heat energy sold in previous years were erroneously excluded from our Scope 1 accounting.

Further information on Scope 2 emissions

For our gross Scope 2 emissions, information on GHG emissions other than carbon dioxide (CH₄, N₂O, HFC, PFC, SF₆, NF₃) is not available for location-based emission factors or has been excluded from the market-based data. Krones does not have any data on biogenic emissions from its own operations. We are actively working to switch to green electricity wherever possible in the Krones Group in order to reduce our Scope 2 emissions. When purchasing energy, we emphasise the use of official certificates of origin to verify the source. These are guarantees of origin in the European Union (EU), renewable energy certificates (RECs) in the United States and green electricity certificates (GECs) in China.

Further information on Scope 3 emissions

Categories included		Categories excluded
Upstream	Calculation methodology	Upstream
3.1 Purchased goods and services	Hybrid	3.8 Upstream leased assets
3.2 Capital goods	Hybrid	
3.3 Fuel and energy-related activities	As for Scopes 1 and 2	
3.4 Upstream transportation and distribution	Spend-based	
3.5 Waste generated in operations	Spend-based	
3.6 Business travel	Hybrid	
3.7 Employee commuting	Average data-based	
Downstream		Downstream
3.11 Use of sold products	Hybrid (primary consumption data for products sold)	3.9 Downstream transportation
3.12 End-of-life treatment of sold products	Based on products sold	3.10 Processing of sold products
		3.13 Downstream leased assets
		3.14 Franchises
		3.15 Investments

In accordance with SBTi, categories 3.8, 3.10, 3.13, 3.14 and 3.15 have been excluded because they are either not relevant to Krones or do not generate significant emissions. This is based on the reporting in accordance with the GHG Protocol, an analysis of the product portfolio, and the fact that Krones does not lease out any machinery, has no franchises and could not identify any significant investments. Category 3.9 was excluded for this year due to a lack of data availability. Data collection will be established for the coming reporting year.



Upstream Scope 3 emissions

We have limited primary data on our Scope 3 emissions. This can be due to factors such as the complexity of collecting data in extended supply chains, the diversity of parties involved and differences in data collection practices and standards. To ensure the most accurate presentation possible despite this, we have to rely on Scope 3 calculations based on assumptions (categories 3.1, 3.2, 3.4 and 3.5). The assumptions are based on available information and recognised calculation methods. The calculation of our upstream Scope 3 emissions is based on a hybrid methodology that includes both primary data and standardised emission factors. Wherever possible, we use cradle-to-gate product carbon footprints provided by our suppliers. These reflect the emissions generated from resource extraction (cradle) to leaving the supplier's factory (gate). Using this primary data, we can accurately account for the specific emissions of our supply chain. For materials where such specific data is not available, we apply an activity-based approach. This consists of multiplying the quantity of material used by an emission factor from recognised databases. For cases where precise weight information is not available and for purchased services, we use a spend-based calculation methodology. In these cases, we multiply the financial spend on the product or service by an emission factor that is likewise obtained from an external database. Our calculation methodology for emissions in the upstream value chain has been externally validated by a university. This academic review not only confirmed the validity of our methodology, but also enables us to benefit from the latest scientific findings and research approaches.

For the calculation of category 3.6 GHG emissions, the data is collated by Krones in collaboration with a business travel service provider and extrapolated on the basis of full-time equivalents (FTE). For category 3.7, data is collected on the basis of on-premises days and home working days, with emissions based on data from the German Federal Environment Agency. For global commuting, the German emission figure is used and the calculation is based on on-premises work days.

Downstream Scope 3 emissions

Another change involved an adjustment to the calculation basis for category 3.11 Scope 3 emissions. Instead of order intake data, this is now based on revenue data, which makes for more accurate period-based allocation and assessment of emissions. This does not affect the comparability of GHG emissions as the definition of our value chain is unchanged. This ensures a consistent data basis and enables our stakeholders to compare and assess the development of our emissions over time without having to adjust for methodological changes. The methodology for calculating consumption data in the enviro management system is also reviewed by TÜV SÜD. This review by a reputable and independent audit organisation provides us and our stakeholders with additional assurance that our data and underlying processes meet the required quality standards and that any methodological limitations or assumptions are appropriately addressed.



		Retrospective		Targets		
	Unit	Base year 2019	2024	2030	2040	Annual % target/Base year
Scope 1 GHG emissions						
Gross Scope 1 GHG emissions	t CO ₂ e	23,579	20,887			
Percentage of Scope 1 GHG emissions from regulated emission trading schemes	%	0	0			
Scope 2 GHG emissions						
Gross location-based Scope 2 GHG emissions	t CO ₂ e	30,673	32,160			
Gross market-based Scope 2 GHG emissions	t CO ₂ e	31,197	5,564			
Total Scope 1 and Scope 2 GHG emissions						
Scope 1 and gross location-based Scope 2 GHG emissions	t CO ₂ e	54,252	53,047			
Scope 1 and gross market-based Scope 2 GHG emissions	t CO ₂ e	54,776	26,451			
Significant Scope 3 THG emissions						
Total gross indirect (Scope 3) GHG emissions	t CO ₂ e	11,480,540	9,805,138			
1 Purchased goods and services	t CO ₂ e	1,020,031	1,209,234			
2 Capital goods	t CO ₂ e	5,340	5,634			
3 Fuel and energy-related activities	t CO ₂ e	11,458	6,856			
4 Upstream transportation and distribution	t CO ₂ e	51,329	68,633			
5 Waste generated in operations	t CO ₂ e	646	842			
6 Business travel	t CO ₂ e	39,485	38,769			
7 Employee commuting	t CO ₂ e	15,023	12,928			
11 Use of sold products	t CO ₂ e	10,322,523	8,449,927			
12 End-of-life treatment of sold products	t CO ₂ e	14,705	12,316			
Total GHG emissions (location-based)	t CO ₂ e	11,534,792	9,858,185			
Total GHG emissions (market-based)	t CO ₂ e	11,535,316	9,831,590		Net Zero	



Further information

	Unit	2024
Scope 2 GHG emissions		
Share of contractual instruments in total Scope 2 GHG emissions	%	66.3
Percentage of contractual instruments used for sale and purchase of energy bundled with attributes about energy generation in relation to Scope 2 GHG emissions	%	5.0
Percentage of contractual instruments used for sale and purchase of unbundled energy attribute claims in relation to Scope 2 GHG emissions	%	61.3
Biogenic emissions of CO ₂ from combustion or bio-degradation of biomass not included in Scope 2 GHG emissions	t CO ₂ e	Krones does not have any data on biogenic emissions from its own operations.
Scope 3 GHG emissions		
Percentage of GHG Scope 3 calculated using primary data	%	83.2
GHG intensity per net revenue		
Total GHG emissions (location-based) per net revenue	t CO ₂ e/ € million	1,862
Total GHG emissions (market-based) per net revenue	t CO ₂ e/ € million	1,857
Net revenue used to calculate GHG intensity		
Total net revenue (financial statements)*	€ million	5,293.6

* see »Consolidated statement of profit and loss«, page 255

Energy consumption and mix

Energy consumption and mix	Unit	2024
(1) Fuel consumption from coal and coal products	MWh	–
(2) Fuel consumption from crude oil and petroleum products	MWh	27,578
(3) Fuel consumption from natural gas	MWh	68,586
(4) Fuel consumption from other fossil sources	MWh	–
(5) Consumption of purchased or acquired electricity, heat, steam, and cooling from renewable sources	MWh	33,769
(6) Total fossil energy consumption	MWh	129,933

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Continuation of table from page 111

Energy consumption and mix	Unit	2024
Percentage of fossil sources in total energy consumption	%	64.3
(7) Consumption from nuclear sources	MWh	0
Percentage of energy consumption from nuclear sources in total energy consumption*	%	0.0
(8) Fuel consumption for renewable sources, including biomass (also comprising industrial and municipal waste of biologic origin, biogas, renewable hydrogen, etc.)	MWh	0
(9) Consumption of purchased or acquired electricity, heat, steam, and cooling from renewable sources	MWh	67,568
(10) Consumption of self-generated non-fuel renewable energy	MWh	4,601
(11) Total renewable energy consumption	MWh	72,169
Share of renewable sources in total energy consumption	%	35.7
Total energy consumption	MWh	202,102

Energy consumption and mix	Unit	2024
Non-renewable energy production	MWh	23,109
Renewable energy production	MWh	5,846

Energy intensity per net revenue	Unit	2024
Total energy consumption from activities in high climate impact sectors per net revenue from activities in high climate impact sectors	MWh/ € million	38.2
Net revenue from activities in high climate impact sectors used to calculate energy intensity		
Total net revenue (financial statements)**	€ million	5,293.6

* No use is made of direct nuclear energy sources. The share of nuclear energy in the national electricity grids is included in the figures under »fossil energy«.

** see »Consolidated statement of profit and loss«, page 255

Following an analysis of the climate-intensive sectors, the Krones Group falls under Sector C Manufacturing, in the category Manufacture of machinery and equipment not elsewhere classified. The Krones Group's revenue is therefore categorised as being associated with a high climate impact sector.



Water resources (ESRS E3)

We believe that the sustainable use of water resources is a key element of environmentally responsible business aiming to conserve water as a vital resource. Water is seen as a precious resource that must be protected, used carefully and, where possible and appropriate, recycled after use. This approach promotes water recycling, minimises fresh water consumption and reduces the associated environmental impacts.

Impact, risk and opportunity management

All Krones Group customers use water, whether as a raw material, a consumable or a component in their products. Given the beverage industry's significant impact on sustainability in relation to water, we are committed to promoting water-saving production, bottling and packaging processes. Nearly all Krones Group products have an impact on our customers' water use and consumption. Because of our technical expertise and many years of experience, we know where the greatest gains can be made in reducing water consumption on our process technology equipment, on our filling and packaging machines and in entire beverage plants. Our goal is to harness this knowledge and use our machines, lines, technologies and services to make a noticeable impact. This

goal is embedded in our corporate strategy and is reflected in our aim of reducing the water footprint of the products we sell. The Krones Group is aware that climate change and increasing water scarcity in many regions of the world may also exacerbate risks in operational water management. To address these challenges, we have committed to reducing our operational water consumption across the group.

Operational water management is coordinated group-wide by Krones AG Environmental Management, with the Head of Environmental Management reporting directly to the Executive Board. Implementing water-saving measures is the responsibility of the individual offices and subsidiaries, which act independently in this regard worldwide due to the differing physical and legal circumstances. The effectiveness of the measures is monitored by Environmental Management as part of quarterly data review and consolidation.

Responsibility for water-related topics in relation to our products and technologies lies with product line experts and Corporate Research and Development experts, with Product Sustainability acting as the central coordinating body for water efficiency in our products – not least through the enviro sustainability programme.

Water-related impacts, risks and opportunities

IRO cluster	Description	Type	Upstream	Own operations	Downstream	Short-term	Medium-term	Long-term
			Value chain			Time horizon		
[E3] Water								
Contribution to water scarcity through water use in production processes	Water use in production processes can exacerbate existing water shortages, particularly in regions that are already suffering from water scarcity.	Negative impact	●	●	●		●	
Contribution to water security through technology and consulting solutions for water management	Marketing and selling technologies, solutions and consulting services for water avoidance, water efficiency and water treatment in customers' production processes can have a positive impact on the availability and security of local water resources and water infrastructure.	Positive impact			●		●	
Revenue decline due to scarce water resources	A lack of access to water resources for beverage producers can result in reduced demand for machinery and equipment used in the production, filling and packaging of beverages and liquid foods. This, in turn, can lead to a decline in revenue.	Risk	●		●		●	
Increased revenue through technology and consulting solutions for water management	The development and distribution of innovative technologies, solutions and consulting approaches for water avoidance, water efficiency and water treatment, combined with the associated increase in customer demand, can lead to increased revenue from water management products.	Opportunity			●		●	

Our water risk analyses are designed to help us better understand and manage our activities and resource use in relation to areas at water risk.

IROs are assessed on the basis of continuous monitoring, studies and current developments that could affect our water use and related environmental, social and economic matters. In assessing our activities, we take into account the status of water bodies in accordance with the Water Framework Directive and ensure that our processes and technologies do not contribute to a deterioration in water quality. We do this firstly by implementing operational water management practices and secondly by providing water-saving technologies. For this purpose, we use our own systematically collected water consumption data. We also use recognised screening tools (such as the WWF Risk Filter) that enable us to analyse, assess and respond to water risks. A water scenario analysis consid-

ers physical, regulatory and reputation risks. In the 2024 reporting year, four sites, of which two are production sites, were located in areas at high water risk. No Kronen site has so far actually been affected by a shortage of water, either in terms of quantity or quality, or has caused significant problems in this regard. The sustainable, responsible use and discharge of water in compliance with all legal standards is nevertheless an important aspect for Kronen. We are constantly monitoring the situation here to proactively respond to any changes. Dialogue with local communities is an essential part of our stakeholder engagement and enables us to understand the interests and views of stakeholders and integrate them into our water management (see »Stakeholder engagement«, page 95).





Ziele

Target	Scope	Target type	Unit	Base value	2023	2024	Progress towards target (base year / progress / target year)	Tar- get	SDGs see General disclosures	Scientific evidence
Reduction in water consumption	The Krones Group is committed to reducing operational water consumption in its own operations by 10% by 2030.									
	Own operations	Absolute, voluntary	m³	237,439	264,219	262,173	2020 +10.4%	2030 -10%		–
Reduction of water footprint	Krones AG is committed to reducing the water footprint of its products by 20% by 2030. This target is measured in litres and is based on the 2022 base year.									
	Sold products	Absolute, voluntary	l/1 l of filled product	1.4	1.2	1.2	2022 -10.0%	2030 -20%		–

Our water targets are set out in our Climate and Environment policy and address the water-related impacts, risks and opportunities along our value chain. These goals not only serve to protect the environment. They also make Krones attractive to customers who value sustainability and for whom water is an essential resource for their business model.

The entity-specific water footprint indicator comprises the water consumption of the filling and packaging technology portfolio in productive operation and thus relates to Krones AG, weighted by order intake for each line type. Krones AG is responsible for the main consumption and therefore uses this metric as a steering element. It includes Krones PET, glass, can and aseptic lines. The aim of the KPI is to measure our performance in relation both to sold products

and to research and development activities. We use it to monitor whether our machines are becoming more water-efficient and reducing overall water consumption. Based on consumption data forecasts from the ERP system on all Krones AG lines sold, we use the hourly water consumption on each line, the line capacity, the size of the containers filled and nominal output to calculate the quantity of filled product in litres per hour. The water consumption per litre of filled product is determined by multiplying the line water consumption by the quantity of filled product and adding one litre for the water content of each container. The final water consumption index is weighted by order intake (see »Sustainability targets«, page 83).



Actions and resources

For further information see »Financial effects and investment«, page 85.

Action	Scope	Time horizon	Financial and other resources	Requirements
iso 14001 certification	Own operations	Short-term, medium-term, long-term	System costs; human resources; certification costs	Human resources, financial resources, collaboration in the value chain, technical system requirements, evaluation of action
Wastewater discharge			Human resources; technology	
Process water reuse and water reduction measures				
Water efficiency in the enviro sustainability program	Downstream value chain		Human resources	
Hydronic water treatment system				
HydroCircle integrated concept for wastewater recycling				
Factory-level water consulting				
Flexible filling for water-saving changeovers				
Water design				

ISO 14001 certification

Krones AG and the German subsidiaries KIC Krones, Steinecker GmbH, Evoguard GmbH, MHT Mold & Hotrunner Technology AG and HST Maschinenbau GmbH are currently ISO 14001 certified, as are the international subsidiaries Krones Machinery (Taicang) Co., Ltd. in China, System Logistics SpA in Italy, Krones do Brasil Ltda, Krones Inc. in the USA, Krones Hungary, Kosme Austria and Italy and Krones Processing India Private Limited. This means that 72% of our operating sites are certified to ISO 14001. By implementing ISO 14001, we ensure that all aspects of water consumption and management – along with other environmental topics – are taken into account and optimised in our processes.

Wastewater discharge

Wastewater from production is discharged in accordance with the regulations applicable at all of our production plants. Where the local infrastructure allows, it is discharged to public wastewater treatment plants. Stormwater is primarily directed into the natural subsoil so as to help replenish groundwater and offset the negative effects of soil sealing.



Process water reuse and water reduction measures

Reusing production water reduces our negative impact on resource availability. The Neutraubling plant, for example, uses cascaded rinsing for electroplating processes, while other sites employ ultrasonic baths. Cooling systems generally operate in a closed loop. To reduce water use, we deploy evaporators and ultrafiltration systems to treat or reuse water. We also optimise the use of water-soluble coolants, for example by means of minimum quantity lubrication (MQL), in order to minimise water consumption.

Water efficiency in the enviro sustainability program

Besides energy efficiency, reducing media consumption – and thus also conserving water – is the second topic of focus of the enviro sustainability programme for our machines and lines. These actions are expected to reduce the water consumption of our machines and lines. The water consumption of our products is assessed under the criteria of the enviro management system and prioritised in this order: optimise, reduce, reuse. Machines must likewise meet the enviro criteria for water in order to carry the enviro label.

Hydronic water treatment system

Our Hydronic water treatment technology is a key component of our product solutions for water, with which our customers can treat raw water – the most basic element of their product – to meet their specific needs and requirements. This modular system can be designed and built according to the customer's specific water-related requirements, thus minimising any water losses.

HydroCircle integrated concept for wastewater recycling

Krones and a collaboration partner developed the HydroCircle concept on the basis of the Hydronic water treatment system. HydroCircle makes it possible

to turn wastewater from all process steps in a beverage plant or recycling plant into new process water. By considering the entire process chain and establishing a closed loop, we can reduce water consumption on a customer's line by as much as 80%.

Factory-level water consulting

The Energy and Sustainability Consulting team not only develops solutions for optimised use and recycling of energy. Among other things, they advise our customers on topics such as optimal filling temperature. The objective of warm filling, for example, is to save on fresh water and reduce consumption of primary energy so as to ultimately reduce operating costs at our customers' factories. Water management is a further component of the consulting portfolio. Our experts develop solutions for beverage and recycling plants that enable efficient use of fresh water by recycling wastewater.

Flexible filling for water-saving changeovers

For beverage producers filling multiple different beverages on their Krones lines, changeovers to a different product have until now required complex and water-intensive cleaning procedures. With the new flexible filling technologies, it is now possible to minimise both production downtimes and the amount of water used for cleaning. This enables customers to save large quantities of cleaning water.

Water design

Using our Water Design system, our customers are able to develop custom formulas in terms of flavour, ingredients and quality with the aid of our technologies. This enables lower-quality water to be converted into high-quality water without having to use precious deep source water.



Metrics

Water consumption

Part of this data is obtained by direct measurement, while in other cases consumption has to be estimated due to technical or practical limitations. The estimates are based on sampling, extrapolation or substantiated assumptions based on the best available information. We are working to reduce the proportion of estimates for the tracking of water consumption and to increase the proportion of direct measurement. The main category of water consumption in the Krones Group varies from site to site and mainly relates to employee needs, production and the commissioning of machinery. The share of water consumption obtained from direct measurement, sampling and extrapolation or best estimates is as follows: 93.3% from direct measurement, 5.4% from extrapolation and 1.3% from best estimates.

	Unit	2024
Total water consumption	m ³	262,173
Water consumption in areas at water risk	m ³	14,863
Spain	m ³	54
India	m ³	7,163
Thailand	m ³	7,645
Water recycled and reused	m ³	3,512
Water stored	m ³	4,398
Net revenue used to calculate water intensity		
Total net revenue (in the financial statements)*	€ million	5,293.6
Water intensity: Total water consumption per € million net revenue*	m ³ /€ million	50
Water intensity: Water consumption per l filled product	l/1 l of filled product	1.2

* see »Consolidated statement of profit and loss«, page 255





Resource use and circular economy (ESRS E5)

The circular economy is a model of production and consumption that involves sharing, leasing, reusing, repairing, refurbishing and recycling existing materials and products in order to keep them in a closed loop. This extends the useful life and life cycle of products and reduces resource use and waste to a minimum. For the Krones Group, which plays a key role in the value chain for packaged beverages and liquid foods, integrating circular processes into corporate strategy and circular solutions into the product portfolio is of crucial importance.

Impact, risk and opportunity management

Our products and services ensure that food and beverages in a wide variety of types of packaging – from glass bottles to plastic containers and cans – reach consumers safely and efficiently. The Krones Group uses various products, business activities, research projects and partnerships to contribute to a circular economy for valuable resources like PET, glass, tin and aluminium. We support our customers by providing them with the means to achieve sustainable resource use. In our production, we focus on minimising resource outflows and effectively managing waste. A large proportion of the waste generated in our operations is recycled. This reduces our environmental impact and increases resource efficiency. We attach critical importance to waste types that are categorised as hazardous by international standards. These are made a strategic focus due to their potential environmental impact. We are committed to preventing

the generation of waste of this kind, handling it safely where it does arise and, where possible, finding environment-friendly alternatives. Integrating the circular economy into our corporate strategy is thus a key step in ensuring the sustainability of our business model. It allows us both to respond to current challenges and to proactively shape a more sustainable future.

Coordination of operational waste management across the group is the responsibility of Environmental Management at Krones AG. The Head of Environmental Management reports directly to the Executive Board of the Krones Group. Because requirements vary in terms of the physical environment and environmental laws at each site worldwide, the respective local offices and subsidiaries take the initiative on implementing waste-reduction efforts within their production processes. The effectiveness of actions is measured as part of the Krones AG Environmental Management team's internal quarterly data checking and consolidation process.

Product areas working on circular economy solutions generally operate independently of each other but do collaborate both on a regular basis and as the need arises. The PET initiative was launched to promote interdisciplinary collaboration specifically in the thematic area of plastics. In this initiative, decision-makers from various PET-related product areas meet for regular discussion. The Head of Plastics Technology coordinates the initiative and reports to the Executive Board member responsible for International Operations and Services.



Resource use and circular economy-related impacts, risks and opportunities

IRO cluster	Description	Type	Upstream	Own op	Downstream	Short-term	Medium-term	Long-term
			Value chain			Time horizon		
[E5] Resource inflows								
Resource consumption as a result of linear solutions and processes	Conventional linear solutions in product design (such as lack of recyclability), product use (such as limited reusability) and material procurement processes (such as the sourcing of non-renewable raw materials) can lead to increased resource consumption and negative environmental impacts.	Negative impact	●	●		●		
Cost increases due to resource shortages	Increasing shortages of both renewable and non-renewable resources due to high demand may result in limited availability combined with an increase in raw material costs.	Risk	●				●	
Increased revenue from circular solutions and processes	Deploying circular solutions in product design and use (such as leasing arrangements) and using recycled or recyclable materials can have positive financial effects such as enhanced customer appeal and increased revenue.	Opportunity		●	●		●	
[E5] Resource outflows								
Contribution of recycling technologies to the circular economy	The provision of technologies and systems for plastics recycling can have a positive impact in terms of waste reduction, the circular economy and resource conservation.	Positive impact			●		●	
Pollution due to waste from the production and packaging of our own products	Insufficient action to reduce the quantity of waste generated in the manufacture and packaging of our own products, combined with inadequate waste management processes, can result in a negative impact on the environment.	Negative impact	●	●	●	●		
Pollution from the use of plastics in the downstream value chain	Insufficient action to reduce and recycle plastics on the part of customers in the operation of Krones machines and lines and in customer waste management processes (such as in the production of plastic bottles), and also on the part of end-consumers after using the product, can result in negative environmental impacts due to plastic pollution.	Negative impact			●	●		
Increased revenue from sale of recycling technologies	Political pressure and legislation for higher recycling rates, together with rising demand for recycled and recyclable consumer goods packaging, may lead to increased revenue from recycling technologies.	Opportunity		●	●		●	



Krones has assessed its assets and activities to identify material actual and potential sustainability-related impacts, risks and opportunities. The assessment covered both our products and services and the waste generated by our operations. Dialogue with local communities is an essential part of our stakeholder engagement and enables us to understand the interests and views of stakeholders and incorporate their concerns in our strategy (see »Stakeholder engagement«, page 95).

Continuing business as usual would entail material impacts and risks, such as the depletion of natural resources and rising waste management costs. At the same time, we see material opportunities in a circular economy, including reduced waste, reuse of materials and the development of innovative recycling technologies. The transition to a circular economy itself entails material impacts and risks, including the need to redesign existing processes and invest in new technologies. We have identified the stages of the value chain where resource use, risks and negative impacts are concentrated so that we can take targeted action to reduce the risks and maximise the positive impacts of our business activities.

The circular economy presents both a risk and an opportunity for the Krones Group. The risk relates to the fact that we have generated a large share of our revenue in recent years from the sale of production lines for non-returnable PET containers. If plastic packaging were to be banned in certain regions of the world, that would have a noticeable impact on our business. At the same time, we want to seize the opportunity to be an active driver of the circular economy: One of our areas of focus when it comes to sustainable products – circular economy solutions – is primarily dedicated to our plastics recycling solutions, our system solutions for returnable glass and returnable PET, our packaging concepts and the ecological design of our machines and lines. We have compiled information about the different paths that our machines and lines can take at the end of service in a product end-of-life manual: from resale to disassembly and recycling right through to professional disposal. Krones Lifecycle Service and ecomac GmbH, our subsidiary specialising in used machinery, offer various end-of-life options.

Targets

Target	Scope	Target type	Unit	Base value	2023	2024	Progress towards goal (base year / progress / target year)	Target	SDGs	Scientific evidence
Reduction of hazardous waste	The Krones Group is committed to reducing its hazardous waste generation by 10% by 2030.									
	Own operations	Absolute, voluntary	t	1,580	1,984	2,073	2020 +31.2%	2030 -10%	15 Climate action	–
Increased recycling	By 2030, the Krones Group* aims for at least 30% of the plastic material used to produce bottles on our stretch blow moulding machines to be recycled via our washing modules.									
	Downstream, product-related	Absolute, voluntary	Tonnes of recycled plastic/ tonnes of plastic produced [%]	13.4	20.8	7.6	2022 7.6%	2030 30%	12 Responsible consumption	–

* We refer here to Krones AG and Krones Recycling GmbH.



Our resource use and circular economy targets are set out in our Climate and Environment policy and address the resource-related impacts, risks and opportunities along our value chain. They relate to the prevention and recycling stages of the waste hierarchy. Reducing hazardous waste serves to minimise environmental and health risks and ensure compliance with stricter environmental regulations, which can save costs in the long term. The recycling target addresses the risk of increased resource use and pollution from plastic waste by promoting material reuse and consequently reducing the demand for virgin raw materials. This approach presents an opportunity to reduce our environmental impact while meeting demand for sustainable technologies, which can potentially lead to increased revenue.

The entity-specific recycling KPI is one aspect of our responsibility to help reduce plastic pollution and relates to Krones AG and Krones Recycling GmbH. Our products are an essential part of the supply chain for packaged beverages and liquid foods. As part of the supply chain, the Krones Group shares responsibility for what happens to containers produced or filled on our lines after use by the end-consumer. The calculation is based on the data on sales of stretch blow-moulding machines for the production of PET bottles and the data on all


sales of recycling systems. The total weight of plastic contained in the bottles produced by the stretch blow moulders sold in a given year is calculated by multiplying the weight of plastic produced per hour by the assumed number of operating hours per year. Similarly, the total weight of plastic recycled by the recycling systems sold in each year is calculated by multiplying the weight of plastic recycled per hour by the number of operating hours per year. The KPI expresses the total weight of plastic recycled by our recycling systems as a percentage of the total weight of plastic processed by our stretch blow moulders.

We have not set a specific target for the material topic of resource inflows and do not currently plan to do so. However, this is continually reviewed based on current developments and needs. The topic of resource inflows is part of our Climate and Environment policy, in which we specify related standards. Here, too, we are thus taking action to address the negative impact of resource inputs. Compliance with the policy is monitored by defined processes that include the data analysis and audits. Because full data has been collected here for the first time, progress will be tracked from 2024. Further action will then be implemented based on the collected data. *For further information see »sustainability targets«, page 83.*





Actions and resources

 For further information see »Financial effects and investment«, page 85.

Action	Scope	Time horizon	Financial and other resources	Requirements
EcoDesign guideline	Upstream value chain, downstream value chain	Short-term, medium-term, long-term	Human resources	Human resources, financial resources, collaboration in the value chain, technical requirements, evaluation of action
Recycled materials	Upstream value chain			
iso 14001 certification	Own operations		System costs; human resources; certification costs	
Waste separation infrastructure			Human resources	
MetaPure: Recycling solutions	Downstream value chain			
LitePac Top: resource-efficient secondary packaging				
Support for recyclable packaging design				
Lifecycle assessments for product packaging				
Phoenix BMC biomass conversion				

EcoDesign guideline

The EcoDesign guideline was developed to help make sustainable decisions in development and thus in product design. Its purpose is to minimise the environmental impact of products during their life cycle and thus reduce waste. It aims to promote the use of resource-saving materials and optimise production and distribution processes in order to support a circular economy.

Recycled materials

In order to promote the circular economy and conserve resources, efforts have been stepped up to investigate the use of recycled materials. To this end, a range of different suppliers – particularly for stainless steel, which accounts for the largest material consumption at Krones AG – were compared in terms of recycled content, carbon emission reductions and price. Opportunities to move towards

the circular economy have also been exploited for plastics. One specific action here is the return of profile offcuts from production to the supplier to be processed directly into recycled profiles.

ISO 14001 certification

Krones AG and the German subsidiaries KIC Krones, Steinecker GmbH, Evoguard GmbH, MHT Mold & Hotrunner Technology AG and HST Maschinenbau GmbH are currently ISO 14001 certified, as are the international subsidiaries Krones Machinery (Taicang) Co., Ltd. in China, System Logistics SpA in Italy, Krones do Brasil Ltda, Krones Inc. in the USA, Krones Hungary, Kosme Austria and Italy and Krones Processing India Private Limited. This means that 72% of our operating sites are certified to ISO 14001. Information on proper waste disposal is provided on the Krones intranet. A further key element in reducing the environmental



impacts of our production operations consists of mandatory annual training at Krones AG on relevant environmental topics. As part of the existing ISO 14001 audit and certification processes, we additionally conduct regular employee training on energy and environment topics at our certified sites. Another way we raise awareness among our workforce is through regular internal reporting on the progress of our climate strategy via the various internal communication platforms.

Waste separation infrastructure

Under our waste policy, labelled bins are provided into which employees are required to properly separate waste fractions. In addition, Krones AG has on-site collection stations that separate materials into fractions for disposal or reuse. Special focus is placed on hazardous waste, most of which consists of oil-water emulsions such as cutting and rinsing fluids.

MetaPure: Recycling solutions

With MetaPure, Krones offers proprietary technologies for effectively recycling plastic packaging materials and thus specific plastic resins, making it possible not only to keep PET bottles in a closed loop but also to recycle polyolefin plastic for high-quality secondary uses. Depending on the specific needs and application, the systems can produce different material qualities all the way up to food-grade PET according to Food and Drug Administration (FDA), European Food Safety Authority (EFSA) and other certification standards. Beyond this, Krones plans and implements complete recycling plants for customers. For technological components like the front-end and utilities, which are not part of Krones' own portfolio, we rely on long-standing partnerships with suppliers.

LitePac Top: resource-efficient secondary packaging

Today, packs of cans or PET bottles are often held together with shrink wrap or plastic rings. With LitePac Top, we offer a resource-saving alternative to both of these packaging types. This consists of a cardboard clip for cans and a cardboard clip plus strap for PET bottles. No fossil resources are needed in the production of LitePac Top. We offer alternative secondary packaging containing no single-use plastics whatsoever for all common multipack formats.

Support for recyclable packaging design

Krones uses its technological expertise to support clients in designing forms of packaging that are optimally suited for recycling. Besides the technologies for manufacturing and processing recycled material, we also offer a range of supplementary services. For example, we employ a team of specialists to address every issue relating to both design from recycling and design for recycling in order to develop material-saving and recyclable packaging. As part of our enviro Design programme, we evaluate packaging innovations from our own development output against environmental performance criteria. Already, all new PET filling lines are capable of processing bottles made of up to 100% recycled material.

Lifecycle assessments for product packaging

We would like to give our customers easier access to the multitude of options for achieving sustainable production that promotes a circular economy. Accordingly, we offer our customers science-based advice about which packaging variant is the most sustainable for their applications. The toolset we use includes a software-based solution that allows us to compare the environmental impacts



and establish meaningful environmental performance reports for individual packaging solutions. Krones also offers its customers comprehensive consultancy services on the topic of lightweighting and of increasing the number of cycles performed by returnable bottles, using simulation to identify the optimum bottle shape and fill temperature.

Phoenix BMC biomass conversion

Subsidiary Steinecker GmbH has developed Pheonix BMC, a system for converting brewing residues into protein hydrolysate and liquid mineral fertiliser, which can then be sold on. The residual solids are used to generate energy in a biogas plant, thus further increasing the efficiency of the biomass processing. This system helps reduce waste and resource extraction.

Metrics

Resource inflows

Krones manufactures and supplies custom-tailored machines and systems for process, filling and packaging technology – including process technology systems, filling and packaging systems and recycling technologies. The resource inflows that Krones needs for this purpose can be categorised into four main material classes: stainless steel, steel, non-ferrous metals and plastics.

The resource inflows are identified in software analysis in Procurement. For companies where no total weight was reported for the invoice amounts, the total weight was extrapolated using a factor. Biological materials are included in addition by analysing all procurement groups in which such materials are expected. With regard sustainable procurement, reference is made to the Krones

Supplier Handbook and its requirements. As documentation on sustainable procurement was not available for all materials used and for the corresponding suppliers in the current reporting period, the data includes only bio-based materials and suppliers with a sustainability certification scheme (PEFC, FSC, Blue Angel, etc.). Krones applies the cascading principle by recycling and reusing biobased materials to maximise resource efficiency. This includes using materials in various stages before disposal or energy recovery.

	Unit	2024
Overall total weight of products and technical and biological materials used during the reporting period	t	215,765
Percentage of sustainably sourced biological materials (and biofuels used for non-energy purposes)	%	1.1
Absolute weight of secondary reused or recycled components, secondary intermediary products and secondary materials used to manufacture the company's products and services (including packaging)	t	98,258
Percentage of secondary reused or recycled components, secondary intermediary products and secondary materials used to manufacture the company's products and services	%	45.5

The main subsidiaries of relevance for identifying the range of reused components and products are ecomac Gebrauchtmaschinen GmbH, Ampco Pumps GmbH and Netstal Maschinen AG. Part of their business model is the reconditioning of Krones machinery and/or components. The proportion of recycled materials used at Krones is estimated for the four most relevant material classes: stainless steel, steel, non-ferrous metals and plastics. As specific data is not available from suppliers at the present time, the percentage recycling content is taken from published statistics – such as from the German Federal Envi-



ronment Agency, Fraunhofer Institute or PlasticsEurope – and applied to Krones materials. Cross-sectoral average recycling content figures are thus used. This approach is judged to be appropriate given Krones’ worldwide material sourcing. As a result of targeted efforts over the past few years, an increasing proportion not only of bio-based, but also of polymer-based packaging materials is now being recycled and reused. Double counting is avoided by not including reused materials in recycled content.

Resource outflows

The analysis of recyclable content in products was carried out on the basis of LCAs performed on selected Krones machines and shows an average non-recyclable content of 2.6%. As the assessed machines can be considered a cross-section of the entire product portfolio, the figure determined is applied as an estimate across the group as a whole.

Packaging is mainly made of wood-based or polymer packaging materials. The calculation is based on an evaluation of the packaging materials used during the reporting period by a major packaging service provider for German sites and by intralogistics specialist System Logistics SpA. As packaging services and materials are comparable across the group, the percentage of recyclable product packaging calculated in this way is applied to the group as a whole.

	Units	2024
Disclosure of the expected durability of the products placed on the market in relation to the industry average for each product group	Years	15
Rates of recyclable content in products	%	97.4
Rates of recyclable content in product packaging	%	99.0

Krones’ waste can be categorised into four main types: metals, wood, plastics and cardboard/paper. We identify our waste streams, such as production waste, packaging materials and hazardous waste, to ensure environmentally friendly waste management. Mapping of waste flows is done by examining the quantities disposed of per type of waste and, in the case of hazardous waste, the documentation procedures required by law. Our data collection tool is used to track waste on the basis of data from the responsible waste collectors. Part of this data is obtained by direct measurement, while in other cases consumption has to be estimated due to technical or practical limitations. The estimates are based on sampling, extrapolation or substantiated assumptions based on the best available information. We are working to reduce the proportion of estimates for the tracking of waste generated and to increase the proportion of direct data. Waste generation in the Krones Group varies according to the site and the business activity and mainly relates to employee needs, production and the commissioning of machinery.



	Unit	2024	
		Hazardous waste	Non-hazardous waste
<i>Diverted from disposal</i>			
Preparation for reuse	t	0.4	0
Recycling	t	38	13,387
Other recovery operations	t	80	1,493
Total – Diverted from disposal	t	119	14,880
<i>Directed to disposal</i>			
Incineration	t	330	5,905
Landfill	t	18	316
Other disposal operations	t	1,577	837
Total – Directed to disposal	t	1,925	7,057
No data	t	29	338
Total	t	2,073	22,275
Total amount of radioactive waste	t	–	
Total amount of non-recycled waste	t	8,895	
Total amount of waste generated	t	24,348	
Percentage of non-recycled waste	%	36.5	

Under the Krones business model, all machines are designed to be repairable. Krones customers are offered regular service and maintenance in the form of Krones Life Cycle Service. Repairability is therefore a basic requirement for new machinery from the development and design stage.



EU Taxonomy

Objective and overview of requirements

Through the EU Taxonomy Regulation (Regulation (EU) 2020/852) and the associated delegated acts, the EU seeks to promote the transition to a sustainable economy. In order to fulfil these new transparency requirements, the Krones Group has established processes that make it possible to determine the proportions of revenue, capex and opex (capital expenditure and operating expenditure) that relate to taxonomy-aligned and therefore environmentally sustainable economic activities under the EU Taxonomy. Analysis of the activities in this regard relates to all six environmental objectives of the climate and environmental delegated acts:

- (1) Climate change mitigation;
- (2) Climate change adaptation;
- (3) Sustainable use and protection of water and marine resources;
- (4) Transition to a circular economy;
- (5) Pollution prevention and control;
- (6) Protection and restoration of biodiversity and ecosystems.

Both the taxonomy eligibility and the taxonomy alignment of the Krones Group's economic activities are reported for the 2024 financial year. Taxonomy-eligible activities are those that fit an EU Taxonomy activity description. In order to be reported as taxonomy-aligned, the activities must additionally comply with the technical screening criteria and minimum safeguards. Only activities under the environmental objectives climate change mitigation and transition to a circular economy were able to be classified as taxonomy-eligible. Due to possible changes in the application of the EU Taxonomy, it should be noted that it may not be possible to collect the data continuously.

Relevant activities for the environmental objective of climate change mitigation

Manufacture of other low carbon technologies – the enviro product portfolio

Part of the Krones Group's product portfolio falls within the definition of EU Taxonomy activity 3.6 "Manufacture of other low carbon technologies" under the environmental objective of climate change mitigation. Because of their high energy and media efficiency and environmental compatibility compared to the company's own standard product portfolio or to predecessor technologies, the technologies within the "enviro" product portfolio enable the Krones Group's customers to reduce their GHG emissions and are therefore taxonomy-eligible. The enviro sustainability programme for machines and lines was developed in the Krones Group in collaboration with TÜV SÜD. By assessing its technologies against a benchmark defined by TÜV SÜD, the Krones Group identifies the most energy and media-efficient products in its portfolio. These represent the best available technology. The Krones Group has conducted LCAs for enviro machines since 2023. Conducting an LCA using ISO 14067:2018 and having the results verified by an independent third party is a technical screening criterion for reporting taxonomy alignment under activity 3.6. The Krones Group works with a third-party service provider that verifies the methodology used in calculating the lifecycle assessments. As a manufacturer of specialised machinery, the Krones Group cannot compare its technologies with other technologies available on the market. Because the Krones Group holds a market-leading position with the assessed product portfolio for filling and packaging technology, the non-enviro portfolio and the respective predecessor models are taken as the point of reference for the "best performing alternative technology available on the market", thus meeting an additional technical screening criterion. The results of the LCAs show that, because of their high energy and media efficiency, the machines in the enviro product portfolio demonstrate substantial lifecycle GHG emission savings compared to the standard portfolio and therefore contribute substantially to climate change mitigation. Following additional analysis



against the “do no significant harm” (DNSH) criteria and the minimum safeguards, the revenue, capex and opex figures for the enviro product portfolio can be reported as taxonomy-aligned.

As a result of the acquisition of Netstal Maschinen AG in 2024, the Krones Group now also has an energy and media-efficient portfolio of injection moulding machines that are able to be declared taxonomy-eligible. In the coming year, the enviro program is to be extended to include these machines, which will then be assessed against the remaining EU Taxonomy criteria for taxonomy alignment.

The solutions developed in the R&D projects for the enviro product portfolio (Activity 3.6) contribute to the reduction or avoidance of GHG emissions. Therefore, the Krones Group is able to report the expenditures associated with its R&D projects relating to energy efficiency (within the context of Activity 3.6) as taxonomy-aligned.

Individual actions

Moreover, the Krones Group has been able to identify the individual measures listed in the Annex as relevant. These activities generate no revenue and instead represent individual measures taken by the Krones Group to enable a reduction in GHG emissions. As such, the activities are classified as taxonomy-eligible for the environmental objective of climate change mitigation. Following analysis of the technical screening criteria, DNSH criteria and minimum safeguards by the respective departments, the Krones Group is able to report its energy efficiency measures, photovoltaic systems and electric-vehicle charging stations as taxonomy-aligned.

Relevant activities for the environmental objective of transition to a circular economy

Sales of used machinery – ecomac GmbH and Netstal Maschinen AG

Krones AG subsidiary ecomac Gebrauchtmaschinen GmbH sells used machines for the food and beverage industry on the second-hand market, either with or without reconditioning. The activities of ecomac GmbH therefore fall within the definition of EU Taxonomy activity 5.4 “Sale of second-hand goods” of the environmental objective of transition to a circular economy since this activity encompasses the “sale of second-hand goods that have been used for their intended purpose before by a customer, possibly after repair, refurbishment or remanufacturing”. The company offers a take-back programme for the reconditioning of used machines with original spare parts. After a machine is taken offline, deinstalled and reconditioned, it can either be returned to the customer or sold to a new customer. Besides reconditioning machinery, ecomac GmbH also buys used machines and resells them directly on the second-hand market, without reconditioning them.

A deeper analysis of the technical screening criteria, DNSH criteria and minimum safeguards shows that the activities of ecomac GmbH meet the criteria for a substantial contribution to the circular economy and therefore can be reported as taxonomy-aligned.

Subsidiary Netstal Maschinen AG, acquired in 2024, likewise sells reconditioned used injection moulding machines, as a result of which the revenue, capex and opex figures for used machinery from Netstal Maschinen AG are shown as taxonomy-eligible. The criteria for a substantial contribution to the circular economy cannot be fully met for the 2024 reporting period, however, as certain information is not yet available. The processes for procuring information are to be specified for future reporting.

**Sale of spare parts – System Logistics Group**

The subsidiary System Logistics Group sells spare parts for material handling equipment, which falls within the definition of EU Taxonomy activity 5.2 “Sale of spare parts” of the environmental objective of transition to a circular economy and can therefore be identified as taxonomy-eligible. Now that information has been obtained on the packaging for the spare parts, the criteria for a substantial contribution to the circular economy are fully met for the first time for the 2024 reporting period. After analysis of the remaining criteria, Activity 5.2 can therefore be reported as taxonomy-aligned for the 2024 financial year.

DNSH and minimum safeguards**Do no significant harm (DNSH)**

An assessment was also made as to whether the attainment of any of the other environmental objectives would be significantly harmed by the respective economic activities. To this end, the Krones Group conducted production site analyses as well as a product-specific analysis within the scope of Activity 3.6., in which those sites were deemed relevant that were linked to taxonomy-eligible activities. The results of the production site and product analysis show that none of the Krones Group's taxonomy-eligible activities cause significant harm to attainment of the other environmental objectives.

Minimum safeguards

To meet the minimum safeguards, the Krones Group aligns all of its economic activities with internationally recognised agreements and objectives such as the ILO core labour standards and the OECD Guidelines. The Krones Group is committed to consistently upholding human rights and labour standards along its entire value chain. Human rights, labour practices and social standards serve as

the normative foundation of the company's daily work and are therefore to be fully respected and upheld in all processes and projects worldwide. An analysis of the minimum safeguards requirements shows that the Krones Group meets the requirements.

Further disclosures on compliance with minimum safeguards and due diligence mechanisms implemented on the topics of respect for human rights, anti-corruption and bribery, taxation and free competition are contained in the »Social information« and »Governance information« sections (*see page 138 and page 160*).

**Calculation and development of the KPIs****Calculating KPIs**

The definition of the »turnover« key performance indicator used in the EU Taxonomy corresponds to the revenue reported in Krones' consolidated financial statements; the term »revenue« is therefore used here in place of »turnover«. The associated information can be found in the consolidated statement of profit and loss in this Annual Report. Capex includes additions to property, plant and equipment and intangible assets during the financial year under review. Information on the Krones Group's overall capital expenditure can be found in the following Notes to the consolidated financial statements: »Intangible assets«, »Research and development expenditure« and »Property, plant and equipment and right-of-use assets«. The opex KPI includes uncapitalised direct costs of research and development, building modernisation measures, short-term leasing, maintenance and repair, and direct expenses related to day-to-day maintenance of property, plant and equipment (*see »Consolidated statement of profit and loss & Notes«, page 255*).





The disclosures on revenue, capex and opex have been prepared in compliance with the delegated regulation on disclosure obligations and in accordance with the International Financial Reporting Standards (IFRS). Data collection with respect to the EU Taxonomy is done on the basis of revenue, capex and opex from the financial accounting system and, where applicable, of the activities listed as EU Taxonomy-relevant. Calculation of capex and opex is based in part on an allocation of revenue from taxonomy-eligible and taxonomy-aligned activities. The economic activities of the Krones Group have always been clearly classified under only one EU Taxonomy activity in order to avoid double counting of revenue, capex and opex. The KPIs presented here must be viewed with the fact in mind that the EU Taxonomy does not yet fully apply to the Krones Group because material economic activities of the Krones Group are not in the current list of EU Taxonomy activities.

KPI development

It should be noted that the underlying base and general comparability of the KPIs has changed relative to the previous year due to the acquisition of Netstal Maschinen AG.

Taxonomy-eligible revenue increased from 15.5% in 2023 to 18.2%. The improvement is mainly due to the increase in revenue from the enviro portfolio (activity 3.6) and the acquisition of Netstal Maschinen AG in 2024. This acquisition included an energy and media-efficient portfolio and sales of used injection moulding machines. Taxonomy-aligned revenue amounts to 17.6% and relates to the enviro portfolio, sales of second-hand machinery by ecomac GmbH and sales of spare parts by the System Logistics Group.

Taxonomy-eligible capex increased from 22.6% in 2023 to 34.7%. That is primarily the result of increased capital expenditure related to the enviro portfolio. Taxonomy-aligned capex comes to 26.1% and includes primarily investment in renewable energy and our enviro portfolio.

Taxonomy-eligible opex decreased from 3.0% in 2023 to 2.3%. This figure consists of expenditure for energy efficiency measures and for research and development. Taxonomy-aligned opex comes to 1.8 percent and includes the above expenditures.

Economic activities	Revenue 2024	Revenue 2023	Capex 2024	Capex 2023	Opex 2024	Opex 2023
	%	%	%	%	%	%
Taxonomy-eligible activities	18.2	15.5	34.7	22.6	2.3	3.0
Taxonomy-aligned activities	17.6	15.2	26.1	22.6	1.8	2.1
Taxonomy-non-eligible activities	81.8	84.5	65.3	77.4	97.7	97.0
Total	100	100	100	100	100	100

EU Taxonomy – Revenue

[illegible]

A. Taxonomy-eligible activities

A.1. Environmentally sustainable activities (taxonomy-aligned)

[illegible]

A.2. Taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned activities)

				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL										
Manufacture of other low carbon technologies	CCM 3.6	29.1	0.5%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								n.a.		
Sale of second-hand goods	CE 5.4	5.0	0.1%	N/EL	N/EL	N/EL	N/EL		N/EL								n.a.		
Revenue of taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned activities) (A.2)		34.1	0.6%	85.3%	0%	0%	0%	14.7%	0%								0%		
A. Revenue of taxonomy-eligible activities (A.1 + A.2)		965.7	18.2%	96.7%	0%	0%	0%	3.3%	0%								15.5%		

B. Taxonomy-non-eligible activities

Revenue of taxonomy-non-eligible activities		4,327.9	81.8%
Total		5,293.6	100%

EU Taxonomy – Capex /1

2024 Financial year	2024			Substantial contribution criteria						»Do No Significant Harm« (DNSH) criteria									
Economic activities (1)	Code (2)	Capex (3)	Proportion of capex, 2024 (4)	Climate change mitigation (5)	Climate change adaptation (6)	Water (7)	Pollution (8)	Circular economy (9)	Biodiversity (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water (13)	Pollution (14)	Circular economy (15)	Biodiversity (16)	Minimum safeguards (17)	Proportion of taxonomy-aligned (A.1.) or taxonomy-eligible (A.2.) capex, 2023 (18)	Category enabling activity (19)	Category transitional activity (20)
		€ million	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T

A. Taxonomy-eligible activities

A.1. Environmentally sustainable activities (taxonomy-aligned)

Manufacture of other low carbon technologies	CCM 3.6	52.9	22.5%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	21.2%	E	
Installation and maintenance of charging stations for electric vehicles	CCM 7.4	0.1	0%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	0.1%	E	
Installation, maintenance and repair of renewable energy technologies on site	CCM 7.6	8.4	3.6%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	1.3%	E	
Capex of environmentally sustainable activities (taxonomy-aligned) (A.1)		61.4	26.1%	100%	0%	0%	0%	0%	0%	Y	Y	Y	Y	Y	Y	Y	22.6%		
Of which enabling		61.4	26.1%	100%	0%	0%	0%	0%	0%	Y	Y	Y	Y	Y	Y	Y	22.6%	E	
Of which transitional		0	0%	0%						Y	Y	Y	Y	Y	Y	Y	0%		T

Continuation of table on page 134



EU Taxonomy – Capex /2

Continuation of table from page 133

2024 Financial year	2024			Substantial contribution criteria						»Do No Significant Harm« (DNSH) criteria									
Economic activities (1)	Code (2)	Capex (3)	Proportion of capex, 2024 (4)	Climate change mitigation (5)	Climate change adaptation (6)	Water (7)	Pollution (8)	Circular economy (9)	Biodiversity (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water (13)	Pollution (14)	Circular economy (15)	Biodiversity (16)	Minimum safeguards (17)	Proportion of taxonomy-aligned (A.1.) or taxonomy-eligible (A.2.) capex, 2023 (18)	Category enabling activity (19)	Category transitional activity (20)
		€ million	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T

A.2. Taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned activities)

				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL										
High-efficiency cogeneration of heat/cool and power from fossil gaseous fuels	CCM 4.30	0.1	0.1%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.01%		
Construction of new buildings	CCM 7.1	0.9	1.4%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								n.a.		
Transport by motorbikes, passenger cars and light commercial vehicles	CCM 6.5	16.7	7.1%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								7.6%*		
Capex of taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned activities) (A.2)		17.7	8.6%	100%	0%	0%	0%	0%	0%								0.01%		
A. Capex of taxonomy-eligible activities (A.1 + A.2)		79.1	34.7%	100%	0%	0%	0%	0%	0%								22.6%		
B. Taxonomy-non-eligible activities																			
Capex of taxonomy-non-eligible activities		156.3	65.3%																
Total		235.4	100%																

* The disclosures on activity 6.5 »Transport by motorbikes, passenger cars and light commercial vehicles« were not published in the previous year and were added for this financial year.

EU Taxonomy – Opex

[illegible]

A. Taxonomy-eligible activities

A.1. Environmentally sustainable activities (taxonomy-aligned)

[illegible]

A.2. Taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned activities)

[illegible]



Extent of eligibility and alignment per environmental objective

Proportion of revenue/total revenue		
	Taxonomy-aligned per objective	Taxonomy-eligible per objective
CCM	17.1%	17.8%
CCA	0	0
WTR	0	0
CE	0.5%	0.6%
PPC	0	0
BIO	0	0

Proportion of capex/total capex		
	Taxonomy-aligned per objective	Taxonomy-eligible per objective
CCM	26.1%	34.7%
CCA	0	0
WTR	0	0
CE	0%	0%
PPC	0	0
BIO	0	0

Proportion of opex/total opex		
	Taxonomy-aligned per objective	Taxonomy-eligible per objective
CCM	1.8%	2.3%
CCA	0	0
WTR	0	0
CE	0%	0%
PPC	0	0
BIO	0	0

- ccm: Climate Change Mitigation
- cca: Climate Change Adaptation
- wtr: Water
- ce: Circular Economy
- ppcc: Pollution Prevention and Control
- bio: Biodiversity and Ecosystems



Nuclear and fossil gas-related activities

	Nuclear energy-related activities	
1.	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	NO
2.	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	NO
3.	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	NO
	Fossil gas-related activities	
4.	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	NO
5.	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	YES
6.	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	NO

Taxonomy-eligible, but not taxonomy-aligned activities

(these figures relate only to the capex KPI)

	Economic activities	Proportion (in monetary amounts and in percent)					
		(CCM + CCA)		Climate change mitigation		Climate change adaptation	
		Amount	%	Amount	%	Amount	%
1.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the capex KPI	–		–		–	
2.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the capex KPI	–		–		–	
3.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the capex KPI	–		–		–	
4.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the capex KPI	–		–		–	
5.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the capex KPI	€0.1m/0.1%		€0.1m/100%		0/0	
6.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the capex KPI	–		–		–	
7.	Amount and proportion of other taxonomy-eligible but not taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the capex KPI	–		–		–	
8.	Total amount and proportion of taxonomy eligible but not taxonomy-aligned economic activities in the denominator of the capex KPI	€0.1m/0.1%		€0.1m/100%		0/0	



Social information

Introduction to the management of social topics

The Krones Group operates globally. Legal standards for labour, pay and workplace safety apply in the countries where the company operates and from which it sources products and services. In keeping with its position as an innovation-driven technology group in complex value chains, Krones sets itself high standards that go beyond the legal minimum. This applies to the satisfaction, motivation and physical and mental health of employees, both within the company and in the value chain. The sections that follow address the activities that Krones has implemented in order to comply with its labour and human rights due diligence obligations along the entire value chain. Specifically, this consists of disclosures on:

- Working conditions
- Equal treatment and opportunities
- Other work-related rights



In its disclosures in accordance with ESRS 2, Krones includes all workers in the value chain who are likely to be materially impacted by its own operations and value chain.

Own workforce

- Undertaking's employees:
Full-time and part-time employees, apprentices and trainees.
- Non-employees:
Temporary employees and self-employed people

Workers in the value chain

- Workers in the upstream value chain
- Workers in the downstream value chain
- Workers who due to their situation are particularly susceptible to negative impacts, such as migrants and fixed-term employees.

Monitoring and continuous improvement of working conditions along the value chain is an integral part of our corporate strategy, reflecting the dependencies and influences on workers in our value chain. Due to HR governance and our established human rights management system, the likelihood of material negative impacts is considered low and no adjustments to strategy or the business model have been made as a result. Nevertheless, Krones is committed to minimising all risks and ensuring the wellbeing of all employees. Material negative impacts are neither widespread nor systemic. Any such impacts are limited to isolated incidents or specific business relationships, and we take targeted action in response.

For the entire value chain, uniform documents apply that clearly define our obligations and expectations in terms of human rights due diligence: The Code of Conduct and Supplier Code of Conduct set out the core principles to which all employees and business partners must adhere. No cases of non-compliance with relevant internationally recognised instruments were reported in relation to workers in the value chain (*see »Policy documents«, page 93*).





Policies related to the management of social topics

As part of our sustainable corporate strategy, the following group-wide policies apply to social topics. In this connection, we cover all the grounds of discrimination under national law, thereby meeting the legal requirements for equal treatment and non-discrimination.

Policy	General objectives	Key contents	Reference to third-party standards or initiatives	Scope	Organisational unit accountable for implementation	Process for monitoring	Consideration given to the interests of stakeholders	Availability of the policy to stakeholders	Areas that the policy relates to
Human Rights and Social Topics policy	Definition of group-wide social standards	<ul style="list-style-type: none"> Topics Human trafficking Prohibition of forced labour Prohibition of child labour Anti-discrimination Decent working conditions Regular employment relationships Freedom of assembly and association Health and safety Diversity, equal opportunities and inclusion Privacy rights and data protection Environmental human rights Social sustainability targets 	Basis in and consistency with internationally recognised agreements and goals: <ul style="list-style-type: none"> UNGC principles OECD Guidelines for Multinational Enterprises ILO core labour standards UN Guiding Principles on Business and Human Rights Ethical Trading Initiative (ETI) Base Code UK Modern Slavery Act UN Standards of Conduct for Business Tackling Discrimination against LGBTIQ+ People 	<ul style="list-style-type: none"> Binding on all Kro-nes Group employees worldwide All activities and interactions along the value chain 	<ul style="list-style-type: none"> Head of Corporate Sustainability Adoption by the Executive Board 	<ul style="list-style-type: none"> Internal review in regular audits External audits and independent third parties 	Dialogue-based engagement in policy development	<ul style="list-style-type: none"> Available to all employees Access via internal policy management system 	<ul style="list-style-type: none"> Working conditions for own workforce Equal treatment for own workforce and equal opportunities for all Other work-related rights for own workforce Working conditions in the value chain Equal treatment and equal opportunities for all along the value chain Other work-related rights for workers along the value chain
Occupational Health and Safety in Customer Projects policy	Definition of minimum standards for occupational safety and health in customer projects	<ul style="list-style-type: none"> Basic organisational measures Customer project planning measures Customer project execution measures 		<ul style="list-style-type: none"> Binding on all Kro-nes Group employees worldwide Focus on construction and assembly site workers in customer project execution 					<ul style="list-style-type: none"> Working conditions for own workforce

Continuation of table on page 141



Continuation of table from page 140

Policy	General objectives	Key contents	Reference to third-party standards or initiatives	Scope	Organisational unit accountable for implementation	Process for monitoring	Consideration given to the interests of stakeholders	Availability of the policy to stakeholders	Areas that the policy relates to
Purchasing policy	Definition of procurement structures and processes	<ul style="list-style-type: none">▪ Supplier selection and assessment▪ Supplier relationship monitoring and management▪ Contract negotiation authority▪ Cost reduction measures in procurement▪ Operational procurement processes and responsibilities▪ Rules on signing contracts▪ Supply chain risk management strategies		<ul style="list-style-type: none">▪ Binding on all Krones Group employees worldwide▪ All activities and interactions related to procurement and to business relationships with suppliers	<ul style="list-style-type: none">▪ Head of Corporate Procurement▪ Adoption by the Executive Board	<ul style="list-style-type: none">▪ Internal review in regular audits	Dialogue-based engagement in policy development	<ul style="list-style-type: none">▪ Available to all employees▪ Access via internal policy management system	

In the interest of all stakeholders, violations are systematically investigated and dealt with. All employees along the Krones Group’s entire value chain and all external stakeholders of the Krones Group have various means to be heard if there is a violation of human rights or of fair working conditions. Besides direct

contact with the company, the main point of contact is the Krones Integrity reporting system. This enables human rights and environmental violations to be clearly identified as such from the outset. *For further information see »Whistleblower system«, page 166.*





Own workforce (ESRS S1)

Krones Group employees plan, manufacture, install, sell and service technically complex machines and lines featuring sophisticated technology, or provide the administrative infrastructure for this purpose. For all of these activities, we need highly skilled people with specialist expertise. The Krones Group must therefore ensure an appealing work environment in order to gain and retain employee loyalty for the long term. The attractive working conditions that we offer influence our employees' wellbeing, which in turn has a powerful impact on their motivation and performance in their day-to-day work.

Impact, risk and opportunity management

As an international group, by providing employment through its business activities, Krones contributes to the economic and social stability and prosperity of the regions in which it operates. Because we are an industrial enterprise with a significant share of physical labour at our production sites, ensuring safe working conditions is essential. Many of our employees in manufacturing, assembly and service perform physically strenuous work that entails hazards. Respect for human rights and compliance with labour standards in the various countries where Krones operates are fundamental requirements. Krones implements measures with the aim of ensuring that material negative impacts on its own workforce are mitigated and that potential impacts do not materialise. Policies such as active participation, adequate wages and career and development opportunities, in conjunction with a respectful working environment, contribute to employee satisfaction. Equal opportunities, anti-discrimination and diversity are considered important factors in our business success, and initiatives are in place to promote diversity within the company. Respect for human rights is not only important from an ethical point of view, but also for maintaining competitiveness and fostering a motivated workforce. Krones has implemented processes

to prevent human rights violations and is committed to providing appropriate working conditions. *For further information see »Policy documents«, page 93, »Policies related to the management of social topics«, page 140 and »Actions and resources S1«, page 145.*

Responsibility for implementing and monitoring our group-wide human rights and labour standards is clearly defined, with the management of each individual company responsible for implementation of the requirements. Human Resources and Social Affairs – including its occupational safety and health specialists – is responsible for compliance with these standards in own operations. The experts from these departments ensure that labour standards and processes are followed in day-to-day operations. Responsibility for implementing the related measures and for active engagement lies with Human Resources and the Works Council. Occupational safety and health management is organised in a corporate unit under the Head of Human Resources. In addition to occupational safety and health, this includes medical services and operational health management. Occupational safety and health representatives have direct access to the Executive Board at all times. The international Human Resources Network acts as a mouthpiece for offices and subsidiaries across the group. A dedicated Diversity Board serves to ensure equal opportunities and promote diversity in the workforce, and coordinates strategy in this regard. The Human Rights Officer appointed by the Executive Board has a monitoring role and conducts checks at regular intervals and as the need arises on how human rights due diligence obligations are met along the entire value chain.








Own workforce-related impacts, risks and opportunities

Own workforce-related impacts, risks and opportunities								
IRO cluster	Description	Type	Upstream	Own operations	Downstream	Short-term (<1 year)	Medium-term (1-5 years)	Long term (>5 years)
			Value chain			Time horizon		
[S1] Working conditions								
Health impacts of unfavourable working conditions	Persistently long working hours, poor work-life balance and a lack of or inadequate occupational safety and health provision can have a negative impact on the mental and physical health of workers in the company.	Negative impact		●		●		●
Violation of co-determination rights and right to adequate wages due to lack of representation	Lacking or limited employee representation, lack of social dialogue, restrictions on freedom of association or suppression of collective bargaining can lead to violation of co-determination rights and have a negative impact on the living and financial conditions of workers in the company.	Negative impact		●		●		
Heavy workloads due to high employee turnover and fixed-term contracts	Heavy workloads, job insecurity or fixed-term employment contracts can lead to situations of stress and pressure and an insecure employment situation for the company's own workforce.	Negative impact		●		●	●	
Contribution to prosperity by creating employment worldwide	By generating employment with its business activities, the company contributes to economic and social stability and to prosperity in the regions in which it operates.	Positive impact		●				●
Loss of productivity due to adverse working conditions	Adverse working conditions, including stress and long working hours, can impair workforce productivity and thus the company's performance.	Risk		●			●	
[S1] Equal treatment and opportunities								
Negative consequences of a discriminatory working environment	Discrimination, unequal treatment or harassment in the workplace can lead to reduced career opportunities, violations of workers' rights and, as a result, have a negative impact on the lifestyle, economic situation and mental and physical health of the company's own workforce.	Negative impact		●			●	
Reputational and economic damage from incidents of discrimination	Cases of discrimination, violence or harassment in the workplace can result in reputational damage and resulting economic damage such as a reduction in the value of the company or lower investment.	Risk		●		●		
[S1] Other work-related rights								
Violation of human and fundamental rights due to neglect of due diligence obligations	Modern slavery (child and forced labour), substandard (unhygienic, cramped and/or insani- tary) accommodation and loss of personal data or data breaches related to the company's own workforce can lead to violations of human rights, privacy rights and health hazards.	Negative impact		●		●	●	
Fines and loss of revenue due to human rights viola- tions	Violations of human rights, labour rights, data breaches and violations of laws on the protec- tion of minors in the workforce and along the value chain can result in reputational damage, loss of revenue and costs due to fines.	Risk		●		●		

Due to the global nature of the business, there is an inherent risk of child and forced labour in Krones' value chain – particularly in countries and sectors where child and forced labour is widespread. We therefore carry out human

rights and environmental risk assessments at least once annually as part of our human rights strategy. The specific risk assessment shows that none of our sites has a significant risk of incidents of child or forced labour.

Targets

Target	Scope	Target type	Unit	Base value	2023	2024	Progress towards goal (base year / progress / target year)	Tar- get	SDGs	Scientific evidence
Number of women in manage- ment posi- tions	The Krones Group aims to increase the percentage of women in management positions to 20% by 2030 compared to the 2020 base year									
	Own operations	Absolute	%	11.3	15.7	16.5	2020 <div><div></div></div> 16.5% 2030	20%	 	Not relevant (target not related to environmental matters)
Reduction in work- related accidents	Krones aims to reduce the number of work-related accidents per million hours worked within the Krones Group by 30% by 2030 compared with the 2020 base year.*									
	Own operations	Relative	Number / million h	8.9	6.3	5.6	2020 <div><div></div></div> -37.2% 2030	-30%		Not relevant (target not related to environmental matters)

* This excludes both commuting accidents and non-employees.

Our targets related to social sustainability in our own workforce are set out in our Human Rights and Social Topics policy and address the impacts, risks and opportunities related to diversity and occupational safety in the Krones Group.

The percentage of women in management positions relates to the number of women in chief positions. The target of 20% women in management positions was adjusted in the review of the sustainability targets in 2024 and extended from being a target for Krones AG to a target for the entire Krones Group.

Work-related accidents are defined as all accidents that occur in connection with work on Krones' or a subsidiary's premises or on business travel. This excludes commuting accidents. The indicator includes all accidents involving Krones Group employees, excluding non-employees.

Overall, not all of the identified own workforce-related IROs can be assigned to a specific target. Nevertheless, all IROs are covered in our policies and we take action accordingly. Compliance with the policies is monitored by defined pro-
cesses that include both data analyses and audits. Because full data has been
collected for the first time, progress is tracked from 2024. Further action will
then be implemented based on the collected data. *For further information see
»Sustainability targets«, page 83.*





Actions and resources



For further information see »Financial effects and investments«, page 85.

Action*	Scope	Time horizon	Financial and other resources	Requirements
ISO 45001	Own workforce	Short-term, medium-term, long-term	Human resources; certification costs	Human resources, financial resources, collaboration in the value chain, technical requirements, evaluation of action
Risk assessments, including mental stress			Human resources	
Transfer of temporary employees to permanent employment	Temporary employees			
Workforce expansion	New employees			
Extension of collective agreements	Subsidiaries			
Pay benchmarking	Own workforce			
Modification of contracts				
Engagement with employee representatives				
Employee participation and active dialogue				
Working conditions				
Employee reviews				
Training and professional development opportunities				
Rollout of a learning platform		Short-term		
Gender-neutral potential identification and promotion		Short-term, medium-term, long-term		
Grading system				
Diversity Board				

(*) All measures relate to Krones company workers, with individual measures focused on Krones AG.



Working conditions

Occupational safety and health

ISO 45001 certification is a step towards raising our occupational safety management to a uniform level throughout the group. In addition to the entirety of Krones AG, eight other Krones Group sites in the matrix organisation (combined certification) and subsidiaries System Logistics SpA, Krones Machinery (Taicang) and Kosme are already certified to the standard, thus underscoring our commitment to safety in the workplace.

The company provides protective gear to all employees within the Krones Group who work in areas where safety is a particular concern. This includes measures and personal equipment to protect against noise as well as instruction on procedures for handling chemicals and hazardous substances. In accordance with legal requirements, preventive screening is arranged or offered on the basis of risk assessment. Furthermore, all Krones AG employees are able to undergo preventive occupational healthcare screening on request. The preventive healthcare records are kept in automated form. In the case of work activities with high risk potential for third parties or for significant assets, advance suitability tests are provided for in company agreements.

Beyond classic occupational safety management, Krones also takes care of employees' physical and emotional wellbeing. Thorough analyses of incapacity to work and questionnaire-based needs assessments are used to develop and implement targeted health interventions. Krones Health Management also conducts risk assessments to identify mental stress in the workplace. At Krones AG, the services offered to employees are rounded out by the company medical service and social counselling.

Job stability and security

Krones promotes the transfer of temporary employees to permanent employment. This practice is mainly concentrated in Germany due to the specific legal framework. Moreover, Krones is experiencing global growth in the permanent workforce – at an even faster rate internationally than in Germany – which aids the creation of secure jobs. Krones uses pay benchmarking to ensure competitive pay, which also contributes indirectly in terms of retaining and attracting employees. Flexible modification of contract types also helps in tailoring employment relationships to prevailing needs. The expansion of collective agreements at subsidiaries provides additional security for employees and also serves the purpose of increasing employee satisfaction.

Engagement with employee representatives

The involvement of local employee representatives and both the Central Works Council and the Group Works Council enables employees to actively participate in shaping their working environment. All employees within Krones AG are represented by local site-specific works councils that, together, make up the Central Works Council. Outside of Germany, employees of the international sites establish representation of their interests individually in formal and legal terms. Within the global Krones network, representatives of the Group Works Council maintain contact with the managing directors, plant managers and local unions of the major international manufacturing sites. International business aspects are addressed by the Supervisory Board. This underscores the importance of a group-wide analysis. As well as in meetings of the Central Works Council, operational issues are discussed in weekly meetings between the Head of Human Resources and the chairpersons and members of the works councils of the German sites. In quarterly Economics Committee meetings, Human Resources, the Works Council and representatives of the Executive Board discuss the company's economic situation together with strategic and operational matters. Works meetings provide a platform for dialogue between employees and management. Works Council members represent employee interests on the Supervisory Board. The Head of Human Resources reports directly to the Executive Board.

**Employee participation and active dialogue**

The Krones Group maintains regular, open communication with our workforce overall. Employees can access relevant information through various channels – the intranet, the corporate website and the employee magazine. At regular intervals – for example in video messages, works meetings and monthly management meetings – the Executive Board provides transparent communications about current developments and the state of the company. Employees also have the opportunity to contribute their perspectives through various communication channels. Employee reviews serve as an opportunity for dialogue between permanent employees of Krones AG and their direct supervisor, providing space to discuss goals and expectations and for structured feedback. In 2024, an employee survey was also conducted on the company's corporate vision, the results of which are to be communicated to employees. Initiatives such as "Executive Board members in dialogue" promote personal interchange between employees and members of the Executive Board. Human Resources also responds to employee postings on in-house platforms and brings them up in dialogue with the Works Council to address the issues raised. Feedback from employee reviews, the corporate vision survey, topic-specific surveys and separate surveys in various subsidiaries demonstrates our activities and the measures we have implemented to be effective and appropriate.

Working conditions

In the course of adopting "new work" approaches, workplaces are being redesigned and improved, including shared desking and the conversion of office buildings to state-of-the-art working environments. Mobile working has also been retained. This provides employees with flexibility and helps promote work-life balance. Mobile working is a global phenomenon that takes various forms and is adapted to local conditions as needed.

Equal treatment and opportunities**Employee development and promotion**

Performance reviews are conducted with employees on an annual basis. Because of the high expectations the company has of its employees, needs-oriented staff development and training programmes are a high priority across an employee's entire career. The training portal, which a majority of employees group-wide can access, serves as the main point of contact for all continuing education programmes. State-of-the-art learning programmes with a range of learning providers supplement the training already available and are being rolled out across the group. In addition to training programmes for young professionals, professional development programmes aim to enable employees to engage in lifelong learning and open up new career prospects within the group.

Anti-discrimination and equal treatment

In the Krones Group's corporate vision, we commit to valuing diversity and inclusion, and to promoting a culture of encouraging and inspiring all people without prejudice. Krones signed the Diversity Charter in 2010, thus expressing the company's unequivocal commitment to promoting diversity within the group. With targeted programmes, worldwide talent pools, international thematic communities and measures aimed at establishing balanced age structures, we connect employees of diverse age groups, gender identities, nationalities and career fields. This is also reflected in our support for specific groups. At Krones AG, four disability officers look after the interests of employees with disabilities, and other sites have similar points of contact. The aim is to enable employees with disabilities to integrate into working life in accordance with their individual capabilities and to gain insights into their perspective.



One area of focus in past years consisted of identifying high potential among women employees, followed up with targeted development measures. In 2024, these activities were extended into a gender-neutral potential identification and promotion programme in order to further promote equal opportunities. The Diversity Board plays an important part in the development and implementation of strategies to promote diversity and inclusion. Executive Board-level communication and education campaigns aim to raise awareness and promote a non-discriminatory working environment. A grading system that assesses positions rather than people helps guarantee objectivity and equal treatment in terms of pay. This is intended to minimise the risk of discrimination and to have a preventive effect, ensuring equal opportunities for all employees.

In the event that incidents of discrimination are reported or identified, a defined investigation process is followed for plausibility and validation in order to decide and take appropriate action (*see »Investigation process«, page 167*).



Other work-related rights

Training and awareness campaigns

Matters relating to human rights and labour topics are covered by internal training programmes and e-learning courses within the Krones Group. “Human rights at Krones” is a training programme that deals exclusively with topics of human rights due diligence and must be completed by employees who are in regular contact with third parties. Within Krones AG, annual basic instruction also includes detailed information and guidelines on aspects of occupational safety. At the other locations within the Krones Group, such training is provided as needed and for specific risk groups. Temporary employees, service providers and contractors, too, receive appropriate safety instructions.

Metrics

Country-specific factors are provided for by taking national legislation into account in data collection. No estimates are made for any of the data, which is taken directly from the system. The disclosure of the number of employees at the end of the reporting period provides information for that point in time, without capturing fluctuations during the reporting period.

Characteristics of the company's own workforce

At Krones worldwide, data is recorded in the system for our employees when they join the company. The data is given as the headcount, with the headcount relating to the actual number of employees, irrespective of their working hours. Category assignment takes place on data entry in the system.

The total number of employees by headcount comprises all permanent employees. Krones defines a permanent employee as an individual who is employed and paid directly by Krones. This encompasses full-time and part-time employees, apprentices and trainees. Work-study students, interns and employees of contractors are not counted. Full-time employees are those with contractually agreed standard weekly working hours (planned working hours per week). Part-time employees are those whose contractually agreed working hours are less than the planned working hours. To calculate full-time equivalents (FTE) for reporting purposes, the total working hours of part-time workers are taken as a percentage of the agreed full-time working hours. In this way, the portion of working hours accounted for by part-time employees is converted into full-time equivalents and can be assessed relative to the entire workforce.

Krones also employs temporary workers and self-employed people. Temporary employees are individuals who are employed under contract with a third party and assigned to work for Krones on a temporary basis. Self-employed people are people who have entered into a contract with Krones to supply labour.

The data for these metrics is collected and updated daily in our group-wide data management systems. The systematic management of data on all permanent employees in our data management systems is based on the employment contracts in force. The metrics are all reported by headcount as of 31 December 2024.

Number of employees by gender

Gender	Unit	2024
Male	Headcount	16,629
Female	Headcount	3,704
Other	Headcount	0
Not reported	Headcount	46
Total employees	Headcount	20,379

	Unit	2024
Total number of employees who left the company during the reporting period	Headcount	1,218
Employee turnover rate in the reporting period*	%	6.4

* Employees leaving voluntarily or due to dismissal, retirement, or death in service, based on average number of employees in the 2024 financial year

Headcount in countries where the company has at least 50 employees representing at least 10% of its total number of employees.

Country	Unit	2024
Germany	Headcount	11,312

Information on employees by contract type, broken down by gender

Unit	Female	Male	Not reported	Total
Number of employees				
Headcount	3,704	16,629	46	20,379
Number of permanent employees				
Headcount	3,605	16,137	46	19,788
Number of temporary employees				
Headcount	99	492	0	591
Number of non-guaranteed hours employees				
Headcount	0	0	0	0

Information on employees by contract type, broken down by region

2024								
Unit	Germany	Western Europe	Central and Eastern Europe, Central Asia	Middle East, Africa	North America	South America	Asia Pacific	China
Number of employees								
Headcount	11,312	1,952	1,528	753	1,593	1,006	1,237	998
Number of permanent employees								
Headcount	10,721	1,952	1,528	753	1,593	1,006	1,237	998
Number of temporary employees								
Headcount	591	0	0	0	0	0	0	0

Non-employees

	Unit	2024
Self-employed people	Headcount	1,295
Temporary employees	Headcount	1,593
Total number of non-employees	Headcount	2,888

* The number of employees at the end of the reporting period provides information for that point in time, without capturing fluctuations during the reporting period.

Collective bargaining coverage and social dialogue

Krones AG has adopted the collective agreement of the Bavarian metal and electrical industry on the basis of a recognition agreement, which contains a large number of stipulations with regard to working conditions and terms and conditions of employment. The number of employees covered by collective agreements is based on the employment contracts in force and relates to employees in Germany. Beyond this, Krones has not entered into any other collective agreement, which is why no employees outside of the EEA have coverage.

Krones employees are also actively represented in social dialogue. This takes place in Germany through the works councils, although not at European level. Krones has no agreements on representation by a European works council. The metric is calculated as the ratio of Krones AG employees to the total number of Krones Group employees.

	Collective bargaining coverage	Social dialogue
Coverage rate	Employees – EEA* (for countries with > 50 employees representing > 10% total employees)	Workplace representation (EEA only) (for countries with > 50 employees representing > 10% total employees)
0 to 19%		
20 to 39%	37.9% (Germany)	
40 to 50%		46.8% (Germany)
60 to 79%		
80 to 100%		

* European Economic Area

Diversity metrics

The gender distribution measures the percentages of women and men in management levels based on chief positions in the company. Chief positions at Krones are defined as the management level, are linked to the organisational chart, and indicate responsibility for an organisational unit. The metric is calculated by determining the percentage of female managers in relation to the total number of managers. The age distribution of employees analyses the age structure of the workforce. It is presented in age groups in order to provide a comprehensive picture of the demographic structure. Methodologically speaking, employees are divided into age groups (such as under 30, 30 to 50, and over 50) and the percentage is calculated for each age group. One potential limitation relates to legal restrictions on the collection of age and gender-related data.

	Unit	2024
Management level total: 1,662		
Female	Headcount	275
	%	16.5
Male	Headcount	1,386
	%	83.4
Not recorded	Headcount	1
	%	0.1
Total employees: 20,379		
< 30 years	Headcount	3,727
	%	18.3
30–50 Years	Headcount	10,827
	%	53.1
> 50 years	Headcount	5,081
	%	24.9
Not disclosed	Headcount	744
	%	3.8

Adequate wage

The Human Rights and Social Topics policy lays down minimum standards with regard to pay. Average salaries are determined by HR managers in the various companies. The basis for internal comparison is the target remuneration for permanent full-time employees as of 31 December 2024, comprising a base salary, fixed allowances and variable remuneration. The precise composition depends on the remuneration policy in each company. A company can be assumed to pay an adequate wage if the minimum wage paid in the company exceeds the average hourly wage, before deductions, in the country concerned. The percentage figure is based on data returned by the individual companies. For companies that have not provided any data, a qualitative assessment is made of the impact on the overall analysis. This is done on the basis of the number of employees and the home country of each company. The qualitative assessment did not show the lack of returned data to have any impact on the overall analysis. The figures can therefore be assumed to apply globally.

	Unit	2024
Percentage of employees paid below the applicable benchmarks for adequate wages	%	0.2*

* Countries: Romania, United Emirates

Social protection

The vast majority of employees in the Krones Group are covered by social protection in the form of state provision or company benefits. These employees have protection against loss of income due to unemployment, illness, work-related accidents, disability, parental leave or retirement. Protection against loss of income in retirement is provided, for example, through both public pension schemes and company pension plans. In order to ensure the social protection of employees, a carefully review is carried out of the national legal situation and

internal company policies. Compliance with country and entity-specific standards is verified by each HR manager. For this purpose, the social protection provision is assessed and reviewed to determine whether it meets the requirements.

Countries with partial social protection		
Country	Employee group	No coverage
India	Temporary employees, interns	<ul style="list-style-type: none">▪ Unemployment from the date the employee joins the company.▪ Retirement
Indonesia	Temporary employees, freelancers	N/A
New Zealand	Employees who do not have citizenship or permanent residence in the country	<div>Only limited coverage in certain respects depending on visa:</div> <ul style="list-style-type: none">▪ Sickness;
Australia	Employees who do not have citizenship or permanent residence in the country	<ul style="list-style-type: none">▪ Unemployment from the date the employee joins the company;▪ Work-related accidents and acquired disability;▪ Maternity leave;▪ Retirement.
USA	Temporary workers, interns	<ul style="list-style-type: none">▪ Unemployment▪ Maternity leave▪ Paid sick days
Kenia	All employees	<ul style="list-style-type: none">▪ Unemployment

Persons with disabilities

The percentage of employees with disabilities is a key metric for assessing inclusion and support for people with disabilities in the company. This data is collected and analysed on the basis of legal requirements, which results in limitations as disclosing such information is not universally mandatory or permitted. The disclosure is based on the number of employees who provided data. All companies are included that are legally permitted to collect this data and have also returned the data. The percentage of employees with disabilities is calculated for all companies included. It therefore covers 80% of Krones worldwide.

	Unit	2024
Percentage of employees with disabilities	%	3.9

Training

A training-related metric is the average number of training hours per employee. This measures the average time that employees invest in training. It is calculated as the total number of training hours divided by the number of employees.

	Unit	2024	
Average number of training hours per employee	h/employee	Female: 15.6	Male: 19.7



Health and safety

For these metrics, we use a data collection tool. Where there are technical or practical obstacles, we also use extrapolations. The number and rate of reportable work-related accidents does not include commuting accidents.

	Unit	Own workforce
Percentage of own workforce covered by ISO 45001	%	69.9
Number of fatalities as a result of work-related injuries and work-related ill health	Number	0
Number of reportable work-related accidents*	Number	196
Rate of reportable work-related accidents*	Number/million h	5.6
Number of cases of reportable work-related ill health among employees*	Number	1
With regard to the workforce, number of days lost to work-related injuries and fatalities from work-related accidents, work-related ill health and fatalities from ill health	Days	4,965

*Reportable according to KPI matrix

Remuneration

The basis for the assessment of remuneration is the target remuneration for employees of Krones AG as of 31 December 2024. This comprises a base salary, fixed allowances and variable remuneration components, which are based on the remuneration policy in each company. The gross hourly pay level of female employees is compared with that of male employees.

	Unit	2024
Gender pay gap, expressed as a percentage of the average income of male employees	%	6.4
Ratio of the annual total compensation for the highest-paid individual to the median annual total compensation for all employees (excluding the highest-paid individual)	%	25.6

Incidents, complaints and severe human rights impacts

In line with our commitment to transparency and integrity, we confirm that there were no incidents or serious human rights violations involving forced labour, human trafficking or child labour during the reporting period that would require the disclosure of monetary amounts. Similarly, there were no violations involving work-related discrimination or harassment that resulted in fines, penalties or compensation. Accordingly, no cross-reference is provided to our financial statements.

	Unit	2024
Total number of incidents of discrimination, including harassment, reported in the reporting period	Number	0
Number of complaints filed through channels for people in the company's own workforce to raise concerns and, where applicable, related to the matters defined in ESRS S1 paragraph 2, excluding discrimination and harassment	Number	0
Total amount of fines, penalties and compensation for damages as a result of the incidents and complaints disclosed under paragraph 103 (a) and (b)	€	0
Number of severe human rights violations and incidents connected to the company's own workforce in the reporting period, including an indication of how many of these are cases of non-respect of the UN Guiding Principles on Business and Human Rights, ILO Declaration on Fundamental Principles and Rights at Work or OECD Guidelines for Multinational Enterprises	Number	0
Total amount of fines, penalties and compensation for damages for the incidents described under paragraph 104 (a)	€	0



Workers in the value chain (ESRS S2)

As the markets have become increasingly globalised, the Krones Group has steadily grown its global footprint through regional sourcing of materials, components and services. Besides strategic benefits like cost efficiency, proximity to customers and increased use of the expertise of our employees worldwide, this has also resulted in sustainability-related impacts.

Impact, risk and opportunity management

Our business partners are likewise primarily companies whose business involves a significant proportion of physical labour, both in the supply chain for the production and manufacture of our materials and among our customers, who put our machines into operation. Krones recognises that our business relationships and the completion times specified for projects can have a negative impact on the health and working conditions of value chain workers. Poor product safety could lead to physical injury or health problems. Failure to respect labour and human rights in the value chain, and the sale of defective products, can put the safety of workers at risk and lead to reputational damage, lost revenue and legal consequences. Respect for human rights is therefore of vital importance to us, not only in our own operations, but throughout our value chain. It is the

basis on which we pursue our targets and shape our corporate culture as a globally operating company. Nevertheless, meeting the legal requirements for working conditions, pay and health and safety in the countries in which we operate marks only the starting point of our commitment to universal standards. Krones works to improve working conditions in the value chain by demanding that its direct suppliers comply with defined standards and pass these standards down their supply chain (*see »Policy documents«, page 93, »Policies related to the management of social topics«, page 140 and » Actions and resources«, page 157*).



Corporate Procurement reports directly to the Chief Operating Officer (COO) and coordinates procurement management. The Supply Chain Governance Board, consisting of representatives from Procurement, Supplier Quality Management, Corporate Governance and Corporate Sustainability, coordinates compliance with our human rights due diligence requirements and decides on critical findings in the upstream supply chain. The Human Rights Officer appointed by the Executive Board has a supervisory role and monitors the implementation of human rights due diligence throughout the value chain on a regular and as-needed basis.



Impacts, risks and opportunities related to workers in Krones' value chain

IRO cluster	Description	Type	Upstream	Own operations	Downstream	Short-term	Medium-term	Long-term
			Value chain			Time horizon		
[S2] Working conditions								
Health impacts of unfavourable working conditions	Persistently long working hours, poor work-life balance and a lack of or inadequate occupational safety and health provision can have a negative impact on the mental and physical health of workers in the entire value chain.	Negative impact	●		●	●	●	
Violation of co-determination rights and right to adequate wages due to lack of representation	Lacking or limited employee representation, lack of social dialogue, restrictions on freedom of association or suppression of collective bargaining can lead to violation of co-determination rights and have a negative impact on the living and financial conditions of workers along the value chain.	Negative impact	●		●		●	
Heavy workloads due to high employee turnover and fixed-term contracts	Heavy workloads, job insecurity or fixed-term employment contracts can lead to situations of stress and pressure and an insecure employment situation for workers along the value chain.	Negative impact	●			●	●	
Loss of revenue due to inadequate product safety	The manufacture, distribution and sale of dangerous or defective products and the related risks to workers in the upstream and downstream value chains can have a negative impact on reputation, customer satisfaction and also indirectly on revenue.	Risk	●		●	●		
[S2] Equal treatment and opportunities								
Negative consequences of a discriminatory working environment	Discrimination, unequal treatment or harassment in the workplace can lead to reduced career opportunities, violations of workers' rights and, as a result, have a negative impact on the lifestyle, economic situation and mental and physical health of the company's own workforce and of value chain workers.	Negative impact	●		●	●	●	
Lack of employee satisfaction due to gender pay gap	Any gender pay gap can give rise to discrimination and declining employee satisfaction among value chain workers.	Negative impact	●		●		●	
[S2] Other work-related rights								
Violation of human and fundamental rights due to neglect of due diligence obligations	Modern slavery (child and forced labour), substandard (unhygienic, cramped and/or insanitary) accommodation and loss of personal data or data breaches related to value chain workers can lead to violations of human rights, privacy rights and health hazards.	Negative impact	●		●	●		
Fines and loss of revenue due to human rights violations	Violations of human rights, labour rights and violations of laws on the protection of minors in the workforce and along the value chain can result in reputational damage, loss of revenue and costs due to fines.	Risk	●	●		●		



Engagement with value chain workers

In place of direct surveys, Krones uses tried-and-tested methods of regular interchange to gain insights into stakeholder perspectives, including supplier and customer meetings, sustainability assessments, supplier days, and various types of audit.

Audit and assessment frequencies are determined by risk assessment. Responsibility for implementing these measures is shared between Corporate Procurement, Corporate Sustainability and Supplier Quality Management. The measures are tracked and implemented with the aid of software. As part of audits, interviews are conducted with employees with different diversity characteristics to gain a comprehensive picture of the company concerned and take a range of perspectives on board. Among other things, the audits assess and ensure compliance with environmental standards and social criteria. These structured assessment processes enable us to identify risks, monitor the performance of our suppliers and pinpoint scope for improvement. Audits in particular allow us to gain a deeper insight into working conditions along the supply chain and ensure that the rights and wellbeing of supply chain workers are duly respected and promoted.

In addition to this engagement with supply chain workers, Krones maintains close dialogue with its customers, both on construction sites and in the context of its service activities. On construction sites, Krones staff work closely with customers to ensure seamless system installation and commissioning. Regular meetings are held to track progress and address any challenges. In its service activities, Krones provides comprehensive support in the form of maintenance and repair services. Direct contact with customers and their staff plays a crucial role here, providing the opportunity to identify specific needs and requirements and develop tailored solutions. Krones also engages in dialogue with local employees in order to incorporate their feedback and suggestions in the continuous improvement of products and services. Furthermore, the Krones Academy provides training courses for our customers' employees to ensure the safe and responsible use of our machinery.

As a member of the UN Global Compact since 2012, Krones is committed to continuous improvement and assesses the effectiveness of stakeholder engagement through structured tracking and analysis of interactions. Our general approach to engagement includes regular supplier communication and supplier development to ensure continuous improvement and compliance with our standards. In addition, every employee in the value chain has the option of directly reaching out to a contact person at Krones at any time, or of submitting information via the whistleblower system.

For further information see »Interests and views of stakeholders«, page 95 and »Whistleblower system«, page 166.





Targets

Target	Scope	Target type	Unit	Base value	2023	2024	Progress towards target (base year / progress / target year)	Tar- get	SDGs	Scientific evidence
Human rights due diligence	The Krones Group has set itself the target of auditing all its suppliers with regard to human rights due diligence by 2030.									
	Upstream value chain	Absolute	%	0.0	24.0	11.6	2022 <div><div></div></div> 11.6% 2030	100%		Not relevant (target not related to environmental matters)

Our targets related to social sustainability in the value chain are set out in our Human Rights and Social Topics policy and address the impacts, risks and opportunities along the value chain. The target relates to acceptance of the Krones Supplier Code of Conduct, the performance of a due diligence check and an annual risk assessment. Suppliers identified as critical suppliers must undergo an in-depth sustainability assessment. This may be followed by further corrective action or a social audit. The target setting process included discussion of the relevant business processes and legal requirements in order to develop a uniform target. In the process, internal data and external databases were used in order to incorporate information on supplier performance and compliance. As the target

was first set as part of the 2024 review of the sustainability targets, there have been no changes to date with regard to the methodology or underlying assumptions.

Not all of the IROs identified in relation to value chain workers can be assigned to the target as it relates to the upstream value chain. Nevertheless, all IROs are covered in our policies and we take action accordingly. Compliance with the policies is monitored by defined processes that include both data analyses and audits. *For further information see »Sustainability targets«, page 83.*



Actions and resources

Action	Scope	Time horizon	Financial and other resources	Requirements
Signing of the Supplier Code of Conduct	Upstream value chain	Short-term, medium-term, long-term	Human resources	Vendor master data, human resources, financial resources, collaboration in the value chain, technical requirements, evaluation of action
Self-assessment questionnaire				
Due diligence checks	Upstream and downstream value chain		Database costs, human resources	
Sustainability risk assessment	Upstream value chain			
Sustainability assessment				

Continuation of table on page 158

Continuation of table from page 157

Action	Scope	Time horizon	Financial and other resources	Requirements
Corrective action	Upstream value chain	Short-term, medium-term, long-term	Human resources	Vendor master data, human resources, financial resources, collaboration in the value chain, technical requirements, evaluation of action
Social and quality audits				
Training	Own workforce			
Ongoing dialogue and interaction	Upstream and downstream value chain			
Product safety and the Krones Academy	Downstream value chain			



For further information see »Financial effects and investment«, page 85.

Signing of the Supplier Code of Conduct

The Krones Group Supplier Code of Conduct provides the foundation for a shared understanding of values and for partnership-based business relationships with our suppliers. Requirements and expectations of our suppliers with regard to human rights due diligence are addressed in a section titled “Respect for human rights”. Besides the obligations, the Supplier Code of Conduct also addresses possible sanctions, penalties for breach of contract, auditing rights and reporting channels in the event of infringements. In order to begin a business relationship with Krones, all suppliers must actively commit to the Supplier Code of Conduct. For those suppliers with whom the company already has a business relationship, the Supplier Code of Conduct is being rolled out in stages.

Self-assessment questionnaire

When new suppliers are onboarded, they are vetted on the basis of standardised questionnaires for the respective product group, which they receive from Procurement. The master questionnaire, from which the specific versions for the different supplier groups are developed, contains questions specifically on human rights and compliance.

Due diligence checks

In order to identify any human rights violations in the upstream supply chain, the Compliance team conducts regular due diligence checks. The tool uses data from publicly available sources of all kinds. Due diligence findings on labour or human rights violations, legal proceedings or sanctions trigger the involvement of the Supply Chain Governance Board, which advises on further steps on a case-by-case basis and, in severe cases, may directly block a supplier. These checks are an integral part of our procurement strategy and enable us to proactively manage risks.

Sustainability risk assessment

To gain greater transparency with respect to sustainability risks in our global supply chain, we conducted a database-supported risk assessment focused on environmental, labour and human rights risks. In this assessment, the Krones Group’s supplier base is evaluated for abstract risk on the basis of purchasing volume, country of origin or production, and the products and services delivered. The abstract risk assessment shows that due to the global nature of the business, there is an inherent risk of child and forced labour in Krones’ value chain – particularly in countries where child and forced labour is widespread. The result of the specific risk assessment was that none of our suppliers has a significant risk of incidents of child or forced labour.



Sustainability assessment

In a subsequent step, suppliers that were found to have a high abstract risk underwent a specific sustainability risk assessment. The results help us to identify potential risk hotspots for human rights abuses in our upstream supply chain. The sustainability assessment serves as the basis for further steps such as corrective action, audits or development reviews with suppliers.

Corrective action

Based on the outcomes of the sustainability assessments, targeted corrective action can be decided on in order to continuously improve the environmental and social standards in our supply chain. By intensifying dialogue with our suppliers, we help suppliers identify and implement scope for improvement and thus contribute to a more sustainable value chain.

Social and quality audits

For several years now, we have used social audits to evaluate suppliers for human rights due diligence. These audits are conducted in digital form by Corporate Sustainability. Suppliers are selected for audit on the basis of the human rights risk assessment. Critical findings trigger the identification of measures and a conversation in which the suppliers are also offered suggestions for resolving the issue in question. Depending on the type and severity of the findings, subsequent processes may involve supplier development, communicating with the supplier or – as a last resort – the blocking of the supplier. In addition to these social audits, we also add questions about human rights due diligence to our traditional product, process and system audits on suppliers.

Training

A dedicated training course on human rights at Krones is available specifically for employees who are in regular contact with third parties. One focus group for this training is Procurement. In several modules, labour and human rights topics are discussed, fictional case studies assessed and potential solutions presented. Key procurement stakeholders are also offered training in sustainable procurement.

Product safety and the Krones Academy

The Krones Academy provides comprehensive training for our workforce and our customers on the safe and responsible use of machinery. In addition to safety guidelines, manuals provide instructions on use for each machine and list various criteria for safe and correct operation and for necessary maintenance, cleaning and lubrication. Topics include machine safety systems, requirements for the operator's personnel, and thematic and machine-specific safety instructions. Standard documents and checklists ensure that all relevant subject matter is fully covered on machine handover. In a further safety-sensitive area, subsidiary System Logistics SpA has also implemented an automated warehouse management system.

Ongoing dialogue and interaction

Sustainability matters are a standard topic of supplier and customer meetings, quarterly business reviews with suppliers and supplier days.



Governance information

Introduction to the management of governance topics

In accordance with its corporate vision and mission, Krones is committed to responsible and sustainable business conduct along the entire value chain. Corporate governance relates to corporate management and control, in fact and in law, with the aim of providing transparency, promoting ethical conduct and ensuring compliance with legal and company requirements. The policies, targets, actions and metrics presented in the following serve to promote a culture of openness in order to foster the trust of the company's stakeholders (see »Corporate Governance Statement«, page 241).



In contrast to the »Sustainability governance« section, which focuses on the organisation of sustainability management at Krones (see chapter »Sustainability Governance«, page 91), the sections that follow address the principles and processes for ensuring responsible corporate governance and business conduct centred on integrity, specifically on the basis of disclosures relating to:



- Corporate culture
- Prevention and detection of corruption and bribery
- Management of relationships with suppliers, including payment practices
- Digital responsibility



Policies related to with the management of governance topics

As part of our sustainable corporate strategy, the following group-wide policies apply to governance topics.



For further information see »Policy documents«, page 93.

Policy	General objectives	Main subject matter	Reference to third-party standards or initiatives	Scope	Organisational unit accountable for implementation	Process for monitoring	Consideration given to the interests of stakeholders	Availability of the policy to stakeholders	Areas that the policy relates to
Money Laundering policy	<ul style="list-style-type: none"> Minimisation of corruption risk Ensuring compliance 	Anti-money laundering, including: <ul style="list-style-type: none"> Prevention strategies Due diligence process Due diligence obligations 	German Money Laundering Act	<ul style="list-style-type: none"> Binding on all Krones Group employees world-wide Applies along entire value chain 	<ul style="list-style-type: none"> Head of Corporate Governance Adoption by the Executive Board 	<ul style="list-style-type: none"> Internal review in regular audits 	Dialogue-based engagement in policy development	<ul style="list-style-type: none"> Available to all employees Access via internal policy management system 	<ul style="list-style-type: none"> Corporate culture Corruption and bribery
Gifts and Gratuity policy	<ul style="list-style-type: none"> Minimisation of corruption risk 	<ul style="list-style-type: none"> Handling of gifts and gratuities Conduct in corruption-risk situations 							
Donations and sponsorship policy		<ul style="list-style-type: none"> Rules on donations and sponsorship Responsibilities Permissible donations and sponsorships Reporting obligations to competent bodies 		<ul style="list-style-type: none"> Binding on all Krones Group employees world-wide Applies in own operations 					
Policy on dealing with sales-related business partners		<ul style="list-style-type: none"> Long-term commercial agency relationships Individual business procurement 	UN anti-corruption conventions						
Policy on Dealing with Competitors	<ul style="list-style-type: none"> Minimisation of corruption risk Prevention of antitrust law violations 	<ul style="list-style-type: none"> Antitrust law Relationship with other parties 	Antitrust law						
Policy on Handling Situations with the Risk of Corruption	<ul style="list-style-type: none"> Minimisation of corruption risk 	<ul style="list-style-type: none"> Corruption Bribery Money laundering Handling of gifts and gratuities Fair and proper competition Working with sales-related business partners 	<ul style="list-style-type: none"> UN anti-corruption conventions UK Bribery Act (UKBA) US Foreign Corrupt Practices Act (FCPA) 	<ul style="list-style-type: none"> Binding on all Krones Group employees world-wide Applies along entire value chain 					

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Continuation of table from page 161

Policy	General objectives	Main subject matter	Reference to third-party standards or initiatives	Scope	Organisational unit accountable for implementation	Process for monitoring	Consideration given to the interests of stakeholders	Availability of the policy to stakeholders	Areas that the policy relates to
Policy on the handling of information, standards and documents	<ul style="list-style-type: none"> Creating a basis for responsible and value-oriented business conduct 	<ul style="list-style-type: none"> Policy process and terminology 		<ul style="list-style-type: none"> Binding on all Krones Group employees worldwide Applies in own operations 	<ul style="list-style-type: none"> Head of Corporate Governance Adoption by the Executive Board 	<ul style="list-style-type: none"> Internal review in regular audits 	<ul style="list-style-type: none"> Dialogue-based engagement in policy development 	<ul style="list-style-type: none"> Available to all employees Access via internal policy management system 	<ul style="list-style-type: none"> Corporate culture
Policy on authorization to represent and sign	<ul style="list-style-type: none"> Ensuring legal certainty Prevention of abuse 	<ul style="list-style-type: none"> Basic principles of authorization to represent the company 							
Whistleblower policy	<ul style="list-style-type: none"> Protection of whistleblowers 	<ul style="list-style-type: none"> Presentation of the whistleblowing process and system, including reporting channels and bodies 		<ul style="list-style-type: none"> Binding on all Krones Group employees worldwide Applies along entire value chain 					
Policy on the secure operation of IT systems	<ul style="list-style-type: none"> Secure operation of IT systems 	<ul style="list-style-type: none"> Principles and responsibilities in relation to IT systems 		<ul style="list-style-type: none"> Binding on all administrators and managers Applies in own operations 	<ul style="list-style-type: none"> Head of Corporate Cyber Security Adoption by the Executive Board 				<ul style="list-style-type: none"> Corporate culture Digital responsibility
Cyber Security policy	<ul style="list-style-type: none"> Achievement of cyber security objectives 	<ul style="list-style-type: none"> Key objectives and principles of cyber security Specification of the organisational framework and responsibilities 	<ul style="list-style-type: none"> EU General Data Protection Regulation (EU GDPR) NIS 2 EU Cyber Resilience Act 	<ul style="list-style-type: none"> Binding on all Krones Group employees worldwide Applies along entire value chain 					
Data Protection policy	<ul style="list-style-type: none"> Ensuring compliance 	<ul style="list-style-type: none"> Content in accordance with the EU General Data Protection Regulation (EU GDPR) 	EU General Data Protection Regulation (EU GDPR)						



For further information see »Whistleblower system«, page 166.



Business conduct (ESRS G1)

Business conduct founded on ethical and moral integrity and a secure and trustworthy digital infrastructure form the basis of corporate governance for all globally operating companies with complex value chains. The large numbers of international business partners and of sites and subsidiaries worldwide require an effective compliance management system to ensure conduct consistent with the rules, where the rules to be observed within the company far exceed statutory requirements. At the same time, data protection and information security in our own operations and in relation to our products and services can only be maintained on the basis of functioning cybersecurity policies and processes. Ultimately, a consistent set of rules, well-functioning IT processes and a sound contractual framework form the foundation for the trust of our business partners and employees.

Impact, risk and opportunity management

In strategic and operational terms, the topics reported on here under the heading of governance relate to various departments and corporate units:

Corporate Governance is responsible for the overall definition and control of the group's business principles, with the aim of fostering a corporate culture based on integrity and trust. This corporate unit with group-wide responsibility reports to the CFO in disciplinary matters and to the full Executive Board in functional matters. It manages the group-wide policies, compliance management and the activities of the internal audit department. In its prevention work, it is supported by a Governance Committee comprising representatives of all Executive Board areas of responsibility and chaired by the Head of Corporate Governance. The various regions in which the Krones Group has offices and the Krones

subsidiaries have governance officers of their own, who support the corporate unit and serve as direct points of contact for their local workforce. Furthermore, a quarterly written report provides the Executive Board with detailed information on training programmes, the current resource situation, the results of due diligence checks and a summary of significant compliance cases, including their status. Annual reporting is made to the Audit and Risk Committee.

Management of relationships with suppliers is the responsibility of Corporate Procurement. Its procurement staff and, in particular, designated category managers act as the central point of contact for suppliers and also determine related matters such as payment practices. We attach great importance at Krones to collaboration and partnership-based relationships with our suppliers, who we expect to contribute proactively in risk assessments, monitoring processes and reporting. By working together, we aim to improve both our own sustainability performance and that of our suppliers.

In parallel, group-wide responsibility for managing data protection and information security lies with Corporate Cyber Security, which reports directly to the CEO. The aim is to ensure digital responsibility along the value chain. In regions where additional Data Protection Officers are required by law, that role is established in the subsidiaries concerned. These officers know the group's core data protection requirements as well as the laws and regulations of their respective regions. In addition, all departments within Krones AG that regularly handle personal data and all subsidiaries have their own data protection coordinators. A network of local cybersecurity coordinators in the individual regions and companies coordinates all information security matters.





Impacts, risks and opportunities related to business conduct

Impacts, risks and opportunities related to business conduct			Upstream	Own operations	Downstream	Short-term (<1 year)	Medium-term (1–5 years)	Long-term (>5 years)
IRO cluster	Description	Type	Value chain			Time horizon		
Corporate culture								
Employee stress due to poor corporate culture	The absence of a corporate culture based on shared values and trust (including the absence of a protected whistleblowing system) can lead to poor identification, disorientation and (psychological) stress among employees.	Negative impact	●	●	●	●		
Financial damage due to loss of confidence among business partners	A corporate culture that is susceptible to corruption can lead to reputational damage and loss of revenue due to a loss of confidence among business partners.	Risk	●	●	●		●	
Prevention and detection of corruption and bribery								
Increased poverty and inequality due to corruption or tolerance of corruption	Tolerating or actively participating in corrupt practices in the value chain can give rise to local poverty and social inequality.	Negative impact	●	●	●		●	
Management of relationships with suppliers, including payment practices								
Unstable supply chain due to unreliable payment practices	Late payment of supplier invoices beyond contractually agreed payment dates can have a negative impact on the financial situation of suppliers, including difficulties in paying their employees on time.	Negative impact	●				●	
Digital responsibility (entity-specific topics/non-ESRS)								
Data breaches due to irresponsible data handling	Irresponsible handling of customer and business partner data due to inadequate or defective data protection processes can lead to data loss and data breaches.	Negative impact	●	●	●	●		
Financial damage due to missing data protection and data security breaches	A lack of data protection and data security breaches along the value chain can result in reputational damage, loss of revenue and costs due to fines.	Risk	●	●	●	●	●	

Krones has identified the material business conduct-related impacts using a criteria set relating to Krones' locations, activities, sector and structure. The location analysis covers geographical and local factors. With regard to our activities, the assessment takes in the direct and indirect impacts of our production pro-

cesses and services. In terms of our sector, we take into account industry-specific challenges. We additionally look at our structure in order to ensure that the form of organisation and business model support and promote compliance with governance standards.

Targets

Target	Scope	Target type	Unit	Base value	2023	2024	Progress towards target (base year / progress / target year)	Tar- get	SDGs	Scientific evidence
Compliance Risk Assessment	By 2030, compliance risk assessments are to be applied across 100% of the Krones Group based on the number of full-time employees									
	Own operations	Absolute	%	91.4	93.9	94.8	2022 <div><div></div></div> 94.8% 2030	100%		Not relevant (target not related to environmental matters)
iso 27001 certification	By 2030, 85% of all employees at significant companies in the Krones Group are to work under iso 27001 certification.									
	Own operations	Absolute	%	65.0	65.7	66.8	2022 <div><div></div></div> 66.8% 2030	85%		Not relevant (target not related to environmental matters)

The compliance risk assessment target relates to all Krones Group companies. By rolling out these risk assessments, we aim to foster an understanding of compliance and build employee confidence in an open reporting system and in the company. This enables Krones to identify and eliminate potential risks and negative impacts at an early stage. Krones’ compliance management system aims overall to foster a culture of integrity throughout the entire group and thus minimise compliance risks as much as possible.

ISO 27001 certification means that an organisation in the Krones Group is part of the information security management system (ISMS) to adequately manage the risks associated with data and information security, and that it complies with all the security measures and principles set out in the standard. The companies covered are those where a cybersecurity incident could have a significant negative impact on the operations of the Krones Group. The list of relevant companies is reviewed annually on the basis of risk factors.

No specific target has been set for the material topic of management of relationships with suppliers and there are no plans to set such a target. However, this is continually reviewed based on current developments and needs. The topic of management of relationships with suppliers is part of our procurement policy, in which related standards are specified in order to strengthen supplier relationships and promote sustainable practices. Compliance with the policy and progress on the action taken are monitored by defined processes that include the data analysis and audits. Because full data has been collected for the first time, progress is tracked from 2024. *For further information see »Sustainability targets«, page 83.*





Actions and resources

Prevention and detection of corruption and bribery

Action	Scope	Time horizon	Financial and other resources	Requirements
Compliance risk assessment	Own operations	Short-term, medium-term, long-term	Human resources; system costs	Human resources, financial resources, collaboration in the value chain, technical requirements, evaluation of action
Whistleblower system	All stakeholders along the value chain			
Investigation process			Human resources; financial resources for any outside support	
Training programmes	Own operations		Human resources; system costs	
Due diligence audits	Suppliers, customers, third-party payers; commercial agents and other business partners		Human resources; database costs	
Spot checks	Own operations		Human resources	
Approval process for sensitive transactions				
Donations and sponsorship strategy	Own operations; local communities		Human resources; donation and sponsorship expenditure	

Krones fosters a corporate culture based on respect, integrity and appreciation in various ways, including regular training, development programmes and open communication policies.

Compliance Risk Assessment

Our compliance risk assessment covers the following risk areas: Corporate governance risks; active and passive corruption; cartels; health, safety, security and environment; money laundering and fraud. The group’s compliance risk analyses are conducted and evaluated within a software environment. In addition, the managing directors of Krones subsidiaries and their subsidiaries are re-

quired to analyse their compliance risks in annual self-assessments. The results of this risk assessment are aggregated at the level of business units and regions and visualised in a risk overview. The results are also incorporated into our group-wide risk assessment.

Whistleblower system

In the interests of all employees, any violations of the Krones Code of Conduct, the Supplier Code of Conduct and applicable group-wide policies are systematically investigated and dealt with. Group employees seeking information about compliance-related matters or wishing to report possible violations can speak



with their immediate superior or use various additional channels: first, by directly contacting the regional governance officers as local points of contact, the Head of Corporate Governance or their team; second, by email to a centralised helpdesk; or third, by submitting a report through the Krones Integrity system. This system is available around the clock and allows people to report irregularities without revealing their identity. It can be used to report a wide variety of types of infringement, including corruption, conflicts of interest, fraud, embezzlement, theft, misappropriation, money laundering, breaches of competition or antitrust law, data breaches, espionage, information theft, export and foreign trade offences, and violations of human rights and environmental standards. The digital reporting system, which can be accessed through the corporate website, can be used by group employees and third parties alike who identify gaps in compliance with laws or rules relating to Krones or its business partners. To ensure the highest levels of access control and data protection, content encryption and a secure connection, the system is operated by an independent third-party provider. Whistleblowers can decide whether to submit reports anonymously or with contact information where local laws allow this.

Compliance training provides all employees with information on the whistleblower system and the designated contact persons comprising the Compliance Team. Other key elements include recurring in-house communication using the internal communication channels and the whistleblower policy. The rules of procedure for the whistleblower system are available to both internal and external stakeholders.

Investigation process

All compliance-related matters and whistleblower submissions are centrally documented for further processing and evaluation. The Head of Corporate Governance is appointed by the Supervisory Board in his or her role as investigator and also has a direct reporting line to the Supervisory Board, thus ensuring independence from the management chain. When a whistleblower submits a report, receipt is confirmed and the information checked for plausibility and cogency. The Compliance Team then conducts an independent and objective investigation. In the processing of whistleblower reports, utmost discretion and the sensitive handling of the data are ensured as a matter of policy, as are confidentiality and anonymity for whistleblowers themselves. After investigating a matter, Corporate Governance takes appropriate follow-up action in accordance with the legislation implementing the Whistleblower Directive and provides feedback to the whistleblower within three months of confirming receipt of the report.

Training programmes

The Krones Group has implemented various compliance training programmes. In order to embed the corporate culture throughout the company, all employees are required to complete central compliance training once every two years. This training is based on the content of the Code of Conduct and thus on the corporate vision. Other training courses address competition and anti-corruption. These are required to be completed by employees who regularly come into contact with third parties as these employees have heightened exposure to potential corruption-risk situations due to their liaison role and associated decision-making authority in business processes. Anti-corruption training for the Executive Board and the Supervisory Board is provided by the Head of Corporate Governance, who communicates the content of the Code of Conduct.



Due diligence audits

In order to meet a number of national and international regulatory requirements, due diligence audits are conducted on customers, agents, suppliers and third-party payers. These provide the group with a tool for process-integrated monitoring of business partners in countries where the risk of non-compliance is high, provided that the necessary data is publicly accessible. Any findings trigger an in-depth due diligence audit by Corporate Governance, in which additional sources of information are tapped in order to plausibility-check and assess the finding.

Spot checks

Besides regular standard audits, the Head of Corporate Governance initiates spot checks – particularly of processes with heightened compliance risk such as the reporting of travel expenses – to verify the effectiveness of our compliance culture. If a suspected or actual compliance incident is detected, case management and disciplinary action processes are set in motion. Lessons learned are taken on board by implementing new precautions where necessary and appropriate.

Approval process for sensitive transactions

The group-wide gifts and gratuity policy uses a traffic-light system to clearly identify what types of gifts and gratuity are acceptable, questionable or prohibited. Due to the risks involved, the reporting of travel expenses is subject to an additional internal control process, which triggers an automated notification to Corporate Governance if submitted receipts exceed a certain limit.

Donations and sponsorship strategy

We support clubs, organisations, events and initiatives that pursue charitable purposes in the region of one of our sites in Germany. Our sites and subsidiaries outside Germany also have the freedom to actively support their local communities. Our charitable giving and sponsorship strategy is laid out in our group-wide charitable giving and sponsorship policy as part of the anti-corruption programme. Its aim is to ensure that contributed funds deliver the greatest possible benefit to the beneficiaries and that the projects supported are aligned with the company's values and interests.



Management of relationships with suppliers, including payment practices

Action	Scope	Time horizon	Financial and other resources	Requirements
Preferred suppliers	Upstream value chain	Short-term, medium-term, long-term	Human resources	Human resources, collaboration in the value chain, technical requirements
Specified terms of payment				



These actions are complemented by the actions for workers in the value chain (see »S2 Actions«, Page 157).

Preferred Suppliers

We have started to specify sustainability requirements for our preferred suppliers and to include sustainability clauses in certain master supply agreements in order to ensure that our suppliers adhere to environmentally friendly and socially responsible practices.

Specified terms of payment

The payment terms for suppliers we work with are predefined and stored in the internal enterprise resource planning (ERP) system. As soon as an invoice is received, the payment terms are automatically retrieved and the ERP system monitors the process, including the specified payment deadlines. To avoid late payment, the system records receipt of the invoice and forwards it through a workflow to the worklist of the responsible employee. Posting runs are generally performed weekly to ensure timely processing and payment. A tool additionally supports the management of invoices in the worklist. The tool checks what invoices are in the system and whether the supplier is blocked. It automatically notifies the responsible employee of any discrepancies so that action can be

taken. Payments are initiated automatically according to the required payment date. The average number of days taken to pay an invoice worldwide is currently 70.5 days. The minimum payment term should be 30 days net, or a maximum of 14 days if a fast-payment discount applies. There are legal proceedings outstanding for late payment in four instances for the 2024 financial year. These variously relate to alleged late payment and substandard/non-performance.

The average payment period for the standard payment terms (applicable to 64% of the total procurement volume) in days and percentages breaks down as follows:

- 29% < 30 days
- 61% >= 30 days / < 75 days
- 10% > 75 days

These measures ensure efficient and timely payment processing, which can lead to improved liquidity planning and promotes trust with suppliers.



Digital responsibility

Action	Scope	Time horizon	Financial and other resources	Requirements
iso 27001 certification	Own operations	Short-term, medium-term, long-term	Human resources	Technical requirements, evaluation of action, human resources
Security Operation Center (soc)				
Trainings				

ISO 27001 certification

Krones' information security management system (ISMS) is ISO 27001 certified for all IT services that are provided centrally for the group. The certification and associated audits are being rolled out in stages. A timetable has been drawn up for the certification of each company. As part of our ISO 27001-certified information security management system, we have defined processes for handling findings and breaches. Security incidents and weaknesses are investigated, processed and resolved by the Product Security Incident Response Team (PSIRT) or the Information Security Incident Response Team (ISIRT).

Security Operations Center (SOC)

An SOC serves as both an internal and external IT security service provider, detecting and analysing any anomalies and ensuring timely action on verified threats. With the 24/7 monitoring provided by the SOC, risks arising from data leaks or identity theft can be detected and eliminated at an early stage. As part of our technical security audits, internet-facing systems and selected internal systems are subject to continuous penetration testing. An action plan is being developed to address the identified vulnerabilities. The measures are being coordinated and implemented with the relevant units.

Trainings

Employee awareness is a key element of our cybersecurity strategy. The cybersecurity policy prescribes annual training for all employees with respect to data protection and cybersecurity topics. Additional training is given to specific target groups.

Metrics

	Unit	2024
Number of convictions for violation of anti-corruption and anti-bribery laws	Number	0
Amount of fines for violation of anti-corruption and anti-bribery laws	€	0
Total number of confirmed incidents of corruption or bribery	Number	0
Number of confirmed incidents in which own workers were dismissed or disciplined for corruption or bribery-related incidents	Number	0
Number of confirmed incidents relating to contracts with business partners that were terminated or not renewed due to violations related to corruption or bribery	Number	0

Anti-corruption and bribery training

	Unit	2024
Percentage of functions-at-risk covered by training programmes	%	100.0
Topics covered	–	Definition of corruption, strategies, dos and don'ts, consequences of violations, reporting channels
Training method	–	E-learning



Index of ESRS disclosure requirements and datapoints under other EU legal acts

The table below lists all datapoints deriving from other EU legislation listed in Appendix B of ESRS 2, indicating where the datapoints can be found in our

report and which datapoints are assessed as »not material«.
(Table on ESRS 2 Annex B)

Disclosure requirement		Reference to EU legisla- tion [datapoint]	Section	Page [NFS]	Reference list Page [AR/NFS]
ESRS 2 General disclosures					
BP-1	General basis for preparation of the combined non-financial statement		»About this non-financial statement«	P.79	–
BP-2	Disclosures in relation to specific circumstances		»About this non-financial statement«	P.79	–
GOV-1	The role of the administrative, management and supervisory bodies	1,3 [21d, e]	»The role of the administrative, manage-ment and super- visory bodies«	P.92	P.247, P.252 (AR)
GOV-2	Information provided to and sustainability matters addressed by the under- taking's administrative, management and supervisory bodies		The role of the administrative, manage-ment and super- visory bodies	P.92	P.247, P.252 (AR)
GOV-3	Integration of sustainability-related performance in incentive schemes		»Integration of sustainability-related per-formance in incentive schemes«	P.92	–
GOV-4	Statement on due diligence	1 [30]	»Statement on due diligence«	P.177	–
GOV-5	Risk management and internal controls over sustainability reporting		»Risk management and internal controls over sustainability reporting«	P.96	P.216 (AR), P.177 (NFS)
SBM-1	Strategy, business model and value chain	1,2,3 [40 d (i)] 1,3 [40 d (ii) (iii)] 3 [40 d (iv)]	»Strategy, business model and value chain«	P.81	–
SBM-2	Interests and views of stakeholders		»Interests and views of stakeholders«	P.95	–
SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model		»Material impacts, risks and opportunities and their interaction with strategy and business model«	P.91	–
IRO-1	Description of the process to identify and assess material impacts, risks and opportunities		»Materiality assessment«	P.87	–
IRO-2	Disclosure Requirements in ESRS covered by the undertaking's combined non-financial statement		»Index of ESRS disclosure requirements and datapoints un- der other EU legal acts«	P.171	–
ESRS E1 Climate change					
ESRS 2 GOV-3	Integration of sustainability-related performance in incentive schemes		»Integration of sustainability-related performance in in- centive schemes«	P.92	–
E1-1	Transition plan for climate change mitigation	2,3 [16g] 4 [14]	»Cross-cutting documents related to sustainability«	P.94	P. 99 (NFS)
ESRS 2 SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model		»Material impacts, risks and opportunities and their interaction with strategy and business model«	P.91	–

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Disclosure requirement		Reference to EU legisla- tion [datapoint]	Section	Page [NFS]	Reference list Page [AR/NFS]
ESRS E1 Klimawandel					
ESRS 2 IRO-1	Description of the processes to identify and assess material climate-related impacts, risks and opportunities		Impacts, risks and opportunities related to climate change	P.100	–
E1-2	Policies related to climate change mitigation and adaptation		»Policies related to the management of environmental topics«	P.98	P.166 (NFS)
E1-3	Actions and resources in relation to climate change policies		»Actions and resources«	P.105	P.85, P.94, P.128 (NFS)
E1-4	Targets related to climate change mitigation and adaptation	1,2,3 [34]	»Targets«	P.103	P.84 (NFS)
E1-5	Energy consumption and mix	1 [37; 38; 40-43]	»Energy consumption and mix«	P.112	–
E1-6	Gross Scopes 1, 2, 3 and total GHG emissions	1,2,3 [44;53-55]	»Gross Scopes 1, 2, 3 and total GHG emissions«	P.110	–
E1-7	GHG removals and GHG mitigation projects financed through carbon credits	4 [56]	–	–	–
E1-8	Internal carbon pricing		»Other«	P.107	–
E1-9	Anticipated financial effects from material physical and transition risks and potential climate-related opportunities	3 [66] 2 [66a, c] 2 [67c] 3 [69]	»Financial effects and investments«	P.85	P.128 (NFS)
ESRS E2 Pollution					
ESRS 2 IRO-1	Description of the processes to identify and assess material climate-related impacts, risks and opportunities		»Non-material topics«	P.90	–
ESRS E2-4	Amount of each pollutant listed in Annex II of the E-PRTR Regulation (European Pollutant Release and Transfer Register) emitted to air, water and soil	1 [28]	–	Not material	–
ESRS E3 Water and marine resources					
ESRS 2 IRO-1	Description of the processes to identify and assess material impacts, risks and opportunities related to water and marine resources		Water-related impacts, risks and opportunities	P.114	P.95
E3-1	Policies related to water and marine resources	1 [9; 13; 14]	»Policies related to the management of environmental topics«	P.98	P. 166
E3-2	Actions and resources related to water and marine resources		»Actions and resources«	P.116	P.85 (NFS)
E3-3	Targets related to water and marine resources		»Targets«	P.115	P.84 (NFS)
E3-4	Water consumption	1 [28c; 29]	»Water consumption«	P.118	P. 255 (AR)

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Disclosure requirement		Reference to EU legisla- tion [datapoint]	Section	Page [NfS]	Reference list Page [AR/NfS]
ESRS E3 Water and marine resources					
E3-5	Anticipated financial effects from material water and marine resources-related risks and opportunities		»Financial effects and investments«	P.85	P.128 (NfS)
ESRS E4 Biodiversity and ecosystems					
ESRS 2 IRO-1	Description of the processes to identify and assess biodiversity-related material impacts, risks and opportunities	1 [16a(i), b, c]	»Non-material topics«	P. 90	–
E4-2	Policies related to biodiversity and ecosystems	1 [24b-d]	–	Not material	
ESRS E5 Resource use and circular economy					
ESRS 2 IRO-1	Description of the processes to identify and assess material impacts, risks and opportunities related to circular economy		Resource use and circular economy-related impacts, risks and opportunities	P.120	P.95 (NfS)
E5-1	Policies related to resource use and circular economy		»Policies related to the management of environmental topics«	P.98	P.166
E5-2	Actions and resources in relation to resource use and circular economy		»Actions and resources«	P.123	P.85
E5-3	Targets related to resource use and circular economy		»Targets«	P.121	P.84
E5-4	Resource inflows		»Resource inflows«	P.126	–
E5-5	Resource outflows	1 [37d; 39]	»Resource outflows«	P.125	–
E5-6	Anticipated financial effects from resource use and circular economy-related impacts, risks and opportunities		»Financial effects and investments«	P.85	P.128 (NfS)
ESRS S1 Own workforce					
ESRS 2 SBM-2	Interests and views of stakeholders		»Interests and views of stakeholders«	P.95	–
ESRS 2 SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	1 [14f, g]	»Material impacts, risks and opportunities and their interaction with strategy and business model«	P.91	–
S1-1	Policies related to own workforce	1 [20] 3 [21; 22; 23]	»Policies related to the management of social topics«	P.140	P.166 (NfS)
S1-2	Processes for engaging with own workforce and workers' representatives about impacts		»Interests and views of stakeholders«	P.95	–
S1-3	Processes to remediate negative impacts and channels for the company's own workforce to raise concerns	1 [32c]	»Corporate culture and prevention and detection of corruption and bribery«	P.166	–
S1-4	Taking action on material impacts on own workforce, and approaches to managing material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions		»Actions and resources«	P.145	P.85 (NfS)

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Disclosure requirement		Reference to EU legisla- tion [datapoint]	Section	Page [NfS]	Reference list Page [AR/NfS]
ESRS S1 Own workforce					
S1-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities		»Targets«	P.144	P.84
S1-6	Characteristics of the company's own employees		»Characteristics of the company's own employees«	P.148	–
S1-7	Characteristics of non-employee workers		»Characteristics of the company's employees and non-employees«	P.149	–
S1-8	Collective bargaining coverage and social dialogue		»Collective bargaining coverage and social dialogue«	P.150	–
S1-9	Diversity metrics		»Diversity metrics«	P.151	–
S1-10	Adequate wage		»Adequate wages«	P.151	–
S1-11	Social protection		»Social protection«	P.151	–
S1-12	Persons with disabilities		»Persons with disabilities«	P.152	–
S1-13	Training and skills development		»Training«	P.152	–
S1-14	Health and safety	1, 2 [88 b, c] 1 [88e]	»Health and safety«	P.152	–
S1-15	Work-life balance			–	–
S1-16	Remuneration metrics (pay gap and total remuneration)	1,3 [97a] 1 [97b]	»Remuneration«	P.153	–
S1-17	Incidents, complaints and severe human rights impacts	1 [103a] 1,3 [104a]	»Incidents, complaints and severe human rights impacts«	P.153	–
ESRS S2 Workers in the value chain					
ESRS 2 SBM-2	Interests and views of stakeholders		»Interests and views of stakeholders«	P.95	–
ESRS 2 SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	1 [11b]	»Material impacts, risks and opportunities and their interaction with strategy and business model«	P.91	–
S2-1	Policies related to value chain workers	1 [17,18,19]	»Policies related to the management of social topics«	P.140	P.166 (NfS)
S2-2	Processes for engaging with value chain workers about impacts		»Engagement with value chain workers«	P.156	P. 95, P. 166 (NfS)
S2-3	Processes to remediate negative impacts and channels for value chain workers to raise concerns		»Corporate culture and prevention and detection of corruption and bribery«	P.166	–
S2-4	Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those actions	1 [36]	»Actions and resources«	P.157	P.85 (NfS)

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Disclosure requirement		Reference to EU legisla- tion [datapoint]	Section	Page [NfS]	Reference list Page [AR/NfS]
ESRS S2 Workers in the value chain					
S2-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportuni-ties		»Targets«	P.157	P.84 (NfS)
ESRS S3 Affected Communities					
S3-1	Human rights policy commitments	1 [16] 1, 3 [17]	–	Not material	–
S3-4	Human rights issues and incidents	1 [36]	–	Not material	–
ESRS S4 Consumers and end-users					
S4-1	Policies related to consumers and end-users	1 [16] 1, 3 [17]	–	Not material	–
S4-4	Human rights issues and incidents	1 [35]	–	Not material	–
ESRS G1 Business conduct					
ESRS 2 GOV-1	The role of the administrative, management and supervisory bodies		»The role of the administrative, management and supervisory bodies«	P.92	P.247, P.252 (AR)
ESRS 2 IRO-1	Description of the processes to identify and assess material impacts, risks and opportunities		Impacts, risks and opportunities related to business conduct	P.164	–
G1-1	Business conduct policies and corporate culture	1 [10b, d]	»Policies related to the management of governance topics«	P.161	P.93 (NfS)
G1-2	Management of relationships with suppliers		»Management of relationships with suppliers, including payment practices«	P.169	P. 157 (NfS)
G1-3	Prevention and detection of corruption and bribery		»Corporate culture and prevention and detection of corruption and bribery«	P.166	–
G1-4	Incidents of corruption or bribery	1, 3 [24a, b]	»Metrics«	P.170	–
G1-6	Payment practices		»Management of relationships with suppliers, including payment practices«	P.169	P.157 (NfS)



Notes

List of abbreviations

AG	Aktiengesellschaft (German stock corporation)
B2B	Business-to-Business
CapEx	Capital expenditure
CCA	Climate change adaptation
CCM	Climate change mitigation
CE	Circular economy
CEO	Chief Executive Officer
CFO	Chief Financial Officer
COO	Chief Operating Officer
DEFRA	Department for Environment, Food and Rural Affairs
DNSH	Do no significant harm
EFSA	European Food Safety Authority
EPA	Environmental Protection Agency
ERP	Enterprise resource planning
ESG	Environmental, social and governance
ESRS	European Sustainability Reporting Standards
ETI	Ethical Trading Initiative
EU	European Union
EU-GDPR	European General Data Protection Regulation
EWR	European Economic Area

FDA	Food and Drug Administration
FTE	Full-time equivalent
GHG	Greenhouse gas
GRI	Global Reporting Initiative
IEA	International Energy Agency
IFRS	International Financial Reporting Standards.
IG	Industriegewerkschaft (trade union)
ICS	Internal control system
ILO	International Labour Organization
IPCC	Intergovernmental Panel on Climate Change
IROS	Impacts, risks and opportunities
ISIRT	Information Security Incident Response Team
ISMS	Information Security Management System
ISO	International Organization for Standardization
IT	Information technology
KPI	Key performance indicator
kWh	Kilowatt-hour
LCA	Life-cycle assessment
LCS	Lifecycle service
LkSG	Lieferkettensorgfaltspflichtengesetz (German Supply Chain Due Diligence Act)

LTI	Long-term incentive
MWh	Megawatt-hour
OECD	Organisation for Economic Co-operation and Development
OpEx	Operating expenses
PET	Polyethylene terephthalate
PPC	Pollution prevention and control
PSIRT	Product Security Incident Response Team
RCP	Representative concentration pathways
R&D	Research and development
RECS	Renewable energy certificates
RMS	Risk management system
SBTi	Science Based Targets initiative
SDGs	Sustainable Development Goals
SOC	Security Operations Center
TÜV	Technischer Überwachungsverein (testing and inspection organisation)
UN	United Nations
UNGC	United Nations Global Compact
WTR	Water



Statement on due diligence

Core elements of Due Diligence	Paragraphs in the combined non-financial statement
a) Embedding due diligence in governance, strategy and business model	See reporting on ESRS GOV-2, GOV-3, SBM-3, topical ESRS: reflecting the different stages and purposes of stakeholder engagement throughout the due diligence process.
b) Engaging with affected stakeholders in all key steps of the due diligence	See reporting on ESRS 2 GOV-2, SBM-2, IRO-1, MRD-P
c) Identifying and assessing negative impacts on people and the environment	See reporting on ESRS 2 IRO-1 (including topical IRO-1 disclosures), SBM-3
d) Taking action to address negative impacts on people and the environment	See reporting on ESRS 2 MDR-A and topical ESRS: reflecting the range of actions, including transition plans, through which impacts are addressed
e) Tracking the effectiveness of these efforts and communicating	See reporting on ESRS 2 MDR-M and MDR-T and topical ESRS: in relation to metrics and targets

List of disclosure requirements not complied with

ESRS 2	MDR-A	69 b,c	Disclosure of the current and future operational expenditures (OpEx) and/or capital expenditures (CapEx) allocated to the action plan and explanation of how they relate to the most relevant amounts presented in the financial statements
ESRS 2	SBM-3	48 b	Disclosure of the current and anticipated effects of the undertaking's material impacts, risks and opportunities on its business model, value chain, strategy and decision-making, and how it has responded or plans to respond to these effects
ESRS 2	SBM-3	48 d	Disclosure of the current financial effects of the undertaking's material risks and opportunities on its financial position, financial performance and cash flows and the material risks and opportunities for which there is a significant risk of a material adjustment within the next annual reporting period to the carrying amounts of assets and liabilities reported in the related financial statements
ESRS 2	GOV-2	26 c	Disclosure of a list of the material impacts, risks and opportunities addressed by the administrative, management and supervisory bodies, or their relevant committees during the reporting period.
E1	E1-3	29 c ii, 16 c	Explanation of the relationship of significant CapEx and OpEx required to implement actions taken or planned to key performance indicators required under Commission Delegated Regulation (EU) 2021/2178

E1	E1-3	29 c iii, 16 c	Explanation of relationship of significant CapEx and OpEx required to implement actions taken or planned to the CapEx plan required by Commission Delegated Regulation (EU) 2021/2178
E1	E1-1	16 c	Explanation and quantification of the investments and funding for the transition plan
E1	E1-1	16 d	Explanation of potential locked-in GHG emissions from key assets and products and of if and how these emissions may jeopardise the achievement of the GHG emission reduction targets and drive transition risk
E1	E1-1	16 e	Explanation of any objective or plans (CapEX, CapEx plans, OpEX) that the undertaking has for align-ing its economic activities (revenues, CapEx, OpEx) with the criteria established in Commission Delegated Regulation 2021/2139
E1	E1.IRO-1	AR15	Explanation of how the climate scenarios used are compatible with the critical climate-related as-sumptions made in the financial statements
E1	E1-1	AR4	Explanation of how the undertaking's alignment of its economic activities with the provisions of Commission Delegated Regulation (EU) 2021/2139 is expected to evolve over time to support its transition to a sustainable economy
ESRS 2	SBM-3	AR7c	Explanation of how the estimated anticipated financial effects from material physical and transition risks as well as the mitigation actions and resources were considered.
E1	E1-6	AR45e	Disclosure of biogenic emissions of CO ₂ carbon from the combustion or biodegradation of biomass separately from the Scope 2 GHG emissions
E1	E1-6	51	In case the emission factors applied to Scope 2 emissions do not separate the percentage of biomass or biogenic CO ₂ , this is to be disclosed.
E1	E1-6	44c,d	Gross Scope 3 GHG emissions*
E1	E1-4	34f	Gross Scope 3 GHG emissions; and total GHG emissions*
E1	E1-4	AR30a	When disclosing the information required under paragraph 34 (f), the undertaking shall explain: by reference to its climate change mitigation actions, the decarbonisation levers and their estimated quantitative contributions to the achievement of its GHG emission reduction targets broken down by each Scope (1, 2 and 3)
S1	S1-14	88c	Number and rate of reportable work-related accidents
S1	S1-16	97a	Gender pay gap
S1	S1-16	97b	Annual total remuneration ratio

* This disclosure requirement is not fully met as category 3.9 is not reported



Key performance indicators for Krones AG

Additional disclosures are necessary regarding Krones AG's non-financial key performance indicators. Integrated presentation has been elected in the management report for the combined non-financial statement to be submitted for the reporting period in accordance with Sections 289b to e of the German Commercial Code (HGB) in partial compliance with the ESRS. All disclosures, provisions, described processes and metrics in the aforementioned information in the management report apply to the Krones Group, including Krones AG. The following table lists Krones AG's non-financial key performance indicators.

Performance indicator	Unit	2024
Scope 3 emissions in upstream processes (3.1, 3.2, 3.3, 3.4, 3.5, 3.6)	t co ₂ e	584,893
Scope 1 and 2 emissions in our operations	t co ₂ e	15,174
Scope 3 emissions in downstream processes (3.11, 3.12)	t co ₂ e	6,257,829
Energy footprint of sold products	kWh/1,000 bottles	22.0
Water consumption in our operations	m ³	111,395
Water footprint of sold products	l/l filled product	1.2
Hazardous waste in our operations	t	1,532
Krones lines' plastics output recycled with Krones technology	t recycled plastic/ produced plastic (%)	7.6
Women in leadership*	%	14.1
Occupational accidents in relation to hours worked	Work-related accidents/ million hours worked	9.4
Suppliers managed with regard to human rights	%	34.8
Compliance risk assessment	%	100.0
ISO 27001 certification	%	100.0

* Analogous to the definition of the LTI of the Executive Board



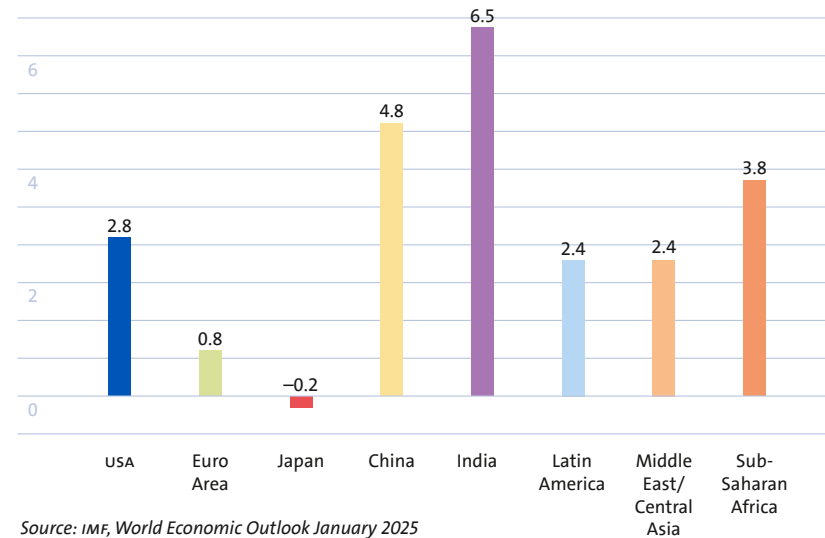
Economic environment

- The global economy grew 3.2% in 2024
- Significant fall in German machinery and mechanical engineering production
- Positive trend in demand for packaged beverages continues

Global economy grew 3.2% in 2024

According to figures published by the International Monetary Fund (IMF) in January 2025, global economic output rose by 3.2% in 2024. This is a slightly slower pace of growth than in 2023 (+3.3%). Global economic growth was supported in 2024 by falling inflation rates and lower interest rates.

GDP growth rate 2024 by region (%)



Emerging and developing economies grew faster than the global economy.

According to the IMF, economic output there was 4.2% higher in 2024 than in the previous year (2023: +4.4%). The slight growth slowdown reflects the development of the Chinese and Indian economies. China's gross domestic product (GDP) rose by just 4.8% in 2024 compared to the previous year (2023: +5.2%). The Chinese economy laboured under ongoing problems in the real estate sector, which hit consumer confidence. In India, GDP grew by 6.5% in 2024, significantly less than in 2023 (+8.2%). This was mainly due to relatively weak growth in the industrial sector. The pace of growth in the Middle East and Central Asia region picked up slightly in 2024. GDP there rose by 2.4% compared to the previous year (2023: 2.0%). In Latin America, economic output increased by 2.4% in 2024, as in the previous year. Economic growth was stronger in the Sub-Sahara/Africa region, where GDP increased by 3.8% in 2024 (2023: +3.6%).

GDP in **industrialised countries** grew by 1.7% overall in 2024, the same as in 2023. The economy grew more strongly than expected in the USA and less than expected in the euro area. GDP in the USA went up by 2.8% (2023: +2.9%). The world's largest economy benefited from rising private consumption. At 0.8% (2023: +0.4%), GDP growth in the euro area was significantly slower than in the USA. The economy in the single currency area suffered from the weakness of the manufacturing sector and low exports. In Japan, GDP declined by 0.2% in 2024 (2023: +1.5%), partly due to supply chain disruptions.

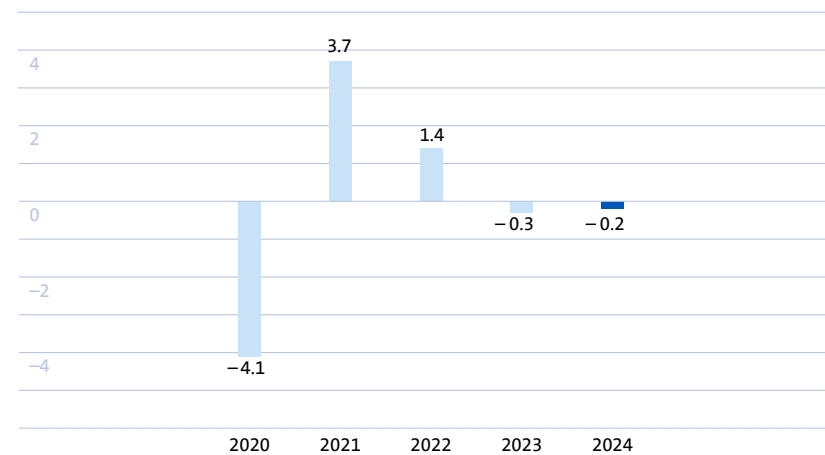


German economy contracted again in 2024

According to preliminary figures from the Federal Statistical Office, Germany's gross domestic product (GDP) fell by 0.2% in 2024 relative to 2023. Following a decrease of 0.3% in the previous year, GDP has thus fallen for the second time in a row. As a result, the German economy brings up the rear in the euro area.

The main driver of the recession was a sharp decline in gross fixed capital formation, which was impacted by the uncertain macroeconomic outlook. Equipment investment fell more sharply than construction investment. The external balance of goods and services (the difference between exports and imports) also negatively impacted GDP. Private consumption had a slight positive impact on economic output. Government consumption expenditure was the biggest contributor to GDP growth in 2024.

Growth in the gross domestic product (GDP) in Germany (%)



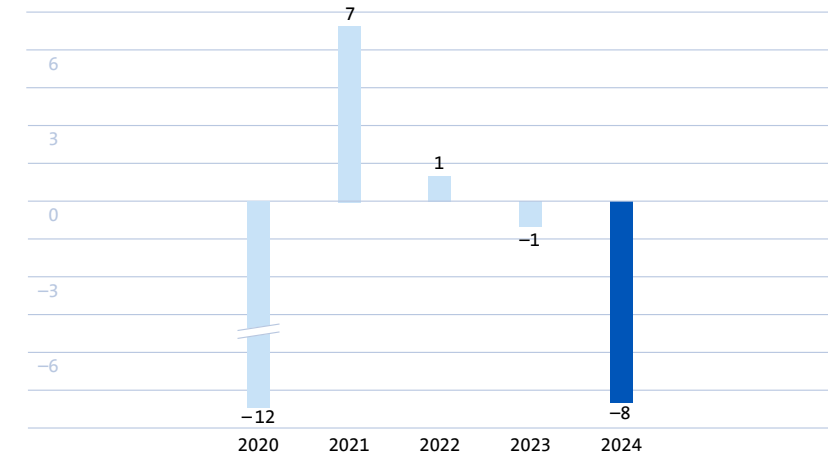
Source: Germany's Federal Statistical Office, press release from 15 January 2025

German machinery and mechanical engineering production down 8%

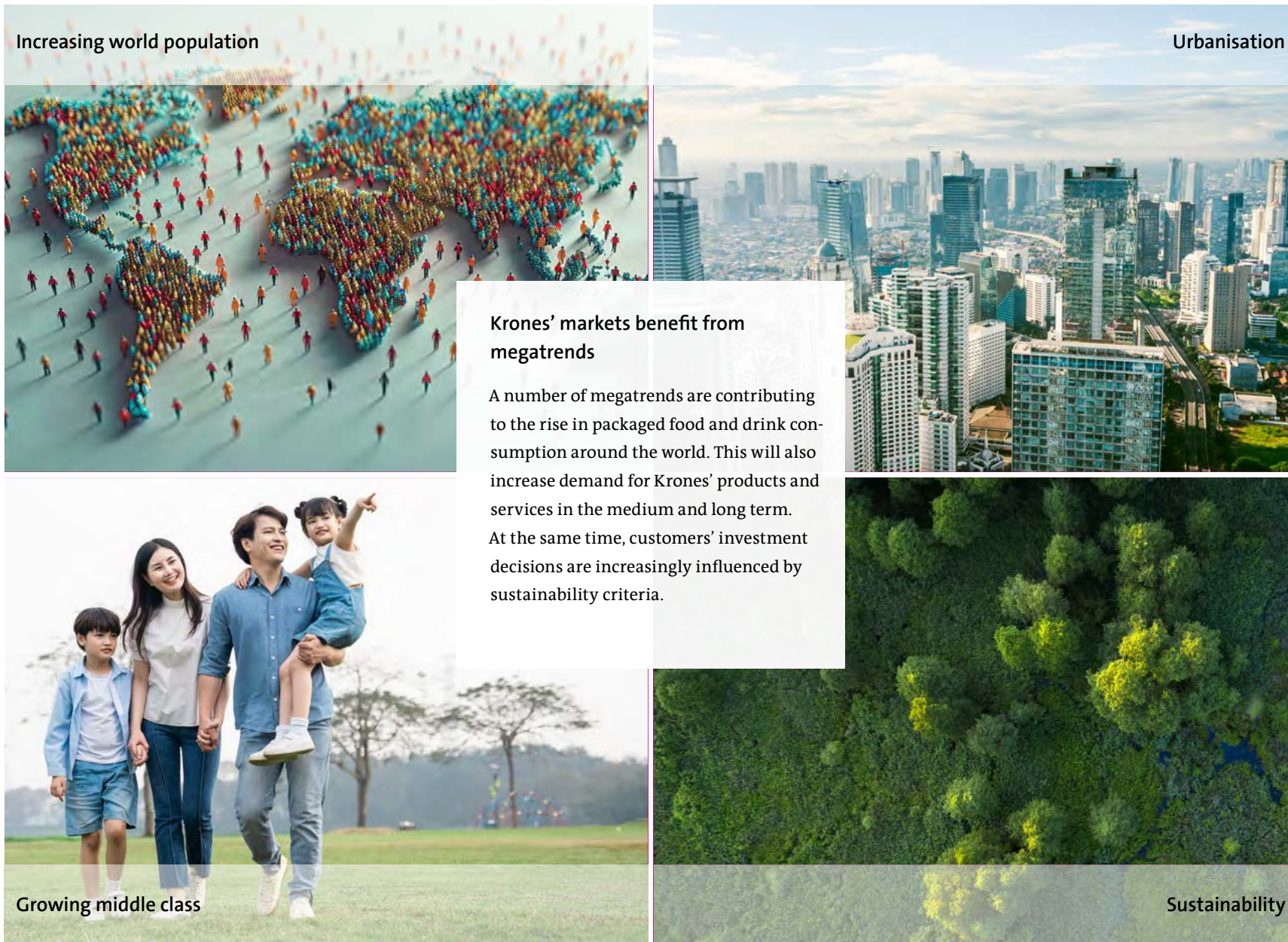
German machinery and mechanical engineering production was significantly weaker than expected in 2024. At the beginning of the year, the VDMA (the German Mechanical Engineering Industry Association) predicted a 4% decline in production compared to 2023. In September 2024, the association revised its forecast to an 8% fall in production. As reasons, the VDMA cited the general uncertainty in the global economy together with wars and trade conflicts that are having a severe impact on world trade and companies' propensity to invest. According to preliminary figures from the VDMA, production in 2024 fell by 8% compared to the previous year, as last forecast.

As an international company with an export ratio of around 90%, Krones is little affected by the weak domestic economy. The market for filling and packaging technology also shows more stable growth than the mechanical engineering sector as a whole.

Mechanical engineering production: real year-on-year change (%)



Sources: Statistisches Bundesamt, VDMA. "Lage und Ausblick im Maschinen- und Anlagenbau", VDMA December 2024.



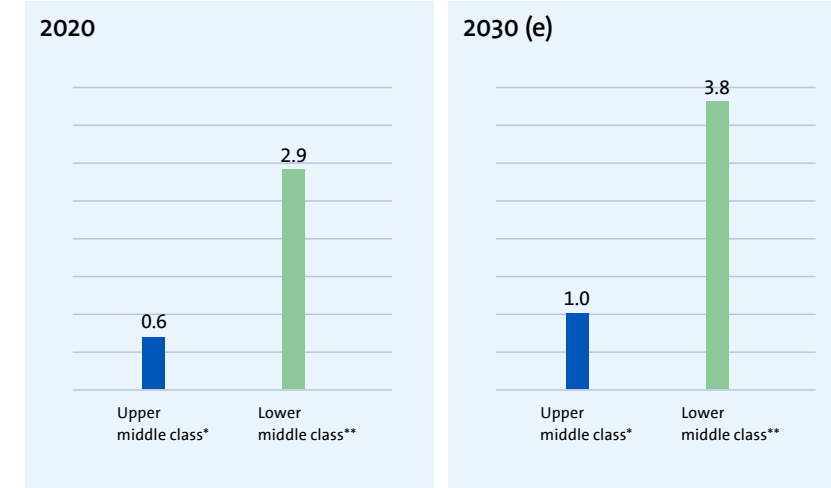
More and more people on our planet

The one overarching megatrend is global population growth. At the end of 2024, some 8.2 billion people inhabited the earth. The United Nations (UN) estimates that the population will go on growing for decades to come. According to the UN, the world's population will reach 8.5 billion by 2030, an increase of around 300 million on the end of 2024. All these people need to eat and drink. At the same time, the number of people consuming packaged beverages is expected to increase at a higher rate than the population as a whole. This is supported by two other megatrends, which are the growing middle class and increasing urbanisation.

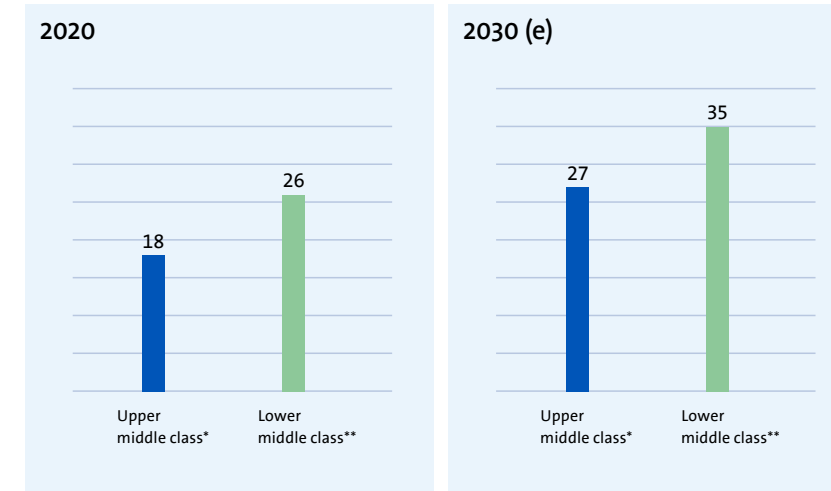
Growing middle class increases consumer spending

More and more people in Asia especially are escaping poverty and rising into the middle class. According to a study by the Brookings Institution, a US think tank, 3.5 billion people worldwide belonged to the middle class in 2020. This figure is expected to grow to a total of 4.8 billion by 2030. As incomes rise, so too does consumption – and that includes packaged beverages and foods. According to the Brookings Institution, global consumer spending by the middle class will increase from US\$44 trillion in 2020 to US\$62 trillion by 2030.

Growth of the global middle class (billions of people)



Consumer spending by the middle class per year (US\$ trillion)



*Earnings of US\$51 to 110 per day **Earnings of US\$ 11 to 50 per day

Source: Brookings Institution (May 2021)



Urbanisation leads to more demand for packaged beverages and foods

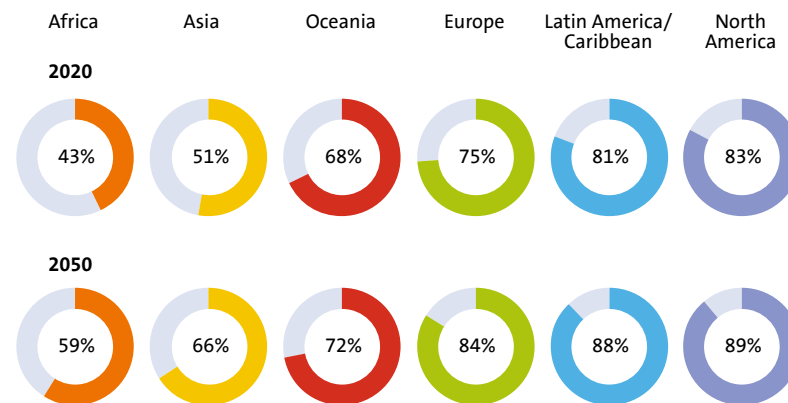
The number of people living in cities is set to increase in the medium and long term.

City dwellers consume more packaged products on average than people who live in the countryside.

Increasing urbanisation – the migration of people from rural areas to cities – consequently drives demand for packaged food and beverages.

According to the United Nations (UN), over half of the world's population lived in cities in 2020. By 2050, the urban share of the population is expected to grow to two-thirds. The strongest influx of people into cities is in the developing and emerging economies of Africa and Asia.

Urban population in 2020 and 2050 (% of total population)



Source: United Nations (World Urbanization Prospects, The 2018 Revision)

Sustainability established as a megatrend

Sustainability is a megatrend that is also a major focus for Krones' customers. Many international food and beverage companies pursue ambitious climate targets. They therefore place increased emphasis on conserving resources in production – and shrinking their carbon footprint and cutting costs as a result. This drives demand for resource-efficient filling and packaging machines. With the enviro sustainability program, Krones has focused on the eco-efficiency of its products and services for many years. The company has been developing enviro dynamically since 2008 and has a long track record of providing customers with innovative and sustainable filling and packaging technologies. As a pioneer in the industry, Krones benefits considerably from the sustainability trend.

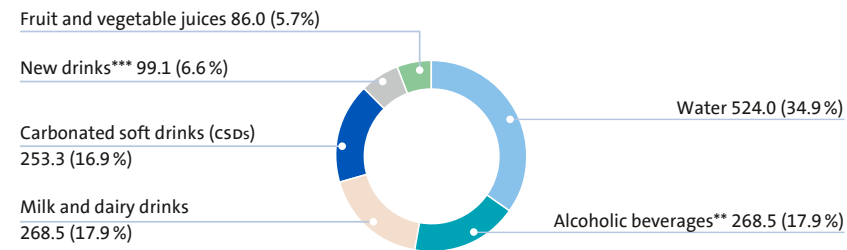
Krones has set standards in the industry with the enviro sustainability programme.



Rising global consumption of packaged beverages

As the leading provider of beverage filling and packaging technology, Krones generates a large proportion of its consolidated revenue with customers in the international beverage industry. Their ordering activity is strongly influenced by consumer demand for packaged beverages. This makes the development of global beverage consumption highly important to Krones.

Worldwide consumption of packaged beverages (billion litres), 2024*



2024: 1,499.0 billion litres (e)*

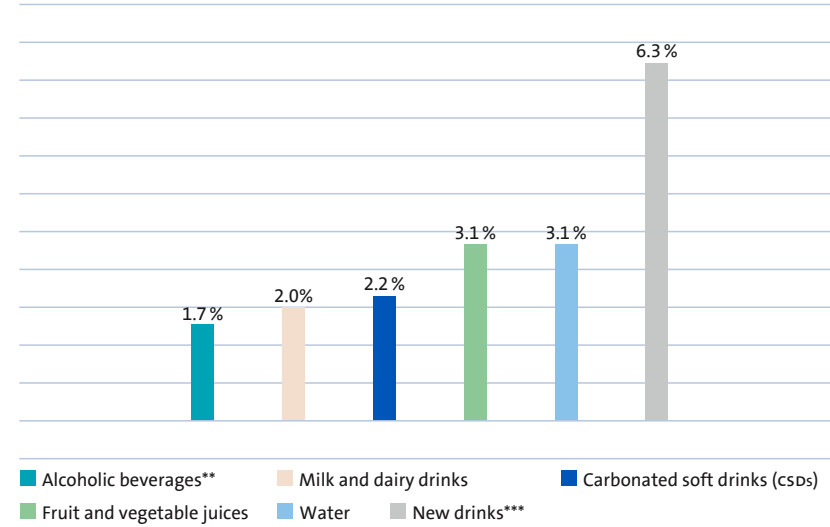
Sources: GlobalData (as of 22 October 2024)

Supported by the global megatrends of population growth, growing middle classes and urbanisation, global demand for packaged beverages is steadily rising. Because eating and drinking are basic human needs, people's consumption patterns are hardly affected by cyclical fluctuations in the economy. An exception was 2020, when global consumption of packaged beverages fell compared to the previous year. This was due to the Covid-19 pandemic, which led to the closure of bars and restaurants around the world. Global beverage consumption quickly regained its stable growth trend in 2021. This upward trend continued in the reporting year. According to estimates from GlobalData, a data and analysis company, global consumption of packaged beverages, at a total of 1,499 billion litres in 2024, was 3.6% higher than a year earlier (2023: 1,447 billion litres).

Demand for packaged beverages is also expected to show stable growth in the years ahead. According to GlobalData figures, consumption will grow between 2024 and 2027 at average annual rates of 2.7% to 1,625 billion litres. The individual types of beverage vary in their contribution to the rising demand.

From 2024 to 2027, global demand for packaged beverages is expected to grow by an average of 2.7% per year.

Average annual growth of beverage types 2024 to 2027*



* expected ** Beer, wine and spirits, cider and flavoured alcoholic beverages

*** Energy drinks, sports drinks, and ready-to-drink tea and coffee

Sources: GlobalData (as of 22 October 2024)

Bottled water, the largest market segment (with a 34.9% share of the global beverage market), is likely to see above-average consumption growth. A key growth driver is rising demand for clean bottled drinking water in emerging and developing countries. The trend towards healthy eating is supporting water consumption in industrialised countries. In total, according to figures from GlobalData, the consumption of bottled water is expected to grow at an average annual rate of 3.1% from 2024 to 2027.

Consumption of alcoholic beverages is likely to grow less strongly than the overall market (17.9% share in 2024). The average annual growth forecast for the period 2024 to 2027 is 1.7%. The reason for the below-average growth in demand for alcoholic beverages is the weak rate of increase in the global consumption of beer, the highest-volume alcoholic beverage.

Milk and dairy drinks accounted for 17.9% of the global beverage market in 2024, on a par with alcoholic beverages. The great majority of this was “conventional” milk, while dairy alternatives such as soy or oat milk remain niche products. In the entire milk and dairy drinks segment, demand is expected to grow on average by 2.0% a year from 2024 to 2027, which is less than the global beverage market.

A further large segment is carbonated soft drinks (CSDs), which accounted for 16.9% of the global packaged beverages market in 2024. As consumers move away from sugary soft drinks, particularly in industrialised countries, demand for this type of beverage is expected to grow at a slower rate than the overall market over the next few years. According to figures from GlobalData, demand for CSDs is expected to increase by an average of 2.2% per year from 2024 to 2027.

The two smaller segments of the packaged beverages market, new drinks (6.6% share in 2024) and fruit and vegetable juices (5.7% share) are expected to grow at a faster rate than the market as a whole. According to GlobalData, demand for new drinks (sports and energy drinks together with ready-to-drink coffee and tea) will grow particularly strongly from 2024 to 2027, averaging 6.3% per year. The consumption of packaged fruit and vegetable juices is expected to increase by 3.1% annually over the same period.

Megatrends driving demand for packaged beverages in emerging and developing countries

The megatrends of population growth, the growing middle class and urbanisation are mainly playing out in emerging and developing countries. As a result, demand for packaged beverages will grow significantly faster in those countries in the coming years than in the industrialised nations.

Based on figures from GlobalData, the Asia/Pacific region will record the highest growth rates. Consumption of packaged beverages is anticipated to rise there by an annual average of 4.5% between 2024 and 2027. Due to the size of the regional market, this also represents the largest volume growth in absolute terms (*see chart on p. 187*). China is another Asian market that promises above-average growth in the coming years. Demand for packaged beverages is expected to increase there by an average of 3.3% per year from 2024 to 2027. Consumption of packaged beverages is also expected to grow faster than global demand in the Africa/Middle East region. An average annual growth rate of 2.9% is forecast for the period 2024 to 2027. According to GlobalData figures, demand in the Eastern World (average annual growth rate of 2.4%) and South America (average annual growth rate of 2.1%) will develop below average during this period.

Worldwide consumption of packaged beverages by region*

	2024 (e)		2027 (e)		Average annual growth (%) 2024–2027 (e)
	Billion litres	%**	Billion litres	%**	
Asia-Pacific	325.9	21.7	372.2	22.9	4.5
China	282.4	18.8	311.4	19.2	3.3
North America/Central America	232.6	15.5	241.4	14.9	1.2
South America	198.9	13.3	211.7	13.0	2.1
Western Europe	158.9	10.6	167.1	10.3	1.7
Africa/Middle East	140.7	9.4	153.1	9.4	2.9
Eastern World	107.5	7.2	115.4	7.1	2.4
Central Europe	52.2	3.5	52.4	3.2	0.2
Worldwide	1,499.0	100.0	1,625.0	100.0	2.7

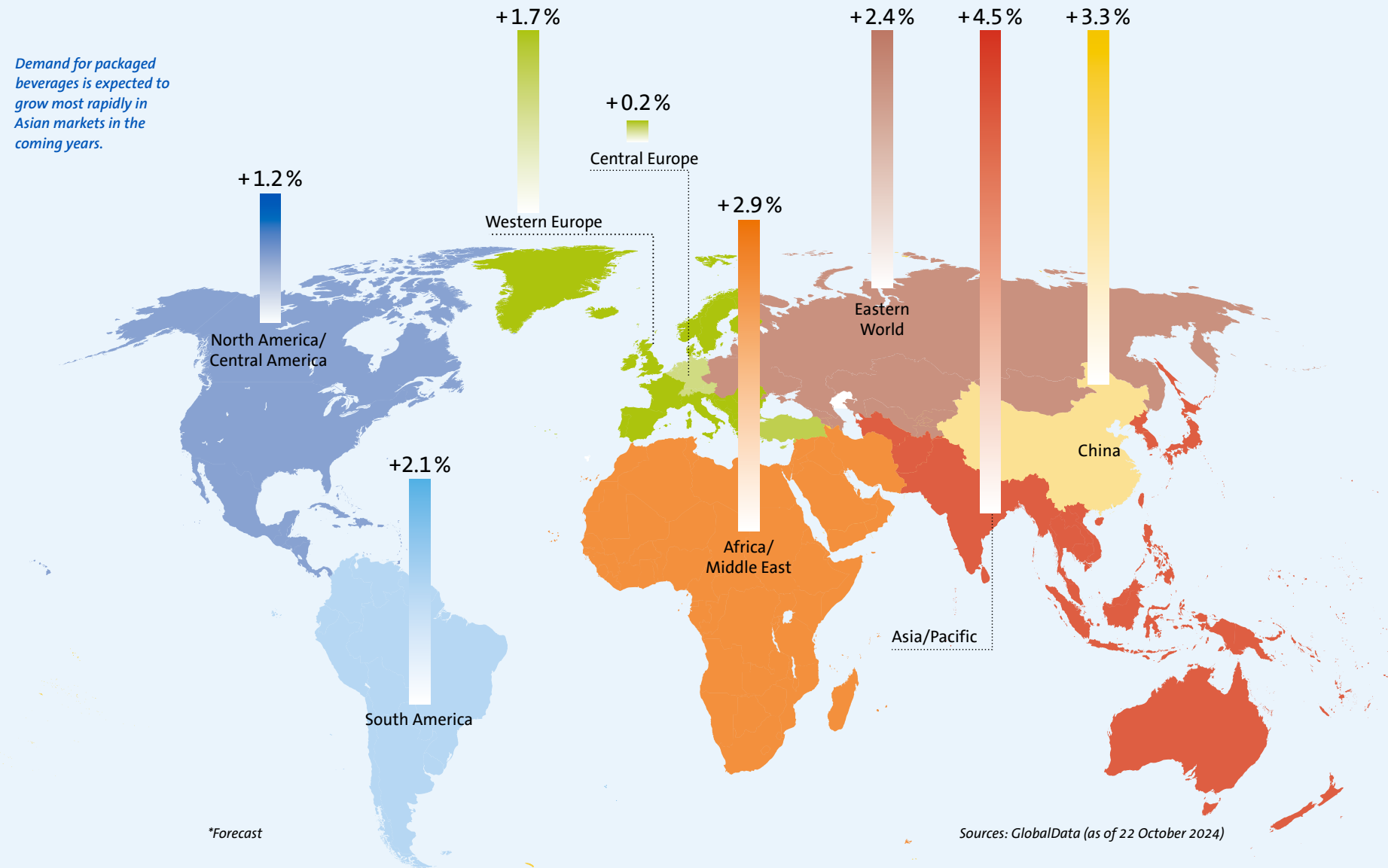
*Rounding differences possible **Share of global consumption | (e) = expected

Sources: GlobalData (as of 22 October 2024)

Demand for packaged beverages in the developed industrialised nations is expected to rise less strongly than global consumption. The average growth rate from 2024 to 2027 is projected to be 1.7% for Western Europe and 1.2% for North and Central America. The relatively small Central Europe sales region brings up the rear with average growth of 0.2% per year. Despite the only modest increase in beverage consumption in the mature industrialised nations, Krones also sees opportunities for profitable growth there. This is because industrialised economies are seeing growth in the variety of beverages and in demand for sustainable, resource-efficient filling and packaging equipment.

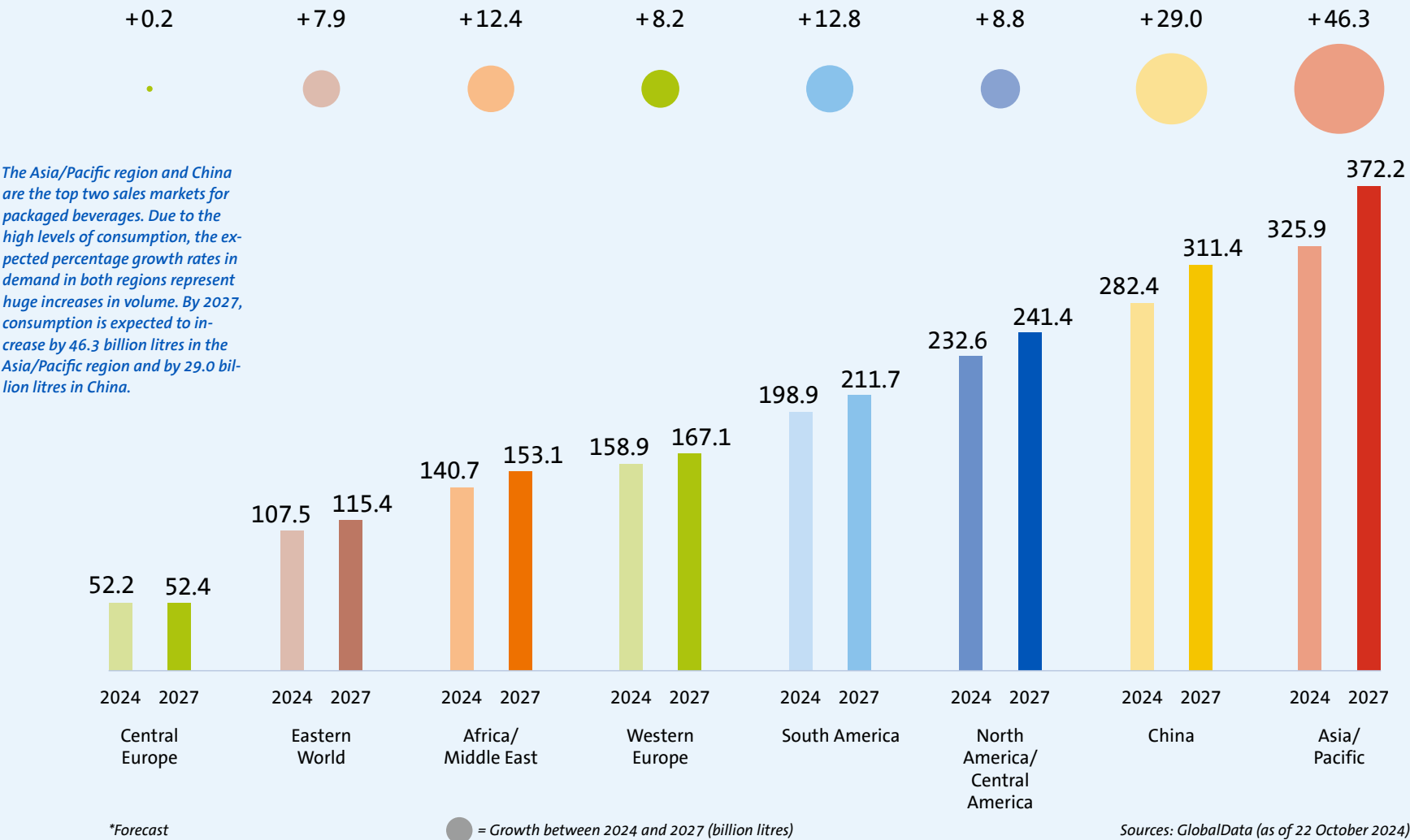


Global consumption of packaged beverages by region: average annual growth 2024–2027*





Global consumption of packaged beverages by region: billion litres*





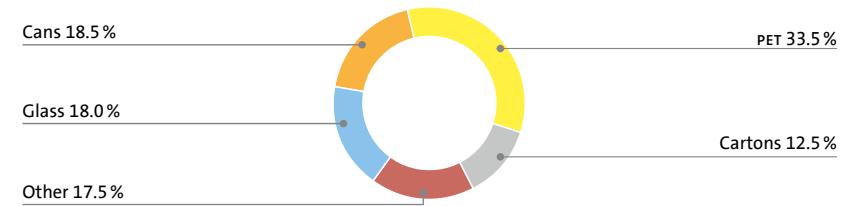
High growth rates for PET beverage containers

Global demand for PET beverage containers is expected to increase particularly rapidly in the coming years.

Alongside the global volume of demand for packaged beverages, another important indicator for Krones is the number of units filled. The greater the number of units filled, the greater the need for filling and packaging technology.

Most beverage packaging is made of plastic, metal (cans), glass or cartons. According to GlobalData estimates, some 2,078 billion containers were filled with beverages worldwide in 2024. That was 4.4% more than in the previous year (1,990 billion). The number of units filled is expected to rise by an annual average of 3.1% to nearly 2,277 billion in 2027.

Global beverage market by packaging material in 2024* (based on units filled)



*expected

Sources: GlobalData (as of 22 October 2024)

Bottles made of polyethylene terephthalate (**PET**) account for the largest share of the total number of beverage containers worldwide. According to figures from GlobalData, 696 billion PET containers were filled with beverages in 2024. This represents 33.5% of the units filled globally. For bottled water, the most frequently consumed beverage in the world, the proportion of PET bottles was as high as around 84%. The particularly large increase in global water consumption is a key growth driver for PET as a packaging material. From 2024 to 2027, the number of PET bottles filled is expected to rise rapidly by an average of 4.9% annually to a total of 803 billion.

By a wide margin, metal in the form of **cans** was the second most commonly used material for beverage packaging in 2024. Cans accounted for 18.5% of all containers filled. Cans are mainly used for beer, carbonated soft drinks (CSDs) and new drinks (sport and energy drinks together with ready-to-drink coffee and tea). According to figures from GlobalData, the number of metal cans filled with beverages is expected to grow less strongly than the overall market, at an average of 2.4% per year from 2024 to 2027.

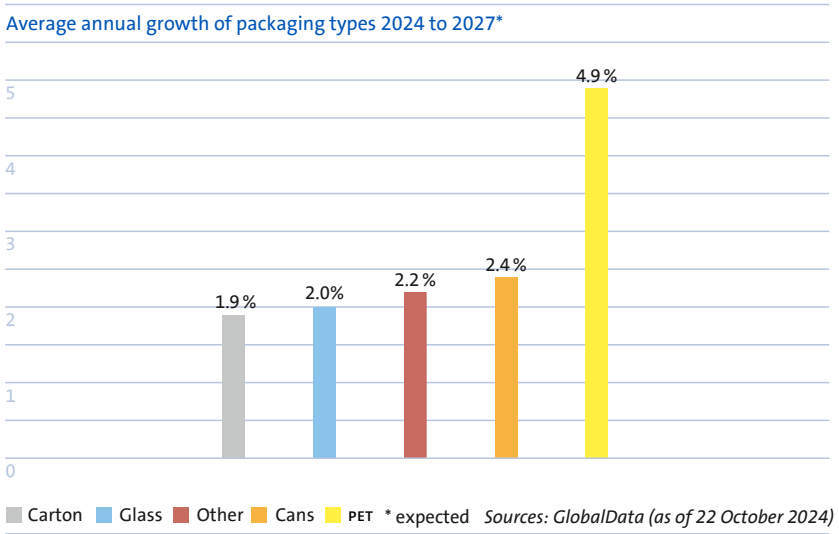
Glass accounted for 18.0% of global beverage packaging in the past year. Glass bottles are mainly used for beer, spirits, carbonated soft drinks (CSDs) and wine. With global demand for alcoholic beverages growing only slightly, the share of glass packaging is likely to decline in the coming years. According to GlobalData, the number of glass containers will grow by an average of 2.0% per year from 2024 to 2027, slower than the overall market.



The same applies to beverage **cartons**, which reached a market share of 12.5% in 2024. The forecast average annual growth rate for the period 2024 to 2027 is 1.9%. One of the main reasons for the below-average increase is that demand for beverages that are often packaged in cartons is growing more slowly than global beverage consumption. This mainly relates to milk and dairy drinks.

Pouches made of plastic and aluminium foil accounted for a large share of the **other packaging** category in 2024. These are mostly used to package milk, water and fruit juices. In total, other packaging accounted for a 17.5% share last year. The average annual growth rate forecast for 2024 to 2027 is 2.2%.

As one of the leading providers of machines and lines for the production, filling and packaging of PET containers, Krones benefits from the above-average growth in PET packaging. The company also has a strong market position in lines for filling and packaging beverages in glass bottles and cans. Krones does not provide solutions for carton packaging.



Krones in figures

- Krones remained on its profitable growth path in 2024, increasing revenue by 12.1% to €5,293.6 million.
- Profitability improved further with an EBITDA margin of 10.1% (previous year: 9.7%).
- According to the proposal for the appropriation of earnings, the dividend is to increase to €2.60 per share for the 2024 financial year (previous year: €2.20).

	Guidance for 2024*	2024 actual
Revenue growth	9% – 13%	12.1%
EBITDA margin	9.8% – 10.3%	10.1%
ROCE	17% – 19%	18.2%

* From the report on expected developments in the 2023 management report, March 2024

Revenue

Krones' revenue rose by 12.1% to €5,293.6 million in 2024.

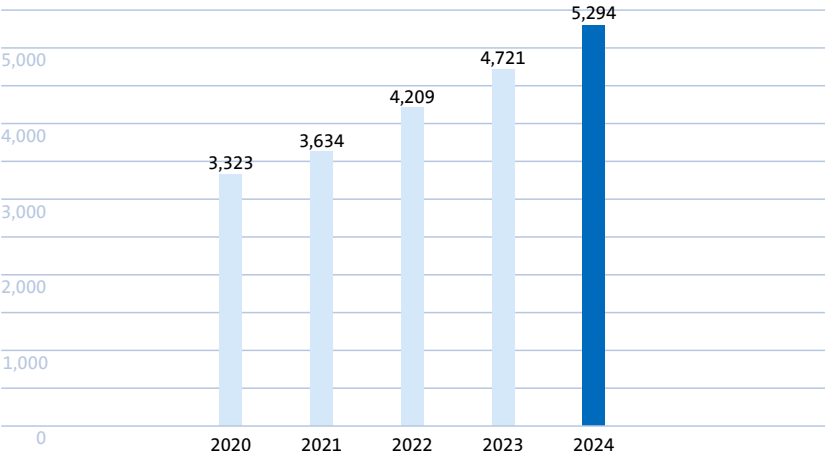
Krones achieved its growth target of 9% to 13% in 2024. Revenue increased by 12.1% compared to 2023, to €5,293.6 million.

Krones continued its stable growth in 2024 despite challenging general economic conditions. As a leading supplier of filling and packaging technology, the company operates in markets that are less dependent on economic cycles. Krones also benefits from its broad international customer base. Revenue in 2024 exceeded the five billion euro mark for the first time and increased by 12.1% year on year, from €4,720.7 million to

€5,293.6 million. Krones thus achieved its growth forecast of 9% to 13%. Revenue from both new machinery and services in 2024 exceeded the previous year's figures, with the new machinery business growing disproportionately strongly.

Stable material availability had a positive impact on production efficiency in 2024 and thus on Krones' output and sales. In the same period of the previous year, production output was affected at times by tight supplies of electrical components. Part of the revenue growth in the reporting period is due to the acquisition of Netstal Maschinen AG, whose revenue Krones has consolidated since 28 March 2024. This was already taken into account in the growth forecast for 2024. Krones' revenue was not materially affected by exchange rates or divestments in 2024.

Krones Group revenue (€ million)



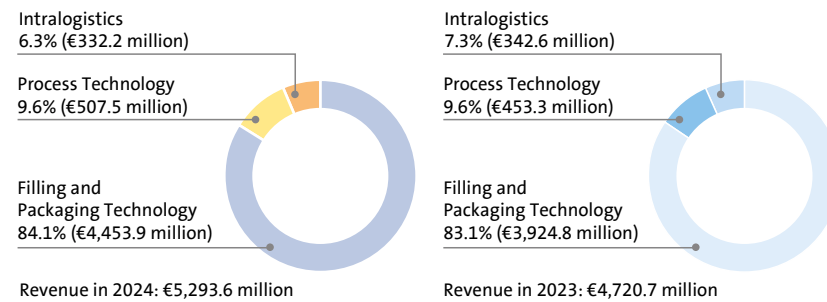


Revenue by segment

The core segment, Filling and Packaging Technology, showed the strongest growth in 2024 with an increase of 13.5%.

In the core segment, Filling and Packaging Technology, revenue increased in 2024 by 13.5% year on year, from €3,924.8 million to €4,453.9 million. The segment's share of consolidated revenue increased to 84.1% (previous year: 83.1%).

Share of Krones consolidated revenue



Revenue in the Process Technology segment increased by 12.0% in the reporting period, from €453.3 million in the previous year to €507.5 million. Compared to the previous year, the share of group revenue generated by the segment remained unchanged at 9.6% in 2024.

In Intralogistics, Krones' third segment, revenue was slightly down in the reporting period, falling from €342.6 million in the previous year to €332.2 million. This corresponds to a 6.3% share of consolidated revenue (previous year: 7.3%).



Further information can be found under "Report from the segments" beginning on page 207 and under "Segment reporting" in the notes to the consolidated financial statements on page 262.

Revenue by region

Krones' business in Germany was stable in 2024 despite the weak domestic economy. At €465.2 million, revenue increased by 2.8% compared to the previous year (€452.4 million). The share of consolidated revenue thus decreased to 8.8% (previous year: 9.6%).

Krones' broad global footprint is also reflected in the revenue split. The company generated some 90% of revenue on foreign markets in 2024.

In European markets (excluding Germany), Krones generated significant revenue growth in 2024. The company recorded the highest growth rate in Eastern Europe. Revenue there increased by 34.5% compared to the previous year, to €264.2 million (previous year: €196.5 million). Since the second quarter of 2024, Krones has no longer reported revenue performance in Central Europe and Western Europe separately, but combines revenue from the two regions. From January to December 2024, revenue in Central and Western Europe improved by 16.8% year on year, from €882.2 million to €1,030.4 million.

Share of consolidated revenue	2024		2023		Change
	€ million	%*	€ million	%*	%
Germany	465.2	8.8	452.4	9.6	+2.8
Central and Western Europe	1,030.4	19.5	882.2	18.7	+16.8
Eastern Europe	264.2	5.0	196.5	4.2	+34.5
Central Asia	117.9	2.2	43.1	0.9	+173.9
Middle East/Africa	587.3	11.0	445.9	9.4	+31.7
Asia-Pacific	649.8	12.3	682.0	14.4	-4.7
China	409.6	7.7	349.8	7.4	+17.1
North and Central America	1,220.8	23.1	1,193.7	25.3	+2.3
South America/Mexico	548.4	10.4	475.2	10.1	+15.4
Total	5,293.6	100.0	4,720.7	100.0	+12.1

* Share of total revenue

Revenue in North and Central America and South America/Mexico further improved in 2024 despite the strong growth in the previous year.

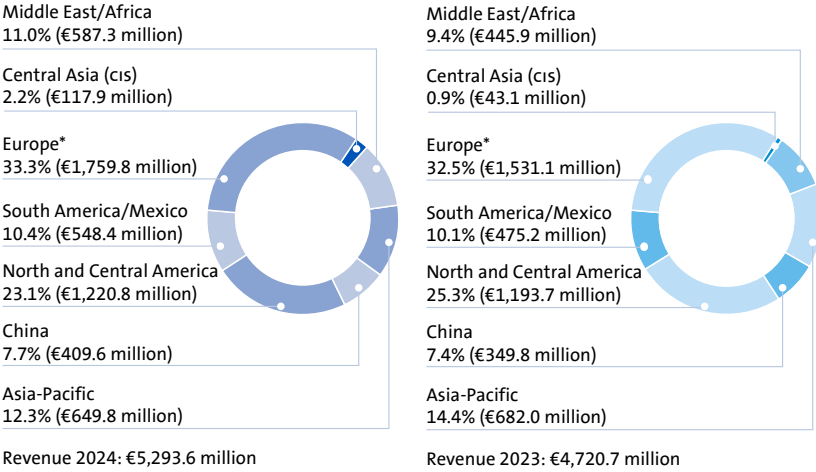
Krones' revenue in Europe (excluding Germany) thus increased by a total of 20.0% to €1,294.6 million in 2024 (previous year: €1,078.7 million). The share of consolidated revenue grew to 24.5% (previous year: 22.9%).

In the Central Asia region, revenue increased from €43.1 million in the previous year to €117.9 million in the reporting period. With a 2.2% share of total revenue (previous year: 0.9%), this region has only a very minor influence on the Krones Group's revenue.

In the remaining non-European markets, the pace of growth was highest in the Middle East/Africa region in 2024. There, revenue climbed by 31.7% to €587.3 million (previous year: €445.9 million). In China, revenue also increased by more than for the group as a whole, rising by 17.1% to €409.6 million (previous year: €349.8 million). Growth in China was supported by pent-up investment demand following the Covid-19 pandemic. In the Asia/Pacific region, revenue in 2024 fell slightly by 4.7%, from €682.0 million in the previous year to €649.8 million. It should be noted, however, that Krones recorded the highest percentage revenue growth in the full year 2023 in the Asia/Pacific sales region.

In the large sales region of North and Central America, revenue further improved in 2024 despite the strong growth in the previous year (29.7%). At €1,220.8 million, revenue was 2.3% higher than in 2023 (€1,193.7 million). Business also continued to develop very dynamically in South America/Mexico. Revenue there climbed to €548.4 million in the reporting period, an increase of 15.4% on the previous year (€475.2 million).

Share of consolidated revenue



* Including Germany

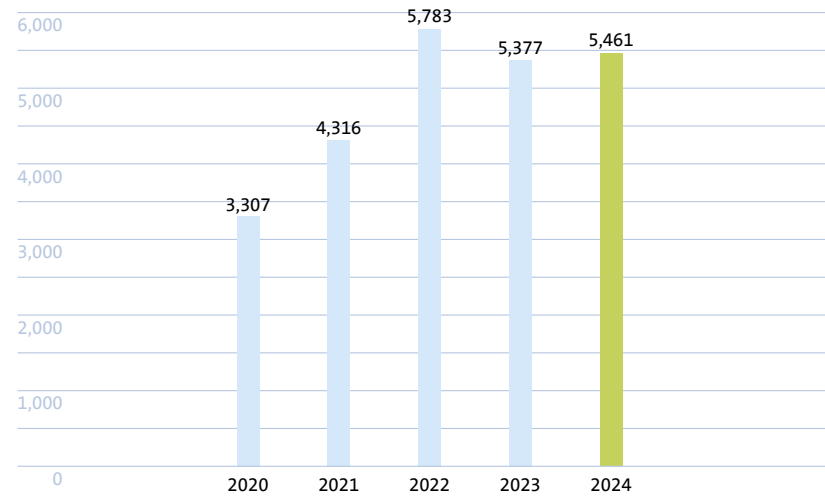
In total, the revenue generated by Krones in non-European markets (excluding Central Asia) improved in 2024 by 8.6% year on year, from €3,146.6 million to €3,415.9 million. The share of consolidated revenue was 64.5% (previous year: 66.6%).

Krones' internationally balanced customer and revenue mix is one of its strategic strengths. In 2024, the company generated 48.6% (previous year: 46.4%) of Group revenue in emerging and developing markets. The share of revenue generated in industrialised economies was 51.4% (previous year: 53.6%).



Order intake

Krones Group order intake (€ million)



Order intake in 2024 exceeded the previous year's high figure

Krones' markets are stable. Compared to the previous year's high level, order intake increased by 1.6% in 2024 to €5,460.7 million.

The willingness of customers in the international beverage industry to invest remains robust despite the critical overall economic environment. In the fourth quarter of 2024, Krones' order intake increased slightly compared to the preceding quarter (€1,323.2 million) to €1,344.6 million, and was 6.5% higher than in the fourth quarter of 2023. Com-

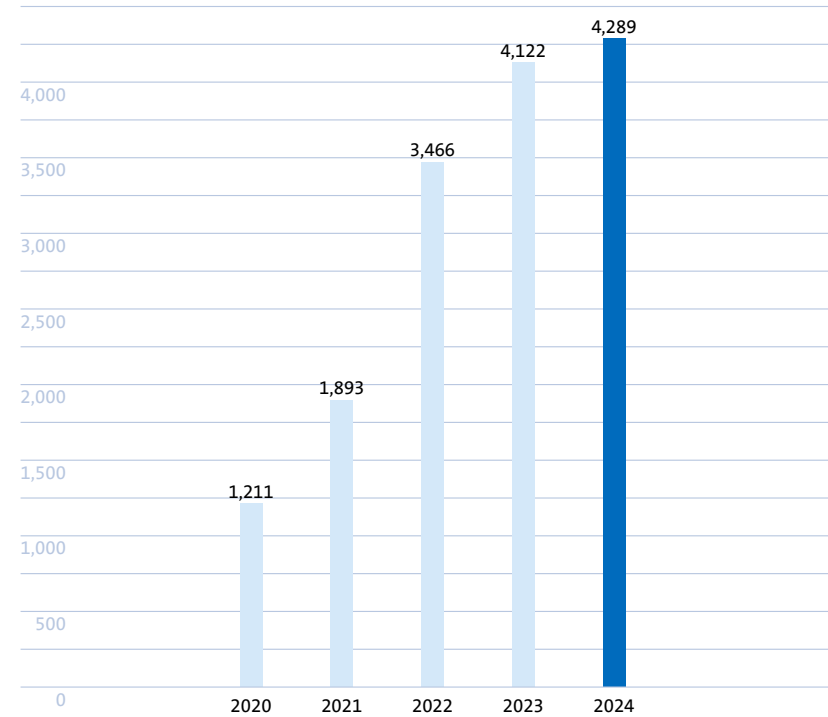
pared to the previous year's high level of €5,376.6 million, order intake for the full year 2024 improved by 1.6% to €5,460.7 million. This reflects the stable state of Krones' customer industries. The company additionally benefited from its broad and innovative range of products and services. Our customers also value our reliable worldwide project execution.

In the Middle East/Africa, Eastern Europe, Central and Western Europe and Central Asia regions, order intake significantly exceeded the previous year's figure in 2024. Order intake in South America increased in line with the Group as a whole. The contract value of orders in Asia/Pacific, China and North and Central America was below the group level. However, it should be noted that order intake in these regions increased significantly in 2023 or reached a high level.



Order backlog

Krones Group order backlog (€ million) at 31 December



Krones has orders on hand totalling €4.29 billion

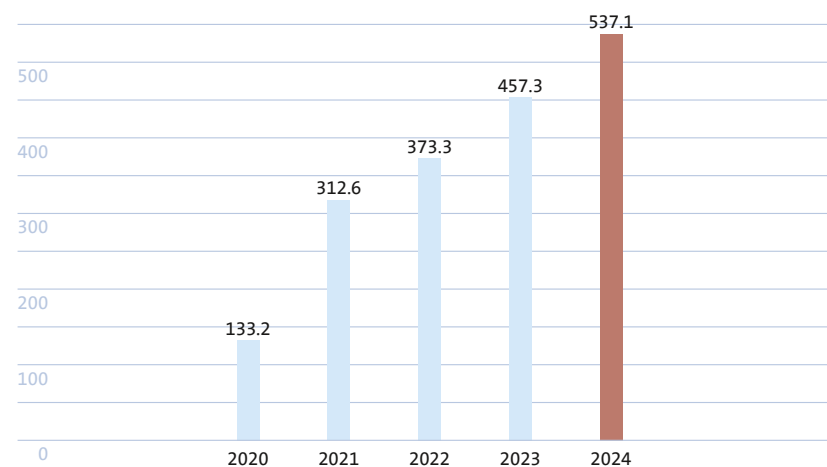
Despite the strong revenue growth in 2024, Krones' order backlog continued to increase in the reporting period. This is due to the positive trend in order intake. The book-to-bill ratio was 1.03 in 2024. Krones had orders on hand totalling €4,289.5 million at the end of December 2024. This means that the order backlog increased by €167.2 million or 4.1% compared to the previous year (€4,122.3 million).

The very high order backlog enhances Krones' planning certainty and ensures production capacity utilisation in the lines and project business through to early 2026.

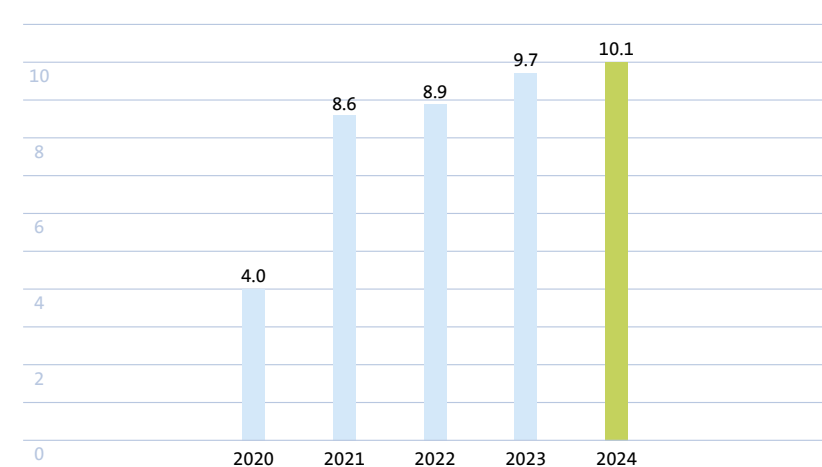


Krones Group earnings

Krones Group EBITDA (€ million)



Krones Group EBITDA margin (%)



Krones improves profitability – EBITDA margin increased to 10.1%

Krones improved the EBITDA margin to 10.1% in 2024 (previous year: 9.7%), thus achieving its margin target of 9.8% to 10.3%. Profitability was not materially affected in 2024 by exchange rates, acquisitions or divestments.

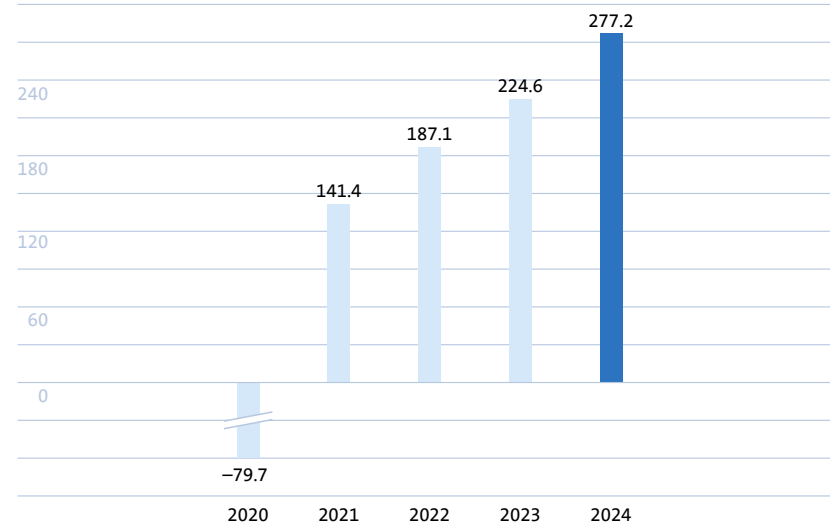
Despite persistently high costs, Krones once again grew profitably in 2024 and further improved profitability as forecast. High production capacity utilisation, stable price levels and consistent implementation of the strategic measures to improve the company's efficiency and cost structure contributed significantly here.

Earnings before interest, taxes, depreciation and amortisation (EBITDA) increased by 17.5% year on year in 2024, from €457.3 million to €537.1 million. The EBITDA margin rose from 9.7% in the previous year to 10.1%. This placed it within the full-year 2024 guidance range of 9.8% to 10.3%.

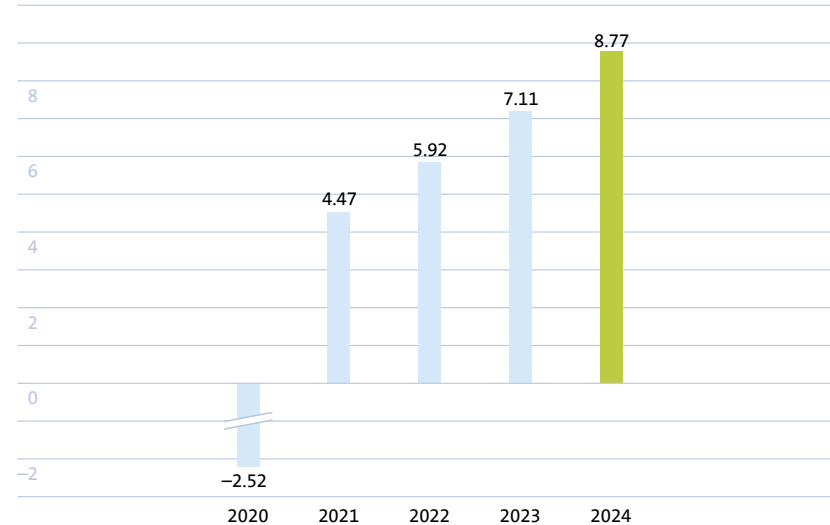
Earnings before taxes (EBT) increased even more strongly than EBITDA between January and December 2024. At €381.6 million, EBT was 22.9% higher than in the previous year (€310.5 million). The EBT margin consequently improved from 6.6% to 7.2%.



Krones consolidated net income (€ million)



Krones Group earnings per share (€)

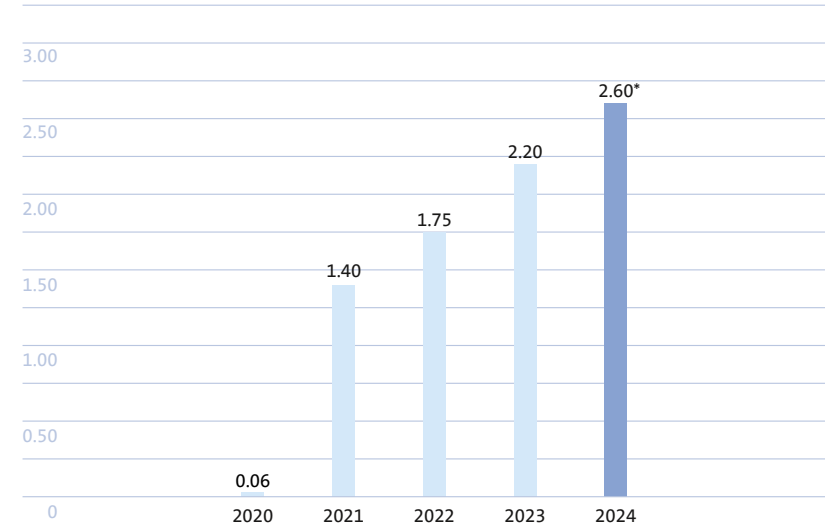


The company's tax rate hardly changed in the reporting period compared to the previous year. As a result, consolidated net income rose at a similar rate to EBT. At €277.2 million, consolidated net income for 2024 was 23.4% higher than the previous year's figure of €224.6 million. Earnings per share consequently increased from €7.11 in the previous year to €8.77.

Krones increases dividend to €2.60 per share

At the Annual General Meeting on 27 May 2025, in line with the long-term dividend policy, the Executive Board and Supervisory Board will be proposing the distribution of a dividend of €2.60 per share for the 2024 financial year. Krones will thus increase its dividend by €0.40 or 18.2% compared to the previous year (€2.20), allowing the company's owners to share commensurately in the improvement in its business performance.

Krones Group dividend per share (€)





Earnings structure

€ million	2024	2023	Change
Revenue	5,293.6	4,720.7	+12.1%
Changes in inventories of finished goods and work in progress	+22.7	+1.1	–
Total operating performance	5,316.3	4,721.7	+12.6%
Other own work capitalised	+59.2	+44.8	+32.1%
Other operating income	+178.8	+186.8	–4.3%
Goods and services purchased	–2,602.8	–2,381.9	+9.3%
Personnel expenses	–1,580.9	–1,391.1	+13.6%
Other operating expenses	–833.6	–723.0	+15.3%
EBITDA	537.1	457.3	+17.5%
Depreciation and amortisation on fixed assets	–168.4	–166.3	+1.3%
EBIT	368.6	291.0	+26.7%
Financial income/expense	+13.0	+19.5	–33.3%
EBT	381.6	310.5	+22.9%
Income tax	–104.4	–85.9	+21.5%
Consolidated net income	277.2	224.6	+23.4%



For further information, please see the full statement of profit and loss on p. 255.

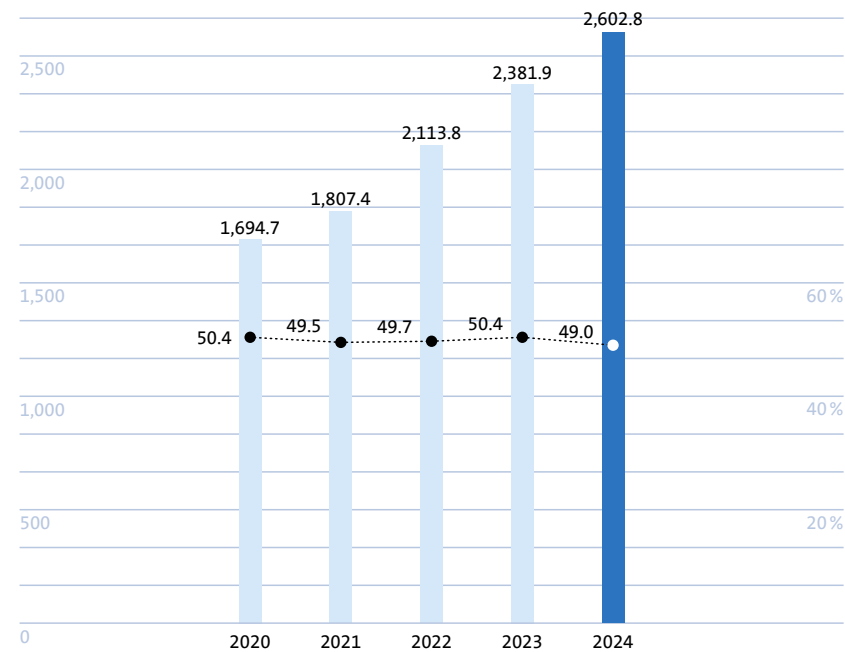
Krones once again significantly increased both revenue and total operating performance in the 2024 financial year, despite the difficult overall economic conditions. Stable material availability had a positive impact on production efficiency. Also because of this, the company improved revenue by 12.1% to €5,293.6 million. Total operating performance rose slightly more, increasing by 12.6% to €5,316.3 million. This is due to a larger, €22.7 million rise in finished goods and work in progress in the reporting period (previous year: €1.1 million).

Krones also significantly improved profitability in the reporting period. In addition to good production capacity utilisation and stable price levels, the main contributing factor here was consistent implementation of cost-cutting and efficiency improvement measures initiated in past years.

Despite higher overall costs, Krones significantly improved the EBITDA margin from 9.7% to 10.1% in the reporting period.

Krones' profitability was not materially affected by exchange rates, acquisitions or divestments in 2024.

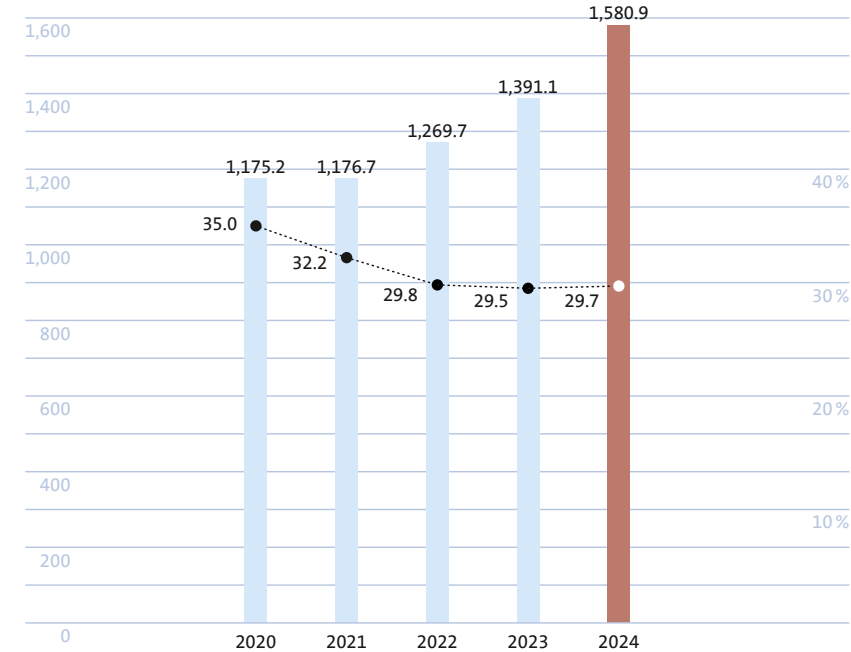
Krones Group goods and services purchased (€ million) and material expense ratio (%)



Cost of goods and services purchased increased by 9.3% to €2,602.8 million in the reporting period, less than the rise in total operating performance. Krones offset high material costs in the reporting period thanks to sophisticated production and procurement management. Material availability improved in 2024 compared to the previous year, when there were temporary shortages of electronic components. The material expense ratio – the ratio of goods and services purchased to total operating performance – fell significantly in 2024 to 49.0% (previous year: 50.4%).

Personnel expenses rose slightly faster between January and December 2024 than total operating performance. They increased by 13.6% to €1,580.9 million. This mainly related to growth in the workforce and increased pay levels under collective agreements relative to the previous year. The personnel expense ratio – the ratio of personnel expenses to total operating performance – was 29.7% in

Krones Group personnel expenses (€ million) and personnel expense ratio (%)

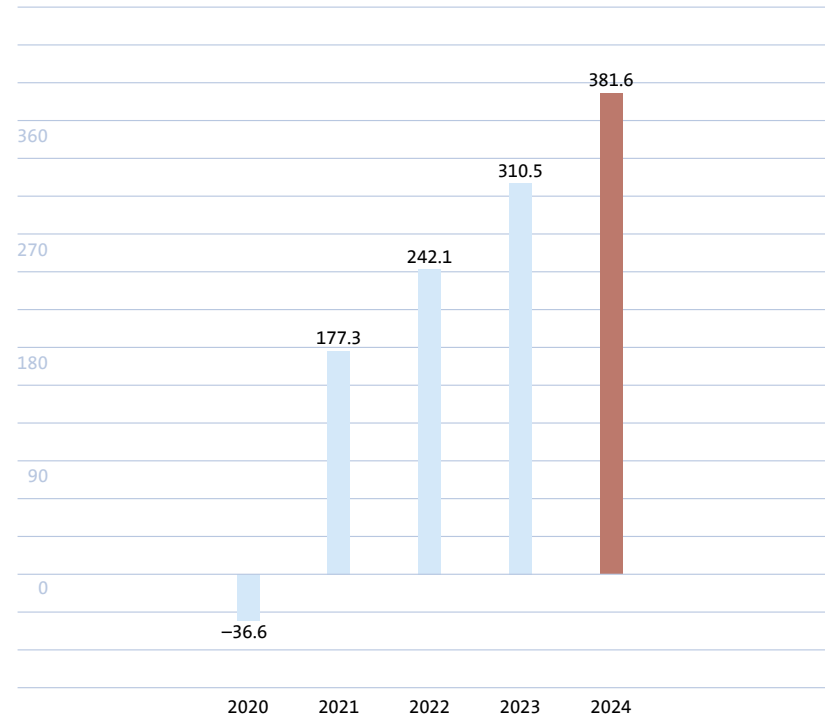


2024, slightly higher than the very low prior-year figure of 29.5%, but still below the 30% mark.

At €833.6 million, other operating expenses were €110.6 million or 15.3% higher in the 2024 financial year than in the previous year. This was primarily due to rising freight and travel costs. Other operating income decreased slightly, falling by €8.0 million to €178.8 million. Both other operating expenses and other operating income were influenced by currency effects in the reporting period, although these almost cancelled each other out. At €59.2 million, own work capitalised was €14.4 million higher than in the previous year. The net balance of other operating income and expenses and own work capitalised changed from –€491.4 million in the prior-year period to –€595.6 million in the full year 2024. As a percentage of total operating performance, this represented an increase from 10.4% to 11.2%.

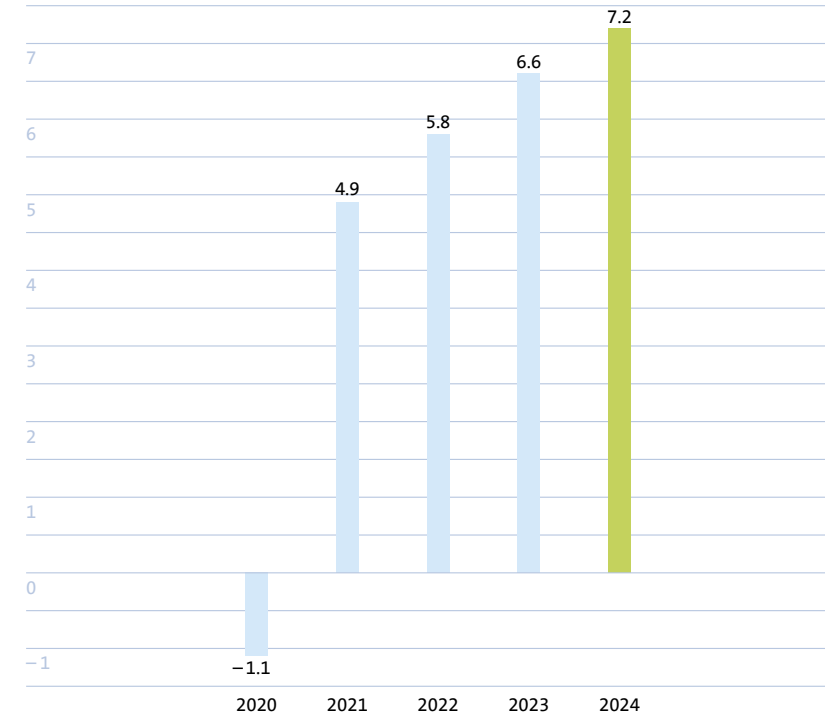


Krones Group EBT (€ million)



Krones increased EBITDA (earnings before interest, taxes, depreciation and amortisation) by 17.4% in the reporting period – more than the increase in revenue – from €457.3 million to €537.1 million. The EBITDA margin improved from 9.7% in the previous year to 10.1%. After deducting depreciation and amortisation of fixed assets, which went up only slightly by 1.3% to €168.4 million, earnings before interest and taxes (EBIT) increased in the 2024 financial year by 26.7% to €368.6 million. It should be noted, however, that depreciation and amortisation in 2023 were increased by remeasurement adjustments. At €13.0 million in 2024, financial income was down on the exceptionally high prior-year figure (€19.5 million), which was influenced in the previous year by the positive im-

Krones Group EBT margin (%)




part of adjustments due to contingent purchase price payments. As the two effects in the previous year nearly cancelled each other out, they had almost no impact on earnings before taxes (EBT) in 2023. The investment income of €4.8 million included in financial income was up slightly on the previous year's figure (€3.7 million).

EBT climbed from January to December 2024 by 22.9% to €381.6 million (previous year: €310.5 million). The EBT margin consequently increased from 6.6% in the previous year to 7.2%. As the company's tax rate of 27.4% in the reporting period was almost at the same level as in the previous year (27.7%), consolidated net income improved almost in line with EBT, by 23.4% to €277.2 million.

Statement of cash flows

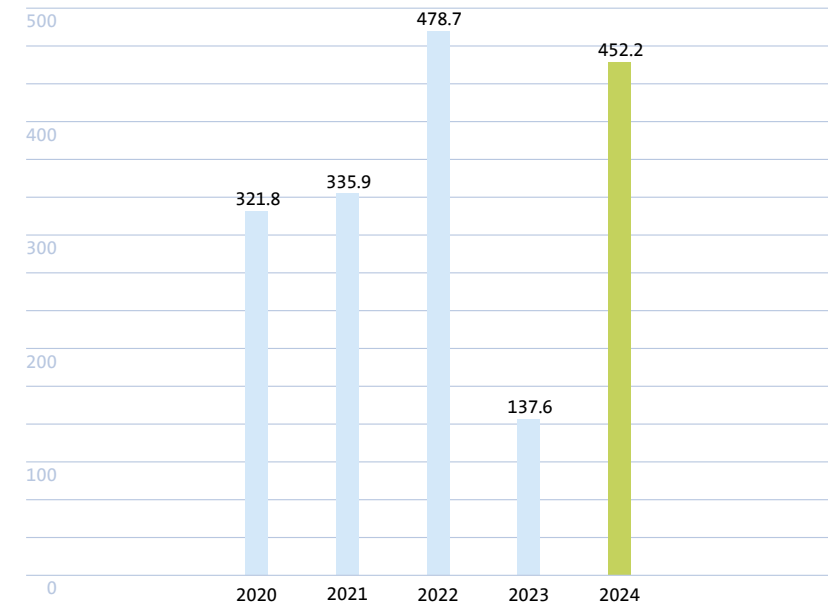
€ million	2024	2023
Earnings before taxes	381.6	310.5
Non-cash changes	+207.8	+129.9
Changes in working capital	–89.4	–172.3
Changes in other assets and liabilities	–47.8	–130.5
Cash flow from operating activities	452.2	137.6
Capital expenditure for intangible assets and property, plant and equipment	–181.1	–162.7
Other	+21.4	+38.3
Free cash flow excluding M&A	292.5	13.2
M&A activities	–179.3	–114.5
Free cash flow (reported)	113.2	–101.3
Cash flow from financing activities	–115.0	–94.1
Other	–4.1	–30.7
Net change in cash and cash equivalents	–5.9	–226.1
Cash and cash equivalents at the end of the period	442.5	448.4

 For further information, please see the full statement of cash flows on page 259.

As expected, Krones significantly increased cash flow from operating activities and free cash flow in the 2024 financial year.

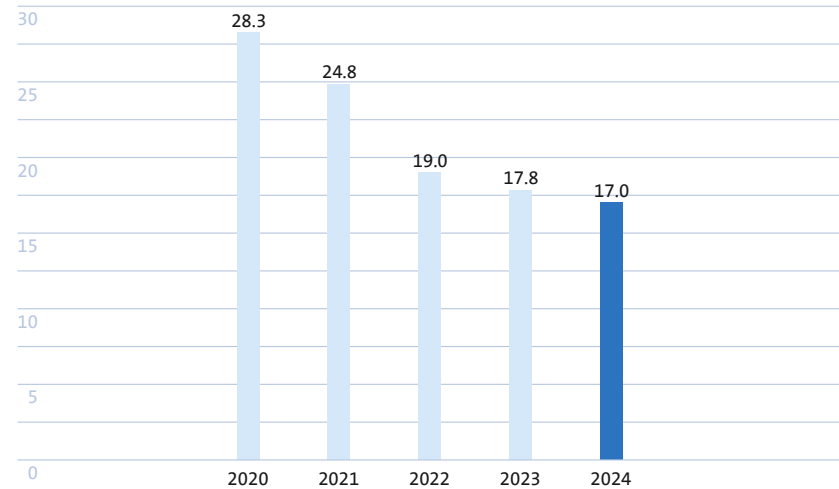
From January to December 2024, Krones increased cash flow from operating activities by €314.6 million year on year to €452.2 million. In addition to the €71.1 million increase in earnings before taxes, non-cash changes – mainly depreciation and amortisation and changes in provisions – also made a positive contribution here. At €207.8 million, this

Krones Group cash flow from operating activities (€ million)



contribution to cash flow from operating activities was larger in the reporting period than the €129.9 million recorded in the previous year. Changes in other assets and liabilities – mainly relating to tax payments – with a smaller negative impact of minus €47.8 million (previous year: minus €130.5 million), also contributed to the increase in cash flow from operating activities. The smaller increase in working capital compared to the previous year, by €89.4 million (previous year: €172.3 million), had less of a negative impact on cash flow in the reporting year and thus also contributed to the improvement.

Krones Group working capital to revenue (% , average over four quarters)



Working capital as a percentage of revenue improved from 17.8% to 17.0%

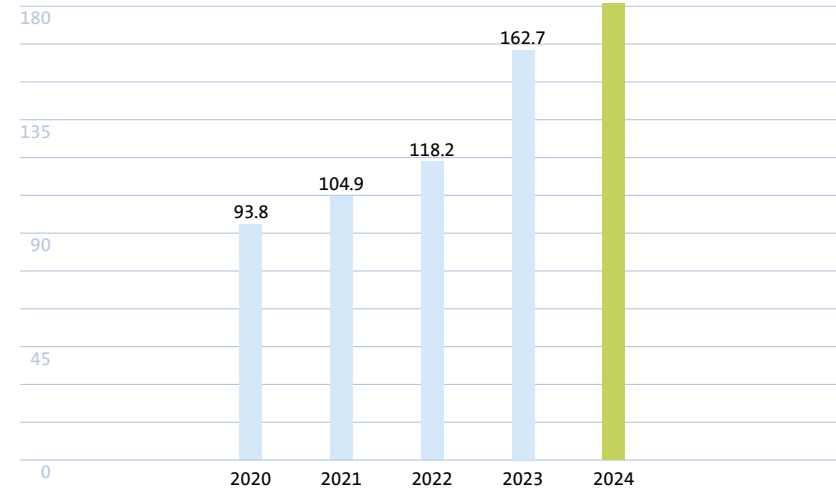
In the reporting period, Krones once again significantly improved average working capital over the past four quarters as a percentage of revenue, reducing it from 17.8% in the previous year to 17.0%.

Krones increased working capital by €89.4 million as of the reporting date. A slight increase in contract assets, inventories and trade receivables contributed here due to the higher business volume. The net balance of inventories and advance payments made was relatively stable compared to the previous year.

Declining contract liabilities (mainly advance payments from customers) also led to an increase in working capital. Higher trade payables were unable to compensate for these effects.

Krones nevertheless improved average working capital over the past four quarters as a percentage of revenue to 17.0% (previous year: 17.8%). The working capital to revenue ratio was 16.2% as of the 31 December reporting date (previous year: 16.3%).

Krones Group capital expenditure for PP&E and intangible assets (€ million)

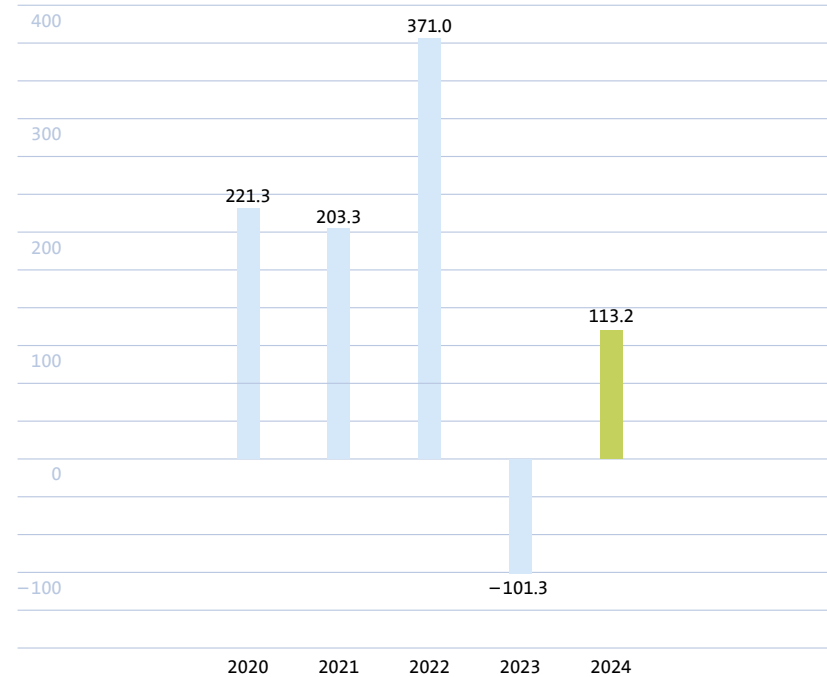


The supplier finance programme used by Krones is accounted for under trade payables as it does not significantly alter the contractual terms of the payables. Correspondingly, the cash outflow is included in cash flow from operating activities.

Free cash flow (excluding M&A) improved significantly by €279.3 million

Krones invested a total of €181.1 million in property, plant and equipment and intangible assets in the reporting period. As planned, this is above the prior-year figure of €162.7 million. As a percentage of revenue, capital expenditure was 3.4% in 2024 (previous year: 3.4%) and thus in line with planning. The ratio of capital expenditure to depreciation and amortisation increased from 0.98 in the previous year to 1.08.

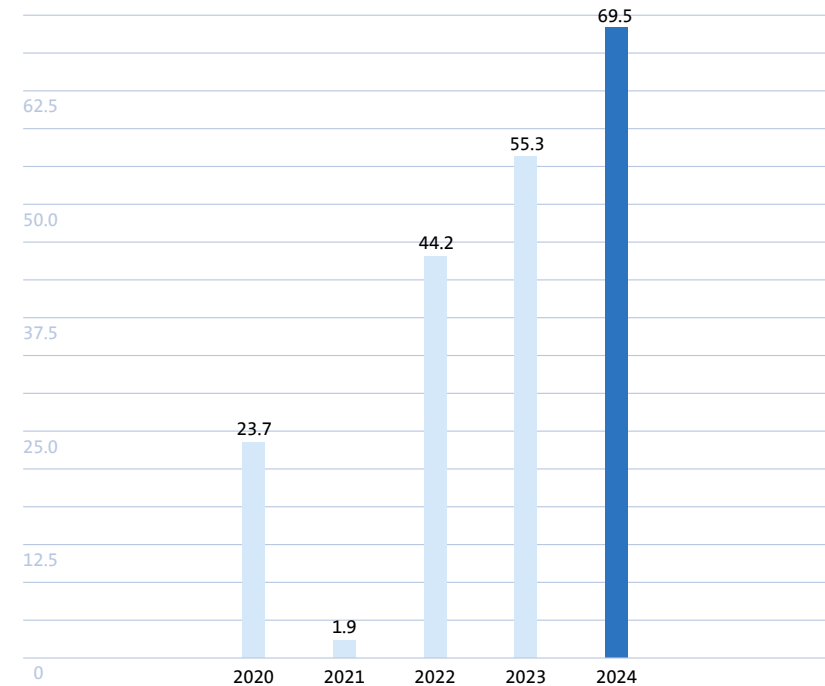
Krones Group free cash flow (€ million)



Krones increased free cash flow by €214.5 million to €113.2 million in the reporting year. Excluding M&A activities, free cash flow rose even more strongly by €279.3 million to €292.5 million.

The company spent €161.3 million on acquisitions in the reporting period, mainly for Netstal Maschinen AG. In addition, Krones made a deferred purchase price payment of €12.8 million for Ampco Pumps and acquired interests in the Portuguese Perfinox Group (€5.3 million). Despite the cash outflow from M&A activities totalling €179.4 million (previous year: €114.5 million), the company improved free cash flow by €214.5 million to €113.2 million between January and December 2024 (previous year: –€101.3 million). Excluding M&A activities, free cash flow increased even more significantly by €279.3 million, from €13.2 million in the previous year to €292.5 million.

Krones Group dividend payout (€ million)



The company had a total cash outflow from financing activities of €115.0 million between January and December 2024 (previous year: €94.1 million). In the reporting period, this item included the cash outflow from the dividend payout of €69.5 million (previous year: €55.3 million), the repayment of lease liabilities in the amount of €44.2 million (previous year: €37.6 million) and the repayment of bank debt in the amount of €1.2 million (previous year: €1.2 million). Changes in exchange rates and in the consolidated group decreased liquidity by €4.1 million, after a €30.7 million decrease in the previous year. As of 31 December 2024, Krones had cash and cash equivalents totalling €442.5 million (previous year: €448.4 million). Despite the large cash outflows for M&A activities, net cash (cash and cash equivalents less bank debt) stood at €439.9 million and thus almost at the previous year's level of €444.7 million.



Assets and capital structure

€ million at 31 December	2024	2023	2022
Non-current assets	1,551	1,327	1,164
of which fixed assets	1,462	1,241	1,064
Current assets	3,198	3,150	3,007
of which cash and equivalents	442	448	675
Equity	1,922	1,715	1,598
Total debt	2,828	2,762	2,573
Non-current liabilities	435	410	375
Current liabilities	2,393	2,352	2,198
Total	4,750	4,477	4,171



For further information, please see the full statement of financial position on page 257 and 258.

Krones' total assets increased by 6.1% in the reporting period, a smaller increase than the rise in total operating performance (12.6%).

Krones' total assets increased by 6.1% in the reporting period and thus by significantly less than the 12.6% rise in total operating performance. Total assets came to €4,749.5 million as of 31 December 2024 (31 December 2023: €4,477.1 million). This increase was mainly due on the assets side to the acquisition-related increase in fixed assets and on the equity and liabilities side to the rise in equity as a result of the significant improvement in consolidated net income.

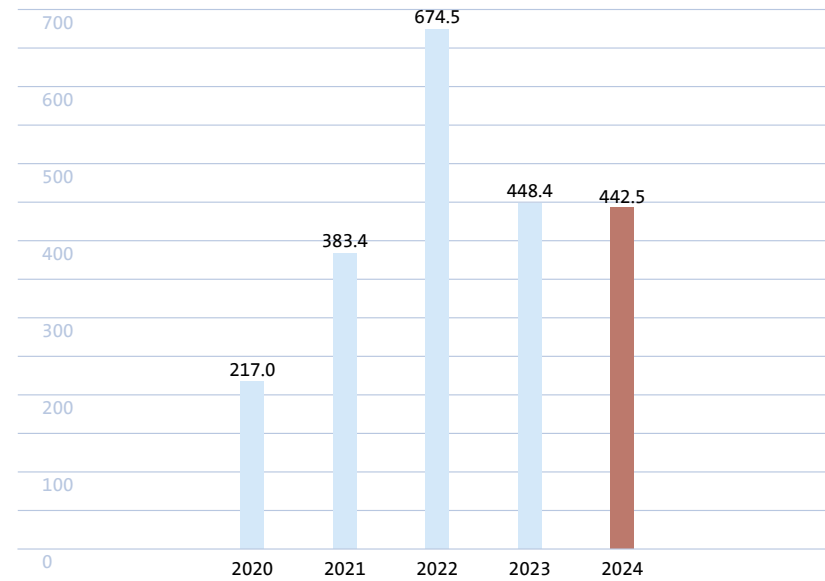
There were no material exchange rate or divestment effects in the reporting period on any assets side or equity and liabilities side items of the statement of financial position. The acquisition of Netstal Maschinen AG mainly affected fixed assets and cash and cash equivalents.

Krones' non-current assets showed a substantial 16.8% increase in the reporting period to €1,551.0 million (31 December 2023: €1,327.4 million). The growth related to fixed assets, which increased by €220.8 million or 17.8% to €1,461.8 million as of 31 December 2024 (31 December 2023: €1,241.0 million). This reflects the acquisition and first-time consolidation of Netstal Maschinen AG (Netstal), Switzerland, as of 28 March 2024. Intangible assets increased significantly as a result, climbing from €460.7 million at the end of 2023 to €587.0 million. The Netstal acquisition also added to property, plant and equipment and right-of-use assets, which amounted to €852.2 million at the end of the reporting year (31 December 2023: €762.6 million).

Krones' current assets rose only slightly in 2024, despite the further growth in business volume. Current assets came to €3,198.5 million as of the reporting date, which is 1.5% or €48.8 million higher than the figure as of 31 December 2023. Inventories contributed here with an increase of €23.4 million to €664.8 million. Trade receivables also went up by €30.2 million to €808.9 million and contract assets by €38.1 million to €1,094.4 million. In contrast, other assets fell by €39.7 million to €180.3 million. Cash and cash equivalents remained almost stable. The strong positive free cash flow (excluding M&A activities) meant that, despite the cash outflows for M&A activities totalling €178.9 million and the dividend distribution of €69.5 million, cash and cash equivalents decreased by only €5.9 million to €442.5 million in the reporting period (31 December 2023: €448.4 million).



Krones Group cash and cash equivalents at 31 December (€ million)



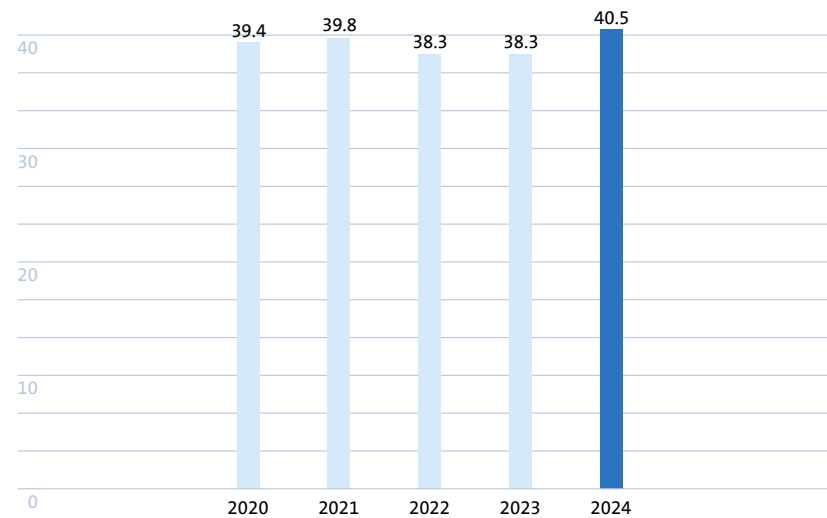
Current liabilities increased slightly between January and December 2024. These went up by 1.7% or €41.0 million to €2,392.9 million. This was mostly due to a €79.0 million increase in trade payables to €802.2 million, which mainly related to the growth in business volume. Included in this are supplier finance

liabilities of €145.9 million (previous year: €141.4 million). These outstanding liabilities are settled with suppliers by a bank before they are due. The original liabilities to the suppliers are unaffected in substance because the acknowledgment of the liability is unaltered, and therefore continue to be presented as liability in the statement of financial position. Other liabilities and accruals also increased by €40.0 million to €391.0 million in the reporting period, and other provisions by €43.4 million. In contrast, there was a significant decrease in contract liabilities during the reporting period. These fell by €114.2 million to €926.8 million. The company had current bank debt of €1.3 million at the reporting date (previous year: €1.2 million).

Non-current liabilities increased slightly as of 31 December 2024. These were up €24.8 million to €435.0 million. The largest item, provisions for pensions, decreased slightly to €172.6 million (31 December 2023: €178.4 million). Other non-current provisions increased in the reporting period by €14.5 million to €96.0 million and deferred tax liabilities by €14.8 million to €28.4 million. The company had €1.3 million in non-current bank debt as of 31 December 2024 (31 December 2023: €2.5 million).



Krones Group equity ratio (%)

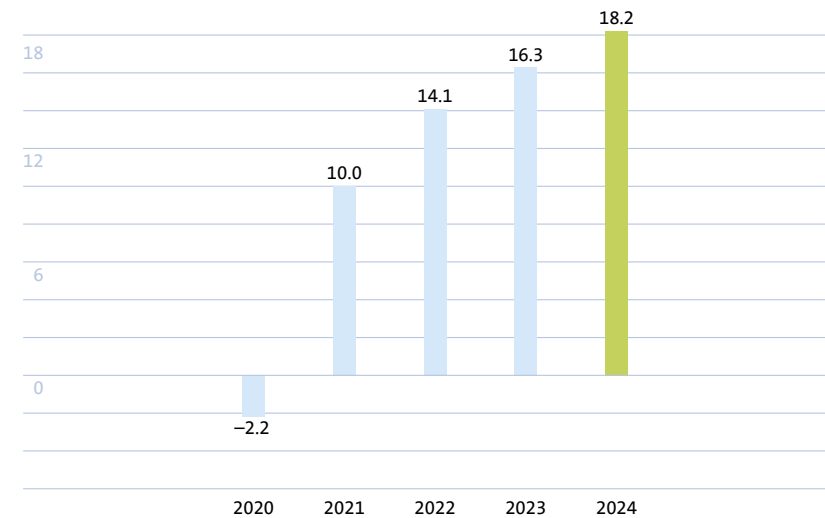


Significant increases in equity and ROCE – continued high level of net cash

The €439.9 million net cash and very solid 40.5% equity ratio give Krones a high degree of stability in the challenging economic and political environment and enable investment in the future for sustained profitable growth.

Due to the positive consolidated net income, equity increased relative to the 2023 reporting date by €206.6 million or 12.0% to €1,921.5 million. As balance sheet total increased by only 6.1%, the equity ratio improved to 40.5% as of 31 December 2024 (31 December 2023: 38.3%). With net cash (cash and cash equivalents less bank debt) of €439.9 million at the end of the report-

Krones Group ROCE (%)



ing period (31 December 2023: €444.7 million), Krones continues to have a very stable and solid financial and capital structure. In addition, Krones had available €857 million in unused lines of credit as of 31 December 2024.

Krones has no fundamental plans to change its current financing policy and will continue to pay for capital expenditure primarily from own funds (internal financing).

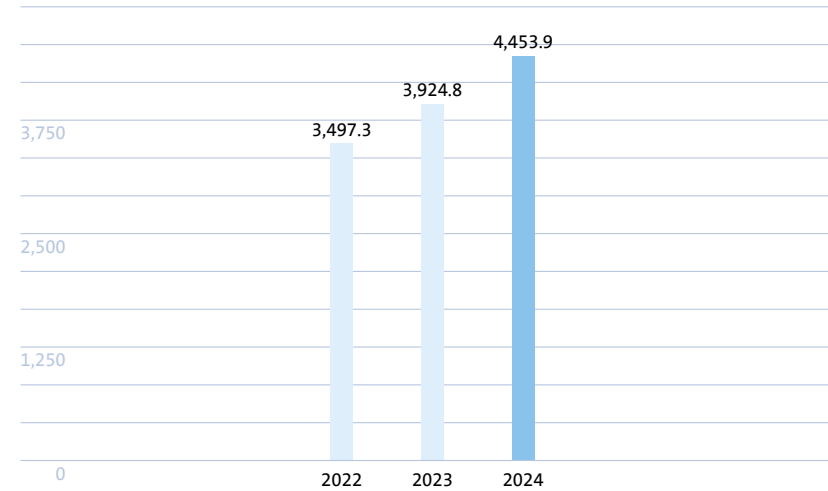
Krones significantly improved return on capital employed (ROCE) – the ratio of EBIT to average net capital employed over the last four quarters – from 16.3% to 18.2% in the 2024 financial year, mainly as a result of the higher EBIT.



Report from the segments

Filling and Packaging Technology segment

Segment revenue (€ million)



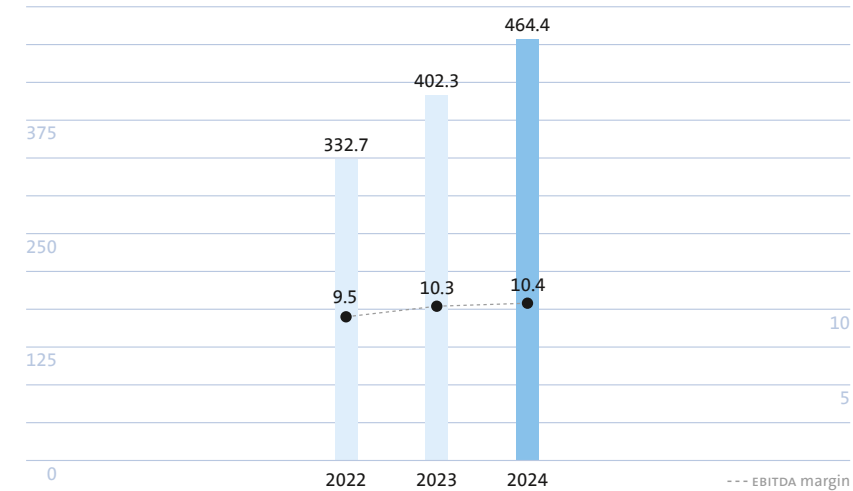
Segment revenue

With a 13.5% increase in revenue to €4,453.9 million, the core segment slightly exceeded the growth forecast for 2024 (9% to 13%).

Krones' core segment, Filling and Packaging Technology, remained on a stable growth path in 2024. Revenue went up by 13.5% year on year, from €3,924.8 million to €4,453.9 million. This slightly exceeded the growth forecast of 9% to 13%.

The good availability of materials in the reporting period had a positive impact on output and revenue. In the previous year, production was affected at times by tight supplies of electrical components. The new machinery business benefited from the increased efficiency in production and grew faster in 2024 than service revenue. In addition to the primarily organic growth, the acquisition of Netstal Maschinen AG, which Krones has consolidated in the core segment since 28 March 2024, also contributed to the increase in revenue. Filling and Packaging Technology accounted for 84.1% of consolidated revenue in 2024 (previous year: 83.1%).

Segment EBITDA (€ million) and EBITDA margin (%)



Segment earnings

The profitability of the core segment also benefited from the high level of production capacity utilisation in 2024. In addition, consistent implementation of strategic measures further increased efficiency in Filling and Packaging Technology. This helped to offset persistently high material and labour costs. From January to December 2024, earnings before interest, taxes, depreciation and amortisation (EBITDA) went up by 15.4% year on year, from €402.3 million to €464.4 million. The EBITDA margin thus improved to 10.4% in the reporting period (previous year: 10.3%) and was within the forecast of 10.3% to 10.8% for 2024. The acquisition of Netstal Maschinen AG had a slightly dilutive effect on earnings.

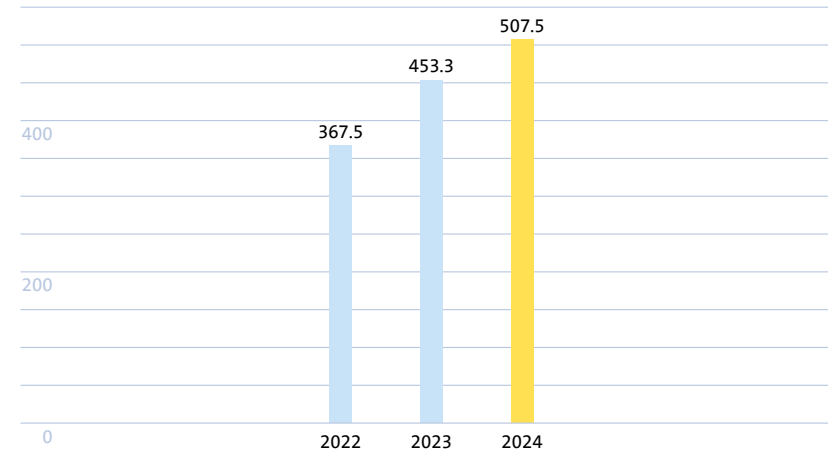
Core segment profitability continued to increase in 2024 as forecast. The EBITDA margin improved from 10.3% in the previous year to 10.4%.





Process Technology segment

Segment revenue (€ million)



Segment revenue

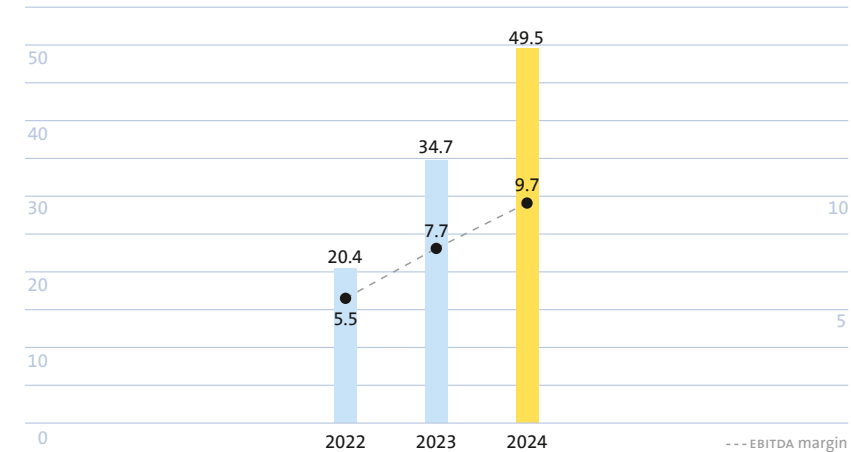
Revenue in the Process Technology segment increased by 12.0% to €507.5 million in 2024. Although demand developed well across large parts of the product portfolio, the growth target of 15% to 20% was not quite achieved.

Following the very strong (23.4%) revenue growth in 2023, business in the Process Technology segment was slightly weaker than expected in 2024. Revenue rose by 12.0%, from €453.3 million in the previous year to €507.5 million in the reporting period. Krones had forecast 15% to 20% growth.

This was not fully achieved because customers in one sub-segment of Process Technology postponed major projects.

Demand across the remainder of the segment's product portfolio developed well. Revenue with individual machines and components grew particularly strongly in 2024. The acquisition of Ampco Pumps in the USA, which Krones has consolidated since 1 June 2023, contributed to the segment's growth in the reporting period. Compared to the previous year, the share of group revenue generated by Process Technology remained unchanged at 9.6% in 2024.

Segment EBITDA (€ million) and EBITDA margin (%)



Segment earnings

Despite weaker than expected revenue growth, the profitability of the Process Technology segment improved significantly in 2024. Profitability benefited from Krones' strategic measures and the favourable product mix. This was also positively influenced by the expansion of the components business (pumps and valves).

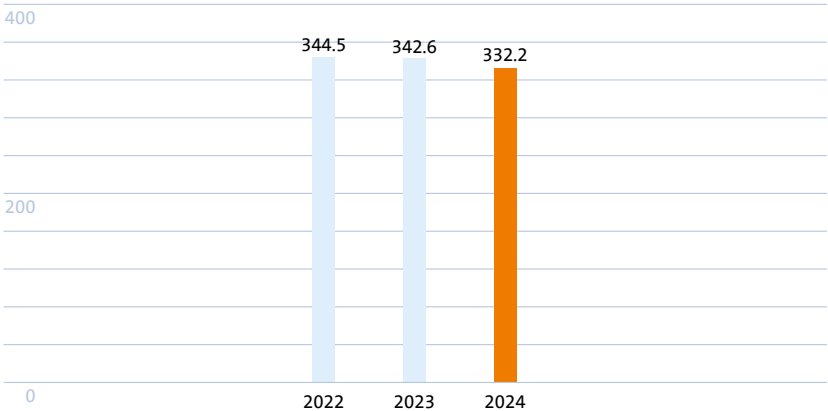
Earnings before interest, taxes, depreciation and amortisation (EBITDA) climbed 42.7% year on year in 2024, from €34.7 million to €49.5 million. The EBITDA margin rose strongly from 7.7% to 9.7%. This is above the guidance range of 8% to 9%. The acquisition of Ampco Pumps had a positive impact on the segment's profitability. However, Process Technology would still have reached its margin target in 2024 without the Ampco Pumps acquisition.

The segment's profitability increased more than forecast in 2024. The EBITDA margin rose to 9.7% (previous year: 7.7%).



Intralogistics segment

Segment revenue (€ million)



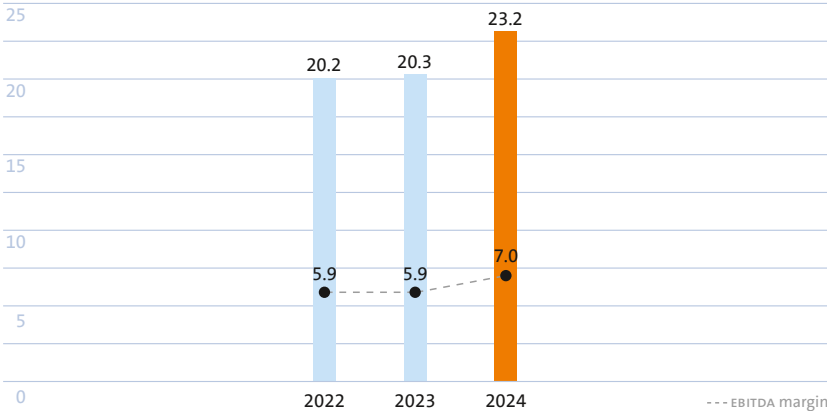
Segment revenue

Despite the strong fourth quarter, revenue in the Intralogistics segment fell by 3.0% to €332.2 million in 2024.

Overall, conditions on the international markets for intralogistics products were challenging in 2024. Nevertheless, order intake in the Intralogistics segment developed very well. Due to the relatively long project durations, however, this will only be reflected after a time lag essentially in revenue of 2025.

The fourth quarter of 2024 already saw a sharp rise in revenue, which at €112.7 million exceeded the figure for the final quarter of the previous year by almost 50%. However, this was not enough to make up for the shortfall from the first three quarters (a decline of 17.6%). In total, revenue decreased by 3.0% from €342.6 million in the previous year to €332.2 million in 2024, below the full-year growth target of 5% to 10%. Intralogistics accounted for 6.3% of consolidated revenue in 2024 (previous year: 7.3%).

Segment EBITDA (€ million) and EBITDA margin (%)



Segment earnings

Due to the high degree of flexibility and increasing efficiency of the Intralogistics segment, earnings increased in 2024 despite the slight decline in revenue. Efficiency improvements in project execution had a positive impact on profitability. Earnings before interest, taxes, depreciation and amortisation (EBITDA) improved by 14.3%, from €20.3 million in the previous year to €23.2 million. The EBITDA margin consequently rose from 5.9% to 7.0%. Intralogistics reached the upper end of its EBITDA margin target range of 6% to 7%. The fourth quarter contributed significantly here. From October to December 2024, the segment generated EBITDA of €10.8 million and thus an EBITDA margin of 9.6%.

The Intralogistics segment improved its EBITDA margin to 7.0% in 2024 (previous year: 5.9%) and thus reached the upper end of its margin target range.





Overall assessment of **economic position**

According to figures from the International Monetary Fund (IMF), the pace of global economic growth slowed slightly in 2024. Growth amounted to 3.2% (2023: 3.3%), below the long-term average growth of 3.7% for the global economy (2000–2019).

Demand for packaged beverages is steadily rising worldwide. As a result, Krones' markets are less affected by cyclical fluctuations and continued to develop well in 2024. This benefited the company as a leading full-service supplier to the international filling and packaging industry. In the reporting period, Krones continued its profitable growth path, improved profitability and met the group financial targets for the full year 2024.

Revenue in 2024 exceeded the five billion euro mark for the first time and increased by 12.1% year on year, from €4,720.7 million to €5,293.6 million. Krones thus achieved its growth forecast of 9% to 13%.

The willingness of customers in the international beverage industry to invest remains robust despite the critical overall economic environment. Compared to the previous year's high level of €5,376.6 million, order intake increased by 1.6% in the full year 2024 to €5,460.7 million. Due to the robust demand, Krones' order backlog increased in 2024 despite the significant revenue growth. Krones had orders on hand totalling €4,289.5 million at the end of the reporting period. This means that the order backlog increased by €167.2 million or 4.1% compared to the previous year.

Krones once again improved profitability in 2024 as forecast, despite persistently high costs. High production capacity utilisation and the consistent implementation of the strategic measures to improve the company's efficiency contributed significantly here. Earnings before interest, taxes, depreciation and amortisation (EBITDA) went up 17.5% to €537.1 million in 2024. The EBITDA mar-

gin improved from 9.7% to 10.1%, which is within the guidance range of 9.8% to 10.3% for the full year. In total, the company generated consolidated net income of €277.2 million in the reporting period, up 23.4% on 2023.

Adjusted for acquisitions, Krones generated free cash flow of €292.5 million in 2024 (previous year: €13.2 million). Including M&A activities, free cash flow totalled €113.2 million (previous year: –€101.3 million). The ratio of average working capital for the past four quarters to revenue improved to 17.0% (previous year: 17.8%). Due to the higher earnings before interest and taxes (EBIT), Krones significantly improved return on capital employed (ROCE) – the third financial target alongside revenue growth and the EBITDA margin – to 18.2% in 2024 (previous year: 16.3%). It therefore met the ROCE target for 2024 of 17% to 19%.

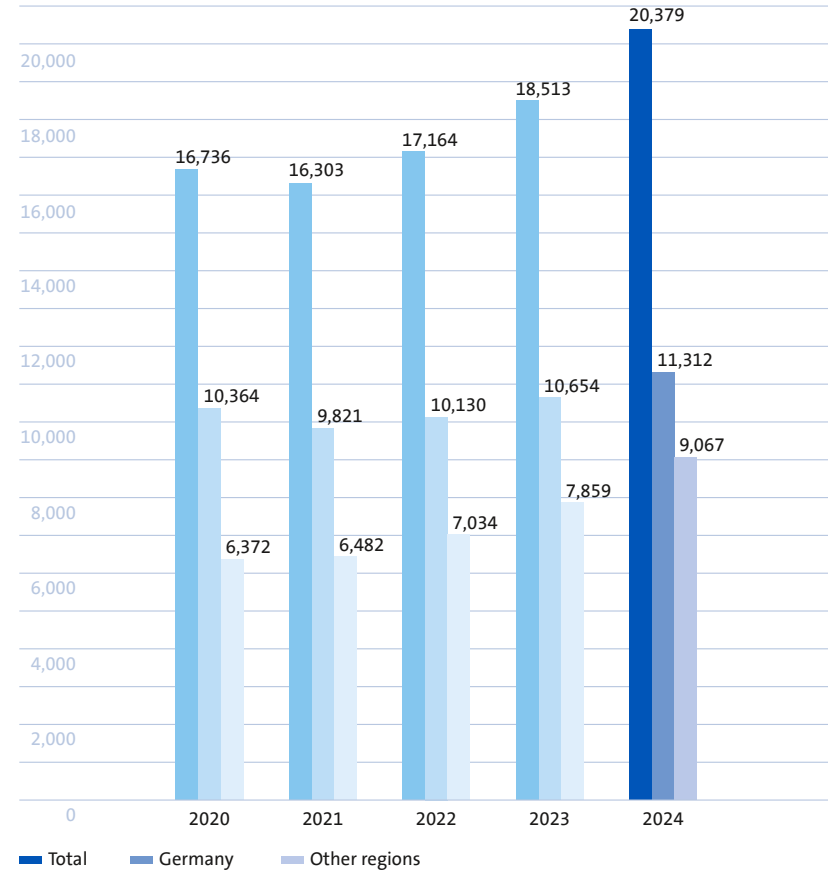
The company's net cash (cash and cash equivalents less bank debt) amounted to €439.9 million at the end of 2024 (previous year: €444.7 million). The equity ratio rose to 40.5% (previous year: 38.3%). Overall, Krones continues to possess a very robust financial and capital structure.

In view of the difficult global economic situation, Krones started the 2025 financial year with realistic optimism. A large order backlog ensures production capacity utilisation through to early 2026. At the same time, the business environment remains challenging for the company. Global economic growth remains subdued and there are risks for the global economy and thus also for Krones' business performance. These include geopolitical tensions in Europe, the Middle East and other parts of the world. Another source of uncertainty is the tariff policy of the new US administration, which could lead to trade conflicts. Based on the prevailing macroeconomic outlook and the current expected development of the markets relevant to Krones, the company forecasts consolidated revenue growth of 7% to 9% in 2025, with an improved EBITDA margin of 10.2% to 10.8% and ROCE of 18% to 20%.



Krones Employees

Employees by region



Workforce passes the 20,000 mark

Due to the significant growth in our business volume, Krones increased the workforce in the reporting year by 1,866 employees or 10.1% to 20,379.

Excluding around 570 employees added in acquisitions, the increase is 7.0%. Revenue (up 12.1%) thus increased at a higher rate than the number of employees.

In particular, the number of people employed outside Germany increased significantly by 1,208 or

15.4% to 9,067 employees. Besides the acquisition of Netstal Maschinen AG, Switzerland (adding 524 employees), the large increase in the workforce is due to the ongoing positive development of our international markets and growth in the service business. The international share of the workforce rose in the reporting period to 44.5% (previous year: 42.5%). Employee numbers in Germany grew by less than the workforce in the group as a whole, with an increase of 6.2% or 658 to 11,312.

Krones increased the number of employees in the 2024 financial year, above all internationally. This reflects the dynamic development of our international markets and the acquisition of Netstal Maschinen AG in Switzerland. The proportion of the workforce employed internationally rose to 44.5% (previous year: 42.5%).



Workforce in growing markets significantly increased

Krones significantly expanded the workforce in growing markets in 2024 by 495 or 9.8% to 5,522 employees. That represents 27.1% of the total workforce (previous year: 27.2%).

The company plans to continue its above-average growth in emerging market regions, where Krones now generates about 50% of consolidated revenue. This is an important pillar of Krones' strategy for achieving its mid-term growth and profitability targets. The company is laying the basis for this in the medium to long term by further increasing its

workforce in such markets, primarily in the service business – despite the increasingly fierce competition for skilled labour. Proximity to customers has always been a key competitive advantage.

Much of the increase in the international workforce – excluding the Netstal acquisition – was therefore in emerging economies. The number of employees in these regions grew in the reporting year by 495 or 9.8% to 5,522. The largest increase (183) was in the Eastern Europe region. Above all, Krones added significantly to the workforce at the Czech IT subsidiary Konplan (with an increase of 121) and recruited additional staff at the Hungarian production site in Debrecen (an increase of 62). At the end of the reporting period, 27.1% of the Krones team was employed in emerging and developing economies (previous year: 27.2%).

Development of the number of employees 2020–2024

Year	South America	Africa	Asia-Pacific	Eastern Europe	China	Total
2020	778	639	974	922	742	4,055
2021	803	633	959	1,006	732	4,133
2022	871	671	1,023	1,092	802	4,459
2023	943	681	1,143	1,345	915	5,027
2024	1,006	753	1,237	1,528	998	5,522

The USA is also an important and growing market with a significant share of local value generation. In view of this, we increased our local US workforce in the reporting year by 201 people to 1,554.

Worldwide, the Krones workforce is the most important factor in our company's long-term success. To meet the challenge of the global skills shortage, we enhanced our employer brand in 2024 to highlight what makes Krones special. Our employer brand, which is directly derived from our vision of "Solutions beyond tomorrow", is designed to attract new talent and strengthen the loyalty and motivation of the existing workforce. Furthermore, Krones continues to invest heavily in training and employee development in order to ensure a highly qualified and motivated team for the long term.



Risk and opportunity report

- Risks identified on an ongoing basis
- Efficient control and management tools limit risks

Krones' risk management system

Krones actively addresses potential risks. All key business processes are constantly subject to an internal control and management system.

Krones is exposed to a variety of risks that are inextricably linked with doing business globally. We continuously monitor all significant business processes to identify risks early and to actively manage and limit them. Within our corporate strategy, we also identify, analyse and unlock opportunities. However, unlike risks, business opportunities are not documented within our risk management system.

Krones has additionally integrated sustainability matters into its risk management system. As part of our sustainability management, we review and assess the impact of existing non-financial environmental, social and governance (ESG) risks on Krones' business and sustainability goals.

In essence, risks are defined as potential negative deviations from our earnings forecast for the 2025 financial year. Opportunities are potential positive deviations from our earnings forecast for the 2025 financial year. Because they have comparable selling and procurement markets, the same risks and opportunities essentially also apply to all three of the Krones Group's segments.

Krones' risk management system consists of an internal control system with which we record, analyse and assess all relevant risks. In a detailed, ongoing process that includes planning, information and control, we monitor all material risks and any countermeasures already taken.

We assess risks on the basis of the likelihood of an event and its potential financial impact. Earnings before interest and taxes (EBIT) serve as the measure for potential financial impact. Starting with gross risk, we determine the net risk, which takes into account any mitigating actions taken.

Krones presents risks on *page 220* in a three-column table. This contains the following information: The maximum loss associated with a risk, the likelihood of an event and the financial impact – the latter being the mathematical product of the first two factors. Each factor is categorised as either low, medium or high.



The categories are as follows:

Maximum loss (€ million)		Likelihood of an event (%)		Potential financial impact* (€ million)	
low	1.0 to 10.0	low	0 to 20	low	1.0 to 10.0
medium	10.1 to 50.0	medium	21 to 49	medium	10.1 to 50.0
high	> 50.0	high	50 to 100	high	> 50.0

*Based on EBIT



Multi-stage risk management system

We are continually improving our risk management system on the basis of practical experience. The system consists of the following modules: risk analysis, risk monitoring, and risk planning and control.

Risk analysis

In order to identify risks early, we continuously monitor all business activities. Material project-related risks are reduced or avoided before an order is accepted. We conduct a profitability analysis of all quotes prior to order acceptance. From a certain order size, the orders furthermore run through a project status report. Apart from profitability, we also individually record and evaluate financing risks, technological risks, regional risks and tax risks as well as scheduling and other contractual risks before accepting an order.

To manage risks that arise from changes in the market and competitive situation, we create detailed market and competition analyses for all segments and business areas on a regular basis.

In addition, we conduct a comprehensive risk inventory twice annually for Kronos AG and all significant group companies. The results of the risk inventory and mitigating actions are used in our annual planning and forecasting. The basic principles and the process are documented in a risk manual. The risk management system not only serves the purpose mandated by law – early detection of going concern risks – but also covers all risks that may have a significant negative impact on earnings.

Risk monitoring

We use a variety of interlinked controlling processes to monitor risks within the Kronos Group. Regular comprehensive reports from the individual business units keep the Executive Board and other decision-makers apprised in a timely manner of all possible risks and deviations from company planning and of the status of mitigating actions. For projects with a high contract value, potential risks are examined and evaluated in regular meetings. Employees who identify risks pass their information on without delay through the company's internal reporting system.

Risk planning and control

We primarily use the following tools to plan our business activities and control risk within our internal control system:

- | | |
|---------------------------------|----------------------------------|
| ■ Annual planning | ■ Production planning |
| ■ Mid-term planning | ■ Capacity planning |
| ■ Strategic planning | ■ Project controlling |
| ■ Rolling forecasts | ■ Accounts receivable management |
| ■ Monthly and quarterly reports | ■ Exchange rate hedges |
| ■ Capital expenditure planning | ■ Insurance policies |

Risk management organisation

Krones' risk management system is continuously monitored and reviewed. This is governed by clear areas of responsibility and accountability.

Risk management at Krones is part of Controlling. The risk management system is reviewed by Internal Audit.

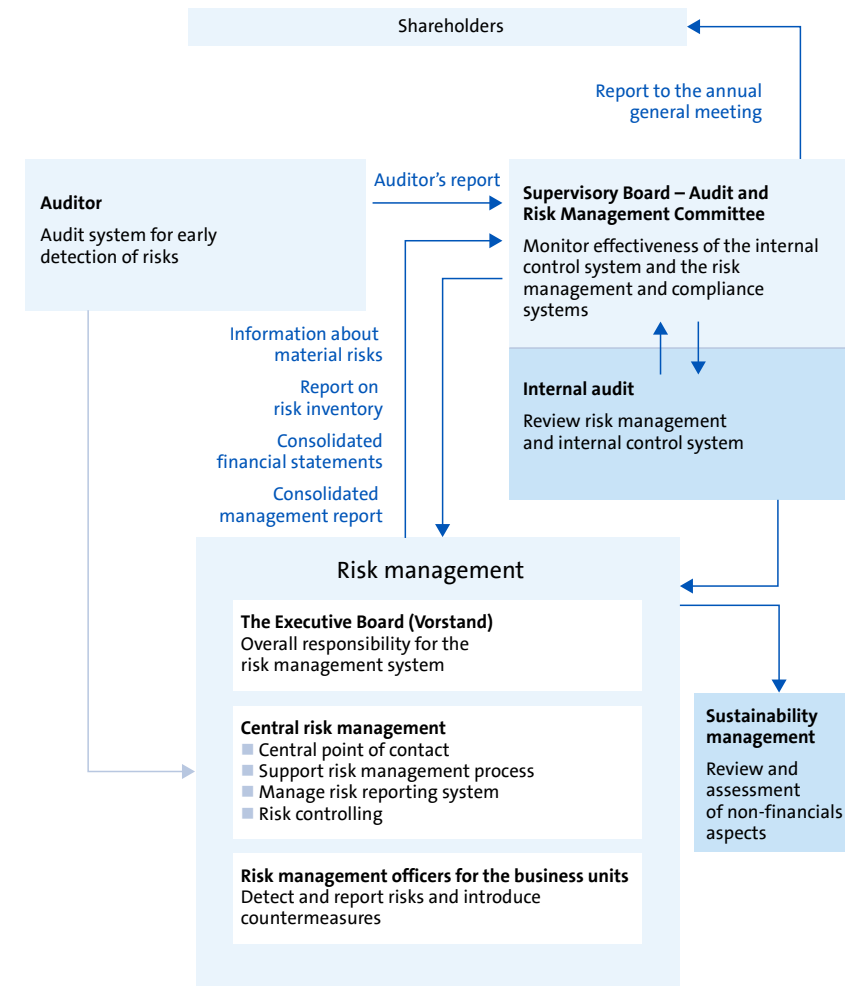
In addition, in accordance with the Financial Market Integrity Strengthening Act (FISG), the Audit Com-

mittee has the right to obtain information directly from the managers in charge of control and monitoring tasks.

All relevant information is collated in Controlling, where it is processed and made available in a management tool for the Executive Board. In addition, the various segments and business units also have risk management officers who are responsible for risk management. This includes identifying and reporting risks as well as introducing and implementing measures to actively control them.

Non-financial impacts of identified risks on the environmental, social and governance (ESG) dimensions are analysed and documented in cooperation with Group sustainability management.

Risk management organisation at Krones





Key features of the internal control system and the risk management system as relates to accounting and financial reporting

The aim of the internal control and risk management system is to ensure that all business transactions are correctly recorded, processed, recognised and included in financial reporting.

Krones has an internal control and risk management system for accounting and financial reporting processes to ensure that all business transactions are always correctly recorded, processed, recognised and included in financial reporting. Krones' internal control and risk management system comprises all

principles, methods and measures to ensure that the company's accounting and financial reporting are effective, efficient and proper and in compliance with all relevant regulations and standards.

The Krones Group has a clear management and corporate structure. Cross-cutting key functions are centrally managed.

- The duties of the units that are materially involved in accounting and financial reporting processes are explicitly segregated and responsibilities clearly assigned.
- Regular reviews and audits are conducted within the various units, primarily by Controlling.
- Commercial off-the-shelf software is used for accounting and financial reporting as far as possible.

- Special security precautions protect the software and IT systems used for accounting and financial reporting against unauthorised access.
- Sufficient binding policies (e.g. for payments and travel expenses) are in place and updated on an ongoing basis.
- All of the departments involved in the accounting and financial reporting process work constantly to assure the quality of their work.
- Regular spot checks are used to verify the completeness and accuracy of our accounting data.
- The software used in accounting performs programmed plausibility checks.
- We use dual verification for all accounting-related processes.

Appropriateness of the internal control and risk management system

The Audit and Risk Management Committee of Krones' Supervisory Board is involved in the accounting and financial reporting process. This Committee monitors the appropriateness and effectiveness of the risk management and internal control systems, as well as Internal Audit, which regularly reviews the risk management and internal control system. The Executive Board, which has overall responsibility for risk management, has no information or knowledge to suggest that the risk management and internal control system is not appropriate or effective.



Overview and description of material risks

Risk categories	Maximum loss	Likelihood of an event	Financial impact
General business environment and industry-specific risks			
■ General economic risks	high	low	high
■ Industry-specific risks	low	low	low
Financial risks			
■ Default risks	high	low	medium
■ Liquidity risk	low	low	low
■ Interest rate risk	low	low	low
■ Currency risk	high	medium	medium
Operational risks			
■ Price risk	medium	medium	low
■ Procurement risks	high	medium	medium
■ Cost risk	high	low	medium
■ Personnel risk	low	low	low
Legal risks	high	low	medium
Environmental and safety risks	medium	low	low
IT risks	high	medium	medium

Krones classifies the maximum loss, the likelihood of an event and the potential financial impact of material risks into the three risk categories low, medium and



high. Definitions are provided on page 216.

General business environment and industry-specific risks

General economic risks

Demand for packaged beverages is robust to economic cycles. With its products and services for the food and beverage industry, Krones thus serves markets that show stable long-term growth and are less affected by economic cycles. However, the company cannot escape the influence of the general economic situation entirely.

The International Monetary Fund predicted in January that the global economy will grow by 3.3% in 2025. There are macroeconomic uncertainties that could cause the global economy to perform worse than forecast in 2025. This results in macroeconomic risks for Krones.

One macroeconomic risk is that inflation may be more persistent than expected or could even rebound. This could be triggered, for example, by geopolitical tensions in the Middle East, which carry the risk of a sharp rise in oil and other input prices. The possibility of new import tariffs could also lead to a rise in the inflation rate. Rising inflation rates could prompt central banks to raise interest rates, which would have a negative impact on global economic growth. That would affect demand for our products and services and could negatively influence Krones' earnings.

Beyond the Middle East, there are also other regions where geopolitical tensions pose a risk to the global economy. The consequences for the global economy of a military escalation between China and Taiwan would be incalculable. It is likely that the global economy would fare significantly worse than expected. This would also have a negative impact on Krones' earnings position. The ongoing Russia-Ukraine conflict also continues to be a macroeconomic risk factor. This



conflict could further escalate and have a greater negative impact on the global economy in 2025 than expected. That could also negatively affect Krones' revenue and earnings.

Other macroeconomic risks include possible international trade conflicts due to the imposition of import tariffs and the formation of trade blocs. Tensions between the major economic regions of the US, China and Europe could increase under the new US president. Krones' earnings could also be adversely affected if the global economy develops more weakly than forecast as a result of trade conflicts and a drop in world trade.

Another macroeconomic risk is the development of the Chinese economy. If private consumption continues to fall, the Chinese economy, and therefore the global economy, could grow more slowly than forecast. This could also negatively impact Krones' earnings. The situation on the real estate market is also destabilising China's lending and financial sector. An intensification of the real estate crisis could lead to significant increases in payment and loan defaults and to crisis in the Chinese financial system. In the worst-case scenario, this could have a ripple effect on the global financial markets and lead to a world financial crisis. That would have a significant impact on overall economic development and therefore also have a negative impact on Krones' earnings situation.

Impact of general economic risks: We rate the maximum loss as high, the likelihood of an event as low and the financial impact as high.

Industry-specific risks

Krones is exposed to industry-specific risks primarily through the development of the global beverage packaging market and the actions of competitors. Demand for packaged beverages shows stable long-term growth and is robust to economic cycles. The willingness of international beverage companies to invest could nevertheless be temporarily hit by exogenous factors such as increased borrowing costs or regional market regulation. This would also adversely affect demand for Krones' products and services.

The competitive environment could intensify if competitors of Krones attempt to win orders by offering lower prices. We address the resulting risk of loss of market share by further extending our technology leadership and offering customers products that generate added value for them. Krones' strong focus on service through global centres and branches also sets the company apart from competitors.

There is a fundamental risk of plastic as a primary and secondary packaging material being perceived negatively by the public. Plastic and PET packaging has thus been a subject of increasing debate in recent years, primarily in Europe. Krones generates a large proportion of revenue with products and services connected with this type of packaging. It cannot be ruled out that the PET debate will intensify and spread to other regions. This could reduce our customers' willingness to invest in plastics technology and thus have a negative impact on Krones' revenue and earnings. We are countering this risk by further extending our technological lead and offering alternative packaging solutions. We also offer sys-



tems for recycling PET and other plastics through our subsidiary Krones Recycling. In this way, we help to avoid plastic waste and save resources.

Other areas of our business could also come into the focus of social debate. In some regions, for example, there has been criticism of groundwater use by beverage companies. This criticism could additionally have an impact on our customers' investment confidence and hence to a loss of business for Krones. We counter this risk by, for example, providing solutions that reduce water consumption in beverage production.

Impact of industry-specific risks: We rate the maximum loss as low, the likelihood of an event as low and the financial impact as low.

Financial risks

The financial risks to which Krones is exposed are default risks, liquidity risks, interest rate risks and currency risks. Our description of these risks and suitable actions below is in keeping with the disclosure requirements under IFRS 7 on the reporting of risks relating to financial instruments. Because of regional and customer-related diversification, there is no material concentration of risk.

1. Default risk

Default risk is the maximum potential risk arising from each individual exposure at the reporting date. Any counter-exposures are not taken into account.

1.1 Trade receivables

Credit risk in trade receivables is the risk of economic loss arising from a customer's failure to fulfil contractual payment obligations. Krones manages credit risk on trade receivables on the basis of internal policies. Most trade receivables are backed by various, sometimes country-specific, forms of security. These include retentions of title, guarantees and documentary credits. In order to prevent credit risk, we also run external credit checks on customers. In addition, there are processes in place for continually monitoring receivables that may be at risk of default. Write-downs on bad debt (non-recoverable trade receivables) are taken on an individual basis. The low volume of actual defaults, as measured against the total volume of receivables, attests to the effectiveness of the measures taken.

The theoretical maximum credit risk from trade receivables corresponds to the carrying amount.

€ thousand	Carrying amount	Of which not overdue at the reporting date	Of which overdue by the following number of days at the reporting date			
			up to 90 days	between 90 and 180 days	between 180 and 360 days	more than 360 days
31 Dec 2024 Trade receivables and contract assets	1,916,052	1,734,823	123,010	29,172	16,418	12,628
31 Dec 2023 Trade receivables and contract assets	1,853,833	1,706,333	88,924	19,880	14,891	23,805

1.2 Derivative financial instruments

Krones uses derivative financial instruments on the basis of individual contracts solely for risk management purposes. Not using derivative financial instruments would expose the company to greater financial risks.

These instruments essentially cover the risks arising from changes in exchange rates between the euro and the US dollar, the Chinese renminbi and the pound sterling. The material contractual details (amount and term) of underlying and hedge transactions are largely identical. Default risk relating to derivative financial instruments in the event of counterparty default is limited to the balance of the positive fair values. More information on this topic is provided in the notes to the consolidated financial statements.

1.3 Other financial assets

The maximum credit risk position arising from other financial assets corresponds to the carrying amount of these instruments. Krones is not exposed to any material default risk arising from its other assets, all of which are current assets.

Impact of default risks: We rate the maximum loss as high, the likelihood of an event as low and the financial impact as medium.

2. Liquidity risk

Liquidity risk is the risk of a company being unable to sufficiently fulfil its financial obligations. Krones generates most of its cash through operating activities. These funds primarily serve to finance working capital and capital expenditures. Krones manages its liquidity by reserving sufficient cash and maintaining credit lines with banks in addition to the regular inflow of payments from operating activities. The company's liquidity management for operations consists of a cash management system that is based on rolling monthly liquidity planning with a planning horizon of one year. This enables Krones to be proactive about any possible liquidity bottlenecks. Apart from cash on hand, Krones' cash and cash equivalents consist primarily of demand deposits. The following overview of maturities shows how the undiscounted cash flows relating to liabilities as of 31 December 2024 influence the company's liquidity situation.

Impact of liquidity risk: We rate the maximum loss as low, the likelihood of an event as low and the financial impact as low.

€ thousand	Carrying amount 31 Dec 2024	Cash flow for 2025		Cash flow for 2026–2029		Cash flow for beyond 2029	
		Interest	Repay- ment	Interest	Repay- ment	Interest	Repay- ment
Derivative financial instruments	21,531	0	21,531	0	0	0	0
Liabilities to banks	2,619	18	1,280	7	1,339	0	0
Trade payables	802,194	0	802,194	0	0	0	0
Liabilities from leases	134,004	2,200	40,793	5,721	70,946	1,340	22,265
Other financial liabilities	137,840	0	98,348	0	39,492	0	0
Total	1,098,188	2,218	964,146	5,728	111,777	1,340	22,265

€ thousand	Carrying amount 31 Dec 2023	Cash flow for 2024		Cash flow for 2025–2028		Cash flow for beyond 2028	
		Interest	Repay- ment	Interest	Repay- ment	Interest	Repay- ment
Derivative financial instruments	4,998	0	4,870	0	128	0	0
Liabilities to banks	3,765	29	1,244	24	2,521	0	0
Trade payables	723,164	0	723,164	0	0	0	0
Liabilities from leases	135,975	2,185	35,792	6,225	74,701	1,975	25,482
Other financial liabilities	146,027	0	115,282	0	30,745	0	0
Total	1,013,929	2,214	880,352	6,249	108,095	1,975	25,482

3. Interest rate risk

Krones is exposed to risk arising from possible fluctuations in market interest rates. As of the 2024 reporting date, Krones made comparatively minor use of bank borrowings relative to its business volume.

Impact of interest rate risk: We rate the maximum loss as low, the likelihood of an event as low and the financial impact as low.

4. Currency risk

Because exports to countries outside the eurozone make up a significant portion of total revenue, we are exposed in principle to currency risk. We use exchange rate hedges to counter such risk as far as possible. In addition, we make most purchasing and sales transactions in euros or the relevant functional currency.

Currency sensitivity analysis

A change in the reporting date closing rate by +10% in relation to the foreign currency against the euro (indirect quotation) would have the following effect on consolidated net income and other equity components:

31 Dec 2024 € thousand	Currency USD	Currency CAD	Currency CNY	Currency GBP
Consolidated statement of profit and loss	6,059	334	–457	475
Consolidated equity	20,484	0	2,330	157

31 Dec 2023 € thousand	Currency USD	Currency CAD	Currency CNY	Currency GBP
Consolidated statement of profit and loss	17,606	–86	3,067	1,159
Consolidated equity	22,421	567	3,543	955

Impact of currency risk: We rate the maximum loss as high, the likelihood of an event as medium and the financial impact as medium.



Operational risks

1. Price risk

Krones operates in a highly competitive market in which some orders are generated by way of prices that do not cover costs. There is a risk that the overall price situation in our markets will deteriorate. Fixed-price contracts with customers also entail price risks.

Krones must generally bear any additional costs that arise. In order to minimise this risk, Krones has introduced a project status report. Any enquiry or order equal to or greater than a specific amount is assessed on the basis of financial, technical/technological, tax, legal and regional risks.

The very high order backlog as of 31 December 2024 provides a good basis for Krones to maintain uniform production capacity utilisation in 2025. The comfortable order cushion strengthens Krones' ability to continue implementing its pricing strategy and thus reduces price risk.

Impact of price risk: We rate the loss as medium, the likelihood of an event as medium and the financial impact as low.

2. Procurement risks

The situation on the procurement markets returned to normal in 2024. This includes supplies of electrical components, which were still subject to shortages at times in 2023. Provided there are no unforeseeable problems in the international supply chains, we expect a stable supply of materials and supplier parts in 2025.

Prices for a number of materials rose further in 2024. Krones is generally exposed to market price risk relating to its procurement of parts and raw materials for operations. Geopolitical and macroeconomic developments are the primary factors influencing raw material prices. There is a risk that

raw material prices will develop to our disadvantage. The company mitigates this risk through targeted procurement management and supply contracts that reduce material commodity price risks.

We have factored further price increases for selected product groups into our earnings forecast for 2025. If material procurement costs rise by more than expected, then earnings could be lower than forecast.

We also face risks relating to products, deadlines and quality with regard to our suppliers. A specially designed process for supplier selection, monitoring and management helps minimise these risks. Should there nevertheless be temporary supply problems, there would be a risk of production stoppages, which could have a negative impact on Krones' revenue and earnings.

Impact of procurement risks: We rate the maximum loss as high, the likelihood of an event as medium and the financial impact as medium.

3. Cost risk

Krones is implementing programmes to optimise costs in almost all areas. Our earnings forecast is based on the assumption that we will achieve cost reductions in 2025 as a result of structural measures such as the expansion of our global footprint in production and procurement. Krones is exposed to the risk that these cost savings will be less than expected. We mitigate this risk by continually monitoring the projects underway across the company. In addition, potential risks to projects in progress due to internal or external factors are tracked during project execution and countermeasures taken without delay.

Impact of cost risk: We rate the maximum loss as high, the likelihood of an event as low, and the financial impact as medium.



4. Personnel risk

As well as in its established businesses, Krones intends to grow more rapidly in particular on the services and digital side. For that purpose, we need highly qualified employees in Germany and abroad. There is a risk that the company will not find enough suitable employees. We address this risk in a variety of ways. Ongoing cooperation with colleges and universities ensures us early access to qualified employees. We regularly employ students pursuing their bachelor's and master's degrees. Krones itself trains young people in various occupations and has a consistently high post-training hire rate. We also counter personnel risk by taking on temporary employees. In addition, we continuously improve the qualification level of our workforce with extensive further training and professional development measures. We also use professional HR consultants.

Impact of personnel risk: We rate the maximum loss as low, the likelihood of an event as low, and the financial impact as low.

Legal risks

Krones is exposed to risks arising from operating activities in connection with possible legal disputes. Krones addresses legal risks with its rules of conduct, codes and an internal compliance structure. In addition, the company has taken out insurance policies that are customary for our sector.

Impact of legal risks: We rate the maximum loss as high, the likelihood of an event as low and the financial impact as medium.

Environmental and safety risks

As a manufacturing company, Krones is exposed to risks relating to the environment and safety that could lead to possible harm to individuals, goods or the company's reputation. Any harm caused by technical or human error in production can have a direct impact on our financial position. Such an event and any resulting fines, claims for damages or harm to our reputation can also have an indirect financial impact. Krones mitigates environmental and safety risks with high technical standards in production, training, rules of conduct, and insurance policies customary in our industry.

Impact of environmental and safety risks: We rate the maximum loss as medium, the likelihood of an event as low and the financial impact as low.

IT risks

All of Krones' material business processes are based on functioning IT systems. The risks here are failure or malfunction of or unauthorised access to critical systems. Such events could result in production stoppages and the loss or misuse of important confidential data.

As a general trend, more and more companies are becoming targets of computer crime, and there are serious cybersecurity risks. Computer crime is frequently based on professional international structures, which makes averting and combating it a major challenge. Krones uses internationally recognised IT security measures to protect against risks relating to cyber-crime and other IT risks. We have redundant IT systems in place for critical business processes.

Impact of IT risks: We rate the maximum loss as high, the likelihood of an event as medium and the financial impact as medium.



Overview and description of material opportunities

Material opportunities

Krones does not record business opportunities within the risk management system. For this reason, we do not report on the likelihood of an event or the possible financial impact in relation to opportunities. We describe opportunities in general below.

General economic opportunities

Macroeconomic opportunities will mainly present themselves for Krones if the world economy performs better than expected overall in 2025. For example, the pace of global economic growth could accelerate if geopolitical conflicts were to be resolved. An end to the Russia-Ukraine conflict or to other geopolitical tensions could thus have positive effects on the global economy and hence also on Krones' earnings. Due to its broad global footprint, opportunities could also arise for Krones if economic growth is stronger than forecast in individual world regions. Expansionary monetary and fiscal policies pursued by the new US administration, for example, could provide extra growth impetus for the US economy. This could benefit Krones' US business and positively impact the company's earnings.

Industry-specific opportunities

Beverage and food producers are paying increasing attention to sustainability. They are focusing on saving energy and other resources and keeping their carbon footprint as small as possible. There is a chance of this trend intensifying.

Customers may also be more willing to accept higher prices for filling and packaging technology that helps them achieve their sustainability goals. With enviro, our certified management system, we have established the basis for ensuring that Krones machines and lines have especially low energy and media consumption. Krones has developed enviro dynamically onwards, from individual machines to complete lines and packaging solutions. This has given the company a competitive edge in sustainability, thus opening up additional revenue and earnings opportunities for Krones in this regard.

Digitalisation also presents considerable added business opportunities for Krones. Customers expect Krones' smart machines and lines to reduce their operating and labour costs. Krones already has many market-ready products and services in the "digital beverage plant" portfolio and intends to further extend its leading position in the growth field of digitalisation, including with new business models.

Opportunities arising from acquisitions

Acquisitions remain in our strategic focus. We are primarily interested in mid-sized companies that strengthen our existing portfolio technologically and/or regionally. The solid financial position and capital structure enable Krones to seize acquisition opportunities for external growth. Krones' earnings planning for 2025 does not include any future acquisitions. Acquisitions could open up additional revenue and earnings opportunities for Krones.



Operational opportunities

1. Selling prices

Krones pursues a clear pricing strategy and ensures that prices are in line with cost trends. The very large order backlog at the start of 2025 helps the company in implementing its pricing strategy. Our revenue and earnings guidance for 2025 does not include any significant or only product-related price increases. There is a chance that selling prices will develop better than planned in 2025. This would have a positive impact on Krones' earnings position.

2. Procurement prices

As part of the strategic expansion of its global footprint, Krones procures more and more materials locally at the company's locations worldwide and in best-cost countries. In addition, we increasingly buy standardised parts and complete assemblies from suppliers. Both approaches lead to more favourable procurement prices. The opportunity exists that, overall, Krones might save more in terms of material costs than forecast. Additional opportunities will also arise if raw material and other material prices develop more favourably than forecast.

3. Costs

Krones has optimised its cost structure by adopting a range of strategic measures. We have factored in further cost savings in the earnings improvement targeted for 2025. Opportunities arise for Krones if cost savings are larger than planned.

Risks from the Russia-Ukraine conflict

The Russia-Ukraine conflict continues to be a major uncertainty factor. Even three years after it began, it is still unclear how the conflict will develop and how long it will go on for. In addition to macroeconomic risks, Krones may also be exposed to other risks as a result of the Russia-Ukraine conflict.

Krones considers the direct sales risks in connection with the conflict to be low. Before the outbreak of the conflict, Krones generated only 1% to 1.5% of its revenue volume in Russia and Ukraine. Krones already discontinued new business in Russia in 2022. Revenue in Russia and Ukraine accounted for less than 0.2% of consolidated revenue in 2024. Overall, the remaining business in the two countries has a very minor impact on the revenue and earnings forecasts for 2025.

Settlement and payment default risk has been reassessed for outstanding orders with customers in the two countries. This risk was calculated on the assumption of a general risk of default by a number of customers due to the imposed economic sanctions. The resulting risk is calculated at an amount in the low single-digit millions of euros.

Supply chains in the conflict-affected areas could be interrupted or suppliers from the affected areas could fail. As Krones procures virtually no materials or products from suppliers in those regions, the direct impact on procurement risk is considered to be very low.

Krones AG is the shareholder of Krones Ukraine LLC, Kyiv, and Krones o.o.o., Moscow. Krones does not see any material risk in the assessment of the recoverability of the assets in these companies, which account for approximately 0.5% of total consolidated assets.



Summary of risks and opportunities

From today's perspective, Krones is not exposed to any risks that threaten the company's continued existence.

The company had a very high order backlog as of 31 December 2024. This increases planning certainty and has a positive overall effect on the risk situation.

Compared with the previous year, our assessment of the risks has essentially changed as follows in 2024: The maximum loss from currency risk has increased. There has been a reduction in the likelihood of occurrence for legal risks. As before, the main risks are concentrated in the general business environment and in industry-specific and operational risks.

In addition, there is risk arising from the Russia-Ukraine conflict. Krones has assessed the conflict's potential impact on the group. Based on this assessment, Krones has not identified any uncertainties that would cast doubt on the ability of the Krones Group to continue as a going concern.



Report on **expected developments**

- Global economy expected to grow 3.3% in 2025
- Krones forecasts further revenue growth in the current year
- Profitability once again to increase in 2025

Global economy expected to grow 3.3% in 2025

Geopolitical conflicts and economic and political uncertainties will restrain global economic growth in 2025. According to the IMF, the euro area economy will remain weak with growth of 1.0%, with the USA seeing growth of 2.7% and emerging and developing economies growing by 4.1%.

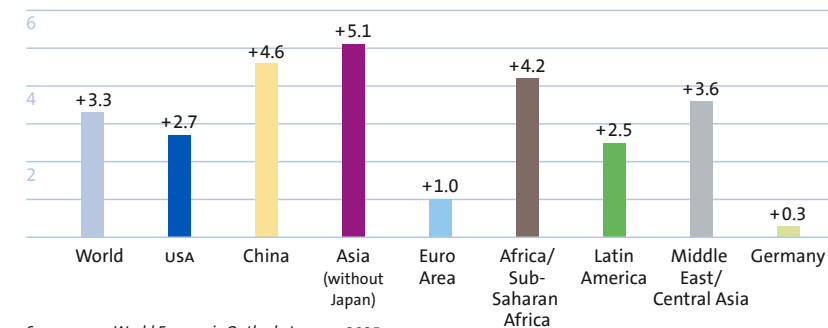
In January 2025, the International Monetary Fund (IMF) projected global economic growth of 3.3% for 2025. This is once again below the recent long-term average of 3.7% (2000-2019). Military and trade policy conflicts and the ongoing relatively weak domestic economy in China continue to be negative factors in the current year. According to the IMF, the US economy will develop positively. The economy there is on a stable growth path thanks to a robust labour market and falling interest rates.

IMF economists see downside risks to the forecast among other things in a further escalation of regional military conflicts. This would probably lead to a rise in commodity, food and energy prices, which would push inflation back up again and delay the expected interest rate cuts. A rise in protectionist policies would also have a negative impact on the global economy. New tariffs, for example, could increase trade tensions, reduce investment, distort trade flows and once again disrupt supply chains. However, the IMF experts believe the US economy could surprise on the upside, triggered by significant tax cuts to stimulate the economy.

For **industrialised economies** overall, the IMF once again expects GDP growth to be below average in 2025, at 1.9%. As Europe is gradually recovering from the consequences of the Russia-Ukraine conflict, a slight increase in growth to 1.0% is forecast for the euro area. Germany continues to lag behind with projected growth of just 0.3%. The IMF expects the US economy to grow by a relatively strong 2.7% in 2025. In Japan, growth is likely to pick up again after a slight contraction in 2024. The forecast is for growth of 1.1% in the current year.

In **emerging and developing markets**, the IMF predicts economic growth of 4.2% in 2025, as in the previous year. For China, the experts predict GDP growth to fall slightly, from 4.8% in the previous year to 4.6% in the current year. India, which is now the world's fifth-largest economy after Germany, once again has the highest expected growth rate among the emerging and developing markets in 2025, at 6.5%. While Latin America is once again expected to grow at a below-average rate compared to the global economy in the current year, with an increase of 2.5%, the IMF is forecasting growth of 3.6% for the Middle East/Central Asia region and 4.2% for sub-Saharan Africa.

Percentage GDP growth in 2025 (forecast)

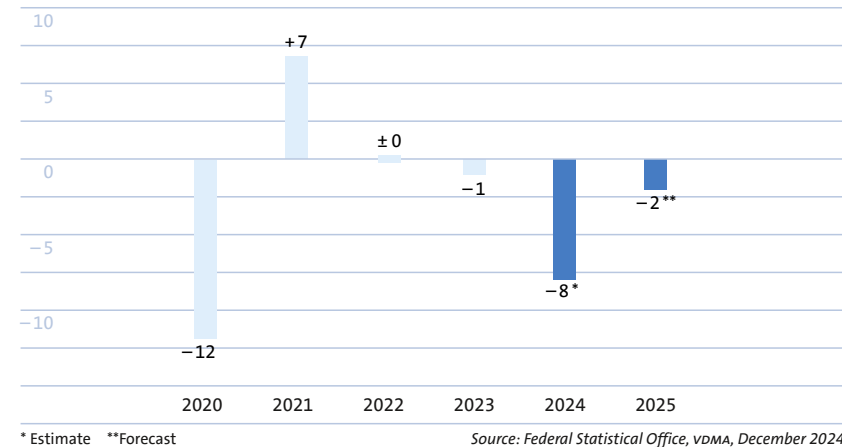


Sources: IMF, World Economic Outlook, January 2025



Machinery and mechanical engineering sector held back by weak economy and geopolitical uncertainties

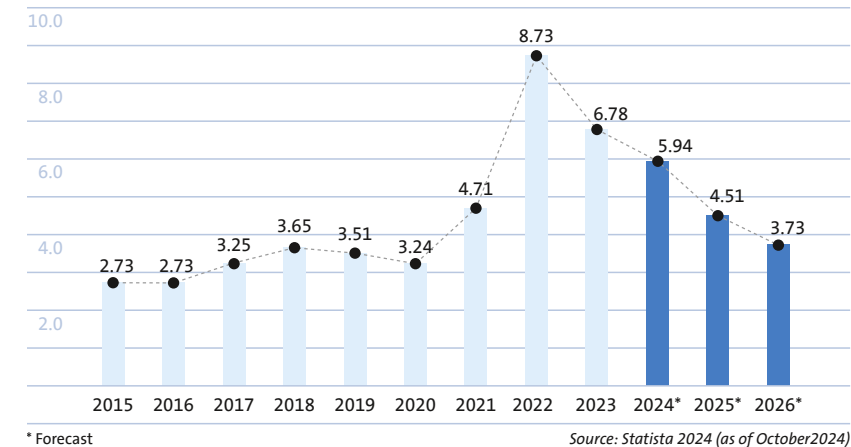
Year-on-year change in German mechanical engineering output, in %



The German Mechanical Engineering Industry Association (VDMA) expects that the relatively weak economy, increasing protectionism and military conflicts will continue to weigh on the sector as a whole. After a very substantial 8% fall in 2024, the VDMA expects output to decline by only 2% in 2025. The main reason cited for the slower decline is falling interest rates, which should benefit investment confidence globally and spark an economic recovery. It should be noted in general here that the various subsectors of the industry are developing at very different rates and that Krones, with an export ratio of around 90%, is hardly affected by the weak domestic economy.

Krones' customers benefiting from rising beverage consumption

Inflation rate 2015 to 2023 and forecast to 2026, in %



Consumer spending is a key determinant of Krones customers' propensity to invest, and thus of demand for beverage filling and packaging machinery. Moderate inflation rates have a positive effect on consumer purchasing power. They support demand for packaged food and beverages and indirectly influence demand for our company's products and services. With inflation once again on the way down, we expect end-consumer demand to be stable overall in 2025. Private consumption has also been a pillar of economic growth in many countries over recent years. According to GlobalData figures, global consumption of packaged beverages, which is important to our customers, is expected to grow by 3.1% year on year in 2025.



Krones expects positive business performance in 2025

In view of the difficult global economic situation, Krones started the 2025 financial year with realistic optimism. A large order backlog ensures production capacity utilisation through to early 2026. This assessment is also supported by the robust demand for Krones' products and services.

At the same time, the business environment remains challenging for Krones. Global economic growth remains subdued and there are risks for the global economy and thus also for Krones' business performance. These include geopolitical tensions in Europe, the Middle East and other parts of the world. Another source of uncertainty is the tariff policy of the new US administration, which could lead to trade conflicts. Increasing protectionism, material shortages and global supply chain problems that could result from military action along important trade routes or from trade conflicts are other uncertainty factors.

Krones expects that the global market for filling and packaging technology will generally develop robustly in 2025 and that selling prices will remain at a reasonable level. However, competition in our markets and cost pressure will again remain high this year.

The medium and long-term outlook for Krones also remains positive. Consumer demand for packaged beverages and liquid foods is growing steadily, driven by megatrends such as the increasing world population and the growing

middle class in emerging and developing markets. The focus on sustainability and digitalisation is likewise making for stable high demand for innovative beverage filling and packaging machinery.

Because they share comparable sales and procurement markets, the economic, sectoral and company-specific outlooks and risks essentially apply to all three segments of the Krones Group.

Segment guidance for 2025

In order to generate profitable growth, Krones will continue to adhere strictly to its pricing strategy in all three segments in the current year and will achieve appropriate sales prices in line with costs. The company also continues to implement cost optimisation programmes and increase efficiency by investing in the automation of its production facilities.

In addition, Krones aims to exploit growth opportunities in our market throughout the group with innovations and future-ready products and services. Our focus here is on the areas of sustainability, digitalisation and system solutions.

With regard to funding future growth, we will continue to rely on our very solid capital structure with a high equity ratio, low financial debt and comfortable net cash.

Filling and Packaging Technology segment

	Guidance for 2025	2024 actual	Guidance for 2024*
Revenue growth	7%–9%	13.5%	9–13%
EBITDA margin	10.5%–11.0%	10.4%	10.3–10.8%

* From the report on expected developments in the 2023 management report

In the core segment, **Filling and Packaging Technology**, Krones will invest heavily in automating its production facilities in the current year in order to further improve efficiency. Expansion of Krones' international service units enhances customer proximity and loyalty. By increasingly digitalising beverage plants, we will take advantage of the opportunities presented by digital services and new business models.

Our customers' ambitious sustainability goals will also support the growth of the core segment in the current financial year. By acquiring injection moulding machine manufacturer Netstal last year, we now have all of the main products and technologies to complete the PET recycling loop – a unique selling point compared to the competition.

At drinktec 2025, we will be presenting the line of the future, a highly innovative PET filling and packaging line. With this system, we will set new standards of sustainability, digitalisation and efficiency while consolidating and extending our lead in PET filling and packaging lines.

For the core segment in 2025, Krones expects 7% to 9% revenue growth with an EBITDA margin of 10.5% to 11.0%.

Process Technology segment

	Guidance for 2025	2024 actual	Guidance for 2024*
Revenue growth	0%–5%	12.0%	15–20%
EBITDA margin	9.0%–10.0%	9.7%	8–9%

* From the report on expected developments in the 2023 management report

Krones will continue to optimise and digitalise processes and structures in the **Process Technology** segment in 2025. By better networking among its global units, the company will be able to leverage additional cost and efficiency potential.

In 2025, the Process Technology segment is expected to increase revenue by between 0% and 5% year on year.

At the same time, Krones will continue to pursue the segment's diversification strategy, and further strengthening its resilience, growth and profitability with solutions for water treatment, vegetable proteins and energy efficiency. Expansion of the after-sales and components business is expected to make an additional contribution to revenue and earnings.

Krones forecasts revenue growth of 0% to 5% for the Process Technology segment in 2025, with an EBITDA margin of 9.0% to 10.0%.



Intralogistics segment			
	Guidance for 2025	2024 actual	Guidance for 2024*
Revenue growth	15%–20%	–3.0%	5–10%
EBITDA margin	6.5%–7.5%	7.0%	6–7%

* From the report on expected developments in the 2023 management report

The **Intralogistics** segment benefits from rapidly growing demand for fast and efficient order processing. The automation solutions provided by Intralogistics subsidiary System Logistics save energy and costs, increase efficiency and reduce labour requirements, thus helping to counteract the labour shortage.

In order to grow in a competitive market, the segment will continue to internationalise its intralogistics business and increasingly extend it to customer groups outside of the beverage and liquid food market, such as food wholesalers. The expansion of business with automated picking systems and autonomous mobile robots is also expected to further improve profitability in Intralogistics.

Krones expects revenue growth of 15% to 20% in the Intralogistics segment in 2025. The EBITDA margin is expected to be between 6.5% and 7.5%.

Krones forecasts profitable growth for the Group in 2025

Based on the prevailing macroeconomic outlook and the current expected development of the markets relevant to Krones, the company expects consolidated revenue growth of 7% to 9% in 2025.

Krones aims to further increase profitability in 2025.

On the basis of increasing revenue, an ongoing disciplined price strategy and continued implementation of the cost optimisation measures, Krones aims to improve profitability again this year compared to 2024. For 2025, the company forecasts an EBITDA margin of 10.2% to 10.8% for the Group.

For the third performance target, return on capital employed (ROCE), Krones expects 18% to 20% in the current year.

Krones Group			
	Guidance for 2025	2024 actual	Guidance for 2024*
Revenue growth	7%–9%	12.1%	9%–13%
EBITDA margin	10.2%–10.8%	10.1%	9.8%–10.3%
ROCE	18%–20%	18.2%	17%–19%

* From the report on expected developments in the 2023 management report

Krones will continue to share the company’s success with shareholders in the form of dividend payments. The company’s dividend strategy is to distribute 25% to 30% of consolidated net income to shareholders, although in recent years it has aimed for the upper end of this range.



Takeover-related disclosures (report pursuant to Sections 315a and 289a of the German Commercial Code (HGB))

Pursuant to Section 4 (1) of the articles of association, the subscribed capital (share capital) of Krones Aktiengesellschaft as of 31 December 2024 amounted to €40,000,000.00 and was divided into 31,593,072 ordinary bearer shares each representing a notional €1.27 of share capital. With the exception of treasury shares, from which the Company has no rights, all shares carry the same rights and obligations. Krones held no treasury shares as of 31 December 2024. Shareholders' rights and obligations arising from shares follow from statutory provisions of the Stock Corporation Act (AktG), primarily Sections 12, 53a et seq., 118 et seq., 133 et seq. and 186 AktG.

Under Section 20 (1) of the articles of association, each share entitles its holder to one vote in the annual general meeting. The Company has no voting rights from treasury shares.

Pursuant to Section 18 (1) of the articles of association, only those shareholders who register with the company in text form in German or English and provide proof of their shareholding prior to the annual general meeting are entitled to participate and vote in the annual general meeting. Under Section 67c (3) AktG, proof of a shareholder's shareholding in text form provided by the last intermediary is sufficient as proof and may also be communicated to the company directly by the last intermediary. The proof of shareholding must relate to the close of business on the twenty-second day prior to the annual general meeting.

Restrictions on the voting rights attached to shares may also result from provisions of the Stock Corporation Act, such as under Section 136 AktG. Infringements of notification obligations within the meaning of sections 33 (1), 38 (1) and 39 (1) of the German Securities Trading Act (WpHG) may lead to a situation where, under section 44 WpHG, rights attached to shares, including voting rights, are at least temporarily suspended.

To the knowledge of the Executive Board, the following agreement exists, or existed in the 2024 financial year, that may be considered a restriction within the meaning of Section 289a sentence 1 no. 2 and Section 315a sentence 1 no. 2 of the German Commercial Code (HGB): Mr. Harald Kronseder, Mr. Gunther Kronseder, Harald Kronseder Holding GmbH, Neutraubling, Beteiligungsgesellschaft Kronseder mbH, Neutraubling, VMAX Familienstiftung, Neutraubling, Ms. Nora Diepold (née Kronseder) and Mr. Leopold Kronseder are parties to a pool agreement. The members of the pool have established a civil-law partnership ("Familie Kronseder Konsortium"), the purpose of which is to ensure, by means of uniform decision-making by the shareholders and uniform exercise of voting rights in general meetings of Krones Aktiengesellschaft and by restricting the ability for the shares in Krones Aktiengesellschaft bound in the pool agreement to be sold at will, (a) the influence of the shareholders (and in particular the influence of the Kronseder family) and their legal successors, (b) the continuation of Krones Aktiengesellschaft in a scope comparable to the overall business situation at the time of signing the pool agreement (comparable revenue, comparable order volume, comparable operating assets, comparable size of workforce) and (c) that the company retains the character of a family-owned company.

The Executive Board of the company is not aware of any other restrictions relating to voting rights or the transfer of shares.

The company is aware of the following direct and indirect shareholdings in the company's capital that exceed 10% of the voting rights: Leopold Kronseder, Germany (indirect), Nora Diepold (née Kronseder), Germany (indirect), Gunther Kronseder, Germany (indirect), VMAX Familienstiftung, Neutraubling, Germany (direct and indirect), Harald Kronseder, Switzerland (direct and indirect), Harald Kronseder Holding GmbH, Neutraubling, Germany (indirect), Beteiligungsgesellschaft Kronseder mbH, Neutraubling, Germany (direct and indirect), Dr. Volker Kronseder, Germany (indirect).



To the company's knowledge, the members of Familie Kronseder Konsortium jointly hold the following interest in the share capital:

	Total share of voting rights
Familie Kronseder Konsortium	51.9%

Changes to the shareholdings listed above that are not required to be reported to the company may have occurred since the last notification to the company by the party concerned. Because the company's shares are bearer shares, the company is generally only aware of changes in shareholdings if the changes are subject to reporting requirements.

The company has not issued any shares with special rights conferring powers of control. There is no employee share scheme where the control rights are not exercised directly by the employees.

The appointment and dismissal of Executive Board members is governed by Sections 84 and 85 AktG and by Section 31 of the Codetermination Act (MitbestG). Pursuant to Section 6 (1) of the articles of association, the Executive Board consists of at least two members. Pursuant to Section 6 (2) of the articles of association, determination of the number of Executive Board members, the appointment of regular and deputy members of the Executive Board, the execution of their employment contracts and revocation of appointments are the responsibility of the Supervisory Board.

Such amendments are to be adopted by resolution of the annual general meeting (Section 119 (1) No. 6 and Section 179 (1) AktG). Unless mandatory provisions of law stipulate otherwise, resolutions of the annual general meeting are made with a simple majority of votes cast or, in cases in which the law prescribes a majority of shares in addition to a majority of votes, with a simple majority of the share capital

represented in the vote. Accordingly, in derogation from Section 179 (2) sentence 1 AktG, resolutions of the annual general meeting amending the articles of association also require, in addition to a simple majority of votes, a majority of the share capital represented in the vote, unless a larger majority is prescribed by law. The Supervisory Board is authorised to make amendments that affect only the wording of the articles of association (Section 179 (1) sentence 2 AktG in conjunction with Section 13 of the articles of association). In addition, the Supervisory Board is authorised by resolution of the annual general meeting of 17 June 2021 to amend the articles of association in accordance with any utilisation of Authorised Capital 2021 (as defined below) and upon expiry of the term of the authorisation for the utilisation of Authorised Capital 2021.

By resolution of the annual general meeting of 17 May 2021, the Executive Board is authorised to increase the company's share capital, with the approval of the Supervisory Board, by up to €10 million (Authorised Capital 2021) through the issuance on one or more occasions of new ordinary bearer shares against cash contributions up to and including 16 May 2026. Shareholders must normally be granted subscription rights to these shares. The Executive Board is authorised to exclude the subscription rights of shareholders, with the approval of the Supervisory Board, for any fractional amounts that may arise. Moreover, the Executive Board is authorised to determine the further details of the capital increase and its implementation, in both cases with the approval of the Supervisory Board.

The Executive Board is authorised to repurchase treasury shares and to sell repurchased shares in the cases stipulated on by law in Section 71 AktG. By resolution of the annual general meeting of 23 May 2023, the Executive Board is authorised, with the approval of the Supervisory Board, up to and including 22 May 2028, subject to compliance with the principle of equal treatment (Section 53a AktG), to buy treasury shares totalling up to 10% of the company's share capital at the time that the resolution was adopted or, if smaller, at the time that the authorisation is



exercised. The amount of shares purchased under this authorisation, together with other treasury shares that the company has already acquired or still holds or shares that are attributable to the company under Sections 71d and 71e AktG, may at no time exceed 10% of the company's share capital at the time. The authorisation may be exercised once or multiple times, either in whole or in part, in pursuit of one or multiple purposes, by the company, by Group companies or by a third party acting on the company's behalf or on behalf of Group companies. The authorisation may not be used for the purpose of trading in the company's shares.

The purchase of treasury shares may be carried out, at the discretion of the Executive Board, through a stock exchange or through a public tender offer addressed to all of the company's shareholders or through a public request to the shareholders to tender shares for sale.

By resolution of the annual general meeting of 23 May 2023, the Executive Board is authorised to use any treasury shares bought in accordance with Section 71 (1) No. 8 of the Stock Corporation Act for any permissible purpose, and in particular as follows:

- 1) The shares may be sold through a stock exchange or, with the approval of the Supervisory Board, by way of a public offer addressed to all shareholders in keeping with their investment share. In the latter case, subscription rights are excluded for fractional amounts.
- 2) The shares may, with the approval of the Supervisory Board, be offered and transferred to third parties in return for contributions in kind. The aforementioned shares may be used to end or settle valuation proceedings under company law (gesellschaftsrechtliche Spruchverfahren) relating to affiliated companies. In this case, shareholders' respective subscription rights will be excluded.

- 3) The shares may, with Supervisory Board approval, be sold to third parties against cash payment if the price at which the shares in the company are sold is not significantly lower than the stock exchange price of a company share at the time of sale (within the meaning of Section 186 (3) sentence 4 AktG). In this case, shareholders' respective subscription rights will be excluded.
- 4) The shares may be used to service obligations or rights to purchase shares in the company arising from and in connection with convertible bonds or bonds with warrants, or profit-sharing rights with conversion rights or warrants, issued by the company or any of its group companies. In this case, shareholders' respective subscription rights will be excluded.
- 5) The shares may be offered to all shareholders, who can then assign (in whole or in part) their claim to cash payout of the dividend arising from the annual general meeting's resolution on the appropriation of earnings available for distribution in exchange for treasury shares (share dividend).
- 6) The shares may be cancelled and the share capital reduced by the proportion of the share capital accounted for by the cancelled shares, without the cancellation or its execution requiring a further resolution by the annual general meeting.
- 7) The Executive Board can also cancel the shares by a simplified process without reducing the share capital so that the proportion of the other shares in relation to the share capital is increased through the cancellation.

The authorisations for the Executive Board to sell and otherwise use purchased shares may be exercised once or multiple times, individually or in combination, on the whole volume or on partial volumes of the acquired shares.



The authorisations can also be exercised by dependent companies or companies that are majority-owned by the company or by third parties on behalf of the company or its dependent or majority-owned companies.

The shareholders' subscription rights on these treasury shares are excluded insofar as the shares are used as described under items 1) through to 4) above in accordance with the above authorisations. The Executive Board is authorised to exclude shareholders' subscription rights, with the approval of the Supervisory Board, if the treasury shares are used for the purpose laid out under item 5) above.

Further details can be found in the authorising resolution, the full wording of which is reproduced in agenda item 9 in the notice convening the annual general meeting of Krones Aktiengesellschaft on 23 May 2023 published in the Federal Gazette on 13 April 2023.

Krones Aktiengesellschaft has not made any material agreements containing special provisions relating to a change or acquisition of control following a takeover offer.

The company has not made any agreements with members of the Executive Board or company employees relating to compensation in the event of a takeover offer.



Dependency report

Pursuant to section 17 of the German Stock Corporation Act (AktG), Familie Kronseder Konsortium GbR, Neutraubling, has a controlling influence over Krones AG. Thus, in keeping with section 312 AktG, the Executive Board has prepared a report which contains the following final declaration:

“After careful examination and to the best of its knowledge, the Executive Board confirms that in the 2024 financial year

- no legal transactions were carried out between Krones AG and Familie Kronseder Konsortium GbR, and
- no further legal transactions other than the legal transactions listed in Annex 2 were carried out between Krones AG and shareholders of Familie Kronseder Konsortium GbR or their affiliates.

Krones AG did not carry out any transactions with third parties at the instigation or in the interests of the shareholders of Familie Kronseder Konsortium GbR or their affiliates. Measures requiring reporting within the meaning of section 312 AktG were neither taken nor omitted.

Krones AG received appropriate consideration within the meaning of section 312 AktG for every transaction made between Krones AG and the shareholders of Familie Kronseder Konsortium GbR and their affiliates in the reporting period. This assessment is based on the circumstances known to us at the time of the reportable events.”



*The statement on corporate governance is also available online
at <https://www.krones.com/en/company/investor-relations/corporate-governance-statement.php>*



Neutraubling, 12 March 2025
Krones AG

The Executive Board



Christoph Klenk
CEO



Uta Anders
CFO



Thomas Ricker
CSO



Markus Tischer



Ralf Goldbrunner



3

CORPORATE GOVERNANCE STATEMENT

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Krones is committed to sustainability and responsibility

Corporate governance relates to corporate management and control on the basis, in fact and in law, of responsibility and sustainability. Krones takes the principles and rules of corporate governance into account in all business activities. In the Corporate Governance Statement, the Krones Executive Board and Supervisory Board report on the company's corporate governance in accordance with Sections 289f and 315d of the German Commercial Code (HGB) and Principle 23 of the German Corporate Governance Code in the version dated 28 April 2022.

Declaration of the Executive Board and Supervisory Board of Krones Aktiengesellschaft on the German Corporate Governance Code pursuant to Section 161 of the German Stock Corporation Act (AktG)

The Executive Board and Supervisory Board of Krones Aktiengesellschaft declare pursuant to Section 161 AktG:

Since issuing the declaration of compliance of January 2024, Krones Aktiengesellschaft has complied with the recommendations of the Government Commission on the German Corporate Governance Code established by the German federal government regarding the management and supervision of German listed companies as amended on 28 April 2022 (entered into force on 27 June 2022), in accordance with the German Corporate Governance Code published on the Internet (hereinafter the Code), with the following exceptions, and will continue to comply with the recommendations in the future with the following exceptions:

- Recommendation D.4 is not complied with. This calls for the formation of a Nomination Committee, composed exclusively of shareholder representatives, which names suitable candidates to the Supervisory Board for the latter's proposals to the general meeting.

Committees are primarily useful for larger bodies if they make the body's work more efficient. There are eight shareholder representatives on the Supervisory Board of Krones Aktiengesellschaft, who suggest nominees for election to the Supervisory Board at the general meeting. Given the established, efficient work of the shareholder representatives on the Supervisory Board, we do not therefore consider it necessary to create a separate nomination committee.



- Recommendation G.10 is not complied with. This calls for Executive Board members' variable remuneration, taking their respective tax burden into consideration, to be predominantly invested in company shares or to be granted predominantly as share-based remuneration. Granted long-term variable remuneration components are to be accessible to Executive Board members only after a period of four years.

The variable remuneration amounts granted to members of the Executive Board are not share-based and Executive Board members are not required to invest them predominantly in shares in Krones Aktiengesellschaft. The Supervisory Board considers that the share price alone is not sufficient as an indicator to reflect the Executive Board's performance in the interests of the company. Instead, suitable account should be given to the structure of the variable remuneration. Variable remuneration amounts are accessible to Executive Board members after three years

- Recommendation G.17, under which appropriate account the larger time commitment of the chairs of Supervisory Board committees is to be taken into account in the remuneration of Supervisory Board members, is not fully complied with.

The Supervisory Board is of the opinion that, given the size of the committees, the current additional remuneration paid to members of Supervisory Board committees is generally also appropriate for the committee chairs. Only the chair of the Audit and Risk Management Committee is provided with additional remuneration.

Neutraubling, January 2025

For the Executive Board:

Christoph Klenk
Chairman of the Executive Board

For the Supervisory Board:

Volker Kronseder
Chairman of the Supervisory Board



Objectives of the Supervisory Board

Pursuant to Recommendation C.1 of the German Corporate Governance Code (the Code), the Supervisory Board must specify concrete objectives relating to its composition and develop a profile of skills and expertise for the Supervisory Board as a whole. While doing so, the Supervisory Board must take the principle of diversity into account. The profile of skills and expertise for the Supervisory Board is also required to include expertise regarding sustainability issues relevant to the enterprise.

In keeping with Recommendation C.1 of the Code, the Supervisory Board of Krones has specified the following objectives for its composition:

The Supervisory Board of Krones AG shall be composed in such a way as to ensure that the Supervisory Board is able to professionally monitor and advise the Executive Board. A mutually complementary collaboration between members with different personal and professional backgrounds and diversity in terms of internationally, age and gender is considered beneficial to this end.

a) Composition based on suitable knowledge, skills and experience (profile of skills and expertise)

The candidates nominated for election to the Supervisory Board shall possess the knowledge, skills and professional experience required to properly perform the duties of a member of the Supervisory Board of an international corporation and to preserve Krones AG's public reputation. In particular, the members of the Supervisory Board shall possess the necessary knowledge, skills and professional experienced (professional suitability) in the following areas:

- Corporate control (includes key areas such as organisation, risk management and strategy)
- Accounting
- Auditing
- Human resources (includes key areas such as personnel management and personnel development)
- Legal and compliance
- Financing
- Sustainability
- Digitalisation
- International experience
- Sectoral expertise

On the basis of Section 100 (5) of the German Stock Corporation Act, the members of the Supervisory Board as a whole shall be familiar with the sector in which Krones AG pursues its activities. At least one Supervisory Board member must possess expertise in the field of accounting and at least one other Supervisory Board member must possess expertise in the field of auditing.

The expertise in the field of accounting shall include specialist knowledge and experience in the application of accounting principles and internal control and risk management systems and the expertise in the field of auditing shall include specialist knowledge and experience in auditing. Accounting and auditing also include sustainability reporting and its auditing. The chairperson of the Audit and Risk Management Committee shall be an expert in at least one of the two fields.



b) Diversity

The Supervisory Board of Krones AG takes diversity into account in the selection of its members. Under Germany's Act on Equal Participation of Women and Men in Leadership Positions in the Private and Public Sectors, which entered into force on 1 May 2015, at least 30 percent of Supervisory Board seats at Krones must be held by women and men, respectively. Employee and shareholder representatives on the Supervisory Board of Krones AG have decided that each group will meet the gender quota separately. In accordance with the law and the articles of association, the Supervisory Board of Krones AG comprises eight shareholder representatives and eight employee representatives. Thus, the Supervisory Board should have at least two female employee representatives and at least two female shareholder representatives. There are three female shareholder representatives on the Supervisory Board: Nora Diepold, Petra Schadeberg-Herrmann and Prof. Dr. Susanne Nonnast. The Supervisory Board has also three female employee representatives: Dr. Verena Di Pasquale, Beate Eva Maria Pöpperl and Olga Redda. The statutory gender quota was thus met.

c) Independence of members

The independence of the members of the Supervisory Board shall be ensured in order to prevent conflicts of interest. Potential candidates are not to serve as advisors or board members of major competitors of Krones AG and are not to hold management positions at companies that are customers, suppliers or Krones AG group companies. The Supervisory Board shall contain no more than two former members of the Executive Board. In the person of Volker Kronseder and Norbert Broger, only two former members of the Executive Board of Krones AG are members of the Supervisory Board.

Each member of the Supervisory Board shall agree to submit a declaration to the Chairman of the Supervisory Board if there is any conflict of interest. If a conflict of interest persists over an extended period, or is material, the Supervisory Board member in question must resign.

In accordance with Recommendation C.6 of the Code, the Supervisory Board must include what it considers to be a suitable number of independent members among the shareholder representatives. A Supervisory Board member is considered independent within the meaning of that recommendation if the member is independent of the company and its Executive Board and independent of any controlling shareholder.

In accordance with Recommendation C.7 of the Code, more than half of the shareholder representatives on the Supervisory Board are to be independent of the company and the Executive Board. In the reporting period, this was the case for Volker Kronseder, Nora Diepold, Robert Friedmann, Prof. Dr. Susanne Nonnast, Petra Schadeberg-Herrmann, Stephan Seifert and Matthias Winkler, and thus for seven of the eight shareholder representatives on the Supervisory Board. Norbert Broger was Chief Finance Officer of Krones AG until December 31, 2022. It was therefore decided as a precautionary measure that he should be classified as not being independent within the meaning of Recommendation C.7 of the Code.

Petra Schadeberg-Herrmann has been a member of the Supervisory Board of Krones AG for more than twelve years. She is considered by the shareholder side of the Supervisory Board of Krones AG to be independent of the company and the Executive Board. Pursuant to Recommendation C.8 of the Code, the reasons for this are as follows:



Petra Schadeberg-Herrmann is not financially dependent on her service as a member of the Supervisory Board of Krones AG. Furthermore, there are no indications of any lack of critical distance. Petra Schadeberg-Herrmann knows Krones' business very well and contributes her extensive experience in a critical and constructive manner as a member of the Supervisory Board. In addition, Ms. Schadeberg-Herrmann's family has a substantial shareholding in Krones AG. This indicates that Petra Schadeberg-Herrmann has sufficient incentive to always exercise her office as a member of the Supervisory Board critically and impartially.

In accordance with Recommendation C.9 of the Code, if the company has a controlling shareholder, and the Supervisory Board comprises more than six members, at least two shareholder representatives are to be independent from the controlling shareholder. The controlling shareholder of Krones AG, as the majority shareholder of the company, is Familie Kronseder Konsortium GbR (shareholding as of 31 December 2024: 51.9%). In the reporting period, apart from Volker Kronseder and Nora Diepold, the other six shareholder representatives on the Supervisory Board were independent of the controlling shareholder.

In accordance with Recommendation C.10 of the Code, the Chair of the Supervisory Board, the Chair of the Audit Committee and the Chair of the committee that addresses Executive Board remuneration are to be independent of the company and of the Executive Board. The Chair of the Audit Committee is also required to be independent of the controlling shareholder. Krones Aktiengesellschaft fully complies with Recommendation C.10 of the Code.

d) Age limit

As a rule, members of the Supervisory Board of Krones AG may not remain in office beyond the end of the Annual General Meeting following their 70th birthday. By way of exception, a member of the Supervisory Board may be elected for a period not extending beyond the end of the fourth Annual Gen-

eral Meeting following the member's 70th birthday. The Supervisory Board has made use of this exception in the case of member and Chairman Volker Kronseder.

Status of implementation of the Supervisory Board's objectives

According to Recommendation C.1 of the German Corporate Governance Code, the status of implementation of the Supervisory Board's objectives is to be disclosed in the form of a qualification matrix.

The qualification matrix adopted by the Supervisory Board provides information on which Supervisory Board members have the professional qualifications in each area of the profile of skills and expertise. Professional suitability is assessed in relation to the areas specified by the Supervisory Board: corporate control, accounting, auditing, human resources, legal and compliance, financing, sustainability, digitalisation, international experience and sectoral expertise. The qualification matrix also shows the duration of membership of the Supervisory Board. For each member on the shareholder side, it states whether the member is independent of the company and of its Executive Board and independent of the controlling shareholder (Familie Kronseder Konsortium GbR). The members for whom this is the case notably include the Chairman of the Audit and Risk Management Committee, Matthias Winkler. All 16 members of the Supervisory Board of Krones AG meet the permissible number of Supervisory Board memberships in accordance with the recommendations of the German Corporate Governance Code.

Further information on the members of the Supervisory Board can be found on *pages 31 to 32 and 315*. This includes information on their professions and membership of other statutory supervisory boards and comparable supervisory bodies of commercial enterprises.

With the two qualification matrices below, presented separately for the shareholder and employees sides, we comply with Recommendation C.1 of the German Corporate Governance Code.





Status of implementation of the profile of skills and expertise: shareholder representatives

	Volker Kronseder	Nora Diepold	Robert Friedmann	Susanne Nonnast	Stephan Seifert	Petra Schadeberg- Herrmann	Norbert Broger	Matthias Winkler
Term of membership								
Member since	15 June 2016	17 May 2021	13 June 2018	15 June 2016	23 May 2023	15 June 2011	23 May 2023	13 June 2018
Personal suitability								
Independence ¹⁾	—	—	x	x	x	x	—	x
No overboarding ^{2),3)}	x	x	x	x	x	x	x	x
Professional suitability								
Corporate control ⁴⁾	x	x	x	x	x	x	x	x
Accounting	x	x	x	—	x	x	x	x
Auditing	—	—	x	—	x	x	x	x
Human resources ⁵⁾	x	—	x	x	x	x	x	x
Legal/compliance	x	x	x	x	x	x	x	x
Financing	x	x	x	—	x	x	x	x
Sustainability	x	x	x	x	x	x	x	x
Digitalisation	x	—	x	x	x	—	x	x
Sectoral expertise	x	x	x	x	x	x	x	x
International experience	x	—	x	x	x	x	x	x

¹⁾ As defined by Recommendation C.6 of the German Corporate Governance Code (the Code); ²⁾ In accordance with Recommendations C.4 and C.5 of the Code; ³⁾ No overboarding: compliance with the permissible number of supervisory board mandates in accordance with Recommendations C.4 and C.5 of the Code; ⁴⁾ Covers key areas such as organisation, risk management and strategy; ⁵⁾ Covers key areas such as human resources management and development

x: fulfilled; —: not fulfilled



Status of implementation of the profile of skills and expertise: employee representatives

	Josef Weitzer	Oliver Grober	Thomas Hiltl	Markus Hüttner	Verena Di Pasquale	Beate Eva Maria Pöpperl	Stefan Raith	Olga Redda
Term of membership								
Member since	1 January 2007	13 June 2018	13 June 2018	1 July 2020	25 June 2014	20 June 2017	1 January 2022	23 May 2023
Personal suitability								
No overboarding ^{1), 2)}	x	x	x	x	x	x	x	x
Professional suitability								
Corporate control ³⁾	x	x	x	x	x	x	x	x
Accounting	x	x	x	—	x	—	x	x
Auditing	—	—	—	—	—	—	—	—
Human resources ⁴⁾	x	x	x	x	x	x	x	x
Legal/compliance	x	x	x	x	x	x	x	x
Financing	x	—	—	—	—	—	—	—
Sustainability	x	—	—	x	x	x	x	x
Digitalisation	x	x	x	x	x	x	x	x
Sectoral expertise	x	x	x	x	x	x	x	x
International experience	—	—	—	—	—	—	x	—

¹⁾ As defined by Recommendation C.6 of the German Corporate Governance Code (the Code); ²⁾ No overboarding: compliance with the permissible number of supervisory board mandates in accordance with Recommendations C.4 and C.5 of the Code; ³⁾ Covers key areas such as organisation, risk management and strategy; ⁴⁾ Covers key areas such as human resources management and development

x: fulfilled; —: not fulfilled



Information on the length of service of Supervisory Board members

The Supervisory Board has not set a cap on the duration of Supervisory Board membership. We believe that such a cap does not make sense because the expertise of experienced Supervisory Board members should remain available to the company. The Supervisory Board of Krones will continue to examine the suitability of Supervisory Board members on an individual basis, regardless of how long members have already been on the board. The terms of membership of the current shareholder representatives and employee representatives on the Supervisory Board are shown in the qualification matrices (*see pages 247 and 248, "Status of implementation of the profile of skills and expertise"*).



Information on corporate governance practices

Corporate governance at Krones is based on fairness and transparency. This principle applies both to cooperation between the Executive Board and the Supervisory Board and to our interaction with employees, customers, suppliers and the general public.

Compliance at Krones is an overarching concept denoting conduct rules-based conduct, where the rules to be observed within the company far exceed statutory requirements. They also include internal guidelines and regulations, and embody the moral values and standards that correspond to Krones' ethical principles. Krones has established a compliance management system over the years, covering the areas of prevention, detection and response. There is also close coordination with other elements of corporate governance, notably sustainability, governance itself, internal audit and the internal control and risk management system.

Krones continues to revise and expand its Compliance Management System on an ongoing basis. As part of the compliance risk analysis in 2022, for example, the company introduced mandatory self-disclosure for the managing directors of all of its national and international entities. This is a written questionnaire in which managers provide their responses on important compliance topics

such as corruption and the internal control and risk management system.

Krones further adapted the compliance management system in 2023 by preparing a new draft Supplier Code and Code of Conduct. The two updated codes were published on the company website at the beginning of 2024.

In order to strengthen compliance, Krones introduced a compliance whistleblower portal as early as 2018. This reporting system on the Krones website allows company employees and outsiders to anonymously bring attention to potential infringements of the law or rules and regulations. The whistleblower portal can be accessed from www.krones.com/en/company/responsibility/krones-integrity.php. Krones thus also meets the requirements of the German Whistleblower Protection Act, which entered into force on 2 July 2023. This aims to provide better protection for whistleblowers.



Krones revised its Code of Conduct in 2023. This is now based on our corporate vision with the slogan "Solutions beyond tomorrow". The Code of Conduct aims to ensure compliance with laws, standards and policies throughout the company. This fosters a working environment characterised by integrity, respect and fair and responsible conduct. At the same time, the Code of Conduct instils a strong culture of compliance, reinforces our values and encourages employee reporting of irregularities. The Code of Conduct is applicable and binding for all employees and every corporate body in the company. Through the Supplier Code, Krones would also like its business partners to commit to these principles and to share its values. The requirements laid down in the Code of Conduct should not only be formally observed by all employees and bodies of the Krones Group, but should also be internalised in their true sense and purpose, and practised in everyday working life. Violations of the Code of Conduct will be followed up and dealt with accordingly in the interests of all employees. In this way, it provides the foundation for an open and law-abiding corporate and compliance culture.

The Code of Conduct can be accessed at <https://www.krones.com/en/company/responsibility/compliance.php>.





Krones has developed a Compliance Basics e-learning programme to establish a culture of compliance throughout the entire company. This contains key information on the rationale, scope and content of Krones' compliance culture. The programme was completely revised in 2024 and is now being rolled out step by step throughout the Krones Group. All Krones AG employees completed it by 2024. The revised programme will be rolled out to the subsidiaries in 2025 and gradually replace the previous system.

Sustainability is integral to Krones' corporate strategy and corporate governance practices. It is also in the strategic focus of our corporate vision, "Solutions beyond tomorrow". We review all activities for sustainability and for whether they meet the sustainability goals defined by Krones, including not only our social and economic responsibilities but also the environmental impact of the manufacture and use of our products. Krones maintains eco-friendly production operations and not only complies with statutory regulations, but makes every effort to remain as far as possible below prescribed limits.

In order to obtain objective confirmation both for itself and for stakeholders, Krones had the climate strategy that it adopted in 2020 reviewed by the independent Science Based Targets initiative (SBTi). The findings confirm that the group is on the right track from a science-based perspective. According to SBTi, Krones' climate targets contribute to limiting greenhouse effect-driven global warming to 1.5 degrees Celsius. They were thus rated as ambitious and effective – and officially declared to be science-based targets. In addition to the medium-term reduction targets described in the climate strategy, Krones developed a plan in 2023 for achieving net zero emissions by 2040. The group thus plans a 90% reduction in its greenhouse gas emissions along the entire value chain by 2040 and to neutralise the remaining 10%. This reduction target was adopted by the Executive Board of Krones AG and validated by SBTi in 2024.

Krones' corporate vision, "Solutions beyond tomorrow", guides the company's employees in contributing to a liveable, sustainable and successful future. Reducing carbon emissions plays an important role in combating climate change.

On 26 July 2023, for the first time, the company published a comprehensive Carbon Transition Plan, in which Krones discloses measures, interim results and further plans for achieving its climate targets. Krones published the updated version of the plan under the new title "Climate Transition Plan" in February 2025.

To communicate its commitment to ethical business issues to the outside world, Krones has been a member of the United Nation (UN) Global Compact since 2012. The UN Global Compact lays down globally applicable principles relating to human rights, labour, the environment and anti-corruption and requires companies to comply with them. The text of the UN Global Compact and related information are available at www.unglobalcompact.org.



Our governance principles ensure that the welfare of the very people who contribute to our success is never subordinated to economic interests. In order to prevent accidents at the workplace and work-related illness, Krones creates a safe environment that is conducive to the good health of our employees. All of our workflows are designed with employee safety and health in mind, and we ensure that the workplace is ergonomic.

When choosing our suppliers, we look at their performance with respect to sustainable, socially responsible business practices. We expect our business partners to comply with applicable laws and internationally recognised environmental, social and governance (ESG) standards, such as the OECD Guidelines, the UN Guiding Principles on Business and Human Rights and the UN Global Compact Ten Principles. For this purpose, Krones has developed a Supplier Code, which was revised in 2023. It now covers the subjects of acting in accordance with the law and ethical principles, handling knowledge and information, social responsibility, and commitment and monitoring. In addition, selected suppliers are subject to regular quality and social audits to verify that they meet the standards required by Krones. This applies not only to the suppliers themselves, but also increasingly with regard to their supply chain.



The Supplier Code is available at www.krones.com/en/company/responsibility/compliance.php.

The German Act on Corporate Due Diligence Obligations in Supply Chains (the “Supply Chain Act”) entered into force on 1 January 2023. This governs, among other things, companies’ responsibility for the respect of human rights and the avoidance of environmental risks in their global supply chains. Krones embraces its responsibility. Irrespective of the new Act, respecting human rights has always been central to our Code of Conduct.

The Supply Chain Act requires companies to periodically publish a report on their compliance with its due diligence requirements. This report is generated from answers to a structured questionnaire. Topics covered by the questionnaire include embedding the human rights policy in the company, risk analysis, prevention, identification of violations and remedial action. The report must be submitted to BAFA (the German Federal Office for Economic Affairs and Export Control) no later than four months after the end of each financial year. The Krones Executive Board has prepared the report for the 2024 financial year and duly submitted it to BAFA.



Information on corporate governance practices is also contained in Krones’ Non-financial Statement (*see page 76 to 178*), which can be also accessed at <https://www.krones.com/en/company/responsibility/downloads.php>.



Diversity policy and succession planning for the Executive Board

Responsibility for succession planning and for monitoring diversity lies with the Executive Board, the Supervisory Board and the Standing Committee. For the appointment of members of the Executive Board, preference is given to

candidates who are best qualified in terms of their accomplishments and knowledge to safeguard the interests of the company and its stakeholders for the long term. The company’s diversity policy is also taken into account in the appointment process. When filling a position on the Executive Board, the Supervisory Board considers diversity with respect to candidates’ professional and educational background, age, gender and international management qualifications. The policy consists of the following aspects in detail:

- The Supervisory Board has set a standard age limit for members of the Executive Board. The standard age limit is 62 years. The Supervisory Board also gives due consideration to ensuring a balanced age structure.
- At least two members of the Executive Board are required to have a technical/engineering background. At least two members are required to have international management experience. The Executive Board as a whole is required to represent the best possible composition for the Krones Group, its core business and all stakeholders.
- With effect from January 1, 2023, the Supervisory Board appointed Uta Anders to succeed Norbert Broger as CFO of Krones AG. The company thus complies with the requirements of Section 76 (subsection 3a) of the German Stock Corporation Act. Under the company’s diversity policy, women with comparable qualifications are given priority consideration for any openings on the Executive Board.
- The Supervisory Board has set the contract term for first-time appointees to Executive Board positions at three years.



Duties and activities of the Executive Board and the Supervisory Board



The Executive Board of Kronos AG consisted of five members in the 2024 financial year. Members of the Executive Board are each responsible for their respective Executive Board portfolio (*see pages 24 and 315*). The Executive Board manages the company and its affairs. The members of the Executive Board hold regular Executive Board meetings. At these meetings, the Executive Board discusses current and strategic topics and makes decisions. For strategically important decisions, the Executive Board involves the Supervisory Board in the decision-making process in a timely manner. The work of the Executive Board, in matters such as the majority required for resolutions and transactions that require Supervisory Board approval, is governed by rules of procedure for the Executive Board that are issued by the Supervisory Board.

The Supervisory Board oversees the Executive Board. In accordance with the articles of association, the Supervisory Board has 16 members. The Executive Board and the Supervisory Board communicate on a regular basis. The Executive Board informs the Supervisory Board in a timely manner about business development, the company's financial situation, risk management, business forecasts and strategy. In addition to regular oral reports, the members of the Supervisory Board receive written reports on the company's earnings and financial situation from the Executive Board each month.



The Chairman of the Supervisory Board coordinates the work of the Supervisory Board (*see pages 31, 32 and 315 for a listing of the members*). The Chairman or Deputy Chairman presides over Supervisory Board meetings.

The Supervisory Board adopts resolutions either in meetings or in exceptional cases by circulation. Members of the Executive Board participate in meetings of the Supervisory Board at the invitation of the Chairman or Deputy Chairman of the Supervisory Board. The Executive Board members give oral or written reports on agenda items and respond to questions from Supervisory Board members.

Each year, the Chairman of the Supervisory Board describes the Board's activities in his report to shareholders in the annual report and at the annual general meeting.

The Supervisory Board has adopted rules of procedure of its own, governing matters such as responsibilities and rules for the adoption of resolutions.

In order to perform its work in the most efficient manner possible, the Supervisory Board has formed an Audit and Risk Management Committee and a Standing Committee.

Composition, duties and activities of the Audit and Risk Management Committee

The Audit and Risk Management Committee consists of Supervisory Board Chairman Volker Kronseder, his deputy Josef Weitzer and Supervisory Board members Norbert Broger, Markus Hüttner, Olga Redda and Matthias Winkler. Matthias Winkler chairs the committee.

The Audit and Risk Management Committee meets regularly, oversees the accounting and financial reporting process and the audit of the financial statements and prepares corresponding proposals for resolutions for the Supervisory Board. The Committee also prepares the Supervisory Board's review of the annual financial statements, the management report and the auditor's report for the separate and consolidated financial statements and makes recommendations. In addition, the Audit and Risk Management Committee monitors the effectiveness of the internal control system, the risk management system and the compliance system.

In accordance with Recommendation D.3 of the German Corporate Governance Code, we provide the following information:

Matthias Winkler (Chairman of the Audit and Risk Management Committee), as tax adviser and partner in a tax consulting firm, and committee member Norbert Broger (former CFO of Kronos AG) have the required necessary expertise in accounting and auditing.



Composition, duties and activities of the Standing Committee

The Standing Committee consists of Chairman of the Supervisory Board Volker Kronseder, his deputy Josef Weitzer, Markus Hüttner and Prof. Dr. Susanne Nonnast. Volker Kronseder chairs the committee. The Standing Committee meets regularly and deals with all topics that do not fall within the scope of the Audit and Risk Management Committee.

These include corporate strategy, human resources strategy, Supervisory Board remuneration and Executive Board remuneration.

Self-assessment of the work of the Supervisory Board

The Supervisory Board provides the following information pursuant to Recommendation D.12 of the German Corporate Governance Code: The Supervisory Board regularly assesses the effectiveness of the work of the Supervisory Board as a whole and of its committees. Among the criteria applied are the topics of organisation, information, and communication within the Supervisory Board and the committees. Questionnaires are also used as part of the self-assessment.

The current questionnaires were sent to the members of the Supervisory Board at the end of 2024. The questionnaires were evaluated and the periodic self-assessment was carried out at the beginning of 2025.

Determinations pursuant to Sections 76 (4) and 111 (5) of the German Stock Corporation Act

Percentage of women in management positions

Under Section 76 (4) of the German Stock Corporation Act, the Executive Board is required to determine targets for the participation of women in the two levels of management below the Executive Board. It must also set a deadline for compliance with the targets. The Executive Board of Krones AG has set the target for the percentage of women in the two levels of management below the Executive Board at 15%. This target was to be achieved by 31 December 2024. At Krones AG as of 31 December 2024, the percentage of women in each of the two levels of

management below the Executive Board stood at 14.1%. As a result of the measures taken, the figure was thus significantly higher than in 2023 (11.0%). Despite intensive efforts, however, Krones did not achieve the target of 15% set for 31 December 2024.

One major reason for this is the extremely engineering-oriented context of Krones' business activities. The Executive Board aims to further increase the percentage of women in the medium term and will give women priority consideration when filling any openings for management positions. The Executive Board of Krones AG has set the new target for the percentage of women in the two levels of management below the Executive Board at 16%. This target is to be achieved by 31 December 2027.

Percentage of women on the Executive Board

Since January 1, 2023, the Executive Board of Krones AG has consisted of one woman and four men. The percentage of women on the Executive Board is thus 20%. The lengths of current contracts mean that no changes can be expected on the Executive Board in the medium term. In accordance with Section 111 (5) in conjunction with Section 76 (3a) of the German Stock Corporation Act, the Supervisory Board has not set a new target for the percentage of women on the Executive Board and thus follows the statutory requirements.

Disclosures pursuant to Section 289f (2) 1a of the German Commercial Code

The applicable remuneration system for members of the Executive Board in accordance with section 87a (1) and (2) sentence 1 of the German Stock Corporation Act, which was approved by the Annual General Meeting of 17 May 2021, and the resolution on remuneration for the members of the Supervisory Board adopted by the Annual General Meeting of 17 May 2021 in accordance with Section 113 (3) of the German Stock Corporation Act are publicly available at <https://www.krones.com/en/company/investor-relations/annual-general-meeting.php>, under "2021". The 2024 remuneration report and the auditor's report in accordance with Section 162 of the German Stock Corporation Act are made publicly available at the same address, under 2025.





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CONSOLIDATED FINANCIAL STATEMENTS

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Consolidated statement of **profit and loss**

		2024	2023
€ thousand	Notes		
Revenue	19	5,293,557	4,720,676
Increase in inventories of finished goods and work in progress	5	22,717	1,056
Other own work capitalised	20	59,176	44,803
Other operating income	21	178,821	186,819
Goods and services purchased	22	–2,602,765	–2,381,937
Expenses for materials and supplies and for goods purchased		–2,015,562	–1,866,716
Expenses for services purchased		–587,203	–515,221
Personnel expenses	23	–1,580,861	–1,391,066
Wages and salaries		–1,302,124	–1,158,770
Social security contributions and expenses for pension plans and for benefits	14	–278,737	–232,296
Depreciation and amortisation of intangible assets and property, plant and equipment	1/2	–168,430	–166,324
Other operating expenses	24	–833,594	–723,041
EBITDA		537,051	457,310
EBIT		368,621	290,986
Investment income	25	4,797	3,723
Profit or loss shares attributable to associates that are accounted for using the equity method	4	514	0
Income from other securities and loans classified as non-current financial assets	25	0	0
Interest and similar income	25	22,430	32,258
Interest and similar expenses	25	–14,739	–16,471
Financial income/expense	25	13,002	19,510
Earnings before taxes		381,623	310,496
Income tax	8/26	–104,411	–85,946
Consolidated net income		277,212	224,550
Profit share of non-controlling interests		293	39
Profit share of KRONES Group shareholders		276,919	224,511
Earnings per share (diluted/basic) in €	27	8.77	7.11

Consolidated statement of **comprehensive income**

		2024	2023
€ thousand	Notes		
Consolidated net income		277,212	224,550
Items that will not be reclassified subsequently to profit or loss			
Remeasurement of defined benefit plans	12	3,972	–8,663
		3,972	–8,663
Items that may be reclassified subsequently to profit or loss			
Exchange differences on translation		15,195	–50,870
Cash flow hedges	12	–20,260	7,054
		–5,065	–43,816
Other comprehensive expenses and income after income taxes	9	–1,093	–52,479
Total comprehensive income	9	276,119	172,071
of which attributable to non-controlling interests		293	39
of which attributable to Krones Group shareholders		275,826	172,032

Consolidated statement of financial position – **Assets**

		31 Dec 2024		31 Dec 2023	
€ thousand	Notes				
Intangible assets	1	587,017		460,690	
Property, plant and equipment and right-of-use assets	2	852,210		762,577	
Non-current financial assets	3	16,747		17,686	
Investments accounted for using the equity method	4	5,777		0	
Fixed assets		1,461,751		1,240,953	
Deferred tax assets	8	67,831		60,544	
Trade receivables	6	12,757		18,806	
Tax receivables		1,192		1,040	
Other assets	6	7,440		6,055	
Non-current assets			1,550,971		1,327,398
Inventories	5	664,752		641,374	
Trade receivables	6	808,862		778,708	
Contract assets	6/19	1,094,433		1,056,319	
Tax receivables		7,663		4,901	
Other assets	6	180,305		220,045	
Cash and cash equivalents	7	442,483		448,364	
Current assets			3,198,498		3,149,711
Total			4,749,469		4,477,109

Consolidated statement of financial position – **Equity and liabilities**

		31 Dec 2024		31 Dec 2023	
€ thousand	Notes				
Subscribed capital	9	40,000		40,000	
Capital reserves	10	141,724		141,724	
Profit reserves	11	366,360		365,783	
Other reserves	12	–145,373		–144,280	
Consolidated retained earnings		1,518,995		1,312,158	
Consolidated equity of the parent company			1,921,706		1,715,385
Non-controlling interests	13	–169		–462	
Equity			1,921,537		1,714,923
Provisions for pensions	14	172,636		178,444	
Deferred tax liabilities	8	28,388		13,539	
Other provisions	15	95,952		81,472	
Tax liabilities		2,197		2,984	
Liabilities to banks	16	1,339		2,521	
Trade payables	16	0		0	
Other financial liabilities and lease liabilities	16	132,703		129,450	
Other liabilities	16	1,790		1,819	
Non-current liabilities			435,005		410,229
Other provisions	15	191,493		148,069	
Liabilities to banks	16	1,280		1,244	
Contract liabilities	16/19	926,840		1,040,990	
Trade payables	16	802,194		723,164	
Tax liabilities		35,977		19,594	
Other financial liabilities and lease liabilities	16	44,115		67,909	
Other liabilities and accruals	16	391,028		350,987	
Current liabilities			2,392,927		2,351,957
Total			4,749,469		4,477,109



Consolidated statement of cash flows

		2024	2023
€ thousand	Notes		
Earnings before taxes		381,623	310,496
Depreciation and amortisation	1/2	168,430	166,324
Decrease (previous year: increase) in provisions and accruals	15/16	46,357	–32,456
Interest and similar expenses and income	25	–7,691	–15,787
Gains and losses from the disposal of non-current assets	21/24	–258	–9,302
Other non-cash expenses and income		912	21,118
Increase in trade receivables, contract assets and other assets not attributable to investing or financing activities		20,697	–365,641
Increase in inventories	5	18,471	–55,864
Increase in trade payables, contract liabilities and other liabilities not attributable to investing or financing activities		–77,168	204,802
Cash generated from operating activities		551,373	223,690
Interest paid		–6,531	–9,314
Income tax paid and refunds received		–92,672	–76,754
Cash flow from operating activities		452,170	137,622
Cash payments to acquire intangible assets	1	–60,411	–45,389
Proceeds from the disposal of intangible assets	1	752	66
Cash payments to acquire property, plant and equipment	2	–120,727	–117,275
Proceeds from the disposal of property, plant and equipment	2	4,762	14,194
Proceeds from the disposal of non-current financial assets and time deposits		2,290	2,692
Acquisition of a subsidiary, less acquired cash and cash equivalents		–161,314	–114,524
Deferred purchase price payment for business acquisitions from previous periods		–12,778	–332
Proceeds from the disposal of investments accounted for using the equity method		–5,263	2,000
Interest received		8,899	15,935
Dividends received		4,797	3,723
Cash flow from investing activities		–338,993	–238,910
Cash payments to owners		–69,505	–55,288
Cash payments to service debt		–1,247	–1,235
Cash payments for the repayment of lease liabilities		–44,243	–37,573
Cash flow from financing activities		–114,995	–94,096
Net change in cash and cash equivalents		–1,818	–195,384
Changes in cash and cash equivalents arising from changes in exchange rates		–4,063	–30,754
Cash and cash equivalents at the beginning of the period		448,364	674,502
Cash and cash equivalents at the end of the period	7	442,483	448,364

Consolidated statement of **changes in equity**

	Parent company							Non-controlling interests	Consolidated equity
€ thousand	Share capital	Capital reserves	Profit reserves	Other reserves		Group retained earnings	Equity	Equity	
				Currency differences in equity	Other remaining reserves				
Notes	9	10	11	11	12			13	
At 1 January 2023	40,000	141,724	365,479	–42,815	–48,986	1,143,172	1,598,574	–501	1,598,073
Dividend payment						–55,288	–55,288		–55,288
Consolidated net income 2023						224,511	224,511	39	224,550
Allocation to profit reserves			310			–310	0		0
Changes in the consolidated group			–6			73	67	0	67
Other comprehensive expenses and income				–50,870	–1,609		–52,479		–52,479
At 31 December 2023	40,000	141,724	365,783	–93,685	–50,595	1,312,158	1,715,385	–462	1,714,923
Dividend payment						–69,505	–69,505		–69,505
Consolidated net income 2024						276,919	276,919	293	277,212
Allocation to profit reserves			577			–577	0		0
Changes in the consolidated group							0	0	0
Other comprehensive expenses and income				15,195	–16,288		–1,093		–1,093
At 31 December 2024	40,000	141,724	366,360	–78,490	–66,883	1,518,995	1,921,706	–169	1,921,537



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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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Consolidated **segment reporting**

€ thousand	Filling and Packaging Technology		Process Technology		Intralogistics		Krones Group	
	2024	2023	2024	2023	2024	2023	2024	2023
Revenue	4,453,850	3,924,740	507,538	453,341	332,169	342,595	5,293,557	4,720,676
Depreciation and amortisation	148,493	149,291	12,942	10,957	6,995	6,076	168,430	166,324
of which impairments	0	18,559	0	0	0	0	0	18,559
Interest income	16,035	31,369	6,007	385	388	503	22,430	32,257
Interest expense	7,760	9,439	6,191	5,879	788	698	14,739	16,016
EBT	331,595	282,941	36,839	16,562	13,189	10,993	381,623	310,496
Share of profit or loss of associates accounted for using the equity method	0	7	514	0	0	0	514	7
EBIT	315,877	253,019	36,509	23,735	16,235	14,232	368,621	290,986
EBT margin (EBT to revenue)	7.4%	7.2%	7.3%	3.7%	4.0%	3.2%	7.2%	6.6%
EBITDA	464,370	402,310	49,451	34,692	23,230	20,308	537,051	457,310
EBITDA margin (EBITDA to revenue)	10.4%	10.3%	9.7%	7.7%	7.0%	5.9%	10.1%	9.7%



General disclosures

■ Legal basis

Krones provides machinery and systems for filling and packaging technology and for beverage production. Innovative digitalisation solutions, intralogistics solutions and services round out the portfolio. Krones AG is registered in the Commercial Register of Regensburg Local Court (HRB 2344) and is headquartered in Neutraubling, Germany.

The consolidated financial statements of Krones AG, Neutraubling (the “Krones Group”) for the period ended 31 December 2024 have been prepared in accordance with the International Financial Reporting Standards (IFRS) of the International Accounting Standards Board (IASB), London, applicable at the reporting date, including the interpretations issued by the International Financial Reporting Interpretation Committee (IFRIC), as adopted by the European Union.

The Group has not undertaken early application of IFRS standards and interpretations that have not yet entered into force.



A list of such standards and interpretations and of standards applied for the first time is provided on page 309. The commercial law stipulations under Section 315e (1) of the German Commercial Code (HGB) have been complied with in addition.

The Executive Board authorised the publication of the consolidated financial statements on 12 March 2025.

Non-controlling interests in consolidated equity are presented on the statement of financial position as a separate item within equity. On the statement of profit and loss, the share of profit or loss attributable to non-controlling interests is presented as a component of consolidated net income.

The shares of consolidated net income attributable to the owners of the parent and to non-controlling interests are presented separately.

Non-controlling interests are additionally shown on the statement of changes in equity.

The explanatory notes provided in the following comprise disclosures and commentary that, in accordance with IFRS, must be included as notes to the interim consolidated financial statements in addition to the statement of financial position, statement of profit and loss, statement of comprehensive income, statement of changes in equity and statement of cash flows.

The statement of profit and loss was prepared using the nature of expense method.

The group currency is the euro.

Unless otherwise stated, all financial information presented in euros is rounded to the nearest thousand.

■ Consolidated group

Besides Krones AG, the consolidated financial statements of Krones AG for the period ended 31 December 2024 include all domestic and foreign subsidiaries over which Krones AG has direct or indirect control on account of a majority of voting rights.

45% of the shares in Perfinox Industria Metalurgica S.A., Arouca, Portugal (Perfinox) were acquired directly and indirectly in the 2024 financial year. The company is accounted for using the equity method.

In addition, Krones Recycling GmbH, Flensburg, has been established and included in the consolidated group.

Krones acquired 100% of the shares in Netstal Maschinen AG, Näfels, Switzerland on 28 March 2024. The acquisition of the Netstal Group is a strategic milestone. As a leading supplier of injection moulding machines for the beverage market (PET preforms and closures), Netstal is a perfect strategic fit for Krones. For one thing, the acquisition will enable the company to provide additional innovative products, technologies and services. In addition, following the acquisition of Netstal, Krones now has all technologies required for circular PET solutions – from injection moulding of preforms to PET bottle production and from filling and packaging to used bottle recycling.

Initial accounting of the acquired business operations was completed as of the acquisition date.

The table below presents the consideration transferred for the acquisitions and the fair values of the assets identified and liabilities assumed at the acquisition date.

Netstal Maschinen AG	Fair value € thousand
Goodwill	35,598
Non-current assets	118,348
Current assets	79,128
(of which trade receivables)	23,182
Cash and cash equivalents	10,342
Total assets acquired	243,416
Liabilities	72,903
Total liabilities acquired	72,903
Net assets acquired	170,513
Non-controlling interests	0
Purchase prices	170,513
of which paid in cash	170,513

The goodwill recognised for Netstal also relates to the integration of its employees into the group.

The total amount of goodwill that is expected to be deductible for tax purposes is €– thousand.

The fair value of the trade receivables equals the gross amount. None of the trade receivables are impaired and the contractually agreed amounts are expected to be collectible in their entirety.

The revenue generated since the acquisition date amounted to €166,791 thousand and net income amounted to –€1,379 thousand. Had the above acquisition already been made as of 1 January 2024, Krones would have reported revenue of €5,337,014 thousand. Net income would amount to €269,479 thousand. This includes effects from purchase price allocations for 2024. A notable negative factor was the amortisation of the intangible assets.

The costs directly attributable to the acquisition amount to €1,466 thousand and were recognised as expense.

On October 8, 2024, Krones acquired 100% of the shares in Schupan Industrieservice GmbH & Co. KG, Rieneck, Germany. The fair value of the consideration transferred was €1,368 thousand and the resulting goodwill amounted to €716 thousand.



■ Consolidation principles

The annual financial statements of Krones AG and of the domestic and foreign subsidiaries included in the consolidated financial statements have been prepared using uniform accounting policies, in accordance with IFRS 10 (Consolidated Financial Statements).

They are all prepared as of the reporting date of the consolidated financial statements.

Acquisition accounting is performed in accordance with IFRS 3 (Business Combinations), under which all business combinations must be accounted for using the acquisition method. The acquired assets and liabilities are therefore recognised at fair value.

Goodwill that arose before 1 January 2004 continues to be accounted for as a deduction from reserves.

Shares in the equity of a subsidiary that are not attributable to the parent are presented as non-controlling interests. If an acquisition includes put options granted to non-controlling interests for their interests in group companies and Krones has identical call options, the options are accounted for as if already exercised and each is recognised as a liability at fair value instead of recognising non-controlling interests (anticipated acquisition method).

Liabilities are measured through profit or loss at fair value as of the reporting date.

Inter-company receivables, liabilities, provisions, revenues and expenses between consolidated companies are eliminated in consolidation. This also applies for inter-company profits or losses from trade between group companies provided the inventories from these transactions are still held by the group at the reporting date.

Companies for which Krones has the ability to exercise significant influence over their business and financial policies (generally by indirectly or directly holding between 20% and 50% of voting rights), are accounted for in the consolidated financial statements using the equity method and initially recognised at cost. Any excess of the cost of the investment over Krones' share of the net fair value of an associate's identifiable assets and liabilities is adjusted on a fair-value basis and the remaining amount is recognised as goodwill. Goodwill relating to the acquisition of an associate is included in the carrying amount of the investment and is not amortised. Instead, it is tested for impairment as part of the entire carrying amount of the investment in the associate. Krones' share in an associate's profit or loss subsequent to the acquisition date is recognised in the consolidated statement of profit and loss.

The carrying amount of associates is increased or decreased to recognise cumulative changes in fair value subsequent to the acquisition date. Krones' share in associates' gains or losses resulting from transactions between Krones and its associates is eliminated.

■ Currency translation

The consolidated financial statements are presented in euros, the functional currency of Krones AG.

The financial statements of consolidated companies that are prepared in a foreign currency are translated on the basis of the functional currency approach. Because the subsidiaries primarily operate independently in the economic environment of their respective countries, the functional currency is normally the local currency for each subsidiary. In the consolidated financial statements, assets and liabilities are therefore translated at the closing rate at the reporting date, while income and expenses from the financial statements of subsidiaries are translated at average annual rates.

Any exchange differences resulting from translation using these different rates in the statement of financial position and the statement of profit and loss are recognised directly in other comprehensive income. Exchange differences resulting from the translation of equity using historical exchange rates are also recognised in other comprehensive income.

In the separate financial statements of Krones AG and its subsidiaries, receivables and liabilities in foreign currencies are translated using the exchange rate at the time of the transaction and exchange differences are recognised in profit or loss at the closing rate at the reporting date. Non-monetary items in foreign currencies are carried at historical cost.

Exchange rates of subsidiaries' functional currencies against the euro:

		Closing rate		Average rate	
		31 Dec 2024	31 Dec 2023	2024	2023
us dollar	USD	1.041	1.108	1.082	1.082
British pound	GBP	0.830	0.869	0.847	0.870
Swiss franc	CHF	0.942	0.927	0.952	0.972
Danish krone	DKK	7.458	7.453	7.459	7.451
Canadian dollar	CAD	1.497	1.468	1.482	1.460
Japanese yen	JPY	163.250	156.810	163.797	151.997
Brazilian real	BRL	6.432	5.375	5.824	5.403
Chinese renminbi (yuan)	CNY	7.501	7.837	7.706	7.618
Mexican peso	MXN	21.595	18.771	19.830	19.195
Ukrainian hryvnia	UAH	43.785	42.115	43.485	39.817
South African rand	ZAR	19.635	20.456	19.837	19.954
Kenyan shilling	KES	134.660	173.900	145.943	150.472
Nigerian naira	NGN	1,607.400	993.100	1,610.248	690.131
Russian rouble	RUB	113.150	100.500	100.404	92.481
Thai baht	THB	35.751	38.000	38.194	37.647
Indonesian rupiah	IDR	16,853.000	17,123.000	17,159.294	16,481.850
Angolan kwanza	AOA	960.500	937.300	955.734	750.402
Turkish lira	TRY	36.809	32.744	35.562	25.780
Kazakhstan tenge	KZT	546.440	506.130	508.170	493.938
Australian dollar	AUD	1.676	1.629	1.640	1.629
New Zealand dollar	NZD	1.853	1.753	1.788	1.762
Swedish krona	SEK	11.449	11.084	11.431	11.476
Vietnamese dong	VND	26,531.000	26,883.000	27,114.301	25,784.302
Philippine peso	PHP	60.300	61.360	62.003	60.171
Bangladeshi taka	BDT	124.400	121.560	124.963	116.951
Singapore dollar	SGD	1.419	1.461	1.446	1.453
Myanmar kyat	MMK	2,186.285	2,326.100	2,313.896	2,271.535
United Arab Emirates dirham	AED	3.824	4.068	3.976	3.973
Hungarian forint	HUF	411.050	382.500	395.312	381.977
Malaysian ringgit	MYR	4.659	5.083	4.953	4.931
Pakistani rupee	PKR	289.929	308.148	301.365	302.283
Polish zloty	PLN	4.271	4.342	4.307	4.544
Norwegian krone	NOK	11.785	11.245	11.626	11.421
Indian rupee	INR	89.124	92.142	90.551	89.323
Guatemalan quetzal	GTQ	8.026	8.665	8.405	8.473
Cambodian riel	KHR	4,190.000	4,525.000	4,407.915	4,445.670
Bulgarian lev	BGN	1.956	1.956	1.956	1.956
South Korean won	KRW	1,531.950	1,430.187	1,474.516	1,411.916
Moroccan dirham	MAD	10.517	10.964	10.756	10.956
Saudi riyal	SAR	3.913	4.154	4.062	4.058
Romanian leu	RON	4.974	4.975	4.975	4.947



■ Estimates and judgements

In preparing the consolidated financial statements, management makes judgements, estimates and assumptions that affect the reported amounts of assets and liabilities as of the reporting date, the disclosure of contingent liabilities and the reported amounts of expenses and income. The uncertainty inherent in such assumptions and estimates can, however, lead to events that result in material adjustments to the carrying amounts of affected assets and liabilities in future periods. Krones does not currently expect that the consequences of climate change will have any significant impact on its business model.

Major assumptions made about the future, and other sources of estimation uncertainty at the end of the reporting period that have a significant risk of resulting in material adjustments to the carrying amounts of assets and liabilities within the next financial year, are explained in the following. Due to a persistently complex and uncertain macroeconomic and geopolitical environment, particularly as a result of the ongoing conflict in Ukraine and the conflict in Israel, the Gaza Strip and the Middle East, with continuing inflation, continued high interest rates and the related risks of a slowdown in economic growth, estimates and judgements are subject to increased uncertainty. Available information on expected economic developments and country-specific government measures was taken in account in adopting the estimates and judgements.

Development costs are capitalised if they are associated with a future economic benefit and the remaining requirements in IAS 38.57 are met. If no observable market values are available, the fair values of assets acquired in

a business combination are determined using recognised valuation methods such as the relief-from-royalty method or the multi-period excess earnings method.

Intangible assets are tested for impairment if there are indications that they may be impaired or if annual impairment testing is required (this is the case for intangible assets with an indefinite useful life, intangible assets in the development phase and goodwill).

Impairment testing is performed by comparing the carrying amount of an asset (or cash-generating unit) with its recoverable amount. The first step of this comparison consists of determining value in use. If value in use is less than the carrying amount, fair value less costs of disposal is determined and compared with the carrying amount. If fair value less costs of disposal is less than the carrying amount, an impairment loss is recognised by reducing the carrying amount to the higher of value in use and fair value less costs of disposal.

Impairment testing involves making estimates and assumptions, in particular with regard to future cash inflows and outflows, that may differ from the actual amounts. The actual amounts may differ from the assumptions and estimates made if the conditions referred to change contrary to expectations.

Krones determines value in use using a present value (discounted cash flow) method. The cash flows used in the calculation are based on long-term corporate planning prepared by management. They are discounted at market discount rates.



The cash flows used in testing goodwill are taken as a rule from the detailed planning for the next four financial years. Revenue growth at the end of the forecast period is the long-term growth rate of the respective industrial sectors and countries in which the cash-generating units do business. The cash flows are discounted at market discount rates. Cash-generating units are tested for impairment using the pre-tax weighted average cost of capital (WACC). For the main assumptions made in impairment testing of cash-generating units, sensitivity analyses are carried out in order to rule out the possibility that reasonably possible changes in the assumptions used to determine the recoverable amount would lead to an impairment.

Some purchase agreements for acquisitions include options for Kronos to acquire the remaining minority interests. If the seller holds identical put options, the group assumes that the option will be exercised and therefore does not present the minority interests in the consolidated financial statements (anticipated acquisition method). Instead, a liability from the acquisition is recognised at fair value. The fair value is measured using the discounted cash flow method; the main input factors are mid-term planning and the discount rate. With regard to the exercise date, it is assumed as a rule that the probability of exercise is evenly distributed unless otherwise indicated. Impairment testing involves making estimates and assumptions about the timing. The actual amounts may differ from the assumptions and estimates made if the conditions referred to change contrary to expectations. Further details are provided in Note 18.



Accounting for deferred tax assets, which are mainly recognised for unused tax loss carryforwards, requires management to make estimates and judgments regarding the size of the future taxable profits that will be available against which the unused tax losses can be utilised. Tax planning strategies and the expected timing of events under such strategies are taken into account if they are sufficiently probable. Deferred tax assets are recognised as a rule to the extent that deductible deferred tax liabilities exist in the same amount and with the same timing. Otherwise, deferred tax assets are only recognised if it is highly likely that sufficient future taxable profits will be available against which the deferred tax assets recognised for loss carryforwards and temporary differences can be utilised. For the purpose of this assessment, expected taxable income is taken from corporate planning prepared according to the principles described above. As uncertainty increases further into the future, the analysis period is generally three years. In the case of loss-making entities, deferred tax assets are not recognised until turnaround is imminent or future profits are highly probable. When measuring loss allowances for deferred tax assets recognised for loss carryforwards, due account is taken of rules restricting loss utilisation (minimum taxation). Further details are provided in Note 8.



The post-employment pension expense from defined benefit plans is determined on the basis of actuarial calculations. Those calculations are based on assumptions and judgements regarding discount rates on the net obligation, mortality and future pension increases. Such estimates are subject to significant uncertainties due to the long-term nature of such plans. Details of those uncertainties, together with sensitivities, are presented in Note 14.



Provisions for warranties are accounted for on the basis of expected costs from customer orders. The estimates for the warranty obligations are based on experience in recent financial years and generally relate to a warranty term of between one and two years from the acceptance date. It is therefore expected that the majority of provisions for warranties will be settled within the next two years. Further details are provided on *page 294*.

For the purpose of accounting in accordance with IFRS 15, judgements are made regarding whether revenue is realised over time. Krones has come to the conclusion that revenue for highly customer-specific projects is to be recognised over time rather than at a point in time, as the resulting assets have no alternative use as a rule and Krones has a legal right to payment, including a profit margin, for performance already completed. Krones has determined that an input method is the most suitable for determining progress as there is a direct relationship between production cost being incurred and transfer of the product or service to the customer. The percentage of completion is the ratio of contract costs incurred up to the reporting date to the total estimated cost of the projects. Changes in estimates and differences between actual costs and estimated costs affect the profit on such projects.

■ Intangible assets

Acquired and internally generated intangible assets, excluding goodwill, are recognised in accordance with IAS 38 if it is sufficiently probable that the use of an asset will result in a future economic benefit and the cost of the asset can be reliably determined. The assets are recognised at cost and amortised systematically on a straight-line basis over their estimated useful lives. Amortisation of intangible assets is normally applied over a useful life of between three and five years (customer bases between seven and 15 years) and is presented in “Depreciation and amortisation of intangible assets and property, plant and equipment”. Intangible assets that are not yet available for use are tested annually for impairment.

■ Research and development expenditure

Development costs in the Krones Group are capitalised at cost if all recognition criteria in IAS 38.57 are met. In accordance with IAS 38, research expenditure cannot be capitalised and is therefore immediately recognised as an expense in profit or loss.

■ Goodwill

Goodwill is not amortised. Instead, it is tested annually for impairment. It is also tested for impairment if an event occurs or circumstances arise that suggest that the recoverable amount may be less than the carrying amount. Goodwill is recognised at cost less cumulative impairment losses.



Goodwill is tested for impairment at the level of the cash-generating unit or group of cash-generating units represented by a division (or corresponding unit).

The cash-generating unit or group of cash-generating units represents the lowest level at which the goodwill is monitored for internal management purposes.

For the purposes of impairment testing, goodwill acquired in a business combination is allocated to the cash-generating unit or group of cash-generating units that is expected to benefit from the synergies of the business combination. If the carrying amount of the cash-generating unit or group of cash-generating units to which the goodwill is allocated exceeds the recoverable amount, an impairment loss is recognised for the goodwill allocated to the cash-generating unit or group of cash-generating units. The recoverable amount is the fair value less costs of disposal or the value in use, whichever is higher, of the cash-generating unit or group of cash-generating units. If either of these exceeds the carrying amount, it is not always necessary to determine both values. The values are normally measured on the basis of discounted cash flows. Even if the recoverable amount of the cash-generating unit or group of cash-generating units to which goodwill is allocated exceeds the carrying amount in subsequent periods, impairment losses on that goodwill are not reversed.

■ Property, plant and equipment

The Kronos Group's property, plant and equipment are accounted for at cost less systematic depreciation on a straight-line basis over their estimated useful lives. The cost of self-constructed assets comprises all directly attributable costs and an allocation of overheads.

No revaluation of property, plant and equipment has been undertaken in accordance with IAS 16.

Systematic depreciation is based on the following useful lives, which are applied uniformly throughout the group:

Useful life	Years
Buildings	14 – 50
Technical equipment and machinery	5 – 18
Furniture and fixtures and office equipment	3 – 15

The useful lives take into account the different components of assets with significant differences in cost.

Government grants are only recognised if there is reasonable assurance that the conditions attaching to them will be complied with and the grants will be received.

Government grants related to assets are deducted from the cost of the assets and reversed in future periods to profit or loss in depreciation and amortisation of intangible assets and property, plant and equipment.



■ Leases

A lease is a contract that conveys the right to use an asset for a period of time in exchange for consideration.

In accordance with IFRS 16, Krones normally recognises all leases and related contractual rights and obligations in the statement of financial position. Krones recognises a right-of-use asset and a corresponding lease liability at the time the leased item is available for use by the group.

Lease liabilities include the present value of the following lease payments:

- Fixed payments less any lease incentives payable by the lessor;
- Variable lease payments that depend on an index or a rate;
- Amounts expected to be payable under residual value guarantees;
- The exercise price of a purchase option, if the option is reasonably certain to be exercised;
- Payments of penalties for terminating the lease, if the lease term reflects the exercising of an option to terminate the lease.

The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If not, they are discounted using the incremental borrowing rate. The finance costs are recognised in profit or loss over the lease term. The carrying amount of lease liabilities is remeasured if there is a change in the lease or in the assessment of an option to purchase the underlying asset.

Right-of-use assets are measured at cost, which comprises:

- The amount of the initial measurement of the lease liability;
- Lease payments made at or before the commencement date, less any lease incentives received;
- Initial direct costs incurred;
- Dismantling obligations.

Subsequent measurement is at cost less any accumulated depreciation and any accumulated impairment losses. Right-of-use assets are depreciated on a straight-line basis over the shorter of the useful life and the lease term. Right-of-use assets are likewise tested for impairment.

With regard to the practical expedients provided for in the standard, Krones makes use of the practical expedients for low-value assets and for short-term leases (less than 12 months). The payments for short-term leases and leases of low-value assets are recognised as an expense on a straight-line basis.

Furthermore, the rules are not applied to leases of intangible assets. In the case of contracts that contain non-lease components as well as lease components, use is made of the option not to separate non-lease components from lease components.



■ Financial instruments

In accordance with IFRS 9, Krones classifies financial assets into three categories: financial instruments at amortised cost (AC), financial instruments at fair value through profit or loss (FVTPL) and financial instruments at fair value through other comprehensive income (FVOCI).

The classification of financial assets is made on the basis of Krones' business model for managing the financial assets and their contractual cash flow characteristics.

In accordance with IFRS 9, Krones classifies financial liabilities into three categories: financial instruments at amortised cost (AC), financial instruments at fair value through profit or loss (FVTPL) and financial instruments at fair value through other comprehensive income (FVOCI).

For the various classes of financial assets and liabilities, the carrying amounts are generally a reasonable approximation of fair value.

The fair value of financial assets and liabilities is determined on the basis of financial accounting models using inputs observable in the market at the reporting date (Level 2 within the meaning of IFRS 13.72). Level 2 assets and liabilities are primarily hedging and non-hedging derivatives.

The fair value of Level 1 financial assets and liabilities is based on unadjusted quoted prices in active markets for financial instruments. For Level 3 financial assets within the meaning of IFRS 13.72, the fair values are the same as the carrying amounts. Measurement is based on estimates from forecasts of future developments.

Transactions against cash settlement are accounted for at the settlement date. Derivative financial instruments are accounted for at the trade date.

Net gains and losses include impairments and measurement changes for derivative financial instruments and are set out in the explanatory notes on the various measurement categories.

Loss allowances are therefore measured on the basis of one of the following:

- 1- 12-month expected credit losses: Expected credit losses that result from default events that are possible within twelve months after the reporting date.
- Lifetime expected credit losses: Expected credit losses that result from all possible default events over the expected life of a financial instrument.

Loss allowances are measured on the basis of lifetime expected credit losses if the credit risk on a financial asset at the reporting date has increased significantly since initial recognition; otherwise, loss allowances are measured on the basis of 12-month expected credit losses. An entity may assume that the credit risk on a financial asset has not increased significantly if the financial asset is determined to have low credit risk at the reporting date. However, loss allowances must always be measured on the basis of lifetime expected credit losses for trade receivables and contract assets without a significant financing component; Krones also measures loss allowances on this basis for trade receivables and contract assets with a significant financing component.



The expected credit losses on trade receivables and on contract assets are estimated on the basis of external ratings and historical credit loss experience over the last 36 months. Within each group of financial instruments, credit risks are segmented on the basis of shared credit risk characteristics.

Trade receivables and contract assets are grouped on the basis of shared credit risk characteristics for the purpose of measuring expected credit losses. The contract assets generally have the same risk characteristics as trade receivables.

Information on risk reporting in accordance with IFRS 7 is provided in the risk report in the group management report.

■ Derivative financial instruments and hedge accounting

The derivative financial instruments used in the Krones Group are used to hedge against currency risks from operating activities. The election has been made to apply the hedge accounting requirements of IAS 39 instead of the requirements in IFRS 9.

The main categories of currency risk at Krones comprise transaction risk arising from exchange rates and cash flows in foreign currencies. The main such currencies are the US dollar, the Canadian dollar, the pound sterling and the Chinese renminbi yuan.

Within the hedging strategy, 100% of items denominated in foreign currencies are generally hedged. The instruments used for this purpose are mostly forward exchange contracts and, in isolated cases, swaps, including currency swaps.

The strategy objective is to minimise currency risk by using hedging instruments that are judged to be highly effective, thus providing planning certainty by hedging the exchange rate.

The derivative financial instruments are measured on initial recognition and in subsequent measurement at fair value as of the reporting date. Fair value is determined using Level 2 inputs within the meaning of IFRS 13.72. Gains and losses on measurement are recognised in profit or loss unless the criteria for hedge accounting are met.

The derivative financial instruments for which hedge accounting is applied comprise forward currency contracts and currency swaps whose changes in fair value are presented in profit or loss or as a component of equity. In the case of cash flow hedges of currency risks on hedged items, changes in fair value are initially recognised directly in equity and subsequently reclassified to profit or loss when the hedged item affects profit or loss. These derivative financial instruments are measured on the basis of the forward rates provided by the commercial bank concerned. They are derecognised/reclassified when the corresponding hedged items are recognised in the statement of financial position.

■ Receivables and other assets

Receivables and other assets, with the exception of derivative financial instruments, are accounted for at amortised cost. Non-interest-bearing and low-interest receivables with maturities of more than one year are discounted.



The group generally makes use of the possibility of selling export receivables that are covered by credit insurance and/or documentary letters of credit. Receivables sold as of the reporting date are derecognised in full if substantially all risks and rewards have been transferred to the buyer. In the case of receivables covered by credit insurance, the risk relating to the exporter's deductible is generally retained. The group assumes in such cases that substantially all the risks and rewards of the receivables transfer to the purchaser of the receivables if the deductible does not exceed 10% of the value of each individual receivable. The fair value of the expected recourse obligation under the retained deductibles was recognised as an expense.

The sale of receivables from the spare parts business as of the reporting date was carried out under an established master factoring agreement. Assuming the legal validity of the receivables, the factor bears the credit risk on the receivables it has purchased.

■ Inventories

Inventories are carried at the lower of cost and net realisable value. Cost includes costs that are directly related to the units of production and an allocation of fixed and variable production overheads.

The allocation of overheads is based on normal capacity.

Selling costs and general and administrative costs are not capitalised. Inventory risks arising from increased storage periods or reduced usability are accounted for with write-downs.

The FIFO and weighted-average cost methods are applied as simplified measurement methods for raw materials, consumables and supplies.

■ Income tax

The tax expense comprises current and deferred taxes. Current taxes and deferred taxes are recognised in profit or loss except to the extent that they relate to a business combination or to an item recognised directly in equity or in other comprehensive income.

Current taxes are the amounts of taxes expected to be paid or recovered in respect of the taxable profit or tax loss for the financial year on the basis of the tax rates that apply at the reporting date or will apply in the near future together with all adjustments recognised for current tax of prior periods.

Deferred tax assets and deferred tax liabilities are accounted for using the liability method and are recognised for all temporary differences between the tax base and the carrying amounts in accordance with IFRS, for unused tax losses and for consolidation adjustments recognised in profit or loss. Deferred tax assets are only recognised to the extent that it is probable that the related tax benefits can be realised.

Deferred taxes are measured on the basis of the income tax rates that apply in the various countries at the time of realisation. Changes in the tax rates are taken into account if it is sufficiently certain that they will occur. Where legally permissible, deferred tax assets and liabilities have been offset.

Tax liabilities are recognised in the event that amounts in tax returns will probably not be realised (uncertain tax items). The amount is the best estimate of the expected tax payment (the expected amount or most likely amount of the uncertain tax item). Tax receivables from uncertain tax items are recognised if it is probable that they can be realised. Only if there is a tax loss carryforward or unused tax credit is no tax liability or tax receivable recognised for an uncertain tax item; the deferred tax asset for the unused tax loss carryforwards and tax credits is then adjusted instead.



■ Provisions for pensions

Provisions for pensions are measured using the projected unit credit method in accordance with IAS 19. This method takes into account known vested benefits at the reporting date together with expected future increases in state pensions and salaries based on a prudent assessment of relevant variables. The provisions are calculated on the basis of actuarial appraisals that take into account biometric factors.

Actuarial gains and losses have a direct impact on the consolidated statement of financial position, resulting in an increase or decrease in provisions for pensions and similar obligations and a reduction or increase in other reserves in equity. The consolidated statement of profit and loss is not affected by actuarial gains and losses as they are required to be recognised in other comprehensive income. Net interest on the net defined benefit obligation is determined by multiplying the net defined benefit obligation by the discount rate used to measure the defined benefit obligation. Because the net defined benefit obligation is reduced by any plan assets, the same discount rate is used to calculate return on plan assets. Current and past service costs and net interest are recognised in profit or loss.

■ Partial retirement benefit obligations

According to the definition of post-employment benefits in IAS 19, top-up payments under partial retirement agreements come under other long-term employee benefits. Such top-up payments are therefore not recog-

nised in full as liabilities at their net present value. Instead, they are accrued on a prorated basis across the relevant years of active service of the employees taking partial retirement.

■ Other provisions

Other provisions are recognised when the group has a present obligation to a third party as a result of a past event, an outflow is probable and the amount of the obligation can be reliably estimated. The provisions are measured at fully attributable costs or on the basis of the most probable settlement amount.

Restructuring provisions are recognised in connection with measures that materially change the scope of the business undertaken by a segment or business unit or the manner in which that business is conducted. Most such measures involve the termination of employment relationships. Restructuring provisions are recognised when implementation of a detailed formal plan has started or such a plan has been announced.

Non-current provisions with a residual term of more than one year are recognised at the settlement amount discounted to the reporting date. The discount rate reflects the risks specific to the liability. The increase in the provision due to the passage of time is recognised as an interest expense.



■ Revenue

The basic criterion for revenue recognition under IFRS 15 is transfer of control. A distinction is made between transfer of control at a point in time and transfer of control over time:

Krones provides machinery and systems for filling and packaging and for beverage production. Krones recognises revenue for highly customer-specific projects over time rather than at a point in time, as the resulting assets have no alternative use as a rule and Krones has a legal right to payment, including a profit margin, for performance already completed. Progress is measured using an input method. The percentage of completion is the ratio of contract costs incurred up to the reporting date to the total estimated cost of the project.

A further important part of Krones' business model consists of services. The company maintains service centres and offices around the world. Krones provides a comprehensive range of products and services for customers under the heading of lifecycle service (LCS). Krones recognises revenue from sales of spare parts at a point in time, on delivery of the goods (transfer of control). Revenue for services that come under LCS is mostly recognised over time as the customer simultaneously receives and consumes the benefits provided by the group's performance as the group performs. Accordingly, revenue is mostly recognised over time using an input method on the basis of the costs incurred. Revenue is only recognised on a straight-line basis in the case of longer-term maintenance services.

A provision is recognised in accordance with IAS 37 for anticipated losses relating to customer orders.

Costs to obtain contracts where the amortisation period of the costs would be one year or less are immediately recognised as expense.

Krones receives payments from customers on the basis of a payment plan that is part of the contracts. The payment terms vary among business units and countries. Contract assets relate to our conditional right to consideration for contractual performance obligations satisfied to date. Trade receivables are recognised when the right to receive the consideration becomes unconditional.

Contract liabilities relate to payments received in advance, meaning before contractual performance obligations have been satisfied. Contract liabilities are recognised as revenue when we satisfy the contractual performance obligations. If performance exceeds advance payments, the resulting positive balance is presented in contract assets and receivables.

Financing components are not included in the amount of revenue to be recognised if it is expected at the inception of the contract that the period between the transfer of the promised good or promised service and payment for that good or service will be one year or less.

Revenue is presented net of reductions.



■ Statement of cash flows

Proceeds and payments from time deposits are presented in cash flow from investing activities.

■ Segment reporting

Krones reports on three operating segments, which are the strategic business units. These are organised by product divisions and services and managed separately due to the different technologies they cover. The Executive Board, as the chief operating decision maker, manages the company as a whole on the basis of monthly reports from the segments. Segment 1 comprises Filling and Packaging Technology, Segment 2 Process Technology and Segment 3 Intralogistics. The accounting policies used are the same as those described under “General disclosures” above.

Segment performance is measured on the basis of internal reporting to the Executive Board, primarily segment revenue and segment EBITDA.

The table below shows revenue generated through business with third parties in each country (based on the location of customer headquarters).

€ thousand	2024	2023
Germany	465,168	452,402
North America	1,220,738	1,193,722
Rest of the world	3,607,651	3,074,552
	5,293,557	4,720,676

The table below shows non-current assets in each country:

€ thousand	2024	2023
Germany	803,279	723,864
North America	198,045	199,001
Rest of the world	459,290	297,133
	1,460,615	1,219,998



Notes to the consolidated statement of financial position

1 Intangible assets

The carrying amount of intangible assets changed as follows:

€ thousand	Industrial property rights and similar rights and assets as well as licenses	Goodwill	Capitalised development expenditure	Advance payments made	Total
31 Dec 2022					
Cost	291,894	171,027	523,084	78	986,083
Accumulated amortisation	204,437	36,590	395,707	0	636,734
Net carrying amount	87,457	134,437	127,377	78	349,349
Changes in 2023					
Cost					
Consolidated additions	50,389	70,525	0	0	120,914
Additions	40,743	0	21,738	113	62,594
Disposals	4,277	0	12,511	0	16,788
Transfers	1	0	0	-1	0
Exchange differences	-3,122	-6,019	0	0	-9,141
Amortisation					
Additions	18,849	17,022	28,737	0	64,608
Disposals	4,211	0	12,511	0	16,722
Transfers	0	0	0	0	0
Exchange differences	-516	-1,132	0	0	-1,648
Net carrying amount at 31 Dec 2023	157,069	183,053	120,378	190	460,690
31 Dec 2023					
Cost	375,628	235,533	532,311	190	1,143,662
Accumulated amortisation	218,559	52,480	411,933	0	682,972
Net carrying amount	157,069	183,053	120,378	190	460,690

Table continued on next page

€ thousand	Industrial property rights and similar rights and assets as well as licenses	Goodwill	Capitalised development expenditure	Advance payments made	Total
Changes in 2024					
Cost					
Consolidated additions	46,259	36,314	24,869	0	107,442
Additions	26,056	0	32,268	767	59,091
Disposals	5,132	0	0	0	5,132
Transfers	110	0	0	–110	0
Exchange differences	5,835	11,423	2,044	0	19,302
Amortisation					
Additions	23,223	0	30,465	0	53,688
Disposals	4,380	0	0	0	4,380
Transfers	0	0	0	0	0
Exchange differences	1,629	2,311	1,128	0	5,068
Net carrying amount at 31 Dec 2024	209,725	228,479	147,966	847	587,017
31 Dec 2024					
Cost	448,756	283,270	591,492	847	1,324,365
Accumulated amortisation	239,031	54,791	443,526	0	737,348
Net carrying amount	209,725	228,479	147,966	847	587,017

Adjusted for rounding

The additions to industrial property rights, similar rights/assets and licenses mainly relate to licenses for IT software. Customer bases amounting to €74,578 thousand (previous year: €52,851 thousand) are included in the carrying amount as of the reporting date.

All goodwill underwent a regular impairment test in accordance with IAS 36, as in the previous year. Impairment testing is performed on the basis of

value in use at the level of the smallest cash-generating unit (CGU) or group of cash-generating units. The cash flow projections underlying impairment tests are based on the approved financial forecasts within the forecast period. These forecasts are based in part on external sources of information. They also take into account price agreements based on past experience and expected efficiency gains as well as assumptions about revenue growth based on strategy.

The table below provides an overview of the tested goodwill and the assumptions used for the respective impairment tests, each of which was performed at the level of the smallest cash-generating unit (CGU):

CGU		Carrying amount of goodwill € thousand	Forecast period in years	Annual revenue growth at end of forecast period	Discount rate before taxes
IPS	2024	37,024 ²⁾	4	1.0%	10.8%
	2023	34,810 ²⁾	3	1.0%	11.5%
R+D Custom	2024	9,396 ²⁾	4	2.0%	12.6%
	2023	8,831 ²⁾	3	3.0%	13.9%
Advanced Molding Technologies (AMT)	2024	56,771	4	1.0%	10.9%
	2023	20,180	3	1.0%	11.3%
Javlyn	2024	4,949 ²⁾	4	1.5%	10.1%
	2023	4,651 ²⁾	3	1.5%	17.9%
Pump and valve technology	2024	72,128 ²⁾	4	2.0%	10.2%
	2023	67,793 ²⁾	3	2.0%	11.3%
System Logistics	2024	30,906	4	1.0%	10.8%
	2023	30,906	3	1.0%	11.4%
HST	2024	4,258	4	1.0%	10.9%
	2023	4,258	3	1.0%	11.5%
Other ¹⁾	2024	13,047 ²⁾	4	1.0% – 2.0%	10.1% – 15.1%
	2023	11,624 ²⁾	3	1.0% – 2.0%	10.0% – 17.9%

¹⁾ Goodwill with a carrying amount of less than €4 million in each case

²⁾ Change due to currency translation

The addition to the goodwill of the AMT CGU results from the Netstal acquisition. The MHT CGU was merged with the AMT CGU in the financial year.

The pre-tax discount rates are based on risk-free interest rates, which are determined on the basis of long-term government bond yields. The discount rate is adjusted for a risk premium that reflects the general risk associated with equity investments and the specific risk of the CGU. Revenue growth at the end of the forecast period is the long-term average growth rate of the respective industrial sectors and countries in which the CGUs do business.

The impairment test did not result in the recognition of goodwill impairments (previous year: goodwill impairments of €17,022 thousand). The goodwill impairments in the previous year mainly related to reduced earnings prospects at R+D Custom and were included in amortisation of intangible assets.

The capitalised development expenditure relates to new machinery projects at Krones AG. Development expenditure capitalised in the reporting period amounts to €32,268 thousand (previous year: €21,738 thousand).

As in the previous year, this includes borrowing costs in a non-material amount. Including capitalised development expenditure, a total of €221,342 thousand was spent on research and development in 2024 (previous year: €194,035 thousand). Impairment losses on capitalised development expenditure were recognised in amortisation in the reporting year in the amount of €291 thousand (previous year: €1,537 thousand). As in the previous year, the charges were incurred in the Filling and Packaging Technology segment only and related to technologies that will not be further pursued.

In the reporting period, business combinations resulted in €71,128 thousand in additions to net carrying amounts for intangible assets (previous year: €50,389 thousand) and €36,314 thousand in additions to goodwill (previous year: €70,525 thousand).



2 Property, plant and equipment

In 2024, as in the previous year, it was not necessary to recognise any impairments of property, plant and equipment in accordance with IAS 36. Additions to land and buildings and to construction in progress primarily related to expansion at the Neutraubling site in Germany (extension of office and production buildings). The €89,158 thousand in capital expenditure on technical equipment and machinery and on other equipment, furniture and fixtures and office equipment primarily relates to capacity expansion and modernisation at existing production locations.

In 2024, the carrying amounts for property, plant and equipment included government grants of €13,732 thousand (previous year: €13,973 thousand). Government grants in the amount of €1,121 thousand (previous year: €804 thousand) were reversed to profit or loss in 2024. As in the previous year, the depreciation figure in 2024 does not include any impairment reversals.

The reported property, plant and equipment is not subject to any restrictions of title or disposal.

In the reporting period, business combinations resulted in €44,073 thousand in additions to net carrying amounts for property, plant and equipment (previous year: €12,836 thousand).

Property, plant and equipment, including right-of-use assets, changed as follows:

€ thousand	Land and buildings	Technical equipment and machinery	Other equipment, furniture and fixtures and office equipment	Construction in progress	Advance payments made	Total
31 Dec 2022						
Cost	773,684	413,059	336,243	20,785	6,766	1,550,537
Accumulated depreciation	334,610	291,742	230,522	0	0	856,874
Net carrying amount	439,074	121,317	105,721	20,785	6,766	693,663
Changes in 2023						
Cost						
Consolidated additions	6,958	0	5,878	0	0	12,836
Additions	60,184	21,524	58,572	15,148	13,878	169,306
Disposals	11,454	9,294	36,166	755	123	57,792
Transfers	5,736	2,765	2,927	–8,066	–3,362	0
Exchange differences	–6,596	–2,560	–4,326	–645	–15	–14,142
Depreciation						
Consolidated additions	0	0	0	0	0	0
Additions	38,997	19,933	42,392	105	0	101,427
Disposals	8,272	9,128	35,500	0	0	52,900
Reversals	0	0	0	0	0	0
Transfers	0	0	0	0	0	0
Exchange differences	–2,283	–2,056	–2,894	0	0	–7,233
Net carrying amount at 31 Dec 2023	465,460	125,003	128,608	26,362	17,144	762,577

Table continued on next page

€ thousand	Land and buildings	Technical equipment and machinery	Other equipment, furniture and fixtures and office equipment	Construction in progress	Advance payments made	Total
Changes in 2024						
Cost						
Consolidated additions	33,191	8,741	2,141	0	0	44,073
Additions	31,772	30,101	59,057	24,419	17,518	162,867
Disposals	17,571	12,726	37,048	612	178	68,135
Transfers	15,576	14,210	– 529	– 14,770	– 14,487	0
Exchange differences	1,944	2,848	1,874	– 54	2	6,614
Depreciation						
Consolidated additions	0	0	0	0	0	0
Additions	44,058	23,001	47,683	0	0	114,742
Disposals	16,788	11,245	35,598	0	0	63,631
Reversals	0	0	0	0	0	0
Transfers	0	– 168	168	0	0	0
Exchange differences	1,172	2,492	1,005	0	0	4,675
Net carrying amount at 31 Dec 2024	501,930	154,097	140,845	35,339	19,999	852,210
31 Dec 2024						
Cost	893,424	468,668	388,623	35,450	19,999	1,806,164
Accumulated depreciation	391,494	314,571	247,778	111	0	953,954
Net carrying amount	501,930	154,097	140,845	35,339	19,999	852,210

The table below shows the recognised right-of-use assets for leased assets accounted for in property, plant and equipment:

€ thousand	Land and buildings	Technical equipment and machinery	Other equipment, furniture and fixtures and office equipment	Total
31 Dec 2024				
Net carrying amount	95,910	2,583	35,043	133,536
Additions	24,038	107	21,117	45,262
Depreciation	23,668	1,220	15,910	40,798

€ thousand	Land and buildings	Technical equipment and machinery	Other equipment, furniture and fixtures and office equipment	Total
31 Dec 2023				
Net carrying amount	97,455	3,668	29,895	131,018
Additions	32,167	51	19,435	51,653
Depreciation	21,592	1,373	13,228	36,193



Information on the corresponding lease liabilities is provided on page 296.

Interest expenses include €3,162 thousand (previous year: €2,126 thousand) in interest expense on leases. Other operating expenses include €4,460 thousand (previous year: €4,903 thousand) in expenses from short-term leases, €691 thousand (previous year: €569 thousand) in expenses from leases of low-value assets and €1,520 thousand (previous year: €1,688 thousand) in expenses for variable lease payments. Total cash outflows for recognised leases amount to €44,002 thousand (previous year: €38,194 thousand).

3 Non-current financial assets

The non-current financial assets consist primarily of lendings to and investments in nonconsolidated companies.

4 Investments accounted for using the equity method

One associated company was accounted for using the equity method as of the reporting date (previous year: one company).

Name	Place of business	Ownership interest (%)	
		31 Dec 2024	31 Dec 2023
Associate			
Perfinox Industria Metalurgica S.A., ^{a)}	Vale de Cambra, Portugal	45	0

^{a)} 100% interest in Cambra-System – Engenharia des Sistemas, S.A., Vale de Cambra, Portugal

45% of the shares in Perfinox Industria Metalurgica S.A., Arouca, Portugal and Cambra Sistem – Systems Engineering, S.A., Vale de Cambra (Perfinox) were acquired directly and indirectly in the 2024 financial year.

The shareholding in Technologisches Institut für angewandte künstliche Intelligenz GmbH was sold in 2023. It was therefore reduced from 31.5% to 0%. The loss of €364 thousand recognised in this connection in the previous year comprised the €2,000 thousand sale proceeds less the €2,364 thousand derecognised carrying amount and was presented in the statement of profit and loss within financial income/expense as interest and similar expenses.

The table below shows summary financial information for the main companies included in the consolidated financial statements using the equity method:

Perfinox Industria Metalurgica ^{a)}

€ thousand	2024	2023
Profit or loss for the period	1,142	0
Other comprehensive income	0	0
Total comprehensive income	1,142	0
Share of profit or loss	514	0
Carrying amount at 31 Dec	5,777	0

^{a)} Pre-consolidated sub-group financial statements

5 Inventories

The inventories of the Krones Group are composed as follows:

€ thousand	31 Dec 2024	31 Dec 2023
Raw materials, consumables and supplies	398,859	436,576
Work in progress	119,076	98,564
Finished goods	95,347	66,646
Goods purchased for sale	44,813	32,456
Other	6,657	7,132
Total	664,752	641,374

Inventories are carried at cost or net realisable value.

Write-downs of €2,475 thousand on inventories were recognised as expense in 2024 (previous year: €3,168 thousand) and are substantially based on customary net realisable values and obsolescence allowances.

6 Receivables and other assets

€ thousand	31 Dec 2024	31 Dec 2023
Trade receivables	821,619	797,514
Contract assets	1,094,433	1,056,319
Other assets	187,745	226,100

The group measures expected credit losses using the simplified approach under IFRS 9; accordingly, all trade receivables and contract assets are accounted for with lifetime expected credit losses.

Non-recourse factoring reduced trade receivables by €90,594 thousand as of the reporting date (previous year: €83,558 thousand). Factored export receivables in the amount of €3,222 thousand (previous year: €4,146 thousand) continue to be recognised in full as substantially all the risks and rewards are retained. The purchase price received is presented in other liabilities.

The loss allowance for expected credit losses on trade receivables and contract assets changed as follows:

€ thousand	2024	2023
At 1 Jan	69,776	56,046
Change due to currency effects	–211	–661
Additions	16,571	14,643
Reversals	–5,810	–251
At 31 Dec	80,326	69,776

The loss allowances include €11,521 thousand (previous year: €10,909 thousand) in impairments of contract assets.

Other assets mainly comprise advance payments made (€16,953 thousand; previous year: €43,237 thousand), current tax assets (€50,882 thousand; previous year: €76,996 thousand), prepaid expenses (€30,482 thousand; previous year: €27,823 thousand) and other financial assets (€52,282 thousand; previous year: €54,001 thousand).

The derivative financial instruments measured at fair value that were entered into for future payment receipts and meet the conditions for hedge accounting or that were entered into as stand-alone hedge transactions totalled €10,500 thousand at the reporting date (previous year: €11,543 thousand).

7 Cash and cash equivalents

Apart from cash on hand totalling €348 thousand (previous year: €291 thousand), the cash and cash equivalents of €442,483 thousand (previous year: €448,364 thousand) consist primarily of demand deposits.



Changes in cash and cash equivalents in accordance with IAS 7 Statement of Cash Flows are presented in the statement of cash flows on page 259.

8 Income tax

Income tax receivables and liabilities relate exclusively to income tax in accordance with IAS 12.

The income tax breaks down as follows:

€ thousand	31 Dec 2024	31 Dec 2023
Deferred tax expense/income (–)	1,552	7,107
Current tax	102,859	78,839
Total	104,411	85,946

Deferred taxes are measured on the basis of the tax rates that, based on the current legal situation, apply or are expected to apply in the various countries at the time of realisation. In Germany, the tax rates that apply are, as in the previous year, a corporate income tax rate of 15.0% plus a solidarity surcharge of 5.5% and a local trade tax multiplier (Gewerbesteuerhebesatz)

for Krones AG averaging 336%. The total income tax rate for the companies in Germany is consequently 27.6%. As in the previous year, tax rates abroad range between 9% and 34%.

The deferred tax assets and liabilities at 31 December 2024 break down by items on the statement of financial position as follows:

€ thousand	Deferred tax assets		Deferred tax liabilities	
	31 Dec 2024	31 Dec 2023	31 Dec 2024	31 Dec 2023
Intangible assets	3,583	3,122	51,706	40,554
Property, plant and equipment and other non-current assets	3,204	1,601	26,696	16,863
Current assets	17,309	16,565	45,917	32,884
Tax loss carryforwards	57,188	46,890	0	0
Non-current liabilities	28,631	23,574	4,985	1,323
Current liabilities	36,302	27,398	1,925	345
Deferred tax items recognised in other comprehensive income	25,271	22,681	816	3,198
Subtotal	171,488	141,831	132,045	94,826
Offsetting (–)	–103,657	–81,287	–103,657	–81,628
Total	67,831	60,544	28,388	13,539

The deferred tax assets and liabilities recognised in other comprehensive income amounted, respectively, to €25,271 thousand (previous year: €22,681 thousand) and €816 thousand (previous year: €3,198 thousand). The deferred tax assets include €20,852 thousand (previous year: €22,399 thousand) for actuarial losses recognised in other comprehensive income in accordance with IAS 19 and €4,419 thousand (previous year: €282 thousand) in hedging losses. The deferred tax liabilities comprise €816 thousand (previous year: €942 thousand) for actuarial gains recognised in other comprehensive income in accordance with IAS 19.

Deferred taxes on tax loss carryforwards in the amount of €62,340 thousand (previous year: €86,142 thousand) were not recognised because it is not sufficiently certain that the tax assets will be realised in the foreseeable future. These loss carryforwards can essentially be carried forward indefinitely.

Entities that made losses in the reporting year or the previous year and whose deferred tax assets are not covered by deferred tax liabilities have recognised deferred tax assets in the amount of €4,383 thousand (previous year: €1,163 thousand). There is convincing evidence that these tax assets will be realised on the basis of management assumptions and judgements about the development of the business deriving from past experience and taking into account one-off effects in the financial year under review.

The temporary differences relating to equity interests in subsidiaries (outside basis differences) for which no deferred tax liabilities were recognised at the reporting date totalled €639,520 thousand (previous year: €608,050 thousand).

The tax expense of €104,411 thousand reported in 2024 is €917 thousand less than the expected tax expense that would theoretically result from application of the domestic tax rate of 27.6% at the group level. The difference can be attributed to the following:

€ thousand	2024	2023
Earnings before taxes	381,622	310,496
Tax rate for the parent company Krones AG	27,60 %	27,60 %
(Theoretical) tax income (-)/tax expense (+)	105,328	85,697
Adjustment due to difference between local tax rate and tax rate of Krones AG	-13,629	-8,354
Reductions in tax due to tax-exempt income	-3,965	-4,539
Current tax losses for which no deferred taxes recognised	804	2,084
Increases in tax expense due to non-deductible expenses	20,720	12,893
Tax effect of impairment of deferred taxes from loss carryforwards (+)/tax effect of as-yet unrealised deferred taxes on loss carryforwards (-)	-3,355	-529
Tax income (-)/tax expense (+) for previous years	343	384
Tax effect of as-yet unrealised deductible temporary differences	-1,848	-1,699
Other	13	9
Taxes on income	104,411	85,946

The Krones Group falls within the scope of the OECD model rules on global minimum taxation. The legislation enacting the rules on global minimum taxation entered into force in Germany on 1 January 2024. The Krones Group applies the exception in IAS 12, according to which no deferred tax assets and liabilities are recognised, and no disclosures made, in relation to OECD Pillar Two income taxes.

By law, the Krones Group must pay a top-up tax for each country in the amount of any difference between the GloBE effective tax rate and the 15% minimum tax rate.



The Krones Group conducted an analysis as of the reporting date to determine the level of exposure and the jurisdictions in which the group may be exposed to impacts in connection with any Pillar 2 top-up tax.

This first involved a review as to whether the CbCR safe harbour rules are relevant. If after reviewing for the safe harbour rules a country was not exempt from the Pillar 2 calculations, the effective tax rate was determined on a simplified basis. Some countries are not covered by the CbCR safe harbour rules.

The analysis identified a potential impact from the payment of a jurisdictional top-up tax in the United Arab Emirates, as the average effective tax rate on the proportionate profit, determined using the simplified calculation according to the Pillar Two rules, is below 15%. The calculated jurisdictional top-up tax amounts to €300 thousand and is included in the current tax expense for the group. The group closely monitors the progress of the legislative process in each of the countries in which the Krones Group operates.

9 Equity

Krones AG's share capital amounted to €40,000,000.00 at 31 December 2024, as in the previous year. It is divided into 31,593,072 ordinary bearer shares, each with a theoretical par value of €1.27 per share. 31,593,072 shares were in circulation at the reporting date (previous year: 31,593,072). At 31 December 2024, as in the previous year, the company held no treasury shares.

The company is authorised in accordance with Section 71 (1) No. 8 of the German Stock Corporation Act (AktG) to buy treasury shares totalling up to 10% of the current share capital in compliance with the provisions of the law and of the authorising resolution.

The authorisation can be exercised by the company, by its consolidated companies or by a third party acting on its or their behalf, either in whole or in part, once or multiple times, in pursuit of one or multiple purposes.

The authorisation became effective upon resolution by the annual general meeting on 23 May 2023 and applies until midnight on 22 May 2028.

By resolution of the annual general meeting on 17 May 2021, the Executive Board is authorised to increase the company's share capital, with the approval of the Supervisory Board, by up to €10 million (authorised capital) through the issuance on one or more occasions of new ordinary bearer shares against cash contributions up to and including 15 June 2026. Shareholders must be granted subscription rights to these shares. The Executive Board is authorised to exclude the subscription rights of shareholders, with the approval of the Supervisory Board, for any fractional amounts that may arise. Moreover, the Executive Board is authorised to determine the further details of the capital increase and its implementation, in both cases with the approval of the Supervisory Board. The Supervisory Board is authorised to amend the articles of association in accordance with any utilisation of the authorised capital and upon expiration of the term of the authorisation.

The changes in equity that are recognised in other comprehensive income (excluding dividends) totalled –€1,093 thousand in the reporting period (previous year: –€52,479 thousand) and consist of changes in exchange differences and cash flow hedges as well as the recognition of actuarial gains and losses on pensions under other reserves. In addition, the allocation of profit or loss to non-controlling interests resulted in a change in equity of €293 thousand (previous year: €39 thousand). The sum of changes in equity that are recognised in other comprehensive income and those that are recognised in profit or loss was €276,119 thousand (previous year: €172,071 thousand).

A dividend of €2.20 per share was approved for the 2023 financial year and paid out by Krones AG in 2024 (previous year: €1.75 per share). The total dividend payout came to €69,505 thousand (previous year: €55,288 thousand).

Disclosures about capital management

A strong equity position is an important prerequisite for ensuring Krones' long-term survival. To achieve this, Krones regularly monitors and manages its capital on the basis of the equity ratio. In order to share the company's success with shareholders, Krones' policy is to pay out 25% to 30% of consolidated profit in the form of dividends.

10 Capital reserves

The capital reserves total €141,724 thousand (previous year: €141,724 thousand). The capital reserves include amounts transferred under Section 272 (2) No. 4 of the German Commercial Code (HGB) and amounts transferred under Section 272 (2) No. 1 HGB totalling €37,848 thousand.

11 Profit reserves

The legal reserve remains unchanged from the previous year at €51 thousand.

The other profit reserves include deductions for negative goodwill from acquisition accounting for subsidiaries consolidated before 1 January 2004 and adjustments made directly in equity at 1 January 2004 on the first-time application of IFRS. They also include the adjustments made directly in equity on the first-time application of IFRS 9 and IFRS 15 as of 1 January 2018.

12 Other reserves

Exchange differences recognised under other reserves contain the currency translations of financial statements of foreign subsidiaries that are recognised in other comprehensive income. Changes in other reserves are shown in the consolidated statement of changes in equity.

Other reserves changed as follows in financial year 2024:

€ thousand	Reserve for post- employment benefits	Reserve for cash flow hedges	Reserve for exchange differences	Other	Total
At 31 Dec 2022	–47,564	–618	–42,815	–804	–91,801
Changes in the consolidated group	0	0	0	0	0
Measurement change	–12,075	9,266	–50,870	0	–53,677
Tax on items taken directly to or transferred from equity	3,412	–2,213	0	0	1,199
At 31 Dec 2023	–56,227	6,436	–93,685	–804	–144,280
Changes in the consolidated group	0	0	0	0	0
Measurement change	5,486	–26,605	15,195	0	–5,924
Tax on items taken directly to or transferred from equity	–1,514	6,345	0	0	4,833
At 31 Dec 2024	–52,253	–13,824	–78,490	–804	–145,373

The measurement changes for cash flow hedges include additions of €26,205 thousand (previous year: –€6,436 thousand) and amounts reclassified to profit or loss totalling €20,258 thousand (previous year: –€7,054 thousand) after taxes.

**13 Non-controlling interests**

Non-controlling interests totalled –€169 thousand in 2024 (previous year: –€462 thousand).

A detailed overview of the composition of and changes to the individual equity components for the Krones Group in 2024 and the previous year is presented in the statement of changes in equity on page 260.

**14 Provisions for pensions**

Provisions for pensions are recognised for obligations relating to vested benefits and current benefit payments for eligible active and former employees of Krones Group companies and their surviving dependants. Various forms of retirement provision exist depending on the legal, economic and tax circumstances of the relevant country and are generally based on employees' remuneration and years of service.

Company pension plans are generally either defined contribution plans or defined benefit plans.

In defined contribution plans, the company does not assume any obligations beyond paying contributions to special-purpose funds. Contributions are recognised as personnel expense in the year in which they are paid.

In defined benefit plans, the company undertakes an obligation to render the benefits promised to active and former employees, where a distinction is made between pension schemes financed by provisions and pension schemes financed through pension funds. The amount of the pension obligations (the defined benefit obligation) was computed in accordance with actuarial methods.

The basis for calculating provisions for pensions in Germany is the company's pension scheme from 31 December 1982, which is closed to new entrants. The scheme entitles all covered employees to post-employment, permanent disability and widow(er)'s pensions. The age limits are 63 for men and 60 for women. The post-employment pension amounts to 1% (0.5% beginning 1 January 1983) of the eligible earned income for each eligible year of employment, not to exceed 25%. The basis for measurement of the permanent disability and widow(er)'s pensions (50% of post-employment pension) is the post-employment pension that can be earned by the time the employee reaches the age limit, although for the permanent disability benefit only that portion is granted which corresponds to the years of service actually reached. The measurement date for eligible years of service is 31 December 1982. A fixed table applies to new entries after this date. The individual provisions are based on individual contractual agreements.

The current pension arrangements for employees in Switzerland are based on plans governed by the Swiss Federal Act on Occupational Old Age, Survivors' and Invalidity Pension Provision (BVG). The group's pension plans are managed by legally independent foundations funded by regular employee and employer contributions. The final pension benefit is contribution-based with certain minimum guarantees. Because of these minimum guarantees, the Swiss pension plans are classified as defined benefit plans for the purpose of the IFRS financial statements, even though they have many of the characteristics of defined contribution plans. Any shortfall can be remedied in various ways, including increasing employee and employer contributions, reducing the rate of return on plan assets, reducing future benefit entitlements or suspending early withdrawals.

There are further non-material pension plans in Germany and other countries. These therefore do not need to be described in detail.



Both the defined benefit obligations and plan assets are subject to fluctuations over time. This can have a positive or negative effect on funding status. Fluctuations in the defined benefit obligation within the Krones Group result primarily from changes in financial assumptions such as discount rates and increases in the cost of living as well as changes in demographic assumptions such as changed life expectancy.

The group used the Heubeck 2018 G tables for the mortality assumptions used for pension plans in Germany. The mortality assumptions used for the pension plans in Switzerland are based on the BVG 2020.

The actuarial calculations were based on the following assumptions in addition to the assumptions on mortality:

%	2024	2023
Average for the group		
Discount rate	2.5	3.4
Projected increases in wages and salaries	0.7	0.0
Projected increases in state pensions	1.2	2.2

The rates recommended for measuring pension liabilities at the end of the financial year as published by Heubeck AG, Mercer Deutschland GmbH, TowersWatson and AON Hewitt are used to determine the relevant discount rates for the pension provision in Germany. These values, which in turn are determined on the basis of market yields on senior fixed-coupon corporate bonds, are used to obtain an interest rate that reflects the anticipated benefit payments. The discount rate for pension plans in Switzerland is based on that recommended by Mercer Switzerland Inc.

The following amounts are expected to be contributed to the defined benefit obligation in the coming years.

€ thousand	2024
Within the next 12 months	16,450
Between 2 and 5 years	62,474
Between 5 and 10 years	84,292

The average weighted residual term of post-employment benefit obligations is 14 years (previous year: 15 years).

The projected increases in wages and salaries comprise expected future pay increases, which are estimated each year on the basis, among other things, of inflation and employees' years of service with the company. Since the pension commitments at our companies in Germany are independent of future pay increases, the projected increase in wages and salaries was not taken into account when determining the corresponding pension provisions.

Increases or decreases in either the net present value of defined benefit obligations or the fair value of fund assets can result in actuarial gains or losses due to factors such as changes in parameters, changes in estimates relating to the risks associated with the pension commitments and differences between the actual and expected return on plan assets. The net value of the pension provisions breaks down as follows:

€ thousand	31 Dec 2024	31 Dec 2023	31 Dec 2022
Present value of benefit commitments financed by provisions	165,347	168,705	156,944
Present value of benefit commitments financed through pension funds	173,627	37,733	37,683
Present value of benefit commitments (gross)	338,974	206,438	194,627
Fair value of plan assets	–178,090	–27,994	–28,043
Total funding status	160,884	178,444	166,584
Asset recognition limit	9,444	0	0
Carrying amount at 31 December (net defined benefit obligation)	170,328	178,444	166,584
Balance sheet presentation			
■ Defined benefit plan assets	2,308	0	0
■ Defined benefit plan liabilities	172,636	178,444	166,584

The recognition of plan assets is limited to the present value of any economic benefits available from refunds from the plans or reductions in future contributions to the plans. On the basis of current market assumptions, the surplus of certain Swiss pension plans exceeds the asset ceiling recognisable under IFRS; this led to the introduction of a recognition limit.

€ thousand	31 Dec 2024	31 Dec 2023
Asset recognition limit		
At 1 January	0	0
Consolidated additions	20,785	0
Exchange differences	411	0
Adjustment to asset recognition limit	–11,752	0
At 31 December	9,444	0
Fair value of plan assets at 31 December		
Excluding asset recognition limit	178,090	27,994
Asset recognition limit	–9,444	0
Including asset recognition limit	168,646	27,994

€ thousand	31 Dec 2024	31 Dec 2023
Composition of plan assets		
Equity instruments	69,994	1,472
Debt securities	60,860	21,077
Property	30,984	364
Cash assets and money market instruments	4,076	4,590
Other investments	12,176	291
At 31 December	178,090	27,994

The pension provisions, which amounted to €163,999 thousand at the reporting date (previous year: €167,461 thousand), are primarily attributable to the German pension plans. The actuarial gains or losses resulting from changes in financial assumptions totalled €6,507 thousand (previous year: –€12,915 thousand). Experience adjustments total €431 thousand (previous year: –€1,498 thousand); adjustments due to changes in demographic assumptions total €0 thousand (previous year: €0 thousand).

The costs arising from pension obligations amounted to €8,511 thousand (previous year: €7,082 thousand) and break down as follows:

€ thousand	31 Dec 2024	31 Dec 2023	31 Dec 2022
Current service cost	3,038	829	1,708
Interest expense	8,466	7,313	3,773
Expected return on plan assets	–2,953	–1,028	–363
Past service cost and plan curtailments	–40	–32	–39
Costs arising from pension obligations	8,511	7,082	5,079

The table below shows the reconciliation of the present value of defined benefit obligations, which amounted to €338,974 thousand (previous year: €206,438 thousand) and mostly related to the German pension plans in the amount of €187,642 thousand and the Swiss pension plans in the amount of €141,787 thousand, the fair value of the plan assets, which amounted to €178,090 thousand (previous year: €27,994 thousand), and the net amount of the two items are as follows:

€ thousand	Present value of benefit commitments	Fair value of plan assets	Total
At 1 January 2023	194,627	–28,043	166,584
Consolidated additions	0	0	0
Current service cost	829	0	829
Interest expense (+)/interest income (–)	7,313	–1,028	6,285
Actuarial gains (+)/losses (–)	11,759	316	12,090
Employer contributions	0	–1,164	–1,164
Benefits paid	–8,719	1,993	–6,786
Recognised past service cost	577	0	577
Exchange differences	52	–8	29
At 31 December 2023	206,438	–27,994	178,444

€ thousand	Present value of benefit commitments	Fair value of plan assets	Total
At 1 January 2024	206,438	–27,994	178,444
Consolidated additions	125,034	–145,819	–20,785
Current service cost	3,038	0	3,038
Interest expense (+)/interest income (–)	8,466	–2,953	5,513
Actuarial gains (+)/losses (–)	5,236	137	5,373
Employer contributions	0	–4,027	–4,027
Benefits paid	–14,696	7,759	–6,937
Recognised past service cost	1,051	0	1,051
Exchange differences	4,407	–5,193	786
At 31 December 2024	338,974	–178,090	160,884

The actuarial gains or losses mainly relate to changes in financial assumptions.

The fair value of plan assets was €178.1 million as of 31 December 2024 (previous year: €28 million) and mostly relates to the Swiss pension plans in the amount of €152,712 thousand.

The expected contributions to plan assets in 2025 are €4,615 thousand.

The expected pension benefit payments to be paid out of plan assets in 2025 amount to €9,987 thousand.

In 2024, a total of €71,545 thousand (previous year: €57,348 thousand) was spent on the employer contribution to defined contribution plans (contributions to pension insurance).

The sensitivity of the present value of the pension commitments (gross commitments) to changes in the weighted assumptions is as follows:

	Change in assumption	Effect on the obligation	
		Assumption increases	Assumption decreases
Discount rate	0.50%	5.5% decrease	6.7% increase
Projected	0.50%	3.8% increase	3.3% decrease
Life expectancy	1 year	2.8% increase	2.6% decrease

The above sensitivity analysis is based on a change in one assumption, with all other factors held constant. It is unlikely that this would be the case in reality and changes in several assumptions may be correlated. The same method was used to calculate the sensitivity of the defined benefit obligation to actuarial assumptions as was used to calculate the provisions for pensions in the statement of financial position.

15 Other provisions

€ thousand	1 Jan 2024	Consolidated additions	Utilisation	Reversal	Unwinding of discount/ change in discount rate	Additions	Exchange differences	31 Dec 2024	Due within 1 year
Personnel obligations	65,380	1,161	4,253	653	1,866	13,972	718	78,191	7,866
Provisions for anticipated losses	44,031	0	26,560	1,254	0	48,244	853	65,314	65,310
Provisions for warranties	66,922	7,083	6,753	2,513	101	24,360	1,057	90,257	72,878
Other remaining provisions	53,208	1,292	12,790	16,370	0	27,839	504	53,683	45,439
Total	229,541	9,536	50,356	20,790	1,967	114,415	3,132	287,445	191,493

The provisions for personnel obligations are primarily for non-current obligations relating to partial retirement. The personnel obligations include €1,866 thousand for the effects of the time value of money (previous year: €1,721 thousand).

Provisions for anticipated losses relate to anticipate losses arising from customer contracts. As soon as an anticipated loss is identified, a provision is immediately recognised for it at the expected amount.

The provisions for warranties relate to project business and represent the expected costs from customer orders. The estimates for liabilities relating

to project business are based on experience in recent years and mostly have a contractual term of between one and two years from acceptance. Krones therefore expects that the majority of provisions for warranties will be settled within the next two years.

The other remaining provisions primarily include provisions for damages and legal fees. The non-current provisions have been discounted using rates between 1.5% and 3.3%.

16 Liabilities

€ thousand	Residual term of up to 1 year	Residual term of 1 to 5 years	Residual term of over 5 years	Total at 31 Dec 2024
Liabilities to banks	1,280	1,339	0	2,619
Contract liabilities	926,840	0	0	926,840
Trade payables	802,194	0	0	802,194
Other financial obligations	3,322	39,492	0	42,814
Liabilities from leases	40,793	70,946	22,265	134,004
Other liabilities*	391,028	1,790	0	392,818
Total	2,165,457	113,567	22,265	2,301,289

* The other liabilities include €116,557 thousand in financial liabilities.

€ thousand	Residual term of up to 1 year	Residual term of 1 to 5 years	Residual term of over 5 years	Total at 31 Dec 2023
Liabilities to banks	1,244	2,521	0	3,765
Contract liabilities	1,040,990	0	0	1,040,990
Trade payables	723,164	0	0	723,164
Other financial obligations	32,117	29,267	0	61,384
Liabilities from leases	35,792	74,701	25,482	135,975
Other liabilities*	350,987	1,819	0	352,806
Total	2,184,294	108,308	25,482	2,318,084

* The other liabilities include €89,641 thousand in financial liabilities.

Krones makes use of a supplier finance programme. The group does not derecognise the original trade payables as it is not legally discharged from the liability and the liability is not materially modified. From the group's perspective, the arrangement does not materially change the payment terms. The group does not incur any additional interest or costs for the

trade payables. The amounts therefore continue to be presented in trade payables as they correspond to trade payables in nature and purpose. The arrangements enable our suppliers to receive payments early, while we benefit from extended payment terms. No securities or guarantees have been provided under these arrangements. The concentration of liquidity risk with financing providers is monitored on a regular basis to ensure that excessive risk does not arise.

As of 31 December 2024, trade payables include supplier finance liabilities in the amount of €145,919 thousand (previous year: €141,360 thousand).

€ thousand	31 Dec 2024	31 Dec 2023
Carrying amount of supplier finance liabilities	145,919	141,360
Carrying amount of supplier finance liabilities for which suppliers have already received payment	120,628	113,392

These outstanding trade payables are settled with suppliers by a bank before they are due. Within the programme, the original supplier liabilities are unaffected in substance because the acknowledgement of the liability is unaltered and they are presented as trade payables.

The payment terms for liabilities under the supplier finance program were between 45 and 180 days. The payment terms for liabilities to suppliers not participating in the supplier finance program were between one and 180 days.

Liabilities to banks (drawings on carried current credit lines, unsecured) carried interest at an average rate of 4.0% in the financial year (previous year: 3.6%).

Reconciliation of movements in liabilities to cash flow from financing activities

The table below shows changes in liabilities to banks and lease liabilities as a result of cash and non-cash changes.

€ thousand	31 Dec 2023	Other changes	Cash changes	Non-cash change due to acquisitions	31 Dec 2024
Liabilities to banks	3,765		–1,146		2,619
Liabilities from leases	135,975	39,324	–44,243	2,948	134,004
Total	139,740	39,324	–45,389	2,948	136,623

€ thousand	31 Dec 2022	Other changes	Cash changes	Non-cash change due to acquisitions	31 Dec 2023
Liabilities to banks	5,000		–1,235		3,765
Liabilities from leases	105,929	67,531	–37,573	88	135,975
Total	110,929	67,531	–38,808	88	139,740

The other changes mainly comprise additions from new leases.

The other financial liabilities are receivables not derecognised under IFRS 9, put/call options and earn-out obligations. Receivables not derecognised under IFRS 9 are also included in the amount of €3,222 thousand (previous year: €4,146 thousand) in trade receivables.

The other liabilities break down as follows:

€ thousand	Residual term of up to 1 year	Residual term of 1 to 5 years	Residual term of over 5 years	Total at 31 Dec 2024
Tax liabilities	40,549	784	0	41,333
Social security liabilities	11,970	15	0	11,985
Payroll liabilities	37,556	725	0	38,281
Accruals	249,483	0	0	249,483
Other	51,470	266	0	51,736
Total	391,028	1,790	0	392,818

€ thousand	Residual term of up to 1 year	Residual term of 1 to 5 years	Residual term of over 5 years	Total at 31 Dec 2023
Tax liabilities	41,272	628	0	41,900
Social security liabilities	11,033	0	0	11,033
Payroll liabilities	28,292	943	0	29,235
Accruals	227,757	0	0	227,757
Other	42,633	248	0	42,881
Total	350,987	1,819	0	352,806

The ‘other’ item includes €0 thousand (previous year: €2,135 thousand) in liabilities for severance payments.

Accruals, which amounted to €249,483 thousand (previous year: €227,757 thousand), have significantly less uncertainty with respect to their amount and timing than is the case with provisions. The primary items they include are outstanding supplier invoices, obligations relating to flexible working hours, accrued vacation, and performance bonuses.

17 Contingent liabilities

There were no contingent liabilities in the reporting period or in the previous year.

18 Other disclosures relating to financial instruments

The derivative financial instruments of the Krones Group substantially cover the currency risks relating to the US dollar, the Canadian dollar, the Chinese renminbi yuan and the pound sterling. The nominal and fair values of the derivative financial instruments are as follows at the reporting date:

€ thousand	31 Dec 2024	31 Dec 2023	31 Dec 2024	31 Dec 2023
	Nominal value	Nominal value	Fair value	Fair value
Financial assets				
Currency hedging				
Forward exchange contracts	295,721	479,996	10,500	11,543
of which hedge accounting	5,454	389,045	137	10,451
Financial liabilities				
Currency hedging				
Forward exchange contracts	415,335	279,637	21,531	4,998
of which hedge accounting	356,701	104,835	21,192	1,096

The fair value includes the difference between the forward rate received from the relevant commercial bank and the rate at the reporting date together with appropriate premiums or discounts under accepted appraisal methodologies. These financial instruments are generally accounted for at the trade date.

Default risk relating to derivative financial instruments in the event of counterparty default is limited to the balance of the positive fair values. The cash flow hedges presented are judged to be effective.

The net gain from derivatives was €5,553 thousand in the reporting period (previous year: net loss of €3,390 thousand). The German master agreements and ISDA agreements do not meet the criteria to require offsetting in the consolidated statement of financial position. That is because the company currently does not have a legally enforceable right to offset the recognised amounts. The right to offset these amounts is only enforceable if future events occur such as insolvency of a party to the contract. Hedging transactions entered into directly by subsidiaries of the Krones Group also cannot be offset.

The table below presents the carrying amounts of the financial assets and liabilities underlying these agreements:

€ thousand	31 Dec 2024	31 Dec 2023
Financial assets		
Gross amounts of recognised financial assets	2,412,912	2,359,240
Amounts that are netted in accordance with IAS 32.42	0	0
Net amounts of recognised financial assets	2,412,912	2,359,240
Amounts subject to master netting agreement		
Derivatives	– 557	– 1,948
Net amount of financial assets	2,412,355	2,357,292
Financial liabilities		
Gross amounts of recognised financial liabilities	1,098,188	1,013,929
Amounts that are netted in accordance with IAS 32.42	0	0
Net amounts of recognised financial liabilities	1,098,188	1,013,929
Amounts subject to master netting agreement		
Derivatives	– 557	– 1,948
Net amount of financial liabilities	1,097,631	1,011,981

The following table presents the financial instruments by their measurement categories and classes and also shows how the financial instruments that are measured at fair value fit within the fair value hierarchy.

31 Dec 2024		Measurement under IFRS 9				Measurement hierarchy			
€ thousand	Carrying amount at 31 Dec 2024	Of which subject to IFRS 7	At amortised cost (AC)	At fair value through profit or loss (FVTPL)	At fair value through other comprehensive income (FVOCI)	Measurement under IFRS 16	Level 1	Level 2	Level 3
Assets									
Non-current financial assets	16,747	2,095	2,095						
Trade receivables	821,619	821,619	821,619						
Contract assets	1,094,433	1,094,433	1,094,433						
Other assets	187,745	52,282	41,782	10,363	137			10,500	
of which derivatives	10,500	10,500		10,363	137			10,500	
Cash and cash equivalents	442,483	442,483	442,483						
Liabilities									
Liabilities to banks	2,619	2,619	2,619						
Trade payables	802,194	802,194	802,194						
Other financial liabilities and lease liabilities	176,818	176,818	3,236	39,578		134,004			39,578
Other liabilities and accruals	392,818	116,557	95,026	339	21,192			21,531	
of which derivatives	21,531	21,531		339	21,192			21,531	



31 Dec 2023			Measurement under IFRS 9				Measurement hierarchy		
€ thousand	Carrying amount at 31 Dec 2023	Of which subject to IFRS 7	At amortised cost (AC)	At fair value through profit or loss (FVTPL)	At fair value through other comprehensive income (FVOCI)	Measurement under IFRS 16	Level 1	Level 2	Level 3
Assets									
Non-current financial assets	17,686	3,042	3,042						
Trade receivables	797,514	797,514	797,514						
Contract assets	1,056,319	1,056,319	1,056,319						
Other assets	226,100	54,001	42,458	1,092	10,451			11,453	
of which derivatives	11,543	11,543		1,092	10,451			11,453	
Cash and cash equivalents	448,364	448,364	448,364						
Liabilities									
Liabilities to banks	3,765	3,765	3,765						
Trade payables	723,164	723,164	723,164						
Other financial liabilities and lease liabilities	197,359	197,359	4,147	57,237		135,975			57,237
Other liabilities and accruals	352,806	89,641	84,643	3,902	1,096			4,998	
of which derivatives	4,998	4,998		3,902	1,096			4,998	



Financial instruments categorised as Level 3 inputs and measured at fair value developed as follows:

€ thousand	2024	2023
Net carrying amount at 1 January	57,237	35,674
Additions resulting from acquisitions	200	35,292
Changes	–17,858	–13,779
(of which currency effects)	1,776	–1,792
(of which payouts)	–12,778	–322
Net carrying amount at 31 December	39,578	57,237

There were no other changes. The financial liabilities, which are based on individual measurement parameters and recognised at fair value, comprise contingent consideration and combined put/call options relating to acquisitions. These items are recognised under other financial liabilities and have been measured on the basis of recognised accounting models, taking into account contractual agreements as well as market and company data available at the reporting date.

The fair value of the put/call option for System Logistics was measured using the discounted cash flow method. The main input factors are mid-term planning and the discount rate. The estimated range of the undiscounted exercise prices is between €11,000 thousand and €13,000 thousand at the reporting date. On this basis, the fair value at the reporting date was €10,411 thousand.

The fair value of the put/call option for R+D Custom Automation was measured using the discounted cash flow method. The main input factors are mid-term planning and the discount rate. The estimated range of the undiscounted exercise prices is between €0 thousand and €38,421 thousand at the reporting date. On this basis, the fair value at the reporting date was €2,282 thousand.

The fair value of several contingent purchase price payments totalling €9,210 thousand for Ampco Pumps was measured using the discounted cash flow method; the estimated range of the undiscounted payments to be made is between €0 thousand and €16,328 thousand. The main input factors are mid-term planning and the discount rate. The fair value of the put/call option for Ampco Pumps was measured using the discounted cash flow method. The main input factors are mid-term planning and the discount rate. The estimated range of the undiscounted exercise prices is between €13,446 thousand and €23,051 thousand at the reporting date. On this basis, the fair value at the reporting date was €17,475 thousand.

There were no transfers between levels of the hierarchy.

The default risk to which the group is exposed in trade receivables and contract assets primarily depends on customer creditworthiness.

Krones' management has implemented a process in which the creditworthiness of each customer is assessed on the basis of external data such as ratings or internal data such as payment history and past-due status of receivables.

The final assessment is made on the basis of customer groups and a classification of customers into one of five risk categories, A to E, according to past-due status.

An expected credit loss rate is computed for each risk category on the basis of meaningful data.



The table below shows the gross carrying amounts and expected credit losses on trade receivables and contract assets:

Rating-based at 31 Dec 2024	Gross carrying amount in € thousand	Average loss rate	Loss allowance in € thousand
Key accounts	632,013	0.16 %	917
Major customers	893,111	1.50 %	10,961
Total	1,525,124		11,878

Rating-based at 31 Dec 2023	Gross carrying amount in € thousand	Average loss rate	Loss allowance in € thousand
Key accounts	527,244	0.26 %	1,225
Major customers	887,220	1.58 %	9,584
Total	1,414,464		10,809

Indicators that trade receivables and contract assets may be impaired include significant financial difficulties on the part of the customer.

	Category					
31 Dec 2024	A	B	C	D	E	Total
Average loss rate (%)	0.87 %	0.86 %	7.58 %	12.69 %	20.79 %	
Gross carrying amount in € thousand	353,640	72,787	15,647	7,433	21,748	471,255
Loss allowance in € thousand	3,087	627	1,186	943	4,523	10,366

	Category					
31 Dec 2022	A	B	C	D	E	Total
Average loss rate (%)	0.78 %	0.68 %	5.95 %	11.17 %	19.41 %	
Gross carrying amount in € thousand	390,982	65,757	15,334	14,112	22,962	509,147
Loss allowance in € thousand	3,066	445	913	1,576	4,458	10,458

In addition, there are specific valuation allowances in the amount of €58,083 thousand (previous year: €48,432 thousand) for uncollectible receivables.

The following overview of maturities shows how the undiscounted cash flows relating to liabilities as of 31 December 2024 influence the company's liquidity situation.

€ thousand	Carrying amount at 31 Dec 2024	Cashflow 2025		Cashflow 2026–2029		Cashflow beyond 2029	
		Interest	Repayment	Interest	Repayment	Interest	Repayment
Derivative financial instruments	21,531	0	21,531	0	0	0	0
Liabilities to banks	2,619	18	1,280	7	1,339	0	0
Trade payables	802,194	0	802,194	0	0	0	0
Liabilities from leases	134,004	2,200	40,793	5,721	70,946	1,340	22,265
Other financial liabilities	137,840	0	98,348	0	39,492	0	0
	1,098,188	2,218	964,146	5,728	111,777	1,340	22,265

€ thousand	Carrying amount at 31 Dec 2023	Cashflow 2023		Cashflow 2024–2027		Cashflow beyond 2027	
		Interest	Repayment	Interest	Repayment	Interest	Repayment
Derivative financial instruments	4,998	0	4,870	0	128	0	0
Liabilities to banks	3,765	29	1,244	24	2,521	0	0
Trade payables	723,164	0	723,164	0	0	0	0
Liabilities from leases	135,975	2,185	35,792	6,225	74,701	1,975	25,482
Other financial liabilities	146,027	0	115,282	0	30,745	0	0
	1,013,929	2,214	880,352	6,249	108,095	1,975	25,482

Currency sensitivity analysis

A change in reporting date closing rate by +10% in relation to the foreign currency against the euro (indirect quotation) would have the following effect on consolidated net income and other equity components:

31 Dec 2024 € thousand	Currency USD	Currency CAD	Currency CNY	Currency GBP
Consolidated statement of profit and loss	6,059	334	–457	475
Consolidated equity	20,484	0	2,330	157

31 Dec 2023 € thousand	Currency USD	Currency CAD	Currency CNY	Currency GBP
Consolidated statement of profit and loss	17,606	–86	3,067	1,159
Consolidated equity	22,421	567	3,543	955



Notes to the consolidated statement of profit and loss

19 Revenue

The Krones Group's revenue of €5,293,557 thousand (previous year: €4,720,676 thousand) is recognised revenue from contracts with customers. Revenue from contracts with customers breaks down by segment and invoice recipients in geographical regions as follows.

€ thousand	2024			2023		
	Filling and Packaging Technology	Process Technology	Intralogistics	Filling and Packaging Technology	Process Technology	Intralogistics
Germany	401,364	56,072	7,732	364,098	74,675	13,628
Central Europe (excluding Germany)	270,566	33,553	6,907	247,714	14,427	2,922
Western Europe	529,028	100,769	89,593	429,166	86,417	101,561
Middle East/Africa	548,469	38,825	37	398,948	46,779	152
Eastern Europe	208,194	19,831	136,190	167,700	9,357	19,395
Central Asia (cis)	111,483	6,190	206	41,109	1,908	32
Asia-Pacific	555,166	69,168	25,492	577,048	67,815	37,084
China	389,704	19,661	198	334,754	15,049	28
North and Central America	954,928	120,998	144,812	957,856	107,189	128,677
South America/Mexico	486,304	42,535	19,582	406,348	29,725	39,116
Total	4,455,206	507,602	330,749	3,924,740	453,341	342,595

The group's contract assets and contract liabilities changed as follows in the financial year:

€ thousand	31 Dec 2024	31 Dec 2023
Contract assets	1,094,433	1,056,319
Contract liabilities	926,840	1,040,990

The amount of revenue recognised in 2024 that was included in the contract liability balance at the beginning of the reporting period was €1,040,990 thousand (previous year: €901,447 thousand).

The increase in contract assets is mainly due to a larger volume of work in progress. The reduction in contract liabilities is mainly due to lower prepayments from customers.



The amount of the transaction price allocated to performance obligations unsatisfied (or partially unsatisfied) at the end of the reporting period was €47,641 thousand (previous year: €33,325 thousand). Krones will recognise most of this as revenue in the next 36 months. No disclosures under IFRS 15.120 are made for performance obligations with an original expected duration of one year or less.

Most revenue in the Filling and Packaging Technology segment and almost all revenue in the Process Technology and Intralogistics segments is recognised over time.

20 Other own work capitalised

Other own work capitalised consists primarily of capitalised development expenditure and capitalised cost of self-constructed property, plant and equipment at Neutraubling production site.

With respect to development expenditure capitalised in accordance with IAS 38, please refer to the notes on intangible assets.

21 Other operating income

The other operating income in the amount of €178,821 thousand (previous year: €186,819 thousand) includes prior-period income from the reversal of provisions and accruals (€7,420 thousand; previous year: €4,735 thousand), gains from disposals of non-current assets (€458 thousand; previous year: €9,461 thousand) and from the reversal of loss allowances on receivables and contract assets (€5,810 thousand; previous year: €251 thousand) and – as the main item – currency translation gains of €125,432 thousand (previ-

ous year: €137,058 thousand). This compares with additions to loss allowances of €16,571 thousand (previous year: €14,643 thousand) and currency translation losses of €132,108 thousand (previous year: €135,764 thousand) under other operating expenses.

22 Goods and services purchased

The expenses for goods and services purchased comprises expenses for materials and supplies and for goods purchased amounting to €2,015,562 thousand (previous year: €1,866,716 thousand) and expenses for services purchased amounting to €587,203 thousand (previous year: €515,221 thousand).

23 Personnel expenses

Within the Krones Group, 19,002 people (previous year: 17,435) including trainees (595; previous year: 544) were employed on average over the year. The workforce of the Krones Group is composed as follows (average for the year):

	2024	2023
White-collar employees exempt from collective agreements	2,920	2,765
Employees covered by collective agreements	15,487	14,126
Total	19,002	17,435

24 Other operating expenses

The other operating expenses include €200 thousand in prior-period losses from disposals of non-current assets (previous year: €159 thousand), additions to loss allowances on receivables and contract assets (€16,571 thousand; previous year: €14,643 thousand), other taxes (€8,374 thousand; previous year: €7,489 thousand) and – as the main items – freight costs (€151,440 thousand; previous year: €141,457 thousand), travel costs (€153,116 thousand; previous year: €132,509 thousand), currency translation losses (€132,108 thousand; previous year: €135,764 thousand), rent and cleaning costs (€18,721 thousand; previous year: €12,426 thousand), and maintenance costs (€55,566 thousand; previous year: €48,477 thousand).

25 Financial income/expense

The financial income of €13,002 thousand (previous year: €19,510 thousand) breaks down as follows:

€ thousand	2024	2023
Income from other securities and long-term loans	0	0
Interest and similar income	22,430	32,258
Interest and similar expenses	–14,739	–16,471
Interest income/expense	7,691	15,787
Investment income	4,797	3,723
Profit or loss shares attributable to associates that are accounted for using the equity method	514	0
Net financial income/expense	13,002	19,510

Financial income/expense includes interest and similar income of €22,430 thousand (previous year: €32,258 thousand) and interest and similar expenses of €14,739 thousand (previous year: €16,471 thousand). Also included

in the financial year is income from investments in non-consolidated entities in the amount of €4,797 thousand (previous year: €3,723 thousand). The interest and similar income includes €10,975 thousand (previous year: €16,879 thousand) for reductions in put options and earn-out obligations. Interest and similar expenses include €3,162 thousand (previous year: €2,126 thousand) for interest on lease liabilities and €4,318 thousand (previous year: €5,201 thousand) for an increase in earn-out obligations and obligation relating to put options. Further information on investments accounted for using the equity method is provided in Note 4 (page 284).

26 Income tax

Income tax amounted to –€104,411 thousand in 2024 (previous year: –€85,945 thousand). Further information is presented under Note 8, “Income tax” (pages 286 to 288).

27 Earnings per share

Under IAS 33 “Earnings per share”, basic earnings per share are calculated by dividing consolidated net income – less profit or loss shares of non-controlling interests – by the weighted average number of ordinary shares in circulation, as follows:

	2024	2023
Consolidated net income less profit or loss shares of non-controlling interests (€ thousand)	276,919	224,511
Weighted average number of ordinary shares in circulation (shares)	31,593,072	31,593,072
Earnings per share (€)	8.77	7.11

As in the previous year, diluted earnings per share are equal to basic earnings per share.



Other disclosures

■ Audit and consulting fees

The total fee invoiced for the financial year by the auditor of the financial statements was as follows:

€ thousand	2024	2023
Audit services	1,677	1,637
Other assurance services	325	183
Tax advisory services	0	15
Other advisory services	0	1
Total	2,002	1,836

Disclosures in accordance with the EU Audit Regulation

Other assurance services mainly comprise the limited assurance review of the consolidated sustainability reporting of Krones AG and statutory assurance services in relation to the remuneration report.

■ Events after the reporting period

There were no material events for Krones after the end of the reporting period on 31 December 2024.

■ Related party disclosures

Within the meaning of IAS 24 Related Party Disclosures, the members of the Supervisory Board and of the Executive Board of Krones AG and the companies of the Krones Group, including unconsolidated subsidiaries, are deemed related parties.

The ultimate controlling party of Krones AG is Familie Kronseder Konsortium GbR. Transactions with the related parties and with the ultimate controlling party are conducted at arm's length.

Sales and revenues with members of key management personnel and companies affiliated with them amounted to €19,635 thousand in 2024 (previous year: €7,444 thousand). The amount of the outstanding balance is €6,853 thousand (previous year: €1,501 thousand). Services received from members of key management personnel amount to €376 thousand in 2024 (previous year: €202 thousand). As in the previous year, there are no outstanding balances in this regard.

Revenues with shareholders of the ultimate controlling party of Krones AG and companies affiliated with them amounted to €139 thousand in 2024 (previous year: €150 thousand). Services received from shareholders of the ultimate controlling party of Krones AG and companies affiliated with them amounted to €1,281 thousand in 2024 (previous year: €1,270 thousand). As in the previous year, there are no outstanding balances in this regard.



Sales to subsidiaries that are not consolidated amounted to €9,437 thousand in 2024 (previous year: €11,409 thousand). Commissions received from such subsidiaries amounted to €5,265 thousand in 2024 (previous year: €5,295 thousand). Trade and other payment transactions resulted in assets of €1,021 thousand (previous year: liabilities of €1,335 thousand). Repayment is normally within twelve months. Loss allowances were recognised in the financial year on receivables in the amount of €0 thousand (previous year: €3,192 thousand). As of 31 December 2024, there are loss allowances on receivables in the amount of €512 thousand (previous year: €509 thousand). Income from investments in non-consolidated entities is included in the amount of €4,797 thousand (previous year: €3,723 thousand).

As in the previous year, there are no contingent liabilities relating to guarantees. Trade and other payment transactions with associates totalled €– thousand in 2024 (previous year: €– thousand). As in the previous year, this did not result in any outstanding balance.

■ **Disclosures pursuant to Section 314 (1) No. 6 HGB relating to members of the Executive Board and former members of the Executive Board**

Executive Board remuneration granted and owed for the 2024 financial year amounted to €6,272 thousand (previous year: €5,936 thousand).

Total remuneration granted to former members of the Executive Board and their surviving dependants amounted to €1,532 thousand (previous year: €2,236 thousand). IFRS pension provisions have been recognised in the amount of €5,409 thousand (previous year: €4,583 thousand).

■ **Remuneration recognised as expense within the meaning of IAS 24 for members of the Executive Board**

Executive Board remuneration recognised as expense, including expenses for the long-term incentive provision, amounted to €9,166 thousand for the 2024 financial year (previous year: €7,543 thousand).

This includes short-term benefits in the amount of €6,224 thousand (previous year: €4,945 thousand) and other long-term benefits in the amount of €1,674 thousand (previous year: €1,330 thousand). The benefits mainly comprise fixed remuneration, fringe benefits and variable remuneration components. In addition, €1,268 thousand (previous year: €1,268 thousand) was paid into the contribution-based post-employment benefits plan in 2024. Provisions of €5,260 thousand (previous year: €4,718 thousand) are recognised for the remuneration entitlements of members of the Executive Board. There is a provision of €191 thousand (previous year: €512 thousand) for former members of the Executive Board for the LTI tranches attributable to Mr. Broger's active period of service. The corresponding pro-rata-temporis payment is made, in application of the regular process, at the end of the respective LTI term (the last tranche affected being LTI 2022-2024 for payment in 2025).

IFRS pension provisions of €105 thousand (previous year: €417 thousand) were recognised for active members of the Executive Board. At the end of the financial year, following changes in the actuarial discount rate, the corresponding defined benefit obligation (DBO) amounted in total to €3,515 thousand (previous year: €3,548 thousand).



■ Supervisory Board remuneration

The total remuneration paid to members of the Supervisory Board for the 2024 financial year amounted to €850 thousand (previous year: €915 thousand).

■ Corporate governance

Shareholders can view the declaration of the Executive Board and the Supervisory Board from January 2025 pursuant to Section 161 of the German Stock Corporation Act [AktG] concerning the Corporate Governance Code as amended on 28 April 2022 at Krones AG's website. The exceptions are also listed there.

■ Risk report



The risk report is part of the management report and is on pages 216 to 229.



Standards and interpretations

The accounting policies used in these consolidated financial statements are the standards and interpretations whose application is mandatory as of 31 December 2024. The following new or amended standards and interpretations applied for the 2024 financial year.

Standard or interpretation		EU endorsement	Application mandatory for annual periods beginning
IAS 1	Amendments: Classification of Liabilities as Current or Non-Current	completed	1 Jan 2024
IAS 1	Amendments: Classification of Liabilities as Current or Non-Current – Deferral of Effective Date	completed	1 Jan 2024
IAS 1	Amendments: Non-current Liabilities with Covenants	completed	1 Jan 2024
IAS 7	Amendments: Supplier Finance Arrangements	completed	1 Jan 2024
IFRS 7	Amendments: Supplier Finance Arrangements	completed	1 Jan 2024
IFRS 16	Amendments: Lease Liability in a Sale and Leaseback	completed	1 Jan 2024

Various new or amended standards in the above table entered into force in the reporting period. With the exception of IAS 7 and IFRS 7 (additional notes disclosures), these new or amended standards have no material relevance for Krones AG.

The following standards and interpretations have been issued by the IASB but their application is not mandatory until after 31 December 2024.

Standard or interpretation		EU endorsement	Application mandatory for annual periods beginning
IAS 21	Amendments: Lack of Exchangeability	open	1 Jan 2025
IFRS 9	Amendments to the Classification and Measurement of Financial Instruments	open	1 Jan 2026
IFRS 9	Contracts Referencing Nature-dependent Electricity	open	1 Jan 2026
IFRS 7	Contracts Referencing Nature-dependent Electricity	open	1 Jan 2026
IFRS 7	Amendments to the Classification and Measurement of Financial Instruments	open	1 Jan 2026
	Annual improvements to IFRS – Volume 11	open	1 Jan 2026
IFRS 18	Presentation and Disclosure in Financial Statements	open	1 Jan 2027
IFRS 19	Subsidiaries without Public Accountability: Disclosures	open	1 Jan 2027

IFRS 18 replaces the previous standard IAS 1 Presentation of Financial Statements. The standard has not yet been adopted by the EU. As the qualitative analysis has not yet been completed, it is not yet possible for Krones to make a quantitative statement about the potential impact on the consolidated financial statements.

The remaining standards and interpretations are not expected to have a material impact on the consolidated financial statements of Krones AG in the reporting period to which they are applied for the first time.



Shareholdings

Name and location of the company	Share in Capital held by Krones AG (%*)
Ampco Pumps GmbH, Herxheim, Germany	90.00
Dekron GmbH, Kelkheim, Germany	100.00
Ecomac Gebrauchtmaschinen GmbH, Neutraubling, Germany	100.00
Evoguard GmbH, Nittenau, Germany	100.00
Gernep GmbH Etikettiertechnik, Barbing, Germany	100.00
HST Maschinenbau GmbH, Dassow , Germany	100.00
KIC Krones Internationale Cooperations-Gesellschaft mbH, Neutraubling, Germany	100.00
Krones Holding GmbH, Neutraubling (vormals Syskron Holding GmbH, Wackersdorf), Germany	100.00
Krones Recycling GmbH, Flensburg, Germany	100.00
Krones Service Europe GmbH, Neutraubling, Germany	100.00
MHT Mold & Hotrunner Technology AG, Hochheim am Main, Germany	100.00
Milkron GmbH, Laatzen, Germany	100.00
Schupan Industrieservice GmbH, Rieneck, Germany	100.00
Netstal Deutschland GmbH, Stuttgart, Germany	100.00
Steinecker GmbH, Freising, Germany	100.00
Syskron GmbH, Wackersdorf, Germany	100.00
System Logistics GmbH, Wackersdorf, Germany	100.00
Kosme FBA SA , Charleroi, Belgium	100.00
Netstal Benelux bv, Kruibeke, Belgium	100.00
S.A. Krones N.V., Louvain-la-Neuve, Belgium	100.00
Krones Service Europe Eood, Sofia, Bulgaria	100.00
Krones Nordic APS, Holte, Denmark	100.00
Kosme FBA SAS, Lyon, France	100.00
Krones S.A.R.L., Viviers-du-Lac, France	100.00
Netstal France SAS, Oyonnax, France	100.00
Krones UK LTD., Bolton, U.K.	100.00
*Direct and indirect shareholdings	



Name and location of the company	Share in Capital held by Krones AG (%*)
Netstal UK Ltd., Telford, U.K.	100.00
System LTD., London, U.K.	80.00
Kosme S.R.L., Roverbella (MN), Italy	100.00
Krones Italia S.R.L., Garda (VR), Italy	100.00
Netstal Italia S.R.L., Gerenzano, Italy	100.00
System Logistics S.P.A., Fiorano Modenese (MO), Italy	80.00
Krones Kazakhstan too, Almaty, Kazakhstan	100.00
Krones Nederland B.V., Bodegraven, Netherlands	100.00
Krones Processing Netherlands B.V., Hattem, Netherlands	100.00
Kosme Gesellschaft mbH, Sollenau, Austria	100.00
Krones Spółka z.o.o., Warsaw, Poland	100.00
Cambra-System-Engenharia de Sistemas, S.A., Vale de Cambra, Portugal	45.00
Perfinox Indústria Metalúrgica, S.A., Vale de Cambra, Portugal	45.00
Krones Romania Prod. S.R.L., Bukarest, Romania	100.00
Krones Service Europe SRL, Bukarest, Romania	100.00
Krones o.o.o., Moscow, Russian Federation	100.00
System Northern Europe AB, Malmö, Sweden	80.00
Integrated Plastics Systems AG, Baar, Switzerland	100.00
Krones AG, Buttwil, Switzerland	100.00
Netstal Maschinen AG, Näfels, Switzerland	100.00
Krones Iberica, S.A.U., Barcelona, Spain	100.00
Netstal Ibérica, S.A., Barcelona, Spain	100.00
System Logistics Spain SL, Castellon, Spain	80.00
Konplan s.r.o., Plzeň, Czech Republic	100.00
Krones s.r.o., Prag, Prague, Czech Republic	100.00
Krones Makina Sanayi Ve Ticaret Ltd. Şirketi, Istanbul, Turkey	100.00
Krones Ukraine LLC, Kyiv, Ukraine	100.00
Krones Hungary KFT., Debrecen, Hungary	100.00
Krones Service Europe KFT., Budapest, Hungary	100.00
Krones Angola – Representacoes, Comercio E Industria, LDA., Luanda, Angola	100.00

*Direct and indirect shareholdings



Name and location of the company	Share in Capital held by Krones AG (%)
Krones Surlatina S.A., Buenos Aires, Argentina	100.00
Krones Pacific Pty Limited, Sydney, Australia	100.00
Krones Bangladesh Limited, Dhaka, Bangladesh	100.00
Krones Do Brazil LTDA., São Paulo, Brazil	100.00
Krones S.A., São Paulo, Brazil	100.00
Netstal do Brasil Ltda., Cotia, Brazil	100.00
Krones Chile SPA., Santiago de Chile, Chile	100.00
Krones Machinery (Taicang) Co. Ltd., Taicang, People's Republic of China	100.00
Krones Processing (Shanghai) Co. Ltd., Shanghai, People's Republic of China	100.00
Krones Sales (Beijing) Co. Ltd., Beijing, People's Republic of China	100.00
Netstal Shanghai Machinery LLC, Shanghai, People's Republic of China	100.00
Automata S.A., Guatemala-Stadt, Guatemala	100.00
Krones Digital Solutions India Private Limited, Bangalore, India	100.00
Krones India Pvt. Ltd., Bangalore, India	100.00
System Logistics India Private Limited, Mumbai, India	80.00
Krones Processing India Private Limited, Secunderabad, India, formerly Unicorn Industries Pvt. Ltd., Secunderabad, India	100.00
Pt. Krones Machinery Indonesia, Jakarta, Indonesia	100.00
Systorelog Israel Ltd., Tel Aviv, Israel	80.00
IPS Japan Co. Ltd., Tokyo, Japan	100.00
Krones Japan Co. Ltd., Tokyo, Japan	100.00
Krones (Cambodia) Co. Ltd., Phnom Penh, Cambodia	100.00
Krones Machinery Co. Ltd., Mississauga, Ontario, Canada	100.00
Krones LCS Center East Africa Limited, Nairobi, Kenya	100.00
Krones Andina S.A.S., Bogotá, Columbia	100.00
Krones Korea Ltd., Seoul, Korea	100.00
Krones Machinery Malaysia Sdn. Bhd., Kuala Lumpur, Malaysia	100.00
Krones North West Africa (SARL), Casablanca, Morocco	100.00
Krones Mex S.A. DE C.V., Mexico City, Mexico	100.00
Systemlog De Mexico S.A. DE C.V., Santa Caterina, Nuevo Leon, Mexico	80.00

*Direct and indirect shareholdings



Name and location of the company	Share in Capital held by Krones AG (%)
Krones Myanmar Ltd., Sanchaung Township, Republic of the Union of Myanmar	100.00
Krones New Zealand Limited, Auckland, New Zealand	100.00
Krones LCS Center West Africa Limited, Lagos, Nigeria	100.00
Krones Pakistan (Private) Limited, Lahore, Pakistan	100.00
Krones Filipinas Inc., Taguig City, Philippines	100.00
Krones-Izumi Processing Pte Ltd., Singapur, Republic of Singapore	73.00
Netstal Singapore PTE. Ltd., Singapur, Republic of Singapore	100.00
Krones Middle East Maintenance LLC, Riad, Saudi Arabia	100.00
Krones Southern Africa (Prop.) Ltd., Johannesburg, South Africa	100.00
Krones (Thailand) Co. Ltd., Bangkok, Thailand	100.00
Netstal (Thailand) Co., Ltd., Bangkok, Thailand	100.00
System Logistics Asia Co. Ltd., Bangkok, Thailand	80.00
Ampco Pumps Company LLC, Glendale, Wisconsin, USA	90.00
Ampco Pumps Real Estate LLC, Glendale, Wisconsin, USA	90.00
Javlyn Process Systems LLC, Rochester, New York, USA	100.00
Krones Inc., Franklin, Wisconsin, USA	100.00
Krones Process Group North America LLC, Franklin, Wisconsin, USA vormal's w.m. Sprinkman LLC, Waukesha, Wisconsin, USA	100.00
MHT USA LLC., Peachtree City, Georgia, USA	100.00
Netstal, Inc., Hebron, Kentucky, USA	100.00
Process and Data Automation LLC, Erie, Pennsylvania, USA	100.00
R+D Custom Automation LLC, Trevor, Wisconsin, USA	80.50
System Logistics Corporation, Arden, North Carolina, USA	80.00
Maquinarias Krones de Venezuela S.A., Caracas, Venezuela	100.00
Integrated Packaging Systems (IPS) FZCO, Dubai, United Arab Emirates	100.00
Krones Meatech FZCO, Dubai, United Arab Emirates	100.00
Krones Middle East Africa FZCO, Dubai, United Arab Emirates	100.00
Krones Vietnam Co. Ltd., Ho Chi Minh City, Vietnam	100.00

Krones AG, Neutraubling, the parent company, is registered in Commercial Register B of Regensburg Local Court under HRB 2344.



Use of exemptions

The following fully consolidated German group companies made use of the exemption in Section 264 (3) HGB in the 2024 financial year.

Name and location of the company
Krones Holding GmbH, Neutraubling, Germany
Dekron GmbH, Kelkheim, Germany
Ecomac Gebrauchtmaschinen GmbH, Neutraubling, Germany
Evoguard GmbH, Nittenau, Germany
Gernep GmbH Etikettiertechnik, Barbing, Germany
HST Maschinenbau GmbH, Dassow, Germany
KIC Krones Internationale Cooperations-Gesellschaft mbH, Neutraubling, Germany
Krones Service Europe GmbH, Neutraubling, Germany
MHT Mold & Hotrunner Technology AG, Hochheim am Main, Germany
Milkron GmbH, Laatzen, Germany
Syskron GmbH, Wackersdorf, Germany
System Logistics GmbH, Wackersdorf, Germany
Steinecker GmbH, Freising, Germany
Krones Recycling GmbH, Flensburg, Germany



Members of the Supervisory Board and the Executive Board

Pursuant to Section 8 (1) of the articles of association, eight members of the Supervisory Board are elected by the shareholders in accordance with the German Stock Corporation Act (Sections 96 (1) and 101). Eight members are elected by the employees pursuant to Section 1 (1) and Section 7 (1) Sentence 1 Number 1 of the Codetermination Act.

Supervisory Board

Volker Kronseder Chairman of the Supervisory Board * University Hospital Regensburg * Economic Advisory Board, Bayerische Landesbank	Robert Friedmann Chairman of the central managing board of the Würth Group * zF Friedrichshafen AG
Josef Weitzer** Deputy Chairman of the Supervisory Board Chairman of Group Works Council Chairman of the Central Works Council Chairman of the Works Council Neutraubling * Bay. Betriebskrankenkassen	Oliver Grober** Chairman of the Works Council, Rosenheim
Norbert Broger Diplom-Kaufmann	Thomas Hiltl** Chairman of the Works Council, Nittenau
Nora Diepold Chief Executive Officer of nk Immobilienverwaltungs GmbH, Regensburg	Markus Hüttner** Deputy Chairman of the Group Works Council Deputy Chairman of the Central Works Council Deputy Chairman of the Works Council Neutraubling

Professor Dr. jur. Susanne Nonnast Professor at Ostbayerische Technische Hochschule (OTH) Regensburg	Dr. Verena Di Pasquale** Deputy Chairperson of DGB Bayern (the German Trade Union Confederation in Bavaria)	Beate Eva Maria Pöpperl** Works Council representative (released from all other responsibilities)	Stefan Raith** Head of Business Line, Line Solutions *re-sult AG	Olga Redda** Second authorised representative and managing director, IG Metall Regensburg * OSRAM Licht AG * OSRAM GmbH * ams OSRAM International GmbH * Maschinenfabrik Reinhausen GmbH
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Petra Schadeberg-Herrmann Managing partner Krombacher Brauerei Bernhard Schadeberg GmbH & co. KG, Krombacher Finance GmbH, Schawei GmbH, Diversum Holding GmbH & Co. KG	Stephan Seifert Chairman of the Executive Board of Körber AG, Hamburg * Board of trustees of the Körber Foundation	Matthias Winkler Partner at Baker Tilly Germany
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Executive Board

Christoph Klenk CEO * Mahr GmbH	Uta Anders CFO	Thomas Ricker CSO * Döhler Group SE	Markus Tischer International Operations and Services	Ralf Goldbrunner Operations
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* Other Supervisory Board seats held, pursuant to Section 125 (1) Sentence 5 of the German Stock Corporation Act ** Elected by the employees
In addition, each of the group companies is the responsibility of two members of the Executive Board.



Proposal for the appropriation of **Krones AG’s earnings available for distribution**

Krones AG had earnings available for distribution of €393,518,263.08 at 31 December 2024.

We propose to the annual general meeting on 27 May 2025 that this amount be used as follows:

Proposal for the appropriation of earnings available for distribution	€393,518,263.08
Dividend of €2.60 per share (for 31,593,072 shares)	€82,141,987.20
Amount brought forward to new account	€311,376,275.88


Neutraubling, 12 March 2025
Krones AG

The Executive Board


Christoph Klenk
CEO


Uta Anders
CFO


Thomas Ricker
CSO


Markus Tischer


Ralf Goldbrunner



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OTHER INFORMATION

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Responsibility statement

“To the best of our knowledge, and in accordance with the applicable reporting principles, the consolidated financial statements give a true and fair view of the assets, liabilities, financial position, and profit or loss of the group, and the consolidated management report includes a fair review of the development and performance of the business and the position of the group, together with a description of the principal opportunities and risks associated with the expected development of the group.”

Neutraubling, 12 March 2025

Krones AG

The Executive Board

Christoph Klenk
CEO

Uta Anders
CFO

Thomas Ricker
CSO

Markus Tischer

Ralf Goldbrunner



Translation of the German independent auditor's report concerning the audit of the consolidated financial statements and group management report prepared in German

Independent auditor's report

To KRONES Aktiengesellschaft

Report on the audit of the consolidated financial statements and of the group management report

Opinions

We have audited the consolidated financial statements of KRONES Aktiengesellschaft, Neutraubling, and its subsidiaries (the Group), which comprise the consolidated statement of profit and loss and the consolidated statement of comprehensive income for the fiscal year from 1 January 2024 to 31 December 2024, the consolidated statement of financial position as of 31 December 2024, the consolidated statement of cash flows and the consolidated statement of changes in equity for the fiscal year from 1 January 2024 to 31 December 2024, and notes to the consolidated financial statements, including material accounting policy information. In addition, we have audited the group management report of KRONES Aktiengesellschaft for the fiscal year from 1 January 2024 to 31 December 2024. In accordance with the German legal requirements, we have not audited the content of the group non-financial statement, which was combined with the non-financial statement of the Company (combined non-financial statement) and was included in the group management report in a separately marked section, or the group declaration on corporate governance, which is published on the website cited in the group management report and is part of the management report. We have not audited the content of the following sections of the group management report, which relate to disclosures extraneous to management reports.

- Section "Fundamental information about the group," subsection "2024 in review," presentation "First quarter to fourth quarter 2024" and the disclosures on quarterly figures contained in the section "Report on economic

position," subsection "Krones in figures" and subsection "Report from the segments."

- Section "Fundamental information about the group," subsection "Systems and lifecycle service," chapter "Systems and lifecycle service – sustainable, reliable, high-performance production."
- Section "Fundamental information about the group," subsection "Krones' strategy," excerpts under the heading "Krones sets net-zero emissions target for 2040," in particular Scope 1, Scope 2 and Scope 3 developments. These figures are subject to a limited assurance engagement in connection with the combined non-financial statement.
- "Fundamental information about the group," subsection "Krones' strategy," table "Group strategic targets at a glance," columns on reduction of Scope 1, Scope 2 and Scope 3 emissions and increase in the share of women in management positions. These figures are subject to a limited assurance engagement in connection with the combined non-financial statement.
- Section "Fundamental information about the group," subsection "Krones' strategy," chapter "Alternative proteins: feeding the world in a sustainable and climate-friendly way."
- Section "Fundamental information about the group," subsection "Research and development (R&D)," excerpts of several innovations under the heading "Innovative new and improved solutions: the products of successful R&D."
- Section "Risk and opportunity report," subsection "Appropriateness of the internal control and risk management system," statement by the Executive Board on the appropriateness and effectiveness of the entire internal control and risk management system based on Recommendation A.5 of the German Corporate Governance Code.



Moreover, all pictures in the group management report are extraneous disclosures that we have not audited.

Disclosures extraneous to management reports are such disclosures that are not required pursuant to Secs. 315, 315a HGB [“Handelsgesetzbuch”: German Commercial Code] or Secs. 315b to 315d HGB.

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

- the accompanying consolidated financial statements comply, in all material respects, with the IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB) (IFRS Accounting Standards) and adopted by the EU, and the additional requirements of German commercial law pursuant to Sec. 315e (1) HGB and, in compliance with these requirements, give a true and fair view of the assets, liabilities and financial position of the Group as at 31 December 2024 and of its financial performance for the fiscal year from 1 January to 31 December 2024, 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 appropriately presents the opportunities and risks of future development. We do not express an opinion on the content of the group non-financial statement referred to above, the content of the group declaration on corporate governance referred to above or the content of the disclosures extraneous to management reports referred to above.

Pursuant to Sec. 322 (3) Sentence 1 HGB, we declare that our audit has not led to any reservations relating to the legal compliance of the consolidated financial statements and of the group management report.

Basis for the opinions

We conducted our audit of the consolidated financial statements and of the group management report in accordance with Sec. 317 HGB and the EU Audit Regulation (No. 537/2014, referred to subsequently as “EU Audit Regulation”) and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). Our responsibilities under those requirements and principles are further described in the “Auditor's responsibilities for the audit of the consolidated financial statements and of the group management report” section of our auditor's report. We are independent of the group entities in accordance with the requirements of European law and German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. In addition, in accordance with Art. 10 (2) f) of the EU Audit Regulation, we declare that we have not provided non-audit services prohibited under Art. 5 (1) of the EU Audit Regulation. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions on the consolidated financial statements and on the group management report.

Key audit matters in the audit of the consolidated financial statements

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the fiscal year from 1 January 2024 to 31 December 2024. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon; we do not provide a separate opinion on these matters.



Below, we describe what we consider to be the key audit matters:

1. Revenue recognition for customer-specific construction contracts

Reasons why the matter was determined to be a key audit matter

The major part of group revenue is generated from customer projects involving machinery and lines for product filling and beverage production. The performance comprising the design and manufacture together with the installation and commissioning on site is considered a single performance obligation. As contracts for these machines and lines are customer-specific, the Group's performance creates an asset that does not have an alternative use to the Group. The group has a legal right to payment for the performance completed to date, including an appropriate margin. In accordance with IFRS 15, revenue is therefore recognized over time on the basis of the percentage of completion method. The percentage of completion is calculated on the basis of the costs incurred as of the reporting date in relation to the expected total costs of the respective project. There is a particular risk of error when estimating total costs and the percentage of completion (including the potential risk of management override of controls). The significance of revenue for the consolidated financial statements, the judgment involved in estimating total costs and the fact that revenue is one of the key financial performance indicators for the Group in terms of corporate management and forecasts meant that the recognition of revenue on an accrual basis as of the reporting date was a key audit matter.

Auditor's response

As part of the audit, we obtained an understanding of the Group's internally established methods, processes and controls for accounting for construction contracts. We also assessed the design and operating effectiveness of the audit-relevant internal controls over accounting implemented by the executive directors for recording costs incurred and estimating total contract costs and contract values during the reporting period. In this context, we tested both transaction-level controls and higher-level controls, such as regular review meetings. With regard to transaction-level controls, we assessed, among other things, the design and operating effectiveness of automated application controls.

Applying substantive audit procedures, we obtained an overview of the content of the contracts and the status of the respective fulfillment of contracts and analyzed the actual costs incurred and the total costs over the period of the projects' progress. In doing so, we mainly selected projects subject to significant future uncertainties and risks due to their size and complexity. We also audited the mathematical accuracy of the Executive Board's analysis of the variances between planned and actual total project costs over time and obtained and assessed explanations for variances on a sample basis. Furthermore, we compared the transaction prices used with their applicable contractual bases on a sample basis.

Our audit procedures did not lead to any reservations relating to the recognition of revenue for customer-specific construction contracts on an accrual basis.



Reference to related disclosures

The disclosures on the principles of revenue recognition are contained in the chapter “General disclosures,” section “Revenue,” of the notes to the consolidated financial statements.

2. Impairment testing of goodwill

Reasons why the matter was determined to be a key audit matter

The executive directors perform an impairment test to test impairment of goodwill at least once each year. A complex calculation model is used for the test, which particularly involves a number of assumptions subject to judgment and values derived therefrom. These include the expected development of business and earnings, the assumed long-term growth rates and the discount rates applied.

Against the background of the underlying complexity of the impairment tests as well as the judgment exercised during valuation and the associated high risk of accounting misstatement, impairment testing of goodwill, which is a significant item of the statement of financial position in the consolidated financial statements, was a key audit matter. In addition, goodwill is significant for the presentation of assets and liabilities due to its materiality, also considering the company acquisitions made in the fiscal year.

Auditor's response

We examined the underlying processes to assess the recoverable amounts for goodwill determined by the executive directors. During the audit of the impairment testing of goodwill, we used a substantive audit approach.

We involved internal valuation specialists to assess the arithmetical accuracy and methodology of the discounted cash flow models used for the determination of recoverable amounts and checked whether they were determined considering the relevant financial reporting standard IAS 36. We assessed the determination of the weighted average cost of capital (WACC) by assessing the beta factor based on the composition of the peer companies and comparing the cost of equity and debt with available market data. In addition, we assessed whether the cash-generating units identified by the executive directors are appropriate and meet the criteria of IAS 36, in particular due to the company acquisitions made in the fiscal year.

We also analyzed the corporate planning approved by the Supervisory Board and applied for impairment testing of goodwill by comparing the actual earnings recorded in the past with current developments in the business figures. For the underlying corporate planning, we also assessed the estimates and assumptions on growth and business development. Moreover, we carried out our own sensitivity analyses to assess the impairment risk in the event of changes in significant assumptions.

Our audit procedures did not lead to any reservations regarding the impairment of goodwill.

Reference to related disclosures

For more information on the impairment tests performed and underlying assumptions, please refer to the disclosures in chapter “General disclosures,” section “Estimates and judgements,” section “Goodwill” as well as chapter “Notes to the consolidated statement of financial position,” note 1 “Intangible assets” of the notes to the consolidated financial statements.



Other information

The Supervisory Board is responsible for the Report of the Supervisory Board. The executive directors and the Supervisory Board are responsible for the declaration pursuant to Sec. 161 AktG ["Aktiengesetz": German Stock Corporation Act] on the German Corporate Governance Code, which is part of the group declaration on corporate governance. In all other respects, the executive directors are responsible for the other information.

The other information comprises the group declaration on corporate governance referred to above, the extraneous disclosures in the group management report referred to above, the group non-financial statement included in a separately marked section in the group management report and also other components designated for the annual report, of which we received a version prior to issuing this auditor's report, particularly the

- Section "2024 highlights"
- Chapter 1 "To our shareholders"
- Chapter 3 "Declaration on corporate governance"
- Chapter 6 "Other information"

but not the consolidated financial statements, not the disclosures in the group management report included in the audit of content and not our auditor's report thereon.

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

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

- is materially inconsistent with the consolidated financial statements, with the group management report or our knowledge obtained in the audit, or
- otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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 the IFRS Accounting Standards as adopted by the EU and the additional requirements of German commercial law pursuant to Sec. 315e (1) HGB, and that the consolidated financial statements, in compliance with these requirements, give a true and fair view of the assets, liabilities, financial position and financial performance of the Group. In addition, the executive directors are responsible for such internal control as they have determined necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud (i.e., fraudulent financial reporting and misappropriation of assets) or error.



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

Furthermore, the executive directors are responsible for the preparation of the 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 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 Sec. 317 HGB and the EU Audit Regulation and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW) will always detect a material misstatement. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements and this 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 perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than the risk of not detecting a material misstatement resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.



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- Obtain an understanding of internal control relevant to the audit of the consolidated financial statements and of arrangements and measures relevant to the audit of the group management report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control and of such arrangements and measures.
- 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 opinions. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to be able to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements present the underlying transactions and events in a manner that the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Group in compliance with the IFRS Accounting Standards as adopted by the EU and the additional requirements of German commercial law pursuant to Sec. 315e (1) HGB.

- Plan and perform the audit of the consolidated financial statements to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements and on the group management report. We are responsible for the direction, supervision and review of the work performed for 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 opinion on the prospective information and on the assumptions used as a basis. There is a substantial unavoidable risk that future events will differ materially from the prospective information.

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

We also provide those charged with governance with a statement that we have complied with the relevant independence requirements, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and where applicable, the related safeguards.



From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter.

Other legal and regulatory requirements

Report on the assurance on the electronic rendering of the consolidated financial statements and the group management report prepared for publication purposes in accordance with Sec. 317 (3a) HGB

Opinion

We have performed assurance work in accordance with Sec. 317 (3a) HGB to obtain reasonable assurance about whether the rendering of the consolidated financial statements and the group management report (hereinafter the "ESEF documents") contained in the file Krones_AG_KA+KLB_ESEF-2024-12-31.zip and prepared for publication purposes complies in all material respects with the requirements of Sec. 328 (1) HGB for the electronic reporting format ("ESEF format"). In accordance with German legal requirements, this assurance work extends only to the conversion of the information contained in the consolidated financial statements and the group management report into the ESEF format and therefore relates neither to the information contained within these renderings nor to any other information contained in the file identified above.

In our opinion, the rendering of the consolidated financial statements and the group management report contained in the file identified above and prepared for publication purposes complies in all material respects with the requirements of Sec. 328 (1) HGB for the electronic reporting format. Beyond this assur-

ance opinion and our audit opinions on the accompanying consolidated financial statements and the accompanying group management report for the fiscal year from 1 January 2024 to 31 December 2024 contained in the "Report on the audit of the consolidated financial statements and of the group management report" above, we do not express any assurance opinion on the information contained within these renderings or on the other information contained in the file identified above.

Basis for the opinion

We conducted our assurance work on the rendering of the consolidated financial statements and the group management report contained in the file identified above in accordance with Sec. 317 (3a) HGB and the IDW Assurance Standard: Assurance on the Electronic Rendering of Financial Statements and Management Reports Prepared for Publication Purposes in Accordance with Sec. 317 (3a) HGB (IDW AsS 410 (06.2022)). Our responsibility in accordance therewith is further described in the "Group auditor's responsibilities for the assurance work on the ESEF documents" section. Our audit firm applies the IDW Standard on Quality Management 1: Requirements for Quality Management in the Audit Firm (IDW QMS 1 (09.2022)).

Responsibilities of the executive directors and the Supervisory Board for the ESEF documents

The executive directors of the Company are responsible for the preparation of the ESEF documents including the electronic rendering of the consolidated financial statements and the group management report in accordance with Sec. 328 (1) Sentence 4 No. 1 HGB and for the tagging of the consolidated financial statements in accordance with Sec. 328 (1) Sentence 4 No. 2 HGB.



In addition, the executive directors of the Company are responsible for such internal control as they have determined necessary to enable the preparation of ESEF documents that are free from material intentional or unintentional non-compliance with the requirements of Sec. 328 (1) HGB for the electronic reporting format.

The Supervisory Board is responsible for overseeing the process for preparing the ESEF documents as part of the financial reporting process.

Group auditor's responsibilities for the assurance work on the ESEF documents

Our objective is to obtain reasonable assurance about whether the ESEF documents are free from material intentional or unintentional non-compliance with the requirements of Sec. 328 (1) HGB. We exercise professional judgment and maintain professional skepticism throughout the assurance work. We also:

- Identify and assess the risks of material intentional or unintentional non-compliance with the requirements of Sec. 328 (1) HGB, design and perform assurance procedures responsive to those risks, and obtain assurance evidence that is sufficient and appropriate to provide a basis for our assurance opinion.
- Obtain an understanding of internal control relevant to the assurance on the ESEF documents in order to design assurance procedures that are appropriate in the circumstances, but not for the purpose of expressing an assurance opinion on the effectiveness of these controls.
- Evaluate the technical validity of the ESEF documents, i.e., whether the file containing the ESEF documents meets the requirements of Commission Delegated Regulation (EU) 2019/815, in the version in force at the date of the financial statements, on the technical specification for this file.

- Evaluate whether the ESEF documents enable an XHTML rendering with content equivalent to the audited consolidated financial statements and to the audited group management report.
- Evaluate whether the tagging of the ESEF documents with Inline XBRL technology (iXBRL) in accordance with the requirements of Arts. 4 and 6 of Commission Delegated Regulation (EU) 2019/815, in the version in force at the date of the financial statements, enables an appropriate and complete machine-readable XBRL copy of the XHTML rendering.

Further information pursuant to Art. 10 of the EU Audit Regulation

We were elected as group auditor by the annual general meeting on 4 June 2024. We were engaged by the Supervisory Board on 16 September 2024. We have been the group auditor of KRONES Aktiengesellschaft without interruption since fiscal year 2019.

We declare that the opinions expressed in this auditor's report are consistent with the additional report to the Audit Committee pursuant to Art. 11 of the EU Audit Regulation (long-form audit report).

Other matter – use of the auditor's report

Our auditor's report must always be read together with the audited consolidated financial statements and the audited group management report as well as the assured ESEF documents. The consolidated financial statements and the group management report converted to the ESEF format – including the versions to be published in the Unternehmensregister [German Company Register] – are merely electronic renderings of the audited consolidated financial statements and the audited group management report and do not take their place. In particular, the ESEF report and our assurance opinion contained therein are to be used solely together with the assured ESEF documents made available in electronic form.



German Public Auditor responsible for the engagement

The German Public Auditor responsible for the engagement is Julia Meindl.

Munich, 12 March 2025

EY GmbH & Co. KG
Wirtschaftsprüfungsgesellschaft

Meindl
(German Public Auditor)

Ritzinger
(German Public Auditor)



The assurance engagement performed by EY relates exclusively to the German version of the combined non-financial statement 2024 of Kronen AG. The following text is a translation of the original German independent assurance report.

Assurance report of the independent German public auditor on a limited assurance engagement in relation to a combined non-financial statement

To Kronen AG, Neutraubling

Assurance conclusion

We have conducted a limited assurance engagement on the non-financial group statement, included in section “Non-financial statement 2024” of the group management report, of Kronen AG, which is combined with the parent company’s combined non-financial statement to fulfill Secs. 289b to 289e and Secs. 315b and 315c HGB together with the disclosures to fulfill the requirements of Art. 8 of Regulation (EU) 2020/852 included in this combined non-financial statement (“group non-financial reporting”) for the fiscal year from 1 January 2024 to 31 December 2024.

Based on the procedures performed and the evidence obtained, nothing has come to our attention that causes us to believe that the accompanying group non-financial reporting for the fiscal year from 1 January 2024 to 31 December 2024 is not prepared, in all material respects, in accordance with Secs. 289b to 289e and Secs. 315b and 315c HGB, the requirements of Art. 8 of Regulation (EU) 2020/852 and the supplementary criteria presented by the executive directors of the Company.

Basis for the assurance conclusion

We conducted our assurance engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000 (Revised): Assurance Engagements Other Than Audits or Reviews of Historical Financial Information issued by the International Auditing and Assurance Standards Board (IAASB).

The procedures in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Our responsibilities under ISAE 3000 (Revised) are further described in the section “German public auditor’s responsibilities for the assurance engagement on the group non-financial reporting.”

We are independent of the Company in accordance with the requirements of European law and German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. Our audit firm has applied the requirements for a system of quality control as set forth in the IDW Quality Management Standard issued by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW): Requirements for Quality Management in the Audit Firm (IDW QMS 1 (09.2022)). We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our assurance conclusion.



Emphasis of matter – principles for the preparation of the group non-financial reporting

Without modifying our assurance conclusion, we refer to the description in the group non-financial reporting of the principles applied in preparing the group non-financial reporting, according to which the Company applied the European Sustainability Reporting Standards (ESRS) to the extent specified in section “About this non-financial statement” of the group non-financial reporting.

Responsibilities of the executive directors and the supervisory board for the non-financial reporting

The executive directors are responsible for the preparation of the group non-financial reporting in accordance with the applicable German legal and European requirements as well as with the supplementary criteria presented by the executive directors of the Company and for designing, implementing and maintaining such internal control that they have considered necessary to enable the preparation of group non-financial reporting in accordance with these requirements that is free from material misstatement, whether due to fraud (i.e., fraudulent group non-financial reporting) or error.

This responsibility of the executive directors includes establishing and maintaining the materiality assessment process, selecting and applying appropriate reporting policies for preparing the group non-financial reporting, as well as making assumptions and estimates and ascertaining forward-looking information for individual sustainability-related disclosures.

The supervisory board is responsible for overseeing the process for the preparation of the group non-financial reporting.

Inherent limitations in preparing the group non-financial reporting

The applicable German legal and European requirements contain wording and terms that are subject to considerable interpretation uncertainties and for which no authoritative, comprehensive interpretations have yet been published. As such wording and terms may be interpreted differently by regulators or courts, the legality of measurements or evaluations of sustainability matters based on these interpretations is uncertain.

These inherent limitations also affect the assurance engagement on the group non-financial reporting.

German public auditor’s responsibilities for the assurance engagement on the group non-financial reporting

Our objective is to express a limited assurance conclusion, based on the assurance engagement we have conducted, on whether any matters have come to our attention that cause us to believe that the group non-financial reporting has not been prepared, in all material respects, in accordance with the applicable German legal and European requirements and the supplementary criteria presented by the Company’s executive directors, and to issue an assurance report that includes our assurance conclusion on the group non-financial reporting.

As part of a limited assurance engagement in accordance with ISAE 3000 (Revised), we exercise professional judgment and maintain professional skepticism. We also:



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- Obtain an understanding of the process used to prepare the group non-financial reporting, including the materiality assessment process carried out by the Company to identify the disclosures to be reported in the group non-financial reporting.
- Identify disclosures where a material misstatement due to fraud or error is likely to arise, design and perform procedures to address these disclosures and obtain limited assurance to support the assurance conclusion. The risk of not detecting a material misstatement resulting from fraud is higher than the risk of not detecting a material misstatement resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control. In addition, the risk of not detecting a material misstatement in information obtained from sources not within the Company's control (value chain information) is ordinarily higher than the risk of not detecting a material misstatement in information obtained from sources within the Company's control, as both the Company's executive directors and we as practitioners are ordinarily subject to restrictions on direct access to the sources of the value chain information.
- Consider the forward-looking information, including the appropriateness of the underlying assumptions. There is a substantial unavoidable risk that future events will differ materially from the forward-looking information.

Summary of the procedures performed by the German public auditor

A limited assurance engagement involves the performance of procedures to obtain evidence about the sustainability information. The nature, timing and extent of the selected procedures are subject to our professional judgment.

In performing our limited assurance engagement, we:

- Evaluated the suitability of the criteria as a whole presented by the executive directors in the group non-financial reporting.
- Inquired of the executive directors and relevant employees involved in the preparation of the group non-financial reporting about the preparation process, including the materiality assessment process carried out by the Company to identify the disclosures to be reported in the group non-financial reporting, and about the internal controls relating to this process.
- Evaluated the reporting policies used by the executive directors to prepare the group non-financial reporting.
- Evaluated the reasonableness of the estimates and related information provided by the executive directors.
- Performed analytical procedures and made inquiries in relation to selected information in the group non-financial reporting.
- Considered the presentation of the information in the group non-financial reporting.
- Considered the process for identifying taxonomy-eligible and taxonomy-aligned economic activities and the corresponding disclosures in the group non-financial reporting.



Restriction of use

We draw attention to the fact that the assurance engagement was conducted for the Company’s purposes and that the assurance report is intended solely to inform the Company about the result of the assurance engagement. As a result, it may not be suitable for another purpose than the aforementioned. Accordingly, the assurance report is not intended to be used by third parties for making (financial) decisions based on it. Our responsibility is to the Company alone. We do not accept any responsibility to third parties. Our assurance conclusion is not modified in this respect.

General Engagement Terms and Liability

The “General Engagement Terms for Wirtschaftsprüferinnen, Wirtschaftsprüfer and Wirtschaftsprüfungsgesellschaften [German Public Auditors and Public Audit Firms]” dated 1 January 2024, which are attached to this report, are applicable to this engagement and also govern our relations with third parties in the context of this engagement (ey-idw-aab-en-2024.pdf).

In addition, please refer to the liability provisions contained there in no. 9 and to the exclusion of liability towards third parties. We accept no responsibility, liability or other obligations towards third parties unless we have concluded a written agreement to the contrary with the respective third party or liability cannot effectively be precluded.

We make express reference to the fact that we will not update the assurance report to reflect events or circumstances arising after it was issued, unless required to do so by law. It is the sole responsibility of anyone taking note of the summarized result of our work contained in this report to decide whether and in what way this result is useful or suitable for their purposes and to supplement, verify or update it by means of their own review procedures.

Munich, 12 March 2025

EY GmbH & Co. KG
Wirtschaftsprüfungsgesellschaft

Meindl	Hintze
Wirtschaftsprüferin	Wirtschaftsprüfer
[German Public Auditor]	[German Public Auditor]



Financial glossary

Cash flow	All inflows and outflows of cash and cash equivalents during a period.	IFRS	International Financial Reporting Standards. Accounting standards issued by the International Accounting Standards Board (IASB) that are harmonised and applied internationally.
Corporate governance	A framework for responsible corporate management and supervision that is oriented towards sustainability.	Consolidated net income	Earnings after taxes generated in a group.
Depreciation and amortisation	Non-cash expenses that represent the cost of current and non-current assets being used over time.	Net cash	Cash and highly liquid securities under current assets less liabilities to banks.
Earnings per share	Consolidated net income divided by the number of shares issued by the company	ROCE	Return on capital employed, calculated as the ratio of EBIT to average capital employed. Net capital employed is defined as non-current assets (excluding goodwill and financial assets) plus working capital.
EBIT	Earnings before interest and taxes.	TCO	Total cost of ownership, including the purchase price and all direct and indirect costs over the entire product lifecycle (such as costs of energy, repairs, maintenance and disposal).
EBITDA	Earnings before interest, taxes, depreciation and amortisation.	Total debt	Combined term for the provisions, liabilities and deferred income stated on the liabilities side of the balance sheet.
EBITDA margin	Ratio of earnings before interest, taxes, depreciation and amortisation to revenue.	Working capital	Working capital is calculated as follows: (inventories + trade receivables + contract assets) – (trade payables + contract liabilities).
EBT	Earnings before taxes.	Working capital to revenue	The ratio of working capital to revenue indicates how much capital is needed to finance revenue generation.
EBT margin	Ratio of earnings before taxes to revenue.		
Equity	Funds made available to the company by the owners by way of contribution and/or investment, plus retained earnings.		
Free cash flow	Measure of financial performance calculated as the cash flow from operating activities minus cash flow from investing activities. It is the cash available to pay dividends, reduce debt, or be retained.		



Technical glossary

Alternative proteins	Plant proteins that are increasingly being consumed as an alternative to animal protein (meat and dairy products). Plant (alternative) proteins are more climate-friendly than animal protein.
Artificial intelligence (AI)	Artificial intelligence (AI) is a branch of computer science that deals with the automation of intelligent behaviour and machine learning. It involves programming machines to emulate human decision-making structures.
Aseptic beverage filling	Germ-free filling of beverages at ambient temperature.
Bottle-to-bottle recycling	Process to produce new PET bottles from used PET bottles. Used PET bottles are reduced to clean PET flakes, which are processed into preforms (see right) and then into new PET bottles.
Circularity	The circular economy aims to maximize the use of products and materials by repairing, reusing and recycling them.
Digitalisation	Digitalisation in general is the conversion of analogue information into digital data. This can be processed and exchanged faster and more easily than analogue information. Many new technologies, such as cloud computing, artificial intelligence and the Internet of Things (IoT), are based on digital data.
Energy drink	A beverage that acts as a stimulant. The main ingredients are taurine and caffeine.
enviro	Krones' sustainability programme enviro was launched in 2008 and certified by TÜV SÜD in 2009. This independent certification enables Krones to award the enviro seal for efficient use of energy and media and the environmental performance of its machines and lines. The program is continuously expanded and all new product developments are based on the enviro criteria.
Injection moulding	A process mainly used in plastics processing. In injection moulding, plastic is heated and liquefied before being injected into a mould. After cooling, the finished, hardened part is removed from the mould.

Intralogistics	The internal flow of materials and goods within a company, including warehouse, order picking and conveyance systems.
LCS	Lifecycle Service
Line expertise	Filling and packaging lines are made up of many individual machines and systems. Krones has the expertise to ensure perfect interoperability between components. This is referred to as line expertise.
Pasteuriser	A machine for preserving liquid foods such as milk and fruit juices. In pasteurisation, foods are briefly heated to kill microorganisms. The taste, nutritional value and consistency of the food are virtually unaffected.
PET	Polyethylene terephthalate, a thermoplastic material from the polyester family used, among other things, for producing beverage bottles.
Preform	PET blank from which PET bottles are produced (blown).
Recycling	Process by which a product or material is reclaimed for further use. This can take the form of reuse (as with returnable bottles) or material recycling (as with recycling PET).
rPET	Recycled PET. Although rPET is chemically identical to virgin PET, there are differences in processing.
Secondary packaging	Secondary packaging is packaging around already packaged products. It serves as a storage and transport aid and does not come into direct contact with the product.
Soft drinks	Non-alcoholic, still or carbonated soft drinks
Stretch blow molding	Process for the production of hollow plastic containers such as PET bottles.
Sustainability	Sustainability or sustainable development is generally defined as meeting the needs of the present without compromising the ability of future generations to meet their own needs.



Key figures for the Krones group 2020–2024

		2024	2023	2022	2021	2020
Revenue						
Revenue	€ million	5,294	4,721	4,209	3,635	3,323
Germany	€ million	465	452	424	376	329
Outside Germany	€ million	4,829	4,268	3,785	3,259	2,994
Export share	%	91	90	90	90	90
Earnings						
Earnings before interest, taxes, depreciation and amortization (EBITDA)	€ million	537	457	373	313	133
Earnings before taxes (EBT)	€ million	382	311	242	177	–37
Consolidated net income	€ million	277	225	187	141	–80
Earnings per share	€	8.77	7.11	5.92	4.47	–2.52
Assets and capital structure						
Non-current assets	€ million	1,551	1,327	1,164	1,133	1,093
of which fixed assets	€ million	1,462	1,241	1,064	1,001	990
Current assets	€ million	3,198	3,150	3,007	2,362	1,957
of which cash and equivalents	€ million	442	448	675	383	217
Equity	€ million	1,922	1,715	1,598	1,392	1,200
Total debt	€ million	2,828	2,762	2,573	2,103	1,850
Non-current liabilities	€ million	435	410	375	434	476
Current liabilities	€ million	2,393	2,352	2,198	1,669	1,374
Total assets	€ million	4,750	4,477	4,171	3,495	3,050
Cash flow/capital expenditure						
Free cash flow	€ million	113	–101	371	203	221
Capital expenditure for PP&E and intangible assets	€ million	181	163	118	105	94
Depreciation, amortisation and impairments	€ million	168	166	143	142	174
Net cash position (cash and cash equivalents less debt)	€ million	440	445	670	378	185
Profitability ratios						
EBITDA margin	%	10.1	9.7	8.9	8.6	4.0
EBT margin	%	7.2	6.6	5.8	4.9	–1.1
Working capital to revenue*	%	17.0	17.8	19.0	24.8	28.3
ROCE	%	18.2	16.3	14.1	10.0	–2.2
Employees (at 31 December)						
Germany		11,312	10,654	10,130	9,821	10,364
Outside Germany		9,067	7,859	7,034	6,482	6,372
Dividend						
Dividend per share	€	2.60**	2.20	1.75	1.40	0.06

* Average over 4 quarters ** As per proposal for appropriation of earnings available for distribution



Publishing information

Published by	Krones AG Böhmerwaldstrasse 5 93073 Neutraubling Germany
Project lead	Olaf Scholz, Head of Investor Relations, Treasury and M&A
Design	Büro Benseler
Text	Krones AG
	InvestorPress GmbH
Photography	Krones AG

This English language report is a translation of the original German Krones Konzern Geschäftsbericht 2024. In case of discrepancies the German text shall prevail.

You can also find the original German version of this Annual Report in the Investor Relations section at [krones.com](https://www.krones.com).



Financial calendar

9 May 2025	Quarterly statement for the period ended 31 March 2025
27 May 2025	Annual general meeting 2025
30 July 2025	Interim report for the period ended 30 June 2025
7 November 2025	Quarterly statement for the period ended 30 September 2025



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