

GESCO

Annual Report

2024

Profile

GESCO is a strong industrial group. Its spectrum ranges from tool steel to paper sticks, from support arm systems in industry and medical technology to complex systems for loading and unloading liquid and gaseous substances. GESCO's subsidiaries address end customer markets with their innovative products. They aim to achieve market-leading positions and above-average growth.

513.8

million € sales
previous year 560.7 million €

0.42

€ earnings per share
previous year 1.93 €

15.2

million € EBIT
previous year 35.9 million €

1,642

employees worldwide (as of the
balance sheet date) previous year 1,899



GESCO at a glance – GESCO Group key figures (IFRS)

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		2024 01/01 – 12/31	2023 01/01 – 12/31	2022 01/01 – 12/31	2021 01/01 – 12/31	2020 01/01 – 12/31	2019 04/01 – 12/31 short fiscal year	2018/2019 04/01 – 03/31 adjusted	2018/2019 04/01 – 03/31 as reported	2017/2018 04/01 – 03/31	2016/2017 04/01 – 03/31	2015/2016 04/01 – 03/31	2014/2015 04/01 – 03/31	2013/2014 04/01 – 03/31
Sales	T€	513,809	560,724	582,273	488,051	397,225	439,619	580,254	574,532	547,193	482,480	494,014	451,434	453,336
thereof domestic	T€	240,134	260,974	280,988	252,806	212,225	258,844	353,178	351,272	335,981	302,419	323,862	303,597	300,263
thereof abroad	T€	273,675	299,750	301,285	235,245	185,000	180,775	227,076	223,260	211,212	180,061	170,152	147,837	153,073
EBITDA	T€	36,673	59,010	67,738	62,188	33,357	44,035	68,375	73,498	57,404	49,745	53,261	46,171	48,719
EBIT	T€	15,182	35,866	49,433	44,572	16,693	23,470	42,101	47,646	33,789	22,137	31,457	27,300	32,010
Earnings before taxes (EBT)	T€	9,964	32,361	49,459	42,719	12,889	21,804	39,809	45,420	31,861	19,187	28,828	24,553	29,018
Taxes on income and earnings	T€	-4,370	-10,220	-13,196	-13,243	-6,009	-8,076	-14,042	-15,443	-13,690	-9,458	-10,307	-10,401	-9,261
Tax rate	%	43.8	31.6	26.7	31.0	46.6	37.0	35.3	34.0	43.0	49.3	35.8	42.4	31.9
Group net earnings for the year from continued operations (after minority interests)	T€	4,439	20,885	33,824	26,876	5,829	-	-	-	-	-	-	-	-
Earnings per share	€	0.42	1.93	3.12	2.48	0.54	-	-	-	-	-	-	-	-
Group net earnings for the year from discontinued operations (after minority interests)	T€	0	0	0	-14	-22,405	-	-	-	-	-	-	-	-
Earnings per share	€	0.00	0.00	0.00	0.00	-2.07	-	-	-	-	-	-	-	-
Group net earnings for the year from continued and discontinued operations (after minority interests)	T€	4,439	20,885	33,824	26,862	-16,576	12,386	22,582	26,598	16,099	7,890	16,127	12,350	18,121
Earnings per share ¹	€	0.42	1.93	3.12	2.48	-1.53	1.14	2.08	2.46	1.49	0.79	1.62	1.24	1.82
Investments in tangible assets ²	T€	11,356	20,136	15,577	12,670	7,907	15,838	23,354	23,838	24,638	19,788	23,974	29,525	27,164
Depreciation on tangible assets	T€	21,491	23,144	18,305	17,616	13,346	17,487	19,415	19,081	17,989	24,009	16,940	15,475	14,136
Equity ³	T€	270,087	277,654	274,706	255,734	227,770	250,428	250,567	244,261	224,265	214,095	195,773	182,803	176,604
Balance sheet total ³	T€	433,316	468,962	473,913	449,535	390,821	506,099	525,486	509,513	456,256	439,915	410,175	403,739	379,950
Equity ratio ³	%	62.3	59.2	58.0	56.9	58.3	49.5	47.7	47.9	49.2	48.7	47.7	45.3	46.5
Employees ³	No.	1,642	1,899	1,841	1,783	1,695	2,718	2,684	2,662	2,489	2,535	2,537	2,465	2,360
thereof trainees ³	No.	38	50	60	66	63	130	108	134	134	138	153	156	144
Share price (XETRA) at the end of the financial year ¹	€	13.20	18.60	24.10	25.50	18.35	18.86	22.75	22.75	28.50	24.96	24.71	25.46	25.38
Dividend per share	€	0.10 ⁴	0.40	1.00	0.98	0.00	0.23	0.90	0.90	0.60	0.35	0.67	0.58	0.73

¹ Financial years 2013/2014 to 2015/2016 adjusted according to share split 1:3 of Dec. 2016

² Excluding additions from changes in the scope of consolidation

³ As of the balance sheet date

⁴ Dividend proposal to the Annual General Meeting 2025



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Interview with the Executive Board

In the following interview, CEO Johannes Pfeffer and CFO Andrea Holzbaur comment on the challenges of the past financial year 2024, discuss key developments and provide an outlook on the path GESCO has taken to the planned targets in the current year and beyond.



Andrea Holzbaur (CFO) and Johannes Pfeffer (CEO)

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Johannes, you’ve now completed your first six months at GESCO. How do you look back on it?

Johannes Pfeffer Very positive – I had a really exciting start at GESCO. During the first six weeks of my term of office, I visited all the subsidiaries, where I took time to get to know and understand the people and the business. Although this was very time-consuming, it was more than worth it. Everywhere I went, I immediately realised that the employees are proud of their work and their company, and that they put their heart and soul into work. That’s the German Mittelstand!

And if you had to describe it in one word, what would it be?

Johannes Pfeffer I was particularly impressed by the will to improve and change that I sensed everywhere, and even the passion that I could see in the management and staff of our subsidiaries. The despondency or lack of innovation in our economy that is currently being reported in the media is something I really haven’t seen anywhere.



“Do good and talk about it! Our subsidiaries make great products, but many potential customers don’t even know that yet.”

Johannes Pfeffer (CEO)

But I could also see a lot of potential for optimisation everywhere. I can’t do it justice in one word, so I’ll use: passion and potential.

Are there things that have particularly stuck with you?

Johannes Pfeffer Yes. I was very impressed by the pragmatism of our companies, which always manage to find unconventional and innovative answers and solutions and bring them to market. We can build on this strength in the future. However, we can and must communicate this strength much more effectively to the outside world and translate it into sales. “Do good and talk about it!” Our subsidiaries make great products, but many potential customers are still unaware of this. We need to take a closer look at which markets we want to and can address with which products and how exactly we can do this. Incidentally, this is precisely the core and focus of the new strategy process that we are carrying out for all companies in the second quarter – both as a strategic plan and in the development of its concrete implementation. This is precisely where I and the holding company team want to provide our subsidiaries with even greater support and guidance.

And how are things going with the managing directors and the teams?

Johannes Pfeffer After two adjustments that I wanted to make early on, the team of managing directors is now in place. Together with the Holding Executive Board and directors they form what is known as the SLT, the Senior Leadership Team of our Group. We all meet very regularly to define standardised methods, processes, tools and best practices. It is fantastic for me to see how the creativity and openness in the SLT increases from time to time and how results are developed and realised that sometimes far exceed my expectations. Something really good is growing together!

Johannes, leadership seems to be close to your heart. What would you like to give to managers in terms of personnel management, and what do you expect from them?

Johannes Pfeffer Just do it!

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What do you mean exactly?

Johannes Pfeffer The fact is that the vast majority of managers know quite well what good leadership is. Of course, leadership can always be further educated and trained, but I believe the opportunity lies in making it clear to all managers that they really can do it, that they really are allowed to do it and also that they really should do it, that this is our most important expectation of them. Making mistakes in day-to-day management is not the problem. Not leading, on the other hand, is not an option!

What challenges are the subsidiaries currently facing?

Johannes Pfeffer The challenges are indeed complex. One of the biggest issues is the talent shortage. Medium-sized companies often struggle to attract and retain qualified specialists. Demographic change is making itself felt. More and more skilled workers are retiring, and not enough young talent is coming along. Another issue is the still very volatile material prices. However, the biggest short and medium-term challenge is still the noticeable reluctance to invest throughout the industry, which is ultimately due to national and geopolitical uncertainties.

Andrea, how do you see the general financial situation of GESCO Group in view of the still noticeable reluctance to invest?

Andrea Holzbaur We are still in a rock-solid position. As Johannes has already mentioned, our subsidiaries have passion, potential and innovative strength.

And we are also financially capable of handling growth and innovation. Our balance sheet remains strong. Despite the poor result in 2024, we were able to strengthen the balance sheet again. We have reduced working capital and debt. We now have a net debt excluding leasing of just 0.7 times EBITDA. Last year it was still 0.9. We were also able to increase the equity ratio again to 62%, despite a share buyback programme of € 9 million. Every bank is happy to finance us.



“GESCO is a healthy group of companies. Despite the difficult financial year 2024, our balance sheet remains strong.”

Andrea Holzbaur (CFO)

And how will GESCO support the companies in concrete terms?

Johannes Pfeffer We have already launched a number of initiatives to actively support our subsidiaries. At the centre of these initiatives is the pursuit of speed, the acceleration of product development cycles and the reduction of lead times between order receipt and delivery. If we are fast and agile, we are much less dependent on fluctuations in material prices, can reduce our working capital and – most importantly – can differentiate ourselves from our competitors. The world belongs to the fast! How do we do this? By investing significantly in training programmes relating to lean management approaches, and even more so by specifically promoting and establishing a lean culture in each of our companies. We will also provide targeted expertise and manpower from the holding company.

Andrea Holzbaur I know and appreciate the lean concept. It’s actually quite simple, even in the administrative area. A consistent focus on processes reduces waste. That saves time and money. Over the last two years, we have therefore simplified processes and

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introduced new systems, particularly in the holding company. This means that we can now support companies more quickly, e. g. with reporting.

Let's talk about the GESCO Business System (GBS). What's behind it?

Johannes Pfeffer A wise mentor once gave me a sentence to help me on my career path: "Method enforces success!" The GBS is designed to make this formula for success a reality for GESCO.

We are making good progress with the definition and implementation of the GESCO Business System, even better than I could have hoped when I started my job. The GBS is more than just a management tool; it will become the centrepiece of our corporate culture and our sustainable growth. I want it to address all meaningful aspects of good corporate management, to provide simple and sensible structures for all subsidiaries, to ensure a consistent focus on efficiency and quality and – last but not least – to enable us as GESCO to manage inorganic growth on a larger scale.

"The GBS is more than just a management tool; it will become the centrepiece of our corporate culture and our sustainable growth."

Johannes Pfeffer (CEO)

The GBS addresses 4 pillars: General Management, Lean Management, Growth and Financial Management. Each of these pillars provides a basic set of jointly defined business processes and methods that are used and applied by all companies. None of these methods and modules are new or excessive; they have all been developed by SMEs for SMEs.

Examples include the processes of effective KPI management, the standardisation of our strategic planning processes, the use of established lean tools and processes relating to financial reporting and forecasting. In the first wave, which we will introduce in 2025, we are talking about around 20 such modules.

That sounds like a lot of effort. What is the real outcome, including financially?

Andrea Holzbaur We are also following the lean concept here. This will not be a sprawling set of rules or a paper tiger. We will develop and introduce the modules together with the subsidiaries. So, it will be practice-orientated, lean and fast. And I can only agree with Johannes: "What gets measured gets done." In this respect, KPI management will force success.

The GBS and the lean concept promote lean processes, the avoidance of waste and speed. This has a direct impact on earnings and the balance sheet: better margins, low overheads, low working capital and ultimately high cash flow. We embed this in all employees through our lean culture. We reach people in all areas via the operational route. This is more understandable and therefore more sustainable than Finance preaching that inventories must be reduced.

Apart from the GBS, what are your most important priorities for the coming years?

Johannes Pfeffer At the top of the list for me is promoting and enabling the organic development of our portfolio companies. We want to ensure that their businesses can grow sustainably. The interplay between product management, innovation management and go-to-market processes is essential here. The former must answer the question of which product portfolio a company should invest its creative resources in, the latter translates the identified priorities into best-in-class products and the latter brings these to the target markets and customers in a timely manner.

Of course, we are also pursuing an inorganic growth strategy. This means that we are specifically looking for acquisitions that not only increase our market share but also support our organic growth strategies. We see acquisitions as a means of expanding

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existing strengths and tapping into new markets. And there is a lot of “music in it” at the moment – we are seeing a significant increase in attractive acquisition opportunities with rather moderate price tags on each target. But one thing is also clear: GESCO will not make an acquisition just because the target company is cheap. Quality before quantity remains the maxim under my leadership.



Another important priority is – I can almost say was – portfolio streamlining. We must ensure that we concentrate on the most profitable business areas. This may mean that we have to part with less profitable companies and parts of companies. In doing so, we always seek the best solutions in the interests of the employees and the company. I am very pleased that we were able to report two important milestones here in December 2024: the sale of the Foundry and Steelworks divisions at Doerrenberg and the management buy-out at AstroPlast. We have therefore started the 2025 financial year with a more focused and more profitable company portfolio.

Andrea Holzbaur The sale of the Foundry and Steelworks divisions was the right strategic move. In the last financial year, the two divisions really struggled with the economic situation. The divisions have always been more or less loss-making, barely breaking even in good times. This year, due to the enormous drop in sales, the operating result was € –4.2 million. Added to this are the negative one-off effects from the sale of € –4.8 million. The overall impact on earnings of the two business segments is therefore a loss of 9 million.

Despite the one-off effect, it is the right step into the future financially. The one-off effect only has an impact on liquidity of € 2.2 million. However, it will strengthen our result and margin in the long term. Also important and difficult to measure directly: Doerrenberg can now fully focus its energy and attention on its core areas. What I am particularly pleased about, however, is that we have found a good buyer in Callista Private Equity GmbH. Callista has the necessary expertise for the turnaround. And not just expertise, Callista can also demonstrate the positive implementation of a turnaround, even in this sector. This gives us the best chance of securing the 127 jobs affected. We also have a responsibility towards the employees and their families.

How do you rate the sale of AstroPlast?

Andrea Holzbaur The sale is positive all round. From a financial perspective, we are significantly improving our key figures. AP had a relatively high level of debt and low margins. Due to the difficult earnings situation and future prospects, we already had an impairment loss in 2023. This means that we had no additional burden from the deconsolidation this year.

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Johannes Pfeffer The sale, or management buyout, of AstroPlast was a strategic decision. The company, which has around 70 employees and sales of around € 15 million, specialises in the production of complex large plastic parts and has repeatedly been able to hold its own in a highly competitive market. Nevertheless, it is a contract manufacturing business model that is based on high investments with little potential for differentiation. The separation from AstroPlast was therefore carried out in order to shift our portfolio even further in the direction of innovation, uniqueness and value creation. The MBO was a win-win situation. GESCO can focus more on companies that offer higher added value, while AstroPlast is given the freedom to grow independently and implement its strategy in a more flexible environment. And the advantage of MBOs is simply that the transaction goes very smoothly, and the employees involved can continue to work under familiar management.

Now there have been two sales. When does GESCO want to grow again?

Andrea Holzbaur The funnel of potential investments is well filled. We are looking at a lot and would also like to buy again quickly. That's why we're going to strengthen our team again in the second quarter. However, we are not setting up a dedicated M&A department. We are integrating the M&A process into the team of Business Directors, a staff unit and Finance. This will allow us to be more agile and flexible in the holding company as required. You can make plans for acquisitions, but you can't seriously plan for them. The new structure gives us the flexibility we need to be able to do more or to respond quickly when necessary.

Johannes Pfeffer However, we are confident that we will make a basic investment and an add-on acquisition this year.

What is your conclusion for the 2024 financial year?

Andrea Holzbaur We ended the financial year with a very low result. Of course, we would have liked it to be different. The effects from the Foundry and Steelworks had a negative impact of € 9 million on the result. If you look at the Group without Doerrenberg, we

were able to achieve EBIT of around 5.5%. This is certainly not satisfactory. But it is still solid given the general conditions.

“The funnel of potential investments is well filled. We are looking at a lot and would like to buy again quickly.”

Andrea Holzbaur (CFO)

I regard the share buyback as a success. We did this for the first time at GESCO. This is a change of strategy for us in terms of capital allocation. We are also keeping this option open for the future. The two sales in December were also important for the future.

Johannes Pfeffer Let's call it what it was: 2024 was difficult and, measured against our own standards, not successful. But we were still able to make a virtue out of necessity and did our homework: we reduced structural costs, streamlined our portfolio, bought back shares, strengthened customer loyalty and tackled fundamental issues. But that's enough about last year. Now let's look ahead: Based on our current estimates, the economy will not be providing us with much of a tailwind in 2025 either – but thanks to our good preparatory work, we can contribute a great deal to our own success. My prediction: 2025 will not be a phenomenal year, but it will be a good year. We will be able to increase our sales considerably and, in particular, achieve a pleasing result at the bottom line. I am very confident about that.

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Report of the Supervisory Board for the 2024 financial year



Stefan Heimöller (Chairman), Klaus Möllerfriedrich, Dr Nanna Rapp, Jens Große-Allermann (Deputy Chairman)

In the 2024 financial year, the Supervisory Board concerned itself intensively with the situation of the Company and fulfilled the obligations incumbent upon it in accordance with the law, the articles of association and the rules of procedure. These include consultations based on regular, timely and comprehensive information from the Executive Board, the involvement of the Supervisory Board in decisions of material importance to the Company and the necessary monitoring of management. The Executive Board provided the Supervisory Board with detailed written and verbal reports on all key issues relating to the Company in and outside of Supervisory Board meetings in accordance with legal requirements. The reporting included information on the economic development, the intended corporate policy, the sustainability targets and other fundamental matters of corporate planning and also included information on the financial situation of the Company and the Group (including the risk situation, risk management and compliance). Where required by law, the Articles of Association or its own regulations, the Supervisory Board passed resolutions on relevant business transactions. In addition, the Chairman of the Supervisory Board was in regular contact and exchanged information and ideas with the Executive Board. The latter informed the Chairman of the Supervisory Board continuously and promptly about important developments and upcoming decisions.

In this report, the Supervisory Board provides information on its activities in the 2024 financial year, focusing on the topics of its ongoing dialogue with the Executive Board and the audit of the annual and consolidated financial statements.

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Continuity on the Supervisory Board and changes on the Executive Board

There were no changes to the members of the Supervisory Board or the composition of the committees in the 2024 financial year. Stefan Heimöller as Chairman, Jens Große-Allermann as Deputy Chairman, Klaus Möllerfriedrich and Dr Nanna Rapp were members of the Supervisory Board for the entire 2024 financial year.

In the 2024 financial year, the Company's Executive Board consisted of CEO Ralph Rumberg (until 30 June 2024), his successor as CEO Johannes Pfeffer (since 1 October 2025) and CFO Andrea Holzbaur (for the full year).

Cooperation between the Executive Board and the Supervisory Board

The intensive and trusting cooperation between the Supervisory Board and the Executive Board was maintained at all times and was particularly intensive during the period without a CEO. Several unscheduled coordination meetings were held between the CFO and the Chairman of the Supervisory Board. Throughout the reporting year, the Supervisory Board diligently fulfilled its supervisory and advisory duties in accordance with the law, the articles of association and the rules of procedure. This included the regular exchange of information with the Executive Board and the monitoring of the Company's management regarding legality, regularity, expediency and economic efficiency.

The Supervisory Board was directly involved in all fundamental Company decisions. In particular, the economic situation of GESCO SE and its subsidiaries was discussed in detail. The appointment of new management positions at the subsidiaries of GESCO SE was a focal point of the Supervisory Board's work, as was the monitoring of (potential) M&A transactions and internal reorganisations under company law in 2024.

The Executive Board informed the Supervisory Board regularly, both verbally and in writing, promptly and comprehensively about all relevant issues relating to corporate planning and strategic development, the course of business, the situation of the Group and the individual subsidiaries, including the risk situation, as well as risk and compliance management. Between meetings, the Supervisory Board was also continuously

informed in detail by means of written reports and verbally about all projects and plans that were of particular importance to the Company. At the regular quarterly meetings, the Supervisory Board received a detailed report on the compliance management system and the internal control and risk management system from the responsible person at GESCO SE. As planned, the Supervisory Board dealt with the structure and content as well as the functionality of these systems. In all cases, the members of the Supervisory Board have critically and intensively examined the reports submitted to them and have made their own suggestions. The scope and nature of risk reporting are thus continuously updated. The topic of ESG/CSRD is becoming increasingly important and was addressed comprehensively in the non-financial statement.

The course of business was discussed in detail with the Executive Board. Deviations in the course of business from the respective annual plans and targets were explained to the Supervisory Board in detail at the meetings and analysed jointly by the Executive Board and Supervisory Board. The Supervisory Board examined the reports and proposed resolutions of the Executive Board in detail and, where required by law and the Articles of Association, cast its vote.

Significant strategic investments at the subsidiaries were accompanied by extensive discussions based on detailed investment calculations. Companies that were more severely affected by the economic situation were scrutinised in particular by the Supervisory Board.

Changes in the management of subsidiaries were discussed in detail by the Supervisory Board and the Executive Board. In the case of new appointments, candidates were interviewed by the Supervisory Board prior to the authorisation resolution.

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Organisation of the Supervisory Board's work

The organisation of the Supervisory Board work at GESCO SE remained unchanged. The Supervisory Board continues to consist exclusively of shareholder representatives, who were re-elected by the Annual General Meeting on 18 June 2020 for the next five years.

The deliberate limitation of the size of the Supervisory Board enables efficient work and intensive discussions on both strategic and detailed issues. For this reason, Supervisory Board committees are generally not formed. No committees were formed in the 2024 financial year, except for the audit committee. Mr Jens Große-Allermann, who has extensive knowledge in this area, chairs the audit committee, supported by auditor Mr Klaus Möllerfriedrich and Dr Nanna Rapp.

The full Supervisory Board delegates sub-tasks to individual members, who prepare them and submit them to the Board for final discussion and decision. This applies in particular to M&A transactions, personnel decisions and the audit of the financial statements. The four members of the Supervisory Board contribute different, complementary skills and thus ensure appropriate professional diversification, as set out in a skills matrix published in the corporate governance declaration.

Since 2023, the Supervisory Board has had access to a database containing all documents relevant to the Supervisory Board.

Meetings and resolutions of the Supervisory Board

In the 2024 financial year, a total of eleven ordinary and extraordinary Supervisory Board meetings were held. In addition, the Supervisory Board held internal telephone and video conferences on various occasions and, when necessary, made decisions by circular resolution. All members of the Supervisory Board attended all ordinary Supervisory Board meetings in person.

The Supervisory Board's ongoing discussions focussed on the economic development of GESCO Group, the development of individual subsidiaries, personnel matters at the subsidiaries and GESCO SE, the achievement of targets in relation to the annual planning and ongoing M&A projects. An employee of GESCO SE reported to the Supervisory Board on the compliance management system and the internal control and risk management system on a quarterly basis. The Supervisory Board also discussed the following key topics and, where necessary, passed resolutions:

- Discussion of the annual financial statements and the consolidated financial statements of GESCO SE as at 31 December 2023; adoption of the annual financial statements and approval of the consolidated financial statements as at 31 December 2023
- Report of the Supervisory Board; declaration on corporate governance; non-financial statement; declaration of compliance and corporate governance
- Preparation/follow-up of the Annual General Meeting 2024
- Annual planning 2024/2025
- Supervisory Board, Executive Board and personnel matters; in particular the appointment of a new CEO
- Internal control, risk and compliance management system
- New appointments to managing director positions at subsidiaries
- Investments at subsidiaries
- Acquisition/disposal of (shares in) companies; in particular the MBO AstroPlast and the sale of the casting and steel divisions at Doerrenberg
- Corporate law changes, in particular the establishment of foreign subsidiaries of the subsidiaries INEX and SVT
- Insurance issues, including cybersecurity; preparing a lawsuit for cartel damage
- Employee share ownership programme 2024
- Advice on share buyback programme

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Between meetings, the Supervisory Board was also informed in detail by means of written reports about all projects and plans that were of particular importance to the Company.

The audit committee met three times in 2024. The subject of the meetings in the first quarter was the work and results of the auditor and the auditor's proposal for 2024, and in the fourth quarter the agreement on the audit of the 2024 annual financial statements and an interim report on the 2024 audit.

Corporate Governance

The Supervisory Board has continuously monitored the further development of corporate governance standards. The Executive Board and Supervisory Board report on corporate governance at GESCO SE in their joint declaration on corporate governance, which is published both on the website and in the latest annual report.

In December 2024, the Executive Board and Supervisory Board submitted and published the statutory declaration of compliance with the German Corporate Governance Code as required by law. Accordingly, GESCO SE complies with the recommendations of the Government Commission on the German Corporate Governance Code with the exception of the deviations listed and justified in the declaration of compliance.

One member of the Supervisory Board took part in an external training programme on ESG in the reporting year; all members kept up to date with current Supervisory Board topics by reading specialist journals and on the Internet. In addition, individual members took part in seminars and other training programmes.

Executive Board remuneration

The remuneration system adopted in 2021 applies to all Executive Board employment contracts that have been concluded or extended since 1 July 2021 or will be concluded in the future, as long as no other remuneration system is adopted. The employment contracts of all Executive Board members are based on the remuneration system adopted in 2021.

The Annual General Meeting on 30 June 2021 approved the remuneration system presented at the time, which took into account the changes resulting from the Act Implementing the Second Shareholders' Rights Directive (ARUG II) and the then new recommendations of the German Corporate Governance Code.

Detailed information on the Executive Board remuneration system can be found in the remuneration report and the notes to the financial statements of GESCO SE and the Group.

Remuneration system for the Supervisory Board

The Supervisory Board remuneration system was revised in 2020 and, with the exception of a few Company-relevant regulations, largely adapted to the requirements of the GCGC. The modified remuneration system was approved by the Annual General Meeting 2020 and the Articles of Association were amended accordingly.

Audit of annual and consolidated financial statements

In accordance with the statutory provisions, the auditor elected by the Annual General Meeting on 9 May 2024, Forvis Mazars GmbH & Co KG Wirtschaftsprüfungsgesellschaft Steuerberatungsgesellschaft, was commissioned to audit the annual financial statements and the consolidated financial statements. The auditor has confirmed its independence and has also demonstrated that it is authorised to audit listed companies by successfully participating in a quality control audit conducted by the Chamber of Public Accountants.

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The annual financial statements of GESCO SE for the financial year from 1 January to 31 December 2024 prepared by the Executive Board in accordance with the German Commercial Code (HGB) and the management report were audited by the auditor. The auditor issued an unqualified audit opinion on 4 April 2025.

The consolidated financial statements and Group management report of GESCO Group for the financial year from 1 January to 31 December 2024 were prepared by the Executive Board based on the International Financial Reporting Standards (IFRS) in accordance with Section 315e of the German Commercial Code (HGB) and audited by the auditor. The auditor issued an unqualified audit opinion on the consolidated financial statements and Group management report 2024 on 4 April 2025.

This year's audit of the single-entity financial statements of GESCO SE focussed on the recoverability of shares in affiliated companies, the recoverability of receivables from affiliated companies, income from investments, provisions, taxes and the management report. The focal points of the audit of the consolidated financial statements were the recoverability of goodwill (impairment tests), the process for preparing the consolidated financial statements and the implementation of consolidation measures, the presentation of corporate transactions, the realisation of sales, the recoverability of receivables, inventories and legal risks in individual subsidiaries as well as pension provisions, deferred taxes, the management report and the notes to the consolidated financial statements including ESEF. The focal points of the audit were agreed with the auditor before the start of the audit. The Supervisory Board did not issue any specific instructions to the auditor. The key audit areas determined by the auditor already included desired audit areas from the perspective of the Supervisory Board. There was also personal contact between the Chairman of the Audit Committee and the auditor during the ongoing audit with regard to the exchange of information about the audit. During the audit and in the final phase of the audit work, the Audit Committee held intensive discussions with the auditor on the status of the audit in order to further prepare the decision of the full Supervisory Board. At two audit committee meetings held on 16 December 2024 and 10 March 2025, the auditor provided the committee members with detailed information on the audit of the financial statements of GESCO SE, the Group and the individual subsidiaries and answered questions. The discussion with the auditors also covered the accounting-related internal controls set up by the legal representatives in the Group and the risk management system.

The complete financial statements and the associated auditor's reports were sent to all members of the Supervisory Board in good time before the balance sheet meeting and were included in the Supervisory Board's audit activities. They were also the subject of intensive discussions at the Supervisory Board meeting on 4 April 2025. The auditors attended this meeting, reported extensively on the key findings of the audits and were available to the Supervisory Board to answer questions and provide additional information. All of the Supervisory Board's questions were answered in detail by the auditors. Based on the final results of the audit conducted by the Supervisory Board, no objections were raised to the annual financial statements, the management report, the consolidated financial statements or the Group management report. Following its own review of the annual financial statements, the consolidated financial statements and the combined management report, the Supervisory Board approved the result of the audit by the auditor and unanimously approved the annual financial statements and the consolidated financial statements at the meeting on 7 April 2025. The 2024 annual financial statements of GESCO SE are thus adopted. The Supervisory Board concurred with the Executive Board's proposal for the appropriation of net retained profits, taking into account the Company's earnings and financial position.

Thanks for the work done

The success of GESCO Group depends on the people who work for it. The Supervisory Board would therefore like to thank the Executive Board, the managing directors of the subsidiaries and all GESCO Group employees for their contribution to the successful development of the Group.

Wuppertal, 7 April 2025

For the Supervisory Board
Stefan Heimöller
Chairman of the Supervisory Board

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GESCO has been building a bridge between SMEs and the capital market since its IPO in 1998. GESCO SE offers companies a long-term home and provides investors with access to a portfolio of entrepreneurially managed industrial companies in the form of GESCO shares.

General market development

The international stock markets, led by highly capitalised technology companies, continued their upward trend, which began in the fourth quarter of 2022, unabated into the first quarter of 2024. After a second quarter that was essentially sideways, the large companies were able to record further price increases in the second half of the year.

The economic outlook for Germany and Europe initially brightened in the first few months of the year but weakened again increasingly from the summer onwards. The sentiment of German companies according to the ifo business climate index remained at crisis levels overall. Geopolitical uncertainties, the lack of planning reliability in German politics, price increases in recent years, the weak economy and increasing corporate insolvencies, as well as the recent rise in unemployment, continued to dampen the willingness to invest and consume. Naturally, this has a greater impact on smaller companies with a stronger focus on the domestic market than on larger, more export-oriented companies.

Over the course of the year, it became increasingly clear that Germany had lost much of its competitiveness as a business location in international comparison. In addition to the challenges in the energy supply since the outbreak of the war in Ukraine, the reasons for this include the further increase in protectionism and the changed role of China in international trade (competitor instead of just supplier), and in particular location factors such as high ancillary wage costs, inadequate infrastructure in some areas, excessive bureaucracy and slow procedures.

In the US, the presidential election campaign increasingly attracted media attention over the course of the year. Since the election at the beginning of November, various political directions have already been specifically announced, in addition to the filling of future government posts, including the increase of tariffs for goods from China, Canada and Mexico. In economic terms, the US economy surprised on the upside throughout the year.

Inflation rates in Germany and the eurozone fell below the ECB target of 2% at the end of the third quarter, only to rise again slightly to 2.2% towards the end of the year. Significantly lower energy prices were partially offset by sharply rising wages and thus higher price dynamics for services.

In light of these conditions, the indices developed very differently. The German leading index DAX ended the trading year 2024 with a gain of 18.8% at 19,909 points and reached a new all-time high of 20,523 points on 13 December.

By contrast, the MDAX and SDAX indices recorded losses, falling by 6.8% and 1.8% respectively by the end of the year.

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Performance of the GESCO share

After a slightly weaker first quarter, the GESCO share price recovered its losses in April and May and was back in positive territory for a time. The share then fell in line with the SDAX. The profit warning at the end of July 2024 caused the share price to bottom out, which lasted until the end of the year.

This results in a performance of -29.0% for the 2024 financial year. Taking into account the dividend of €0.40 per share, which was paid out after the Annual General Meeting on 29 May 2024, a decrease in value of 26.9% remains.

Shareholder structure

According to the latest surveys, GESCO has around 8,500 registered shareholders, some of whom hold GESCO shares in various portfolios. The share ownership is relatively evenly distributed between institutional and private shareholders, with other shareholders holding significant stakes of more than 1% in addition to the three shareholders who have reported their holdings.

The two shareholders with the largest share of the share capital are the Bonn-based investor Norman Rentrop and the entrepreneur Stefan Heimöller, who has been a member of the Supervisory Board since the 2013 Annual General Meeting and took over as its Chairman in June 2023. Mr Rentrop owns 14.5% and Mr Heimöller 14.2%. In addition, a portfolio of 3.3% is attributable to the Baden-Württembergische Versorgungsanstalt für Ärzte, Zahnärzte und Tierärzte.

The regulations of Deutsche Börse AG stipulate that all shares not held by major shareholders (share of share capital over 5%) are considered part of the free float. Mr Heimöller's shareholding is therefore deducted from the free float. The same applies to the shares held by the company itself, which account for 4.5% of the share capital. The free float was therefore 81.3% as of the balance sheet date.

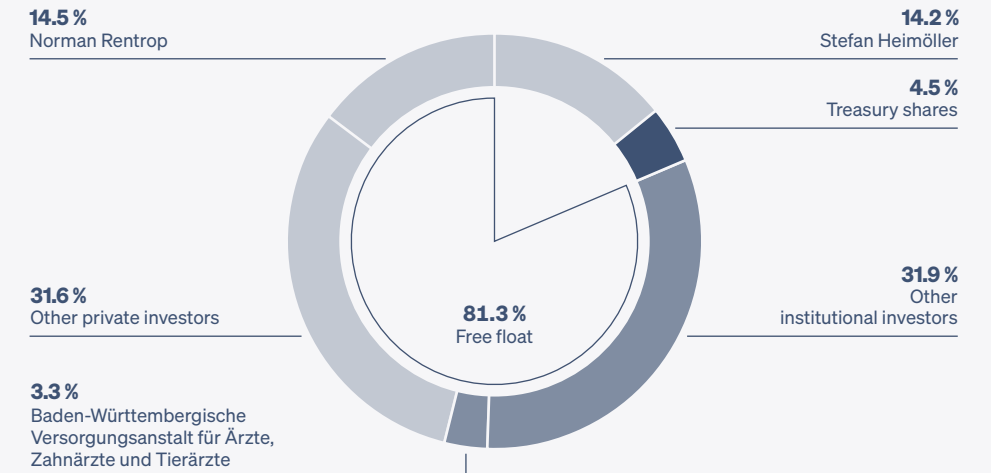
GESCO SE (excl. dividend) vs. SDAX (share price index)

Financial year 2024



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Current shareholder structure



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Transparent investor relations

The aim of GESCO SE's investor relations activities is to pursue a fair and transparent communication policy characterised by equal treatment of all stakeholders. This is intended to enhance the Company's reputation as an attractive investment and further increase awareness of GESCO on the capital market. Communication of business developments and corporate strategy is continuous, timely and reliable. This is intended to further strengthen investor confidence in GESCO and contribute to an adequate valuation of our share on the capital market.

Personal contact with capital market participants was also of great importance in 2024. The Executive Board and Investor Relations were in continuous dialogue with investors and analysts worldwide. The Company's performance was discussed in detail in numerous talks during roadshows and investor conferences, at the Annual General Meeting and in one-on-one meetings. Investor Relations made use of a variety of formats to address investors, both virtually and in person.

Our goal is to expand the GESCO shareholder base to include new investors abroad. To this end, roadshows were held in non-German-speaking countries for the first time since the coronavirus outbreak. We plan to ramp up these activities in the future because we are convinced that there are many investors in these countries who would find an investment in the (German) SME sector attractive.

In addition to the aforementioned activities, the Executive Board and Investor Relations regularly provided information on GESCO SE to investors, analysts and private investors in numerous discussions.

We will continue to present the company at numerous roadshows and capital market events in the current year 2025. The dates can be found in the financial calendar in the Investor Relations section of the GESCO website at www.gesco.de/en/investor-relations/financial-calendar.

Annual reports, half-yearly reports and quarterly statements, capital market releases, analyst assessments and information on the Annual General Meeting can be accessed via the newly designed investor relations homepage www.gesco.de/en/investor-relations. GESCO ensures that up-to-date and comprehensive information is available and that the Company can be contacted at any time.

We have been promoting the culture of shareholding in Germany through our membership of the Deutsches Aktieninstitut e. V. (DAI) since 1999.

GESCO SE has been a member of the Deutscher Investor Relations Verband e. V. (DIRK) since 2000 and is committed to its principles of open and continuous communication.

For many years, we have supported the (private) shareholders' interest groups DSW and SdK, which are committed to improving shareholder culture in Germany.

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Research

Baader Bank, GSC Research, Pareto Securities and SMC Research prepared regular research on the GESCO share in the reporting year.

Analyst ratings

Research		Target Price	Recommendation
04 April 2025	Baader Bank AG	22.00 €	Buy
31 March 2025	GSC Research GmbH	28.00 €	Buy
26 March 2025	SMC Research	33.00 €	Buy
31 July 2024	Pareto Securities AS	18.50 €	Buy

All current research reports can be found on the GESCO website at: www.gesco.de/en/investor-relations/shares

Designated Sponsoring

Baader Bank and Pareto Securities AS are obliged to act as designated sponsors.

Profit appropriation policy

Until financial year 2023, GESCO SE pursued a dividend policy that provided for a payout ratio of Group net income after minority interest within the range of 20% to 60%. The dividend payout range was intended to enable GESCO SE to retain cash in the Company, particularly in the event of pending acquisitions or major investments, by means of a lower payout ratio.

In financial year 2024, GESCO SE allowed its shareholders to participate in the Company's success for the first time through a share buyback. Almost 500,000 shares were acquired at a price of € 17.80 as part of a voluntary public share buyback offer. There is currently no resolution on the utilisation of the repurchased shares.

On 24 March 2025, GESCO presented its future strategy for the appropriation of profits. According to this, the previously applicable range for dividend payments has been limited to the lower range of 20%–40%. The company should be able to deviate from this range if appropriate opportunities arise. The Executive Board defined the priorities for the future appropriation of profits as follows:

1. Organic and inorganic growth
2. Share buyback, if economically reasonable and value-enhancing
3. Dividend distribution

At the Annual General Meeting on 25 June 2025, the Executive Board and Supervisory Board will propose a dividend of €0.10 per share for the 2024 financial year. At the time of the resolution, this dividend proposal resulted in a dividend yield of approximately 0.7%.

Employee share ownership programme

Since the IPO in 1998, GESCO SE has offered the domestic employees of the GESCO Group the opportunity to purchase employee shares at a discount as part of an annual employee share scheme. The programme offers employees the opportunity to build up a not inconsiderable asset position over time with a manageable annual financial investment, based on the share price development and dividend payments, and thus contribute to their own retirement provision. In addition, as shareholders, employees become co-entrepreneurs, and the participation is therefore intended to promote an entrepreneurial attitude. Last but not least, this programme enables us to contribute to promoting the equity culture in Germany.

At the end of 2024, GESCO successfully completed the 26th employee stock ownership programme.

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International Securities Identification Number (ISIN)	DE000A1K0201
Securities identification number (WKN)	A1K020
Ticker symbol	GSC 1
Share capital (12/31/2024)	10,839,499 €
Number of shares (12/31/2024)	10,839,499
IPO	24,03,1998
Year-end price previous year (12/31/2023)	18.60 €
Year-end price financial year (12/31/2024)	13.20 €
High reporting year (04/30/2024)	19.75 €
Lowest price in reporting year (12/20&23/2024)	13.10 €
Market capitalisation (12/31/2024)	143.1 million €
Free float (12/31/2024)	85.8%
Market capitalisation of free float (31 December 2024)	122.8 million €
Transparency standard	Prime Standard
Indices	CDAX general index Prime All Share Prime Industrial Classic All Share Prime Industrial Diversified

Stock Exchanges

- XETRA
- Frankfurt (Regulated Market)
- Tradegate/Berlin (Open Market/Open Market)
- Düsseldorf (Open Market/Open Market)
- Hamburg-Hanover (Open Market/Open Market)
- Munich (Open Market/Open Market)
- Stuttgart (Open Market/Open Market)

Contact

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¹ All prices based on XETRA closing prices.

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Corporate governance declaration in accordance with Sections 289f, 315d HGB financial year 2024

In this declaration, the 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 in compliance with Principle 22 of the German Corporate Governance Code (hereinafter also referred to as the "GCGC" or "Code").

The Executive Board and Supervisory Board of GESCO SE are committed to corporate governance geared towards sustainability. The business model is designed for the long term and all measures are geared towards the goal of sustainable positive development. The Executive Board and Supervisory Board of GESCO SE identify with the aim of the Code to promote good, trustworthy corporate governance that is orientated towards the benefit of shareholders, employees and customers. § Section 161 of the German Stock Corporation Act (AktG) requires an annual declaration of compliance with the recommendations of the Code. The possibility of a justified deviation from the Code's recommendations is expressly provided in the preamble to the Code. It is intended to enable companies to take industry- or Company-specific particularities into account. Accordingly, deviations from the Code should not be seen as negative per se, but can in the interests of good corporate governance, particularly for smaller companies.

In December 2024, the Executive Board and Supervisory Board issued the statutory declaration of conformity as required by law and made it permanently available to shareholders on the Company's website (www.gesco.de). This declaration is based on the currently valid version of the Code dated 28 April 2022.

The declaration of conformity dated December 2024 is part of this corporate governance declaration. Historical declarations of compliance are also available to the public on our website at

www.gesco.de/investor-relations/corporate-governance-compliance. The Articles of Association of GESCO SE are also available on the website under this heading.

Compliance management system

GESCO Group counters compliance risks such as corruption, antitrust violations and criminal behaviour with a suitable compliance management system, which includes a Group-wide Code of Conduct, accompanying guidelines and work instructions, an online information system (Rulebook) for GESCO Group employees at, accompanying training, case-related spot checks and a whistleblower system for employees and external parties. The managing directors of the subsidiaries are responsible for anchoring the respective requirements and principles in their companies. The Code of Conduct for GESCO Group employees can be viewed on the website at www.gesco.de/investor-relations/corporate-governance-compliance, along with further information on the whistleblower system that has been set up.

For GESCO Group companies, the protection of human rights and the environment is one of the fundamental requirements of their business activities. GESCO Group companies have therefore adopted a declaration of principles in which they define their strategy for the protection of human rights and certain environmental goods and formulate their expectations regarding respect for human rights and certain environmental goods vis-à-vis their employees and suppliers. The policy statement also describes how GESCO Group companies fulfil their legal obligations to protect human rights and certain environmental goods in detail and which risks they pay particular attention to due to their specific business activities.

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In order to ensure that these assets are protected as effectively as possible, GESCO Group has set up a complaints system that can be used to report (possible) violations of human rights and certain environmental assets if these (possible) violations have been committed by GESCO Group companies or their suppliers.

The complaints system was set up at the end of 2023 at www.gesco.de/en/responsibilities/human-rights-and-environmental-risks in accordance with the Supply Chain Duty of Care Act, which applies to GESCO Group since 1 January 2024.

Shareholders and Annual General Meeting

Shareholders exercise their rights and voting rights at the Annual General Meeting. Each GESCO SE share entitles the holder to one vote. GESCO SE publishes all documents relevant to the agenda in good time prior to the Annual General Meeting on its website at www.gesco.de/en/investor-relations/annual-general-meetings under "Investor Relations". In the invitation to the Annual General Meeting, the Company expressly requests that shareholders exercise their voting rights. To make it easier for shareholders to exercise their voting rights, the Company appoints a proxy who votes at the Annual General Meeting in accordance with the shareholders' instructions. The Company uses an online tool to enable shareholders to order admission tickets, cast postal votes and authorise the Company's proxy, among other things. The Company believes that maximising the presence of shareholders at the Annual General Meeting makes a significant contribution to shareholder democracy and to the majority of shareholders forming an opinion at the Annual General Meeting. GESCO SE publishes the invitation to the Annual General Meeting as well as reports and information required to pass resolutions in accordance with the provisions of the German Stock Corporation Act. This information is also available on the Company's website. Since the IPO in 1998, the Company has published the voting results on its website on the day of the Annual General Meeting.

The Annual General Meeting on 9 May 2024 was held in person as usual. The Executive Board and Supervisory Board have spoken out in favour of holding future Annual General Meetings in person, provided that external circumstances permit.

Executive Board and Supervisory Board

The Executive Board is responsible for managing the Company, while the Supervisory Board monitors the management and advises the Executive Board. The Executive Board and Supervisory Board work together closely and in a spirit of trust within the scope of their legally defined duties. The Executive Board informs the Supervisory Board regularly, promptly and comprehensively about corporate planning, the earnings and financial position, risk management, strategy development and acquisition projects. A catalogue of transactions requiring approval defines those Executive Board decisions that require the approval of the Supervisory Board.

There was no remuneration or benefits granted to members of the Supervisory Board for services provided personally, such as consulting and mediation services, either in the reporting year or in the previous year. There were no conflicts of interest for members of the Executive Board or the Supervisory Board.

Executive Board

The Executive Board is responsible for managing GESCO SE and conducting its business. The members of the Executive Board jointly manage the Company's business in accordance with the law, the Articles of Association and the rules of procedure issued by the Supervisory Board. The Executive Board develops the Company's strategic development, coordinates it with the Supervisory Board and implements it. The Executive Board also defines the objectives, prepares the planning and manages the Company's internal control and risk management system as well as controlling. The Executive Board also prepares the quarterly reports and quarterly statements, the half-year financial report, the separate financial statements of GESCO SE and the consolidated financial statements.

The Executive Board bases its actions and decisions on the interests of the Company.

The rules of procedure for the Executive Board issued by the Supervisory Board regulate the responsibilities of the Executive Board and further organise the work of the committees. The rules of procedure also regulate the details of the Executive Board's

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reporting to the Supervisory Board. They also stipulate which decisions of the Executive Board require the approval of the Supervisory Board. The age limit for the Executive Board is 65.

In the reporting year, the Executive Board consisted of CEO Ralph Rumberg (until 30 June 2024), his successor in office Johannes Pfeffer (since 1 October 2024) and CFO Andrea Holzbaur for the full year.

Relevant disclosures on corporate governance practices

The members of the Executive Board conduct the Company's business with the diligence of a prudent and conscientious manager in compliance with the statutory provisions, the Articles of Association and the Executive Board's rules of procedure.

In addition, the GESCO Code of Conduct contains the basic rules and principles for our actions arising from our self-image, including our behaviour towards customers, business partners, competitors, other third parties and the public. The GESCO Code of Conduct is available on our website at www.gesco.de/en/investor-relations/corporate-governance-compliance.

There are no relevant corporate governance practices at GESCO SE that go beyond these requirements.

Long-term succession planning for the Executive Board

Together with the Executive Board, the Supervisory Board ensures long-term succession planning for the Executive Board. The Supervisory Board regularly deals with succession planning for the Executive Board, also independently of any specific events. Taking into account the requirements of the German Stock Corporation Act, the Code and the target set by the Supervisory Board for the proportion of women on the Executive Board, the Supervisory Board draws up a requirements profile with the key characteristics and qualifications of candidates who could be considered for Executive Board positions. The profile of requirements is also influenced by the departments likely to be filled and the Company's strategic planning. In the event of a necessary new appointment or replacement on the Executive Board, the Supervisory Board conducts

structured selection interviews with selected candidates, on the basis of which the new appointment or replacement is made. If necessary, the Supervisory Board is supported by external consultants in the development of job profiles and the selection of suitable candidates.

Supervisory Board

The Supervisory Board appoints the Executive Board, monitors its management and advises it on the management of the Company. Detailed information on the work of the Supervisory Board in the reporting year can be found in the Report of the Supervisory Board.

The Supervisory Board of GESCO SE is deliberately kept small. This has to be extremely effective, as both strategic issues and detailed questions can be discussed intensively by the full Supervisory Board. It is a particular strength that all members of the Supervisory Board are equally involved in all topics. Beyond the Audit Committee required by law from 1 January 2022, the formation of committees is therefore not considered expedient. Accordingly, the Supervisory Board of GESCO SE did not have any other committees in the reporting year. In this respect, the Executive Board and Supervisory Board declare a deviation from recommendation D.5 GCGC.

In accordance with the requirements of the law and the Articles of Association, the Supervisory Board has rules of procedure in line with the recommendation in D.1 GCGC, which are available on the website at www.gesco.de/en/investor-relations/corporate-governance-compliance is available. The Chairman coordinates the work of the Supervisory Board, chairs its meetings and the interests of the Supervisory Board externally.

In the reporting year, the Supervisory Board consisted of Mr Stefan Heimöller (Chairman), Mr Jens Große-Allermann (Deputy Chairman), Dr Nanna Rapp and Mr Klaus Möllerfriedrich. In the opinion of the Supervisory Board, it is appropriate for at least two members of the Company's Supervisory Board to be independent within the meaning of the Code. All members of the Supervisory Board currently fulfil the independence criterion. Mr Möllerfriedrich has been a member of the Company's Supervisory Board for more than fourteen years, but the Supervisory Board nevertheless

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considers Mr Möllerfriedrich to be independent within the meaning of recommendation C.7 of the GCGC. In view of his previous performance in office, the Supervisory Board is convinced that, despite his many years of service on the Supervisory Board, Mr Möllerfriedrich continues to possess the critical distance to the Company and its Executive Board necessary for the performance of his office. Furthermore, Mr Möllerfriedrich has no personal or business relationship with the Company or its Executive Board that could give rise to a conflict of interest; nor does he hold any shares in the Company. All members of the Supervisory Board are also qualified as financial experts in accordance with Section 100 (5) AktG. The members of the Supervisory Board as a whole are familiar with the sector in which GESCO SE operates.

Composition of the Supervisory Board and diversity on the Supervisory Board, Executive Board and managers

According to recommendation C.1 sentence 1 GCGC, the Supervisory Board should specify concrete objectives for its composition and draw up a profile of skills and expertise for the entire Board. In doing so, the Supervisory Board should pay attention to diversity.

For the Supervisory Board of GESCO SE, diversity is not only defined by gender or nationality, but also and especially by professional diversity and a well-balanced mix of expertise from different specialist areas. The areas of expertise to be covered by the Supervisory Board of GESCO SE include, in particular, accounting, auditing and monitoring the effectiveness of internal control systems (“financial expert”), capital market experience, entrepreneurial expertise and experience as well as broad-based expertise in strategic, operational and financial entrepreneurial functions. The Supervisory Board believes that these competences are fully covered by the current composition of the Board and are represented as follows:

Field of expertise	Heimöller	Große-Allermann	Möllerfriedrich	Dr Rapp
Organisation of supervisory board work	x			
Corporate Governance			x	
Law			x	
Taxes			x	
Controlling and risk management	x	x	x	x
Accounting	x	x	x	x
Personnel	x	x	x	x
Production	x			x
Financing	x	x	x	x
Capital market		x	x	
M&A	x	x	x	x
Strategy	x	x		
Internationalisation		x		x
Sustainability/ESG/CSRD	x			
Digitisation				x
AI				x
Cybersecurity				x

The age limit for members of the Supervisory Board stipulates that the term of office of a Supervisory Board member generally ends at the end of the ordinary term of office following the member's 70th birthday. Details on the election and term of office of Supervisory Board members, the constitution of the Supervisory Board, its meetings and resolutions as well as the rights and obligations of its members are governed by the Articles of Association of GESCO SE.

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Working methods of the Audit Committee

As required by law, the Audit Committee monitors the accounting process, the effectiveness of the accounting-related internal controls (ICS), the effectiveness of the risk management system (RMS), the effectiveness of the internal audit and the audit of the financial statements (in particular the independence of the auditor). The Audit Committee discusses the assessment of the audit risk, the audit strategy and audit planning as well as the audit results with the auditor.

Target quotas for the proportion of women

The Act on Equal Participation of Women and Men in Management Positions in Private Business and Public Service, which came into force on 1 May 2015, requires the definition of target quotas for the proportion of women on the supervisory board, the executive board and in the two highest management levels, as well as the specification of deadlines for achieving these target quotas.

The Executive Board and Supervisory Board defined corresponding targets on 13 August 2015 and have since reported on the status of target achievement and, where necessary, on adjustments to the targets in the annual statement on corporate governance.

GESCO Group companies expressly and unreservedly pursue a policy of equal opportunities in their daily practice. Irrespective of legal obligations, this is a matter of course. The companies make every effort to attract female applicants, they support applications from female candidates, take part in campaigns such as “Girls’ Days” and seek dialogue schools and universities. None of this is due to quota pressure, but rather out of conviction and the need to fill vacancies with qualified candidates. Overall, the GESCO Group companies have a vital interest in positioning themselves as an attractive employer.

In 2017, the Supervisory Board of GESCO SE set a target quota of 25% for the proportion of women on the Supervisory Board. This quota is currently being met.

The Supervisory Board of GESCO SE set a target ratio of 30% for the Executive Board in 2015. This quota is currently being met.

A first management level below the Executive Board was added to the organisational structure of GESCO SE as at 1 September 2020. There is still no second management level below the Executive Board. The Executive Board has set a target quota of 25 for the first management level. This quota is currently not met.

The deadline for the next review of target achievement is 30 June 2025.

Comprehensive and transparent communication

GESCO SE informs shareholders, the capital market, the media and the general public about all relevant events and the economic development of the Company at the same time and with the same content. Financial reports, announcements, the financial calendar, Annual General Meeting documents and a wide range of other information are available on the Company’s website at www.gesco.de/en/investor-relations.

Shareholdings of board members

GESCO SE immediately publishes transactions in shares and debt instruments of the Company or related financial instruments by the persons named in Article 19 of the Market Abuse Regulation, in particular members of the executive bodies and persons closely associated with them, in accordance with the statutory provisions. The transactions reported to GESCO SE are published on the Company’s website at www.gesco.de/en/news/press-releases retrievable. In the past 2024 financial year no transactions were reported.

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Remuneration report/remuneration system

The applicable remuneration system for the members of the Executive Board in accordance with Section 87a (1) and (2) sentence 1 AktG, which was approved by the Annual General Meeting on 30 June 2021, and the remuneration system approved by the Annual General Meeting on 18 June 2020 on the remuneration of the members of the Supervisory Board in accordance with Section 113 (3) AktG is publicly available on the website www.gesco.de/en/investor-relations/corporate-governance-compliance. The remuneration report and the auditor's report in accordance with Section 162 AktG are made publicly available in the published annual reports at www.gesco.de/en/investor-relations/financial-reports.

Accounting and auditing

The separate financial statements of GESCO SE are prepared in accordance with the German Commercial Code, while the consolidated financial statements of GESCO SE have been prepared in accordance with the International Financial Reporting Standards (IFRS) since financial year 2002/2003. The separate and consolidated financial statements were audited by Forvis Mazars GmbH & Co. KG, Wirtschaftsprüfungsgesellschaft – Steuerberatungsgesellschaft, Düsseldorf. The responsible auditor is Mr Heiko Wittig.

Forvis Mazars GmbH & Co. KG, Wirtschaftsprüfungsgesellschaft – Steuerberatungsgesellschaft, Düsseldorf, also audited the individual financial statements of the subsidiaries. The audit of the foreign sub-subsidiaries was predominantly performed international partners of our German auditor.

In accordance with legal requirements, the auditor is elected by the Annual General Meeting for one financial year at a time. At the Annual General Meeting on 9 May 2024, the Annual General Meeting elected Forvis Mazars GmbH & Co. KG, Wirtschaftsprüfungsgesellschaft – Steuerberatungsgesellschaft, Düsseldorf, as the auditor of the annual and consolidated financial statements for the 2024 financial year and as the auditor for any review of the condensed financial statements and the interim management report as at 30 June 2024, as proposed by the Supervisory Board. On the basis of this resolution, the Chairman of the Supervisory Board commissioned the auditor for

the single-entity and consolidated financial statements. An audit or review of the half-year financial report and/or the quarterly statements for the first and third quarters did not take place in the reporting year.

GESCO SE, Wuppertal

Security identification number A1K020

ISIN DE000A1K0201

Declaration of compliance in accordance with section 161 AktG

The Executive Board and Supervisory Board of GESCO SE declare in accordance with Section 161 AktG that the recommendations of Government Commission on the German Corporate Governance Code in the version dated 28 April 2022, published in the official section of the Federal Gazette on 27 June 2022, have been complied with since the last declaration of compliance was issued in December 2023, with the following exceptions:

- A.1: Systematic identification and assessment of risks and opportunities and of the environmental and social impacts of the Company's activities, and consideration of environmental and social objectives in corporate strategy and planning

Due to the lead time required to implement the new recommendations on ESG, which came into force in June 2022, the necessary processes have not yet fully finalised.

- A.3: Coverage of sustainability-related objectives in the internal control and risk management system

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Due to the lead time required to implement the new recommendations on ESG, which came into force in June 2022, the necessary processes have not yet fully finalised.

- A.5: Description of the main features of the overall internal control and risk management system and statement on its adequacy and effectiveness

In accordance with legal requirements, the presentation in the management report is currently limited to a description of the key features of the internal control and risk management system with regard to the accounting process. Due to the lead time required to implement the new recommendation, which came into force in June 2022, the necessary processes have not yet been fully finalised.

- B.3: Contract duration for initial order

Mr Johannes Pfeffer received a 4-year contract when he was appointed to the Executive Board on 1 October 2024. In individual cases, compliance with recommendation B.3 may unnecessarily reduce the pool of suitable candidates and make it more difficult or impossible to recruit particularly qualified candidates. The Supervisory Board therefore reserves the right to deviate from the recommendation in individual cases if this is necessary in the interests of the Company, even if the recommendation is followed in principle.

- D.4: Formation of a nomination committee

The Supervisory Board of GESCO SE consists of four members. Due to the small size of the Supervisory Board, both overarching strategic issues and detailed questions can be discussed and decided on intensively by the full Supervisory Board without any loss of efficiency. We therefore do not consider it expedient to form committees over above the Audit Committee required by law. Instead, we believe that the fact that all members of the Supervisory Board are equally involved in all topics is a strength.

- F.2, 1st half-sentence: Publication of financial information (90-day deadline)

The additional coordination effort resulting from the change in the Company's auditor meant that the consolidated financial statements and the Group management report could not be published within 90 days of the end of the financial year.

- G.18: Remuneration of the Supervisory Board

The remuneration system for the Supervisory Board of GESCO SE approved by the Annual General Meeting on 29 May 2024 includes a fixed component as well as a performance-related component on Group net income after minority interest. Any Group net losses are carried forward to the next year and offset against positive amounts. We are convinced that this arrangement is in line with a sustainable and entrepreneurial mindset and should also fulfil the focus on the long-term development of the Company required by the Code. However, as it cannot be ruled out that other opinions may be held in this regard, we declare a deviation from this recommendation of the Code as a precautionary measure.

The Executive Board and Supervisory Board of GESCO SE declare in accordance with Section 161 AktG that the recommendations of the German Corporate Governance Code issued by the German Government on 28 April 2022, as published in the official section of the Federal Gazette on 27 June 2022, are complied with, with the following exceptions:

- A.1: Systematic identification and assessment of risks and opportunities and of the environmental and social impacts of the Company's activities, and consideration of environmental and social objectives in corporate strategy and planning

GESCO SE identifies and assesses risks and opportunities as well as the environmental and social impact of its business activities and takes environmental and social objectives into account in its corporate strategy and planning. However, the implementation of CSRD in Germany is currently an ongoing process that has not yet been finalised by the legislator. This means that the companies concerned do not have finalised requirements to be observed. Against this background, we declare a deviation from this recommendation of the Code as a precautionary measure. GESCO SE intends to fully comply with the recommendations in the future.

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- A.3: Coverage of sustainability-related objectives in the internal control and risk management system

GESCO SE has integrated sustainability criteria into its corporate strategy, defined sustainability targets and key figures and published a Sustainability Code declaration in accordance with the CSR Directive Implementation Act. The incorporation of sustainability-related targets into the internal control system, including the definition of processes and systems for recording and processing sustainability-related data, is an ongoing process that is progressing successively, not least due to the fact that the CSRD implementation has not yet been finalised by the legislator. Against this background, we declare a deviation from this recommendation of the Code as a precautionary measure. GESCO SE intends to fully comply with the recommendations in the future.

- A.5: Description of the main features of the overall internal control and risk management system and statement on its adequacy and effectiveness

The content of recommendation A.5 goes well the legal requirements of Sections 289 para. 4 and 315 para. 4 HGB. For this reason, GESCO SE currently continues to describe the key features of the internal control system with regard to the accounting process and the risk management system in the combined management report, as required by law. In the future, GESCO SE intends to expand its reporting in line with the more extensive recommendation.

- D.4: Formation of a nomination committee

The Supervisory Board of GESCO SE consists of four members. Due to the small size of the Supervisory Board, both overarching strategic issues and detailed questions can be discussed and decided on intensively by the full Supervisory Board without any loss of efficiency. We therefore do not consider it expedient to form committees over above the Audit Committee required by law. Instead, we believe that the fact that all members of the Supervisory Board are equally involved in all topics is a particular strength.

- F.2, 1st half-sentence: Publication of financial information (90-day deadline)

Personnel changes at the Company and the associated increased coordination effort with the auditor mean that the consolidated financial statements and the Group management report cannot be published within 90 days of the end of the financial year. Publication in accordance with the GCGC is planned for the 2025 financial year.

- G.18: Remuneration of the Supervisory Board

The remuneration system for the Supervisory Board of GESCO SE approved by the Annual General Meeting on 29 May 2024 includes a fixed component as well as a performance-related component on Group earnings after minority interest. Any Group net losses are carried forward to the next year and offset against positive amounts. We are convinced that this arrangement is in line with a sustainable and entrepreneurial mindset and should also fulfil the focus on the long-term development of the Company required by the Code. However, as it cannot be ruled out that other opinions may held in this regard, we declare a deviation from this recommendation of the Code as a precautionary measure.

Wuppertal, December 2024

GESCO SE

For the Supervisory Board
Stefan Heimöller
(Chairman of the Supervisory Board)

For the Executive Board
Johannes Pfeffer
(CEO)

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This remuneration report in accordance with Section 162 AktG the remuneration of the members of the Executive Board and the members of the Supervisory Board of GESCO SE for financial year 2024.

1 Remuneration of the members of the Executive Board

1.1 Overview

Founded in 1989, GESCO SE is a long-term investor that acquires economically sound industrial SMEs in order to hold and develop them over the long term. The subsidiaries are operationally independent. They are integrated into GESCO Group's reporting and risk management system. GESCO SE is a successful partner for industrial SMEs and has developed into a dynamic group of market and technology leaders. This development has been made possible by a clear and focussed business model based on the identification and exploitation of growth potential. SMEs form the backbone of the German economy, and GESCO bridges the gap between SMEs and the capital market.

The focus is on business models with high intrinsic value contributions and differentiating features, which are continuously developed with the support of the holding Company. The aim is to identify sustainable growth potential and secure the future viability of the Group. Through this approach, GESCO SE creates added value for all stakeholders, including shareholders, employees, customers, suppliers, business partners and the communities in which the companies operate.

This requires an experienced management (Executive Board) that acts responsibly and manages the resources granted by the shareholders efficiently. On 13 May 2021, the members of the Supervisory Board approved a remuneration system for the Executive Board that applies to all new Executive Board service contracts to be concluded or extended with effect from the Annual General Meeting on 30 June 2021. The remuneration system complies with the applicable statutory provisions of the German Stock Corporation Act (AktG) in the current version following the implementation of the Second Shareholders' Rights Directive (ARUG II1) and takes into account the recommendations of the German Corporate Governance Code (GCGC) in the version dated 28 April 2022.

This remuneration report was prepared jointly by the members of the Executive Board and the Supervisory Board of the Company and audited by the auditor in accordance with the statutory requirements with regard to its formal completeness.

The current Chief Executive (CEO), Johannes Pfeffer, has held his position since 1 October 2024. He succeeded Ralph Rumberg, whose Executive Board contract expired on 30 June 2024. CFO (Chief Financial Officer) Andrea Holzbaur was appointed with effect from 26 September 2022. The employment contract of Mr Pfeffer (CEO) runs until 30 September 2028. The contract of Ms Holzbaur (CFO) with an initial term until 30 September 2025 was extended by a further four years until 30 September 2029.

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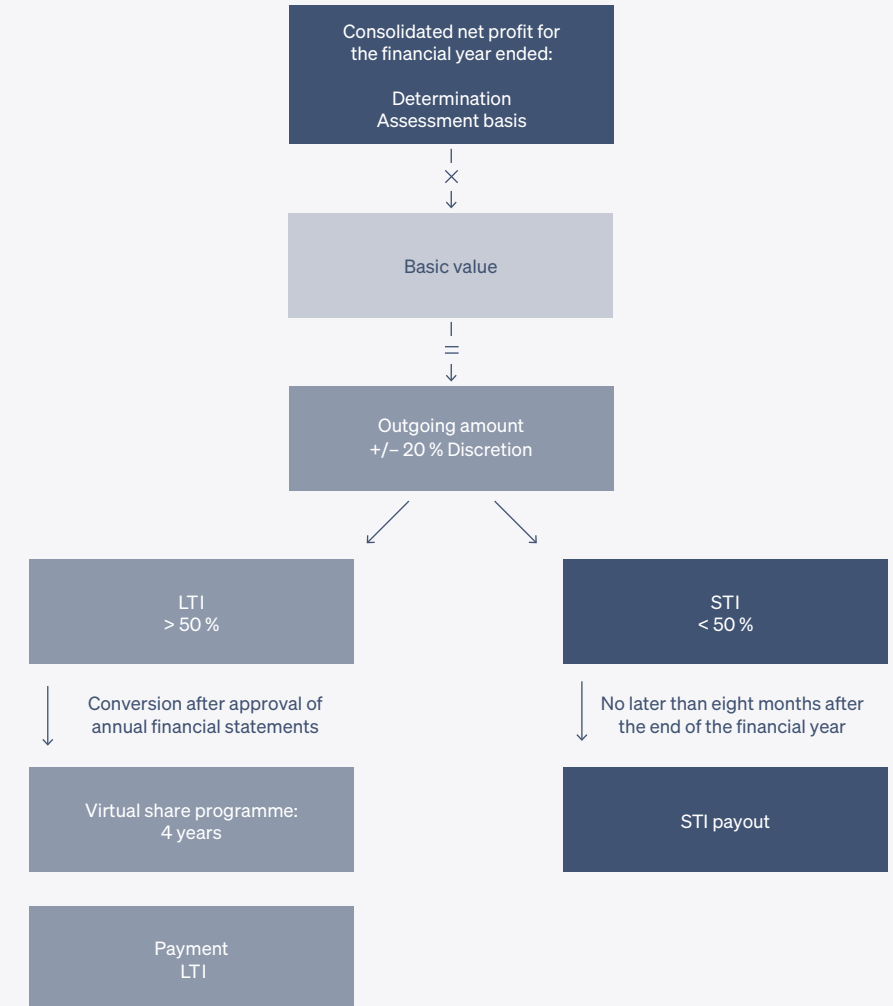
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1.1.1 Performance-related remuneration

The performance-related remuneration elements (**variable remuneration**) consist of a one-year component, the Short Term Incentive (**STI**), and a multi-year element, the Long Term Incentive (**LTI**). Both elements are linked to the consolidated net income after minority interests (“consolidated net income”). After the end of the financial year, the consolidated net income reported in the approved consolidated financial statements is determined. The consolidated net income then serves as the starting point for the variable remuneration (**assessment basis**). The assessment basis is then multiplied by an individual percentage (**base figure**) for each member of the Executive Board in order to arrive at the individual starting amount for each Executive Board member (**starting amount**). This initial amount for the variable remuneration is determined by the Supervisory Board after the end of the financial year, whereby the Supervisory Board has the discretion to change the initial amount by upwards or downwards. The initial amount is limited to of the fixed annual salary (“**Cap 1**”), but can also be zero. If a Executive Board member is not employed for the entire financial year, the variable remuneration is reduced in proportion to the length of service in the corresponding financial year. While a smaller proportion of the base amount, and therefore of the initial amount, is attributable to the STI, the proportion of the LTI is always greater than the proportion of the STI in order to focus on the long-term development of the Company. The portion of the performance-related remuneration granted as STI is paid out to the members of the Executive Board no later than eight months after the end of the financial year. The portion of the initial amount attributable to the LTI is granted in the form of a virtual share programme with a four-year term (**share-based component**).

The majority of the variable remuneration is granted as LTI in the form of virtual shares with a term of four years. The amount of variable remuneration attributable to the LTI is divided by the average XETRA closing price of GESCO shares on the consecutive trading days in the last three months prior to the date of approval of the consolidated financial statements for the relevant year in order to obtain the initial number of virtual shares (**virtual shares**). This number of virtual shares (commercially rounded to the nearest whole number) is recorded as a calculation item. After the expiry of the four years, the Virtual Shares will be multiplied by the average XETRA closing price of the GESCO share on the consecutive trading days in the last three months prior to the date of approval of the consolidated financial statements for the fourth financial year, plus

Overview of variable remuneration



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the dividend accrued during the four years. The amount thus determined shall be paid out up to the maximum remuneration (Cap II, see Section B.).

The remuneration system supports the corporate strategy as well as the sustainable and long-term development of the Company by placing particular emphasis on a long-term and sustainable orientation in the actions of the Executive Board. In particular, the alignment of the variable remuneration components with the consolidated net profit for the year takes into account the fact that other quantitative targets in the remuneration of a holding Company are subject to potentially large and not always predictable fluctuations and should therefore be avoided. At the same time, this basis of assessment for variable remuneration ensures the greatest possible alignment with the interests of the shareholders, the Company as a whole and the employees. The introduction of a multi-year, share-based remuneration component also aims to enhance the alignment between the company’s strategy, its implementation, and shareholder interests.

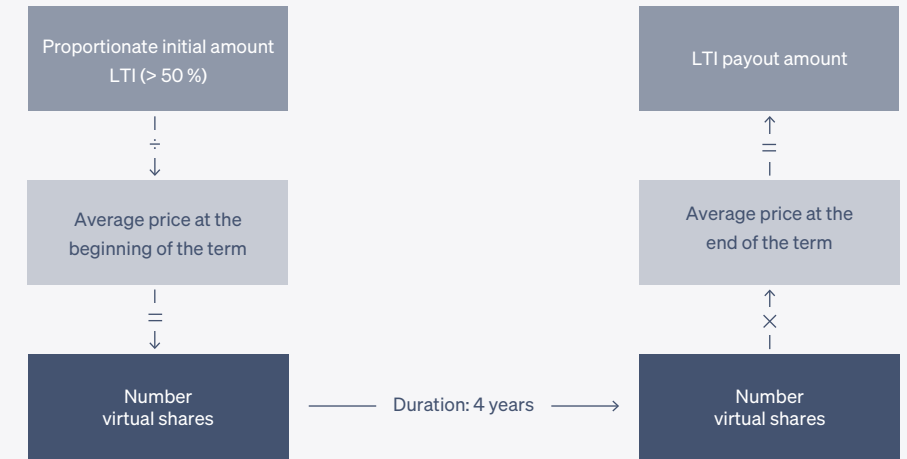
The remuneration system is designed to be clear and understandable. At the same time, incentives to take disproportionate risks are avoided. In particular, the Supervisory Board aims to offer Executive Board members appropriate and competitive remuneration in order to ensure that qualified Executive Board members remain loyal to GESCO in the future and that new Executive Board members can be recruited for the Company.

1.1.2 Compliance with the maximum remuneration and principles for determining remuneration

In accordance with the remuneration system, the maximum possible total remuneration (**Cap II**) that a member of the Executive Board can receive for a financial year is limited to € 950 thousand for Mr Pfeffer and € 850 thousand for Ms Holzbaur. For Mr Rumberg, the maximum possible total remuneration for a financial year was € 950 thousand.

Compliance with the maximum remuneration for the 2024 financial year can only be reviewed in 2029 after settlement of the 2024 LTI. Compliance will then reported in the remuneration report for the 2028 financial year.

Functionality of the LTI (virtual share programme)



The remuneration system is the responsibility of the Supervisory Board. In doing so, the Supervisory Board ensures that remuneration is appropriate compared to other companies and its own employees. The remuneration system was approved by the Annual General Meeting on 30 June 2021 with 86.61% of the votes.

The granting of variable remuneration is generally subject to a malus and clawback rule, particularly in the event of a serious breach of the Executive Board’s duty of care. There was no such breach of duty for the 2024 financial year.

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1.2 Application of the remuneration system in the 2024 financial year

1.2.1 Non-performance-related remuneration (fixed remuneration)

In 2024, the fixed remuneration comprises three components: the fixed annual salary, fringe benefits and pension benefits. The fixed annual salary is paid in twelve monthly instalments. In addition to the fixed annual salary, the members of the Executive Board receive fringe benefits, which mainly include the private use of Company cars, contributions to employers' liability insurance associations and contributions to health insurance. The pension benefits for the CEO and CFO each amount to 20% of the fixed annual salary. The members of the Executive Board can decide whether the pension scheme is organised by the Company or whether the amount is paid out as part of the monthly salary payment and the Executive Board member makes their own pension arrangements. For reasons of transparency, the amount attributable to the pension benefits is recognised separately, even if it is paid out in the form of a monthly payment.

1.2.2 Variable remuneration

1.2.2.1 Target achievement in 2024

The key indicator for the variable remuneration (the STI and the LTI) is the consolidated net profit for the year. This amounts to € 4,438.6 thousand for the 2024 financial year for Mr Rumberg and Ms Holzbaur.

For Mr Rumberg and Ms Holzbaur, the initial amount of the variable remuneration for 2024 results from the multiplication with the respective base figure of 1.24% (Mr Rumberg) and 0.75% (Ms Holzbaur). Of this, 49.20% will be paid out as STI in 2025 and 50.80% will be granted as LTI.

Mr Pfeffer will receive variable remuneration of € 71.3 thousand for the year in which he joins the Company, which was contractually agreed in this amount. Of this, 49.20% will be paid out as an STI in 2025 and 50.80% will be granted as an LTI. From the 2025 financial year, the initial amount of the variable remuneration for Mr Pfeffer will result from multiplication by a base figure of 0.95%.

The following table shows the respective calculation of the variable remuneration:

Variable remuneration

	Ralph Rumberg	Johannes Pfeffer	Andrea Holzbaur
in T€	10/01/2024 – 06/30/2024	10/01/2024 – 12/12/2024	
Consolidated net profit for 2024	4,438.6		4,438.6
Individual base size	1.24%		0.75%
Initial amount	27.5¹	71.3²	33.3
thereof			
STI	49.20%	13.5	16.4
LTI	50.80%	14.0	16.9

¹ Pro rata temporis for 6 months.

² According to the contract, a bonus of € 71.3 thousand was agreed for 2024.

Mr Rumberg's total variable remuneration for 2024 amounts to € 27.5 thousand pro rata for six months, of which € 13.5 thousand will be paid out as STI in 2025 and € 14.0 thousand is attributable to the LTI.

In total, the variable remuneration for Mr Pfeffer for the year 2024 amounts to € 71.3 thousand pro rata for three months. Of this, € 35.1 thousand will be paid out as a cash component (STI) in 2025 and € 36.2 thousand will be converted into virtual shares as part of the LTI.

Ms Holzbaur's total variable remuneration for 2024 amounts to € 33.3 thousand, of which € 16.4 thousand will be paid out as STI in 2025 and € 16.9 thousand is attributable to the LTI.

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1.2.2.2 LTI 2024

In accordance with the remuneration system, the majority of the variable remuneration is converted into a share-based component. This is granted in the form of virtual shares and has a term of four years. The amount of variable remuneration attributable to the LTI is divided by the average XETRA closing price of the GESCO share on the consecutive trading days in the last three months prior to the date of adoption of the consolidated financial statements for 2024. This number of virtual shares (commercially rounded to the nearest whole number) is recorded as a calculation item.

For Mr Rumberg, € 14.0 thousand is attributable to the LTI, for Mr Pfeffer € 36.2 thousand and for Ms Holzbaur € 16.9 thousand. These amounts are each divided by the average XETRA closing price in the last three months prior to the adoption of the consolidated financial statements for 2024 to obtain the number of phantom shares.

As the remuneration report was prepared before the consolidated financial statements were adopted, the average XETRA closing price, and therefore also the calculation of the phantom shares, is determined after the remuneration report was prepared.

1.2.2.3 Number of virtual shares from LTI 2023

The number of virtual shares from the LTI 2023 was calculated in 2024 after the adoption of the consolidated financial statements for 2023 (and after the preparation of the remuneration report for 2023). The average XETRA closing price in the three months prior to the adoption of consolidated financial statements for 2023 was € 17.00.

For Mr Rumberg, € 131.6 thousand was attributable to the 2023 LTI. Divided by the average XETRA closing price of 17.00 €, Mr Rumberg was allocated 7,739 virtual shares under the LTI 2023. Mrs Holzbaur's LTI 2023 amounted to € 79.6 thousand, which corresponds to 4,681 virtual shares.

1.2.3 Benefits in the event of retirement and payment cap

In the event of the dismissal of a Executive Board member, the fixed annual salary, the performance-related bonus and the pension benefits are granted at most until the end of the fixed term of the contract. In the event of dismissal, the Company may release the Executive Board member from the obligation to provide their services, taking into account any existing holiday entitlements, provided that the employment relationship is otherwise properly settled until the end of the employment contract.

All payments and fringe benefits to the Executive Board during the period after the end of the Executive Board mandate may not exceed the total value of two years' remuneration (based on the total remuneration for the past financial year and, if applicable, on the expected total remuneration for the current financial year) and in any case may not remunerate more than the remaining term of the employment contract (payment cap). Both the regulations in the event of resignation and the payment cap are applicable under the remuneration system.

1.3 Remuneration granted and owed in 2024

In accordance with Section 162 (1) sentence 1 AktG, Executive Board remuneration for 2024 is shown separately for all Executive Board members active in the financial year in the tables below. The tables include all amounts that actually accrued to the Executive Board in the reporting period ("remuneration granted") and all remuneration that is legally due but has not yet accrued ("remuneration owed"). The short-term variable remuneration (STI) is regarded as "remuneration owed", as the underlying service was rendered in full by the reporting date. The STI is therefore for the reporting year, even though payment is only made after the end of the respective reporting year. In contrast, the LTI does not represent "remuneration granted" or "remuneration owed", as the bonus payment on the parameters after the end of the four-year term. After the end of the four-year term, any remuneration from the LTI 2024 will be owed and recognised in the remuneration report for the 2028 financial year in accordance with the above provisions.

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Granted and owed

in T€	Ralph Rumberg		Johannes Pfeffer		Andrea Holzbaur	
	Absolut	Relativ	Absolut	Relativ	Absolut	Relativ
Remuneration not dependent on performance	280.4	95.4%	127.2	78.4%	336.0	95.4%
Fixed annual salary	219.5	74.7%	100.0	61.6%	270.0	76.7%
Fringe benefits	17.0	5.8%	7.2	4.5%	12.0	3.4%
Pension benefits	43.9	14.9%	20.0	12.3%	54.0	15.3%
Variable remuneration	13.5	4.6%	35.1	21.6%	16.4	4.6%
STI	13.5	4.6%	35.1*	21.6%*	16.4	4.6%
LTI	0.0	0.0%	0.0	0.0%	0.0	0.0%
Total 2024	293.9	100.0%	162.3	100.0%	352.4	100.0%

* A fixed amount of € 71.3 thousand was agreed as a bonus for 2024. This is divided into STI and LTI.

2 Remuneration of the members of the Supervisory Board

2.1 Overview and principles of determining remuneration

At the end of the financial year on 31 December 2024, the Supervisory Board consisted of a total of four members, including the Chairman of the Supervisory Board and his deputy.

The members of the Supervisory Board receive a fixed annual remuneration (**fixed remuneration**), which is payable at the end of the respective financial year. Performance-related remuneration (**variable remuneration**) is also possible. This is based on the consolidated net income after minority interests (**consolidated net income or assessment basis**). In the event that the Supervisory Board forms committees, the members of the Supervisory Board also receive additional fixed annual remuneration (**committee remuneration**) for each office held on a committee that meets at least once a year.

As with the remuneration system for the Executive Board, this remuneration for the members of the Supervisory Board supports the sustainable development of the Company through a performance-related orientation in the exercise of Supervisory Board activities.

Every four years, the Annual General Meeting decides on the remuneration of the Supervisory Board members and the remuneration system. The corresponding resolution can also confirm the current remuneration. If the Annual General Meeting does not approve the proposed remuneration system, a revised remuneration system should be presented at the following Annual General Meeting at the latest.

The current system for the members of the Supervisory Board was approved by 93.26% at the Annual General Meeting on 18 June 2020.

2.2 Application of the remuneration system

2.2.1 Remuneration elements

The remuneration of the members of the Supervisory Board can consist of up to three elements. The fixed remuneration and the committee remuneration are function-dependent, while the variable remuneration depends on the consolidated net profit for the year. If a member of the Supervisory Board is not a member of the Board or a committee for the entire financial year, the remuneration is paid pro rata temporis.

2.2.1.1 Fixed remuneration

From the 2020 financial year, the members of the Supervisory Board will receive a fixed annual remuneration at the end of the respective financial year. It amounts to € 50 thousand for each individual member, € 75 thousand for the Chairman of the Supervisory Board and € 55 thousand for the Deputy Chairman.

2.2.1.2 Variable remuneration

The members of the Supervisory Board also receive performance-related remuneration. This amounts to 0.15% of Group earnings for the year (per Supervisory Board member) and is due after the adoption or approval of the annual and consolidated financial statements. If the assessment basis is negative, it is carried forward to the next year and offset against positive amounts.

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The consolidated net profit for the year of € 4,438.6 thousand results in performance-related remuneration of € 6.7 thousand per Supervisory Board member for 2024.

2.2.1.3 Committee remuneration

In the event that the Supervisory Board forms committees, the members of the Supervisory Board also receive an additional fixed annual remuneration of € 3 thousand for each position on a committee that meets at least once a year. This remuneration amounts to € 5 thousand for the chairmen of committees.

Another component of the remuneration is the reimbursement of training costs for the members of the Supervisory Board.

Furthermore, the Company reimburses the members of the Supervisory Board, but not as part of the remuneration, for reasonable expenses incurred in the exercise of their office as well as any value added tax payable on the remuneration and reimbursement of expenses. The Company includes the activities of the members of the Supervisory Board in the cover provided by a financial loss liability insurance policy it has taken out. The premiums for this are paid by the Company.

2.2.2 Maximum remuneration

The total annual remuneration for the individual member is limited twice the sum of the fixed remuneration and the committee remuneration.

2.3 Remuneration in 2024

The remuneration granted and owed to the members of the Supervisory Board in accordance with Section 162 (1) sentence 1 AktG in 2024 is in the table below:

in T€	Fixed remuneration	% of Total	Variable remuneration	% of Total	Committee remuneration	% of Total	Total
S. Heimöller	75.0	91.8%	6.7	8.2%	0.0	0.0%	81.7
J. Große-Allermann	55.0	82.5%	6.7	10.0%	5.0	7.5%	66.7
N. Rapp	50.0	83.8%	6.7	11.2%	3.0	5.0%	59.7
K. Möllerfriedrich	50.0	83.8%	6.7	11.2%	3.0	5.0%	59.7
Total 2024	230.0	85.9%	26.6	10.0%	11.0	4.1%	267.6

3 Comparison of the change in remuneration and earnings development at GESCO

The following overview shows the average remuneration of GESCO Group employees and the performance of GESCO in 2024. The table also compares the average remuneration of employees and earnings performance with the remuneration of the current members of the Executive Board and Supervisory Board in 2023. The remuneration granted and owed within the meaning of Section 162 para. 1 sentence 1 AktG is decisive here.

The note “continuing” corresponds to the presentation in the 2021 consolidated financial statements and no longer takes into account the subsidiary sold in February 2021.

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in T€	2024	2024 vs. 2023	2023	2023 vs. 2022	2022	2022 vs. 2021	2021	2021 vs. 2020	2020
Remuneration of the Executive Board									
Ralph Rumberg until 06/30/2024	294	-57%	684	-17%	823	4%	793	36%	585
Johannes Pfeffer since 10/01/2024	162		-		-		-		-
Andrea Holzbaur since 09/26/2022	352	-16%	418	235%	125		-		-
Kerstin Müller-Kirchhofs until 04/30/2022	-		-		298	-59%	729	35%	542
Remuneration of the Supervisory Board									
Stefan Heimöller	82	-16%	97	-8%	106	51%	70	27%	55
Jens Große-Allermann	67	-25%	89	-16%	106	63%	65	30%	50
Dr Nanna Rapp	60	-29%	84	-19%	104	60%	65	30%	50
Klaus Möllerfriedrich	60	-38%	96	-26%	129	43%	90	20%	75
Employee remuneration									
Average remuneration of employees	69	4%	67	1%	66	4%	63	7%	59
Performance GESCO Group									
Consolidated sales (continued) (IFRS)	513,809	-8%	560,724	-4%	582,273	19%	488,051	23%	397,225
Consolidated net income after third parties (total) (IFRS)	4,439	-79%	20,885	-38%	33,824	26%	26,862	-262%	-16,576
Consolidated net income after third parties (continued) (IFRS)	4,439	-79%	20,885	-38%	33,824	26%	26,876	361%	5,829
Net income/loss for the year GESCO SE (HGB)	11,993	53%	7,827	-71%	26,970	-12%	30,662	-631%	-5,769

4 Outlook from a remuneration perspective

The remuneration system for the members of the Executive Board and Supervisory Board will be submitted to the 2025 Annual General Meeting, which will take place on 25 June 2025, for approval.

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General information

1 Basis for the preparation

The following GESCO Group Sustainability Report was prepared in accordance with the Corporate Sustainability Reporting Directive (CSRD) and partially applying the first sentence of the ESRS as a framework; it applies the same scope of consolidation as the consolidated financial statements and is GESCO's first report of this kind. If individual statements within the sustainability report only apply to a section of the scope of consolidation, this is indicated. It is also made transparent if individual key figures are based on estimates and the methodological approach is explained accordingly. The reporting period for all qualitative statements and quantitative key figures extends from 1 January 2024 to 31 December 2024, in line with financial reporting.

The report was also prepared in accordance with the statutory requirements for a separate non-financial Group statement pursuant to Sections 289b and 315b HGB.

In order to provide a transparent insight into GESCO Group's sustainability-related topics, no information has been omitted from the following sustainability report for reasons of confidentiality or to protect intellectual property.

This sustainability report covers both the upstream and downstream value chain. On the one hand, the information from the survey conducted as part of the Supply Chain Sustainability Act (LkSG) is available for the upstream value chain, while on the other hand, the ten largest customers and suppliers per segment in terms of sales and therefore the downstream value chain were considered as part of the stakeholder analysis. The latter were analysed in terms of compliance, occupational health and safety, environmental protection, quality, ethics and financial stability.

The extent to which the individual guidelines, measures, targets and key figures also relate to the value chain or individual components of the value chain can be seen in the following chapters.

The inclusion of the value chain as part of sustainability efforts highly relevant for GESCO as a group of manufacturing companies in the areas of resource technology, process technology, healthcare and infrastructure technology. At the same time, the value chain with all its players is also complex and fragmented. In order to ensure precise management of the impacts, risks and opportunities as well as the information to be reported, key components within the value chain were therefore identified, to which reporting in the Sustainability Report is limited.

At the end of the year, the GESCO subsidiary AstroPlast Kunststofftechnik GmbH & Co. KG and two traditional business units of Doerrenberg Edelmetall GmbH (foundry and steelworks) were sold, which will lead to a change in the content of reporting in the coming reporting year. In addition to the resulting reductions in consumption and greenhouse gas emissions, the outsourcing of steel production, for example, will also lead to a review of the materiality analysis.

The list of disclosure requirements required by ESRS 2 IRO-2 (IRO = Impacts, Risks Opportunities) and the list of data points with reference to other EU legislation are included in the **Annex to the Sustainability Report**. This also applies to the overview of the core elements of due diligence, which was prepared in accordance with ESRS 2 GOV-4. The list of disclosure requirements that (partially) refer to disclosures outside of the separate non-financial group statement is shown in the following table.

Duty of disclosure	Localisation
GOV-1	Declaration of corporate governance
GOV-3	Remuneration report
SBM-1	Foundations of the Group

2 Governance

2.1 The role of administrative, management and supervisory bodies in sustainability management

Executive Board, Supervisory Board and company management

Entrepreneurial thinking characterises the actions of the Executive Board and Supervisory Board. Together, they are increasingly prioritising corporate management based on sustainability. The regular dialogue between the Executive Board of GESCO SE, the Business Directors of GESCO SE and the managing directors of the subsidiaries and their teams serves to analyse and further develop strategic and sustainability-related topics.

The Executive Board implements the corporate strategy and key corporate guidelines approved by the Supervisory Board and embeds sustainable practices in day-to-day business. It regularly informs the Supervisory Board about progress and challenges. The Supervisory Board approves the strategy, monitors its implementation and ensures that sustainability is considered a central component of the corporate strategy. If necessary, it can take corrective measures. GESCO SE values specialist knowledge and expertise in the management and supervisory bodies and promotes this through further training and the exchange of experience within the Executive Board. The Executive Board members are managers with proven expertise in the implementation of sustainable practices and the integration of environmental, social and governance (ESG) aspects into business processes.

The Supervisory Board, on the other hand, has a monitoring and advisory function: Supervisory Board members monitor compliance with corporate policy, ensure that sustainable goals are taken into account and provide support as advisors with expertise, examples of best practice and clarifying impulses for further development.

GESCO SE pursues several approaches to continuously expand the expertise of its committees:

- Training programmes: Specific training programmes on sustainable practices, risk management and corporate governance are carried out to deepen the knowledge of the governing bodies.
- External experts: GESCO SE calls in external experts to solve tasks and current challenges in the area of sustainability and corporate management.

More detailed descriptions of the roles of the Executive Board and Supervisory Board as well as basic information on their areas of activity (information on corporate governance practices, composition, planning, diversity, etc.) are described in section **Corporate governance statement**.

Based on the CSRD-compliant materiality analysis, the Executive Board and Supervisory Board have defined the strategic Group targets until the end of 2024. Until now, the fulfilment of the legal aspects was managed by the ESG@GESCO Steering Committee and monitored by the Supervisory Board's Audit Committee. This is now being replaced by general, centralised structures and reviews.

Until the recent end of its activities, the Steering Committee, consisting of Executive Board members, investor relations representatives, the Business Directors, the GESCO SE Human Rights Officer and the GESCO ESG coordinators, met at regular intervals to further develop sustainability topics, including in the reporting year. In 2025, the Steering Committee will be dissolved in its current form and the management of ESG objectives will be integrated into the GBS. In addition to the Executive Board, the Senior Leadership Team (SLT), consisting of the Executive Board, Managing Directors, Business Directors and the Finance Director, will be responsible for monitoring and managing ESG objectives.

Further information on GBS and the new strategic direction is described in the section **Strategy, business model and value chain**.

The definition and monitoring of the subsidiaries' sustainability targets is integrated into the monthly meetings between the Executive Board, Business Directors and managing directors.

Overall responsibility for sustainable development lies with the Executive Board of GESCO SE. Monitoring processes will be established in 2025 for the strategies, measures and targets established as part of the new reporting system.

1 Composition of the Executive Board of GESCO SE

	Total	Male	Female
Members of the Executive Board	2	1 (50%)	1 (50%)

2 Composition of the Supervisory Board of GESCO SE

	Total	Male	Female
Members of the Supervisory Board	4	3	1
thereof Executive Board members	0	0	0
of which no Executive Board members	4	3	1
thereof employees	0	0	0
of which independent members	3	2	1

Sustainability organisation

The subsidiaries of GESCO SE generally have the opportunity and responsibility to identify their own focal points and establish suitable regulations and processes for the management of sustainability-related issues. GESCO SE supports all efforts, including those that go beyond compliance with legal standards and regulations, provided they are justifiable from a business perspective. This is also anchored in the Group's Code of Conduct.

To date, the subsidiaries have acted independently in terms of making resource management and the product and service portfolio more sustainable, employee responsibility, including safe and fair working conditions, as well as in the areas of climate protection and energy management. At the beginning of 2025, the format of monthly key figure reporting will be established at Group level, which will also include sustainability key figures. This will enable GESCO to set up centralised management processes for certain elements (e. g. reduction targets for energy consumption or resource conservation in its own business operations and in the downstream value chain).

The ESG coordinators appointed by the managing directors of the respective subsidiaries coordinate the yearly collection of key figures, on a decentralised basis using a reporting tool. The data collected will be reported to the ESG team. Authorisation management has been established in the reporting software, within which the commercial managers check and approve the data input of the subsidiaries in the data consolidation process. At holding company level, clear personnel resources are allocated to the Finance department for consolidation and verification. ESG coordination at Group level consolidates the data, checks it on a random basis and takes changes in the Group structure into account. As part of ESRS anticipation, quality specifications are successively developed centrally for individual complex data points to be collected. In order to optimise and ensure data quality step by step, GESCO has defined clear guidelines for data collection in 2024 and detailed audit specifications. In the reporting year, the key figures were recorded for the first time by the majority of companies in the financial scope of consolidation in accordance with CSRD/ESRS.



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Another thematic focus is on the management of risks in the supply chain and the resulting due diligence obligations. Information on this can be found in chapter S2 **Labour in the value chain.**

2.2 Sustainability in remuneration

In the reporting period, sustainability-related performance of the administrative, management and Supervisory Board bodies was neither assessed nor taken into account in the remuneration policy or variable remuneration. At the present time, the Executive Board and Supervisory Board do not envisage any sustainability-related remuneration conditions.

Further information on remuneration at GESCO Group can be found in the **Remuneration report.**

2.3 Risk management in the course of sustainability reporting

In implementing the ESRS requirements, GESCO Group has been able to build on existing sustainability reporting structures since 2021. The application of the complex European framework nevertheless leads to challenges, particularly in connection with data quality and availability and the interpretation of individual requirements that are not sufficiently specific. This resulted in significant adjustments to the existing reporting structure in the reporting year. The diversity of the business models of an investment company with ten corporate groups and a total of 17 production sites in Germany and abroad made it even more difficult to standardise procedures and obtain data. In addition, there were difficulties with the availability of information due to insufficient data from suppliers and customers, data protection regulations and confidentiality rules.

In order to meet these challenges in the context of data collection, GESCO is in dialogue with its stakeholders (**stakeholder involvement**). To cope with the differences in business models, the companies were categorised into three segments. The segments are based on the customer industries addressed. In this way, similar areas of the subsidiaries can be better recognised. Data collection was also based on a two-stage process, in which a coordinator from the respective GESCO subsidiary was first appointed to feed the data into a tool. Then the data must be approved by the responsible

commercial manager. There are also shared responsibilities when it comes to reporting: The ESG team is primarily responsible, while the Executive Board and Supervisory Board are consulted during the process for a supplementary review. In addition, a consultancy firm has been engaged to advise GESCO on the sustainability software and data procurement used in order to increase ESG capacities and optimise the analysis processes.

Further information on the organisation in connection with reporting is described in the section **Sustainability organisation.**

2.4 Strategy, business model and value chain

Business model

With its diversified business model in the area of industrial services and manufacturing, GESCO invests as an investment company in SMEs that offer technical products and solutions, particularly in the areas of mechanical engineering and industry. In its entirety, GESCO Group serves a wide range of sectors: Mechanical and plant engineering, toolmaking, the confectionery and hygiene industry, the chemical and petrochemical industry, the oil and gas industry, healthcare, semiconductors, food & beverages, the automotive industry, energy & environmental and the manufacture and maintenance of rail vehicles are just some of the sectors served.

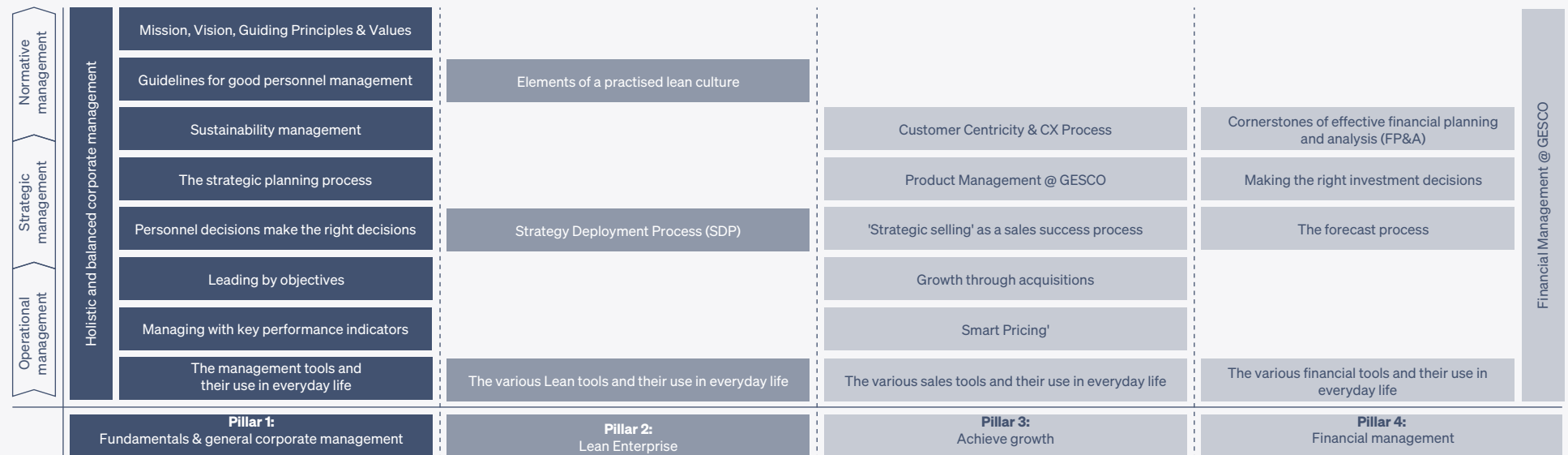
The differences between the companies were considered in the further course of the process by identifying and evaluating segment- and company-specific impacts, risks and opportunities, particularly in the double materiality analysis, for example in the processing of the longlist¹ and in the stakeholder survey. In addition to the individual further development of each portfolio company, GESCO focuses on investments in industrial targets with majority shareholdings (generally wholly owned shares). Globalisation strategies are also defined for each subsidiary. Additional information on the business model can be found in the Group management report in the section **Fundamentals of the Group.**

¹ A longlist in the materiality analysis is an initial, comprehensive collection of potentially relevant sustainability topics that are later prioritised in the assessment process. It serves as a starting point for identifying the most material topics for the company.

GESCO has developed a new framework for itself and its portfolio companies, the GESCO Business System (GBS). The GBS is a coherent, integrated and modular set of concepts, methods and tools to standardise and professionalise the management of these companies. The sole aim is to make each individual company – and thus GESCO as a whole – more successful and more valuable. The GBS provides simple but effective guidelines on the question of “how do we manage our business?” It is not intended to limit the independence and decision-making autonomy of the subsidiaries with regard to the questions “where do we play?” and “what do we do?”, but rather to support, accompany and empower them on their own path to success. The system has been developed by SME managers for SME managers. The GESCO-SLT makes the final decision on how each individual module of the GBS is organised.

With the GESCO Business System, GESCO pursues a systematic, long-term approach in accordance with the guiding principle “Method enforces success”. The management and leadership guidelines and processes that are essential and indispensable for business success are defined in four central pillars:

Structure of the GBS



Financial Management @ GESCO

As part of the work on the overarching GESCO Business System, GESCO will also revise its fundamental system, consisting of the mission statement, the vision statement, the corporate guidelines and principles as well as the core values, at the beginning of 2025 and also regulate how these affect the portfolio companies:

In line with the duality between the lived autonomy of the subsidiaries on the one hand and the demand for professionalisation of the management claim on the other, all subsidiaries can and should define their own corporate mission, vision and values. Only the six guidelines and principles are binding throughout the Group.

Value chains

As part of the **materiality analysis**, the various upstream and downstream value chains of the subsidiaries in the individual GESCO segments were analysed. The latter serve as clusters for all Group companies that undergo a similar value creation process and are sufficiently homogeneously structured, particularly with regard to customer markets. Overall, the GESCO Group portfolio companies are divided into three segments:

Process technology

- MAE Group
- INEX-solutions GmbH
- Sommer & Strassburger GmbH & Co KG
(under the umbrella of INEX-solutions GmbH)
- Hubl GmbH
(under the umbrella of INEX-solutions GmbH)
- Kesel Group

Resource technology

- Doerrenberg Group
- SVT GmbH
- Pickhardt & Gerlach Group

Healthcare and infrastructure technology

- Setter Group
- Franz Funke Zerspanungstechnik GmbH & Co KG
- United MedTec Holding GmbH (UMT)
- AstroPlast Kunststofftechnik GmbH & Co

In an internal workshop between the ESG team and Business Directors, the value creation stages and their associated stakeholders were defined and visualised. Due to the diversity of their products and production processes, the GESCO Group companies each have their own value chains, which cannot be categorised as typical standardised value chains. The upstream value chains include suppliers of raw materials and manufacturers of primary products, which are then further processed by GESCO Group companies. The downstream value chain is where the products are finished or sold to customers. GESCO Group's customers are exclusively business customers. All ancillary value creation processes within the companies are organised differently depending on the business model

GESCO SE's business activities comprise several key components that work together to increase the added value of its portfolio companies:

Identification and acquisition: Identifying and acquiring technologically interesting companies from the industrial SME sector.

Corporate management: Contributing expertise and taking responsibility for strategic direction.

Optimisation of processes: Optimising production and business processes and thus increasing efficiency.

Innovation and development: Recognising market needs and promoting targeted investment in research and development,

Sales and marketing: Expand sales channels and marketing strategies.

Utilise synergies: For example, enabling joint purchasing concepts, best practices or the exchange of technologies.

These components form an integrated value chain that promotes the long-term growth and stability of the GESCO portfolio companies.

2.5 Stakeholder involvement

Stakeholder participation

GESCO maintains a dialogue with its stakeholders in order to understand their concerns and incorporate them into strategic decisions and integrates the perspectives of affected interest groups through structured consultations, in particular through stakeholder surveys. These surveys help to identify the relevant concerns and expectations of stakeholders and incorporate their views into the sustainability strategy. When

implementing the due diligence obligations and conducting risk analyses, the expertise of external consultants is also considered to ensure a well-founded assessment of risks and opportunities. This continuous dialogue is seen as part of the commitment to transparency and responsibility.

In 2025, further guidelines for the future systematic inclusion of the identified stakeholders in the strategy and business model are also to be defined.

The Executive Board is regularly informed about the views and interests of the stakeholder groups with regard to the Company's sustainability-related effects in meetings on reporting on the process for fulfilling the CSRD.

The inclusion of stakeholder perspectives in the materiality analysis process is described in the following section on [materiality analysis](#).

Stakeholders	Forms of dialogue
Owners (shareholders)	Annual general meeting; annual press conference, conference calls, stock exchange days; capital market events and conferences; roadshows; one-on-one meetings; conference calls; e-mail contact
Management/Executive Board and Directors	Discussions (with the works council, individual employees, the SLT), intranet
Employees	(Staff) discussions, discussions with internal safety officers, health and safety committee, work meetings, work council meetings, employee surveys, intranet, company tours, whistleblower system, suggestion scheme
Municipalities (locations)	Direct dialogue
Competitors/Market companions	Industry associations, conferences, trade fairs
Potential applicants	Job interviews, job fairs, homepage, recruiters
Customers (active)	Direct dialogue, negotiations, customer service
External suppliers	Purchasing discussions, negotiations
Banks/investors	Capital market events and conferences; roadshows; one-on-one meetings and conference calls

3 Materiality analysis

3.1 Materiality analysis process

In reporting year 2024, GESCO carried out a double materiality analysis for the first time, considering the requirements of the European ESRS framework. This differs from the previous materiality analysis in terms of scope and level of detail. GESCO has assigned various roles to the people involved in preparing and compiling the report. The ESG team at GESCO SE (sustainability manager) is responsible for planning, coordinating and realising the double materiality analysis, accompanied by an external consulting firm (conducting a pre-audit). As part of the transition of reporting to the requirements of the CSRD, an intensive review was conducted by the Audit Committee of the Supervisory Board in a joint meeting with the ESG team of GESCO SE. The Executive Board assumes overall responsibility and approves the planning, procedure and results of the materiality analysis as well as the report. The ESG team explains the materiality analysis process, the functions and responsibilities of the persons involved and the results to the Supervisory Board. The Supervisory Board also reviews the sustainability report at the end.

The dual materiality analysis is based on several steps: First, the context of the corporate strategy and business models was captured through existing business model analyses (canvas/SWOT analyses). A centralised and decentralised risk analysis was also implemented in order to identify both abstract and concrete human rights and environmental impacts, risks and opportunities, including financial risks in connection with environmental, social and governance issues. This analysis takes into account the specific activities and geographical circumstances of the subsidiaries in order to identify potential impacts, risks and opportunities, as well as interactions between the affected stakeholders and the operational, financial and sustainability-related aspects of the Company. The risk analysis covers direct suppliers and their upstream supply chains.

This was followed by a stakeholder analysis in which relevant interest groups were identified and categorised through a quantitative assessment of their influence and impact. These were included in the double materiality analysis. As not all identified stakeholders could be included directly, GESCO integrated stakeholder representatives (business directors and managing directors of the individual subsidiaries) into the process. These representatives were considered suitable for contributing their own views as well as representing the perspectives of the stakeholders they represent.

The next objective was to draw up a longlist representing all potentially material ESG issues for the holding company and subsidiaries.

A systematic survey of stakeholder representatives was conducted to obtain a medium list. The survey was used for the qualitative validation of the longlist, the subsequent narrowing down of the topics and the identification of the impacts, risks and opportunities assigned to them.

Threshold values and an evaluation logic based on the following ESRS criteria were defined in order to record the potential impacts qualitatively and quantitatively:

- Extent: severity of impact on people and the environment.
- Scope: Geographical and quantitative scope of the impact.
- Irreversibility: The extent to which negative effects can be remedied.
- Probability: Assessment of how likely it is that the identified impacts will materialise.

The potentially negative impacts were prioritised in terms of their severity and, where applicable, their likelihood of occurrence in order to target measures at the most relevant sustainability risks. This prioritisation helped to focus resources on the most urgent issues and to develop appropriate preventive and remedial measures. Positive impacts were also prioritised according to their relative scale and scope.

Identified risks and opportunities were assessed according to the following criteria:

- **Extent:** The (potential) extent of the financial impact is assessed on a scale whose definition is based on GESCO's risk management.
- **Probability:** The probability of an identified risk occurring or an opportunity being realised is assessed on a scale of 0% to 100%.

In order to only disclose information in the Sustainability Report that is of particular importance to GESCO Group, its stakeholders and the report's addressees, a quantitative materiality threshold was defined on the basis of statistical evaluation methods and a percentage approach in relation to the maximum values of the assessments, and all IROs below this threshold were not included in the reporting. In addition, qualitative criteria were used to assess the relevance of the identified IROs: The threshold was set based on a qualitative assessment to objectively determine which IROs should be categorised as reportable from a company perspective. Findings from previous process steps, including stakeholder feedback and analyses of the value chains, were incorporated into this process. In addition, human rights-related impacts in particular were directly categorised as material.

While the impact threshold is based on quantifiable, statistical analyses and the final qualitative evaluation, the financial materiality threshold was adapted to the risk management thresholds in order to be able to draw on existing structures and thus adequately assess financial stability risks.

The result of the double materiality analysis was validated by the stakeholder representatives to ensure that all relevant IROs are included in the reporting.

Risk management at GESCO involves the systematic identification, assessment and monitoring of financial, operational and regulatory risks. The Executive Board is responsible for implementing suitable risk management strategies. The results of the risk analyses are regularly reported to the Supervisory Board. These reports allow potential risks to be recognised at an early stage and suitable measures to be developed in order to avoid negative effects and financial risks. Mechanisms have been established to regularly review and document the effectiveness of the implemented safety and remedial measures. The results of these reviews will be published in future in the annual reports for stakeholders. Opportunities have not yet been incorporated into the general management process.

3.2 Significant effects, risks and opportunities

As part of the materiality analysis described above, GESCO identified the IROs that are material to it in connection with the topic of sustainability.

The entire value chain was considered when identifying the IROs. As GESCO Group is, without exception, a group of companies in the manufacturing sector, the focus was not only on its own business operations, but also on the upstream value chain and its direct, i. e. Tier 1 suppliers, supported by the analysis and due diligence obligations resulting from the LkSG.

The materiality analysis produced the following results for GESCO Group:

Standard	ESRS sub-topic	+	-	↓	↑
E – Environment					
E1	Climate change	Adaptation to climate change	x		
		Energy		x	x
E3	Water and marine resources	Water		x	
E5	Resource utilisation and circular economy	Resource inflows, including resource utilisation			x
		Resource outflows in connection with products and services	x	x	
		Waste	x		
S – Social					
S1	Labour force of the company	Working conditions	x		x
		Equal treatment and equal opportunities for all	x		x
S2	Labour in the value chain	Working conditions	x	x	
		Other labour-related rights		x	
G – Governance					
G1		Management of relationships with suppliers, including payment practices			x
		Corruption and bribery			x

A total of 23 material IROs were identified, including nine positive and six negative impacts, two risks and six financial opportunities.

The corresponding IRO descriptions including further characteristics (type, time horizon, value chain classification) can be found at the beginning of the following chapters.

The following points characterise GESCO's strategy and business model with regard to resilience in terms of the Group's ability to manage significant impacts and risks and exploit significant opportunities:

- **Cross-sector diversification:** activities in climate-friendly technologies, mechanical and plant engineering and automation technology. This means less dependence on individual markets and greater resilience.
- **Sustainable focus:** Focus on green technologies (e. g. green steel, LNG, rail transport) strengthens competitiveness and long-term market position.
- **Adaptability:** Ability to react quickly to market trends and develop innovative products/services. This is crucial for GESCO's resilience.
- **Employee loyalty:** Fair remuneration, further training and occupational safety promote satisfaction and loyalty and therefore productivity and resilience.
- **Financial benefits:** Sustainable business practices facilitate access to sustainable forms of financing and thus improved liquidity and financial strength.

Environmental information

Since it was founded in 1989, GESCO Group has pursued a long-term sustainable strategy characterised by a wide range of environmental challenges. With production sites mainly in Germany, it is subject to high legal standards that form the framework for its approach to environmental issues. This chapter provides an insight into the Group's environmental information, takes into account the diversity of its subsidiaries and shows how responsible behaviour forms the basis for a positive future. The aim is to create transparency about environmental impacts and to promote the sustainable further development of the subsidiaries.

1 E1 – Climate change

GESCO SE pursues the goal of meaningfully reducing the environmental impact of its subsidiaries' core business and thus making important contributions to society as a whole. For 2024, the focus was on further developing sustainability management, reducing energy consumption with the help of renewable energies and switching to more sustainable materials and processes. The managing directors of the subsidiaries see the greatest negative impact of business activities on sustainability issues in the area of energy and resource consumption. As the consumption of energy in the course of business activities is also the main driver of GESCO's greenhouse gas emissions, the reduction of energy consumption goes hand in hand with targeted decarbonisation.

1.1 Effects, risks and opportunities

IRO	Value chain			Time horizon		
	Up-stream	Own operations	Down-stream	<1 year	1–5 years	>5 years
<p>Impact 1 (actually positive): Reduction of CO₂ emissions and thus a positive impact on climate change through the production and trade of green steel at the Doerrenberg Group and the processing of green steel at PGW</p>		x		x		
<p>Risk: Higher production costs due to rising energy prices and competitive disadvantages compared to companies in countries with more favourable energy costs</p>		x		x		
<p>Opportunity: Increase in sales for subsidiaries that are already active in climate-friendly sectors due to increased relevance of the topic for customers</p>		x			x	
<p>Impact 2 (actually negative): Negative impact on climate change due to the use of energy- and CO₂-intensive cast iron and steel products in the manufacturing process of the subsidiaries operating in the Materials Refinement & Distribution and Industrial Assets & Infrastructure segments</p>	x			x		
<p>Impact 3 (actually negative): Negative impact on climate change due to high energy consumption in the production of paper and plastic parts</p>		x		x		

Impact 1 (actually positive): Reduction of CO₂ emissions and thus positive impact on climate change through the production and trade of green steel at the Doerrenberg Group and processing of green steel at PGW

Conventional steel production is currently responsible for more than 7% of global carbon dioxide emissions. The production, processing and trading of green steel at PGW and Doerrenberg can reduce steel emissions by up to 90% and thus make a significant contribution to climate protection.

PGW refines strip steel, which in turn is used in the household appliance sector, by manufacturers of sporting goods, in the furniture industry, for office supplies, in the electrical industry, in decorative items and in the automotive industry. With the increasing use of green steel, PGW is making a contribution to sustainable management at GESCO Group and promoting sustainable procurement practices. This also helps to introduce products to the market that reduce the overall demand for fossil fuels.

Risk: Higher production costs due to rising energy prices and competitive disadvantage compared to companies in countries with more favourable energy costs

The high energy prices are already leading to additional costs – especially for subsidiaries that have an energy-intensive manufacturing process. A further rise in energy prices or constant prices at a high level represent a climate-related transition risk and could have a negative impact on the margin in the future.

Opportunity: Increase in sales for subsidiaries that are already active in climate-friendly sectors due to increased relevance of the topic for customers

Some of the subsidiaries are already active in climate-friendly industries, such as MAE with its wheelset presses for rail vehicles or SVT with its loading arms for hydrogen. GESCO expects demand for sustainable products to increase in the future, which will further drive the growth of these companies. By promoting environmentally friendly sectors such as rail and biogas, expanding energy self-sufficiency and accelerating technological innovations, GESCO is helping to strengthen a sustainable and independent economy.

Impact 2 (actually negative): Negative impact on climate change due to the use of energy- and CO₂-intensive cast iron and steel products in the manufacturing process of subsidiaries operating in the Materials Refinement & Distribution and Industrial Assets & Infrastructure segments

Almost all of the subsidiaries need steel to manufacture their machines, systems and preliminary products. Steel is one of the most energy-intensive metals to produce. The use of conventional steel in the supply chain therefore contributes to GESCO's high greenhouse gas emissions and thus has a negative impact on climate change. This negative impact should therefore be controlled in the long term.

Impact 3 (actually negative): Negative impact on climate change due to high energy consumption in the production of paper and plastic parts

GESCO's subsidiaries that manufacture paper and plastic products have a particularly high energy consumption and therefore contribute significantly to the Group's carbon footprint and thus to climate change. As with CO₂ emissions in the upstream value chain, this negative impact is also to be addressed in the future.

1.2 Transition plan and resilience analysis

The organisation and objectives in the areas of climate protection and energy management are mainly the responsibility of the subsidiaries. The decentralised Group structure and the various business models mean that targets and priorities must be set individually depending on the respective business models. A common element in the strategic and management approach is the reduction of energy consumption. However, no long-term strategic goals in the form of a transition plan have yet been developed across the Group. A climate scenario analysis was not carried out in the reporting year. Nonetheless, GESCO continued to address potential risks and opportunities that may arise from advancing climate change in 2024 as part of the materiality analysis (**General information, E1 Climate change – impacts, risks and opportunities**). Based on these results and taking into account the different focal points of the subsidiaries, the Executive Board and Supervisory Board have defined the strategic Group targets for 2025.

1.3 Management approach

Responsible use of resources and environmental protection is important to GESCO. Employees who carry out environmentally relevant activities ensure that they perform these activities in compliance with the applicable regulations and requirements at all times. To this end, organisational structures have been created to monitor compliance, punish violations and enable employees to adhere to these rules through training. The management of environmentally relevant issues is generally decentralised within the individual companies. Responsibility for this lies with the respective managing directors. In the course of the further development of the sustainability strategy for the financial years 2025 onwards, the aim is to formulate targets in line with the impacts, risks and opportunities, including the planning of measures and monitoring. Nevertheless, individual measures are already being implemented in the companies.

Risk assessment

Most of GESCO Group's production sites are located in Germany and are therefore subject to strict standards and laws. GESCO classifies the environmental impact of its business operations as low due to compliance with these regulations and careful processes. The subsidiaries are surveyed monthly on environmental risks, which are then assessed according to the extent and probability of occurrence and reported to the Executive Board. The Group's consumption of energy and resources in particular are considered to be the main environmental risks.

GESCO also recognises a risk in the current politically tense situation, particularly due to sanctions against Russia. This affects the operating business of the subsidiaries to varying degrees due to their dependence on energy and commodity markets. GESCO is therefore implementing measures to reduce its dependence on volatile energy prices, for example.

Business risks arising from the geopolitical situation are described in more detail in the **Forecast, opportunities and risks report**.

Energy

Kesel, a leading global manufacturer of machine tools for linear gears and band saw profiles, was the first company in the Group to switch its external electricity supply completely to green electricity in the reporting year.

In addition, an energy audit was carried out at the GESCO Group subsidiaries and opportunities for energy savings were identified. The energy-saving measures focus primarily on the areas of energy efficiency in business operations and transport and logistics.

The companies have already taken numerous measures to reduce greenhouse gas emissions. For example, the INEX – solutions subsidiary Sommer & Strassburger has implemented a company car policy that stipulates only e-cars from 2024. Hubl (also an INEX – solutions subsidiary), MAE and SVT have also established similar regulations. In addition, the charging station infrastructure has been expanded at the German operating sites of PGW and INEX.

In order to reduce dependence on volatile electricity prices and at the same time reduce GESCO Group's emissions, photovoltaic systems are gradually being installed on the roofs or suitable ground areas of the subsidiaries' sites. For example, Sommer & Strassburger invested in a photovoltaic system that at times covered 25% of its electricity consumption. PGW, Doerrenberg and Hubl are also systematically investing in their own photovoltaic systems. In 2024, MAE also commissioned a PV system on the company premises. As a result, more than half of the subsidiaries are already able to use their own electricity from renewable energy sources.

Plant efficiency

All companies are endeavouring to increase energy efficiency, particularly in production processes. MAE is leading the way here, with its hydraulic presses not only saving 70% energy, but just as much oil compared to its competitors. The use of pneumatic systems is also being minimised. Most recently, the company has succeeded in developing a product type without pneumatics. MAE products are also characterised by a long service life of more than 20 years. This is complemented by offers such as the replacement of drive technology with new generations of controls, which further extends the product life cycle.

PGW has installed parameter-optimised filter chamber presses on the waste water system, which enable more efficient use of compressed air and effectively reduce compressed air consumption. MAE will invest in a cold bearing closure in 2025 to improve thermal insulation and minimise the effects of the weather. At Setter, the waste heat from the machines has already been used to heat the business premises for several years. In order to minimise the high energy consumption of the plants, especially in paper production, GESCO plans to evaluate the plant efficiency as part of an Overall Equipment Effectiveness (OEE). Such an assessment is made up of the factors availability, performance and quality. In concrete terms, this means:

1. How much time is the system actually available for production?
2. How close is the actual production speed to the maximum possible?
3. How many of the parts produced are faultless and usable?

SVT GmbH, the world's leading manufacturer of loading systems for liquid and gaseous media, is working with Forschungszentrum Jülich GmbH to develop ship loading systems specifically for loading liquid hydrogen using third-party funding from the German Federal Ministry for Economic Affairs and Climate Protection. As hydrogen is transported at extremely low temperatures, the main components of the process pipe-work must be able to withstand special operating conditions. This applies, among other things, to the design of swivel joints, safety separating couplings or the connection couplings.

1.4 Goals

Reducing energy consumption is an overarching environmental goal of GESCO Group. To date, GESCO SE has not further specified and quantified these targets. However, the aim is to increase the proportion of renewable energies in the electricity mix to 80% by 2030.

1.5 Key figures

Energy consumption and energy mix	Unit	2024
Total energy consumption in connection with own operations	kWh	64,223,666
Total energy consumption from fossil sources	kWh	32,131,847
Share of fossil fuels in total energy consumption	%	50
Fuel consumption from coal and coal products	kWh	1,388,673
Fuel consumption from crude oil and petroleum products ¹	kWh	890,740
Fuel consumption from natural gas ¹	kWh	27,904,853
Fuel consumption from other fossil sources ¹	kWh	180,807
Consumption from purchased or received electricity, heat, steam or cooling from fossil sources ¹	kWh	452,592
Total energy consumption from nuclear sources	kWh	4,863,359
Share of nuclear sources in total energy consumption	%	8
Total energy consumption from renewable sources	kWh	27,228,459
Share of renewable sources in total energy consumption	%	42
Fuel consumption from renewable sources	kWh	882,299
Consumption from purchased and received electricity, heat, steam and cooling from renewable sources	kWh	26,156,461
Consumption of self-generated renewable energy other than fuels	kWh	189,698
Generation of energy from renewable sources	kWh	226,227
Generation of energy from non-renewable sources	kWh	0

¹ The further key figures on fossil fuels only contain consumption data from the climate-intensive (sub)sectors.

Greenhouse gas emissions

Scope	Emissions by category	[kg CO ₂ e]
Scope 1 (Direct)	1.1 Stationary combustion	6,171,899
	1.2 Mobile combustion	713,905
	1.3 Process emissions	26
	1.4 Vapour emissions	57,973
	Total Scope 1 emissions	6,943,803
Scope 2 (Indirect energy)	2 Purchased energy (market-based)	10,878,336
	2 Purchased energy (location-based)	9,691,720
	Total Scope 2 emissions	20,570,056
Scope 3	3.4 Transport and distribution (upstream)	8,911,792
	3.5 Waste generated during operation	985,996
	3.6 Business trips	1,208,228
	3.7 Commuting of employees	1,874,325
	3.9 Transport and distribution (downstream)	21,542,864
	Total Scope 3 emissions	34,523,206
	Total emissions (market-based)	52,345,345
	Total emissions (location-based)	51,157,728

No data was collected for the Scope 3 categories “Purchased goods and services”, “Capital goods”, “Further processing of sold products” and “Utilisation of sold products” due to insufficient data availability and tracking. The Scope 3 category “Energy-related emissions (upstream)” was excluded as grid losses in power lines or for fuels do not occur on a significant scale. As there is no direct control over the operating processes of the rented or leased tangible assets in the upstream value chain, data collection for the Scope 3 category “Rented/leased tangible assets (upstream)” was excluded. No data was collected for the “Disposal of sold products” category, as machinery and equipment are durable and largely consist of steel components that are recycled. Other products such as paper sticks from Setter, plastic products from AstroPlast and brass turned parts from Funke are also recycled at the end of their service life. Leasing machinery or equipment to customers does not play a role in any of our subsidiary’s business models, which is why the Scope 3 category “leased/leased tangible assets (downstream)” was excluded from the data collection. As GESCO is not a franchisee and does not acquire any shares or equity investments, the “Franchise” and “Investments” categories were also excluded from the data collection.

2 E3 – Water and marine resources

Water is an essential but limited resource. High water consumption burdens ecosystems, exacerbates droughts and increases the energy required for water treatment and transport. There is great potential for savings, particularly in industry. Saving resources is one of GESCO Group’s core objectives. Sustainable management means using water efficiently, reducing waste and promoting reuse – whether through water-saving technologies, optimised processes or conscious consumer behaviour.

2.1 Effects, risks and opportunities

IRO	Value chain			Time horizon		
	Up-stream	Own operations	Down-stream	<1 year	1–5 years	>5 years
Impact (actually negative): High water consumption in the production of paper rolls by Setter Group suppliers	x				x	

Impact: High water consumption in the production of paper rolls by Setter Group suppliers

The production of paper rolls requires high water consumption, which also plays a role in the business activities of our subsidiary Setter Group, the world’s leading manufacturer of paper sticks. Industrial water consumption can have a long-term impact on the availability of water resources and contributes to various environmental and social challenges. These include the drying up of water bodies, loss of biodiversity, soil salinisation and erosion. For humans, this can result in risks such as water scarcity and health problems, which can also have socio-economic consequences depending on the region.

2.2 Management approach

Responsible use of water resources is of central importance to GESCO, and to Setter Group in particular. GESCO’s strategy is geared towards minimising water-related risks. The implementation of this strategy is decentralised within the Setter Group in cooperation with the managing directors. GESCO SE supports the subsidiaries with expertise, resources and examples of best practice.

The production of paper rolls in the Setter Group’s supply chain requires a high level of water consumption. The subsidiary therefore requests information on water management from its suppliers. To this end, it has developed a standardised questionnaire that also covers water consumption and wastewater disposal in the supply chain. The main aim is to create transparency in the supply chain regarding resource consumption.

2.3 Goals

In the area of water and marine resources, the Setter Group is pursuing the goal of continuously improving water management in the supply chain. By 2027, water criteria are to be integrated into supplier management and sustainable water management is to be promoted among suppliers.

2.4 Key figures

m ³	2024
Water consumption	43,291,996
Reclaimed and reused recycled water	17,668,000
Stored water	16
Water intensity (m ³ /€ million)	87,725

3 E5 – Resource utilisation and circular economy

GESCO Group considers resource efficiency to be a key issue. In addition to the general increase in importance, which is reflected in stricter legal requirements and competition for raw materials, the issue of saving resources has also become a competitive factor for the subsidiaries. It is therefore particularly important for GESCO to record resource consumption across all companies in order to derive targeted control measures.

3.1 Effects, risks and opportunities

IRO	Value chain			Time horizon		
	Up-stream	Own operations	Down-stream	<1 year	1–5 years	>5 years
Opportunity 1: Increased sales through the “retrofit” business model and general overhauls of used systems		x			x	
Impact 1 (actually negative): Waste of resources due to the generation of non-reusable waste in production		x			x	
Impact 2 (potentially positive): Positive impact on the environment through resource-saving production in the context of reducing offcuts, optimising production and zero-defect tolerance		x		x		
Impact 3 (actually positive): Expansion of recyclable packaging materials has a positive impact on the environment by conserving resources and minimising pollution		x			x	

Opportunity 1: Increased sales through the “retrofit” business model and general overhauls of used systems

GESCO saves resources, reduces CO₂ emissions and cuts costs through the “retrofit” model for machinery and plant manufacturers in the Industrial Assets & Infrastructure segment. The general overhaul and modernisation of existing machines extends their life cycle, reduces the need for new purchases and strengthens circular economy principles, such as minimising waste and promoting recycling. Further information on the “Retrofit” model can be found in the section [Management approach](#).

Impact 1: Waste of resources due to the generation of non-reusable waste in production

Non-recyclable packaging and metal waste generated in the production of the subsidiaries is a burden on the environment. It usually ends up in landfill sites or is incinerated, which leads to high CO₂ and pollutant emissions. It also contributes to the waste of resources, as valuable materials are lost.

Impact 2: Positive effects on the environment through resource-saving production by reducing offcuts, optimising production and zero-defect tolerance

Thanks to the lean management approach as the strategic foundation of GESCO, production errors are reduced in our own business area, thereby conserving resources. For example, product ranges are further standardised on the basis of a common parts strategy, which leads to less waste but also to simpler maintenance and thus life cycle extensions. This lowers CO₂ emissions, reduces the use of water and chemicals and relieves the burden on landfills and incineration plants – an important contribution to greater sustainability and resource efficiency.

Impact 3: Expansion of recyclable packaging materials has a positive impact on the environment by conserving resources and minimising pollution

As part of the lean management approach, GESCO focuses on resource-saving, recyclable packaging and the reduction of waste. Less packaging waste ends up in the environment, and closed material cycles strengthen the circular economy. For example, Kesel uses a reusable small load carrier system for shipping machines.

3.2 Management approach

All Group companies are systematically and sustainably developed with the support of GESCO SE. To this end, resources are utilised as efficiently as possible in the core business of the subsidiaries. At the same time, products are continuously improved during their utilisation phase, also from an ecological perspective.

The “retrofit” model

The concept of the circular economy is being pursued in various areas and the associated R strategies are being implemented in many places:

Circular economy	Strategies	
Smarter product use and manufacture	R0 Refuse	Make a product redundant by abandoning its function or by offering the same function with a completely different product
	R1 Rethink	Intensify product use (e. g. through sharing)
	R2 Reduce	Efficiency in production or use by using fewer resources/materials
Extend the life of the product and its components	R3 Reuse	Reuse of a discarded product that is still in good condition and fulfils its original functions
	R4 Repair	Repair and maintenance of a defective product so that the original functions are retained
	R5 Refurbish	Restore an old product and bring it up to date
	R6 Remanufacture	Use of parts of a discarded product in a new product with the same function
	R7 Repurpose	Use of parts of a discarded product in a new product with a different function
Useful use of material	R8 Recycle	Processing of materials to obtain the same (high quality) or a lower (inferior) quality
	R9 Recover	Combustion of materials with energy recovery
Linear economy		

The refurbish strategy is a strategy in the area of circular economy in production processes: With its Retrofit department, MAE overhauls used systems at the customer’s premises and brings them back up to the state of the art. An expansion of the used machinery business area with the return of old products and their remanufacturing was implemented in 2023. SVT has also been building up the general overhaul division since 2021. A general overhaul of used products is offered for ship and land loading arms, which significantly increases cost and resource efficiency. SVT was also able to significantly expand its spare parts business in 2024. Kesel also continues their retrofit service and offers comprehensive general overhauls.

Reuse of raw materials and utilisation of secondary raw materials

Every GESCO Group subsidiary has a certified waste management system. Among other things, this includes increased cooperation with recycling companies. With high recycling rates (see **Key figures**), particularly for stainless steel, GESCO supports the overarching goal of minimising the use of primary raw materials. The process of separating, selling and reusing scrap maximises the use of resources and helps to minimise waste. Waste generated in the production process is recycled and reused in the form of plastic, paper and shavings. These practices help to reduce waste products and maximise the efficiency of sustainable resources.

Setter uses pre-consumer recyclate as a secondary raw material for the production of cotton buds. In addition, production waste (scrap) is increasingly being fed into the company's own production process or utilised elsewhere in the value chain, for example by suppliers. Doerrenberg also works with the use of scrap, return scrap and recycled scrap in production. These measures reflect the principles of remanufacture and repurpose and contribute to the sustainable use of resources.

In addition, suppliers of Setter in Germany only source wood that is FSC or PEFC certified. In the USA, Setter has FSC certification, while the sites in Mexico themselves are not certified. There, however, the wood is sourced exclusively within the Group, meaning that the paper purchased is always FSC and/or PEFC-certified.

Packaging management

When it comes to packaging management, the Company mainly endeavours to avoid disposable packaging, use reusable solutions and, if it proves to be more efficient, substitute plastic packaging. The machine tool manufacturer Kesel is pushing the reuse of packaging and reducing the weight per unit area of packaging by choosing lighter options (cardboard instead of disposable wooden crates). In addition, disposable Euro pallets for shipping have been replaced by reusable pallets and shipments to China and the USA have been optimised using consolidated freight. In addition, Kesel substitutes plastic packaging with wooden packaging if the ratio of product weight to packaging is appropriate. The MAE company is also focussing on the reuse of packaging materials.

Innovation and product management

All Group companies are systematically and sustainably developed with the support of GESCO SE. To this end, resources are utilised as efficiently as possible in the core business of the subsidiaries. At the same time, products are continuously improved during their utilisation phase, also from an ecological perspective. A centralised innovation and product management system has not yet been installed.

A few selected examples from the subsidiaries show how sustainability performance is promoted through innovation processes at GESCO SE. In cooperation with business partners and research institutions, the subsidiaries also develop targeted innovative solutions to tackle environmental and social challenges:

The subsidiary Setter, for example, produces paper sticks that are used as stirrers, among other things. This enables customers to replace plastic products on a large scale with chlorine-free bleached cellulose sticks – a renewable raw material from controlled forestry (PEFC® and FSC®). The company also uses sugar cane as a paper alternative and has already brought the production process to series maturity.

INEX's stainless steel processing uses software-supported laser cutting of sheet metal, which not only increases efficiency but also reduces offcuts and thus material waste.

3.3 Goals

To support the measures, GESCO Group has set itself the overarching goal of reducing the reject rate by 10% by 2030 (compared to the base year 2024).

3.4 Key figures

Products and materials

GESCO procures a large number of essential resources that are indispensable for production processes and operations.

- **Stainless steel:** Used as the central material for the products, primarily due to its corrosion resistance and durability, but associated with environmental challenges due to mining and processing.
- **Aluminium:** The use of recycled aluminium creates lightweight and stable products while reducing the ecological footprint.
- **Chemicals and auxiliary materials:** These include grinding pastes, cleaning agents, shielding gases for welding processes, greases, lubricants, pickling agents, adhesives, coolants and solvents that are required for various manufacturing processes.
- **Packaging materials:** cardboard, wood and film ensure the safe transport of products.

GESCO strives to achieve a sustainable balance between efficiency and quality through the conscious use of resources.

As GESCO combines various business models and products under one roof, there is no standardised certification system. Instead, the individual companies have specific certifications such as ISO, ASME or UKCA to ensure high quality and safety standards. GESCO SE relies on the cascade principle by obliging direct suppliers to comply with certain standards, which are then passed on along the supply chain. However, due to the diversity of the business models, the implementation of these requirements remains decentralised and regulated at company level.

Resource inflows	Unit	2024
Total weight of products and technical and biological materials used	kg	75,510,783
Total weight of biological materials (and biofuels used for non-energy purposes)	kg	32,573,731
Percentage of biological materials (and biofuels used for non-energy purposes)	%	43
Total weight of secondary components, products and materials used	kg	7,993,413
Percentage of total weight of products and technical and biological materials used (B&F)	%	11

Products and materials	Unit	2024
Total weight of the materials used	kg	87,619,306
Total weight of recyclable content in products	kg	48,472,134
Percentage of recyclable content in products	%	55
Total weight of recyclable content in product packaging	kg	1,146,982

For the manufactured products, it is assumed that the total weight of the delivered products corresponds to the weight of the purchased goods. These weights are also subject to estimates. There is currently no information available on the proportion of recycled materials in the purchased components. In the processing of steel in particular, there is no reuse, only recycling.

Waste

GESCO SE integrates circular principles into its product design, packaging and operating processes in order to conserve resources and minimise environmental impact.

- **Machines & systems (Industrial Assets & Infrastructure):** With a service life of 15 to 30 years, these products are repairable and recyclable. Around 95% of materials, particularly in the case of machine tools and clamping systems, can be recycled at the end of their life.
- **Stainless steel containers & pressure pipes (INEX):** Developed for long-term use, repairability and dismantling enable a longer service life and resource-saving recycling.

- Steel products (Materials Refinement & Distribution – Doerrenberg, PGW): These companies use recycled scrap to produce steel. PGW’s galvanised products are designed so that they can be returned to the recycling process after use.
- Paper sticks (Health Care & Life Science – Setter): As a sustainable alternative to plastic, these products promote the use of renewable raw materials and help to conserve resources.

GESCO disposes of all waste in accordance with the German Waste Catalogue Ordinance (AVV) and recycles it properly to ensure the sustainable use of resources. A significant waste stream is generated by steel scrap and residual materials that are produced during the processing of stainless steel, for example by cutting and punching. High-quality scrap is recycled and fed back into the production cycle, reducing the need for new raw materials. Packaging waste such as cardboard and film is also generated and disposed of properly after use. Chemical waste, including lubricants, coolants and cleaning agents, is handled in accordance with the applicable regulations. Surface treatment waste resulting from the finishing of stainless steel surfaces is also disposed of in a controlled manner. Through these measures, GESCO actively contributes to the circular economy and minimises its environmental impact.

GESCO’s waste is primarily made up of paper and wood, plastics and packaging, metals and scrap, chemical waste, organic waste and other special materials such as wax.

Data on waste types is collected through monthly reporting based on invoices from waste disposal companies and analyses of the ERP systems. The recorded quantities and types of waste disposed of are systematically documented and analysed in order to ensure transparent traceability and efficient waste management.

Waste	Unit	2024
Total weight of waste generated	kg	7,953,795
Total weight of non-recycled waste	kg	2,712,782
Percentage of non-recycled waste	%	34
Hazardous waste		
Total weight of hazardous waste diverted from disposal	kg	8,254
Total weight of waste diverted from disposal for preparation for reuse	kg	0
Total weight of waste diverted from disposal for preparation for recycling	kg	8,254
Total weight of waste diverted from disposal for preparation for other processes	kg	0
Total weight of hazardous waste destined for disposal	kg	1,916,753
Total weight of hazardous waste for incineration destined for disposal	kg	829,982
Total weight of hazardous waste for disposal to landfill	kg	1,086,272
Total weight of hazardous waste destined for disposal by other types of disposal	kg	499
Total weight of hazardous waste and radioactive waste generated	kg	8,216
Non-hazardous waste		
Total weight of non-hazardous waste diverted from disposal	kg	5,385,942
Total weight of non-hazardous waste diverted from disposal for preparation for reuse	kg	157,855
Total weight of non-hazardous waste diverted from disposal for preparation for recycling	kg	5,117,190
Total weight of non-hazardous waste diverted from disposal for preparation for other processes	kg	110,897
Total weight of non-hazardous waste destined for disposal	kg	642,846
Total weight of non-hazardous waste for incineration destined for disposal	kg	558,681
Total weight of non-hazardous waste for landfill destined for disposal	kg	84,165
Total weight of non-hazardous waste destined for disposal by other types of disposal	kg	0

EU taxonomy

General background

As part of the EU Action Plan on Sustainable Finance, the redirection of capital flows into sustainable investments is a key objective. Against this backdrop, Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment and amending Regulation (EU) 2019/2088 (hereinafter referred to as the EU Taxonomy Regulation) came into force, which establishes a uniform and legally binding classification system to determine which economic activities in the EU are considered “environmentally sustainable”. The results of this classification must be reported annually on a company-specific basis. In 2021 and 2022, Article 9 of the EU Taxonomy Regulation initially defined criteria for the EU taxonomy environmental targets “Climate Change Mitigation” (CCM) and “Climate Change Adaptation” (CCA). The criteria for the remaining four environmental objectives (3-6) were adopted in June 2023: “Sustainable use and protection of water and marine resources” (Water and Marine Resources (WTR)), “Transition to a circular economy” (Circular Economy (CE)), “Pollution Prevention and Control” (PPC) and “Protection and restoration of biodiversity and ecosystems” (Biodiversity and Ecosystems (BIO)). These new criteria were applied for the first time in the 2023 financial year with regard to taxonomy eligibility. Taxonomy compliance information on all six environmental objectives must also be disclosed for the first time for the 2024 financial year. To date, the EU Taxonomy Regulation comprises the following delegated acts:

- Delegated Regulation (EU) 2021/2139 of 4 June 2021 on the two climate-related environmental targets
- Delegated Regulation (EU) 2021/2178 of 6 July 2021 on reporting
- Delegated Regulation (EU) 2022/1214 of 9 March 2022 on the inclusion of new economic activities (in connection with nuclear energy and natural gas) with regard to the two climate-related environmental targets and on the revision of reporting
- Delegated Regulation (EU) 2023/2485 of 27 June 2023 on the revision of existing and the inclusion of new economic activities with regard to the two climate-related environmental objectives
- Delegated Regulation (EU) 2023/2486 of 27 June 2023 on the inclusion of new economic activities in relation to the four non-climate-related environmental objectives and the revision of reporting

An economic activity is considered taxonomy-eligible if it falls under the description of economic activity. A taxonomy-compliant economic activity is deemed to be taxonomy-compliant if it makes a significant contribution to at least one of the six environmental objectives without significantly compromising another environmental objective and without contravening the minimum social standards. In order to comply with the minimum social standards, Art. 18 of the EU Taxonomy Regulation stipulates that the OECD Guidelines for Multinational Enterprises and the United Nations Guiding Principles on Business and Human Rights, including the fundamental principles and rights set out in the eight core conventions of the International Labour Organisation (ILO) Declaration on Fundamental Principles and Rights at Work (ILO Core Labour Standards) and the International Bill of Human Rights, must be observed.

In contrast to 2023, GESCO SE is not reporting taxonomy-compliant sales, CapEx and OpEx in 2024, but taxonomy-compliant sales, CapEx and OpEx, as the conformity audit was adapted to the amended regulations this year and conformity could not be achieved. GESCO has revised and restructured the audit basis in accordance with all current rules. The following steps were carried out:

1. Carrying out a detailed portfolio screening per subsidiary to identify the economic activities eligible for taxonomy. Enabling activities and transitional activities were also taken into account here.
2. Query of sales, CapEx and OpEx via the commercial managers of the subsidiaries
3. Assessment of taxonomy conformity based on the material contribution
4. Assessment of taxonomy conformity based on the DNSH criteria
5. Assessment of minimum social protection at the level of economic activities

Based on these audit principles, GESCO has identified the following EU taxonomy economic activities as taxonomy-eligible for its subsidiaries.

Environmental goal		Economic activity	Description of the
CCM Climate protection	3.1	Production of technologies for renewable energy	The INEX Group produces filter and membrane housings that are required for the production of synthetic fuels and biogas
CCM Climate protection	3.2	Manufacture of systems for the production and utilisation of hydrogen	SVT manufactures loading arms for hydrogen. The INEX Group produces filter housings for the production of hydrogen
CCM Climate protection	3.4	Production of batteries	With its EMONI product, PGW manufactures an important component for battery systems in electric vehicles.

CCM Climate protection	3.9	Production of iron and steel	Doerrenberg makes an important contribution to transition activities with the production of green steel
CCM Climate protection	3.19	Manufacture of components for railway vehicles	MAE produces wheel presses that are essential for the environmental performance, operation and functioning over the lifetime of railway vehicles.
CCM Climate protection	4.1	Power generation using photovoltaic technology	MAE, SVT and PGW operate power generation plants that generate electricity using photovoltaic technology
CCM Climate protection	4.25	Generation of heating/cooling from waste heat	Setter invests in systems for heat/cold recovery from waste heat from its own machines
CCM Climate protection	6.4	Operation of devices for personal mobility, bicycle transport logistics	The majority of GESCO Group companies offer their employees bike leasing options
CCM Climate protection	6.5	Transport with motorbikes, passenger cars and commercial vehicles	All GESCO Group companies lease, finance and operate company vehicles
CCM Climate protection	6.6	Transport of goods by road	The majority of GESCO Group companies lease, finance and operate company vehicles for the transport of goods
CCM Climate protection	6.16	Infrastructure for low-CO ₂ shipping	With its hydrogen loading arms, SVT makes an important contribution to the operation of infrastructure for transshipment and relocation in harbours
CCM Climate protection	7.2	Renovation of existing buildings	Doerrenberg, Amtrion and SVT carried out building renovations in 2024
CCM Climate protection	7.3	Installation, maintenance and repair of energy-efficient appliances	The majority of GESCO Group companies invested in the installation, maintenance and repair of energy-efficient appliances in 2024
CCM Climate protection	7.4	Installation, maintenance and repair of charging stations for electric vehicles in buildings (and in car parks belonging to buildings)	In 2024, Kesel, INEX, MAE and AMTRION invested in the installation, maintenance and repair of charging stations for electric vehicles on their own factory premises

CCM Climate protection	7.5	Installation, maintenance and repair of devices for measuring, regulating and controlling the overall energy efficiency of buildings	In 2024, SVT carried out maintenance and repair work on devices for measuring, regulating and controlling the energy performance of buildings
CCM Climate protection	7.6	Installation, maintenance and repair of renewable energy technologies	PGW and SVT invested in the installation of renewable energy technologies in 2024
CE Kreislaufwirtschaft	5.2	Sale of spare parts	SVT and AMTRION sell spare parts for their loading and support arms as standard.
CE Kreislaufwirtschaft	5.5	Product as a service and other cycle- and result-orientated service models	Kesel and MAE offer leasing programmes for their customers

The review of taxonomy conformity revealed that none of the taxonomy-eligible economic activities were able to fulfil all criteria. One reason for this is that not all GESCO subsidiaries were able to fully fulfil the minimum social protection requirements. Secondly, not all technical evaluation criteria could be verified.

Accounting method

The performance indicators were determined on the basis of the IFRS applicable to the consolidated financial statements and take into account all fully consolidated Group companies. The performance indicators are based on the respective definitions in accordance with Commission Delegated Regulation (EU) 2021/2178 of 6 July 2021, Annex I 1.1.1 (Sales), 1.1.2 (CapEx) and 1.1.3 (OpEx).

Sales

Sales are recognised and defined as taxonomy-eligible sales (numerator) divided by the total sales of the GESCO consolidated financial statements in accordance with IFRS as defined in Article 2 number 5 of Directive 2013/34/EU (denominator). Taxonomy-eligible sales mean the portion of net sales of goods or services, including intangible assets, during the financial year that are associated with taxonomy-eligible economic activities.

CapEx

The denominator of CapEx is the sum of capital expenditure, which includes the following items:

- IAS 16 Tangible assets, paragraph 73, letter (e), subparagraph (i) and subparagraph (iii);
- IAS 38 Intangible Assets, paragraph 118, letter (e), point (i);
- IAS 40 Investment Property, paragraph 76, letters (a) and (b) (for the fair value model);
- IAS 40 Investment Property, paragraph 79(d), subparagraphs (i) and (ii) (for the cost model);
- IAS 41 Agriculture, paragraph 50, letters (b) and (e);
- IFRS 16 Leases, paragraph 53, letter (h).

The numerator of CapEx includes parts of the capital expenditure contained in the denominator:

- Assets or processes associated with taxonomy-eligible/taxonomy-compliant economic activities;
- The expansion of taxonomy-compliant economic activities or the conversion of taxonomy-capable to taxonomy-compliant economic activities (“CapEx plan”);
- The acquisition of production from taxonomy-eligible/taxonomy-compliant economic activities and individual measures that make the target activities low-carbon or reduce greenhouse gas emissions.

There was no CapEx plan within the meaning of Annex I No. 1.1.2.2. of Delegated Regulation (EU) 2021/2178 in the reporting year.

The KPIs described were determined at the level of the individual GESCO subsidiaries and aggregated at GESCO Group level in a second step.

With regard to the nuclear and gas activities (EU) 2022/1214, no relevant activities could be identified for the 2024 financial year either.

OpEx

Total operating expenses (OpEx denominator) during the financial year include direct non-capitalised costs for research and development, building renovation, short-term leases, repair and maintenance and other expenses related to the day-to-day maintenance of tangible assets.

The numerator of OpEx includes parts of the operating expenses contained in the denominator:

- Assets or processes associated with taxonomy-eligible/taxonomy-compliant economic activities;
- The expansion of taxonomy-compliant economic activities or the conversion of taxonomy-capable to taxonomy-compliant economic activities (“CapEx plan”);
- The acquisition of production from taxonomy-eligible/taxonomy-compliant economic activities and individual measures that make the target activities low-carbon or reduce greenhouse gas emissions.

The key figure is defined as taxonomy-eligible OpEx (numerator) divided by the total OpEx (denominator) of GESCO Group.



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Template sales

Financial year	2024		Criteria for a significant contribution							DNSH criteria (no significant impairment)							Share of taxonomy-compliant (A.1) or taxonomy-enabled (A.2) sales, 2023	Category enabling activities	Category (transitional activities)
	Code	Sales	Share of sales, year 2024	Climate protection	Adaptation to climate change	Water	Environmental pollution	Circular economy	Biological diversity	Climate protection	Adaptation to climate change	Water	Environmental pollution	Circular economy	Biological diversity	Minimum protection			
Business activities		€	%	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		94,999,065	18.5																
A.1 Ecologically sustainable activities (taxonomy-compliant)																			
Sales from environmentally sustainable activities (taxonomy-compliant) (A.1)		0	0.0	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	N	N	N	N	N	N	N	12.8		
Enabling activities		0	0.0	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	N	N	N	N	N	N	N	7.8	E	
Of which transitional activities		0	0.0	0.0%						N	N	N	N	N	N		5.0		T
A.2 Taxonomy-compliant but not environmentally sustainable activities (non-taxonomy-compliant activities)																			
				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL										
Production of technologies for renewable energy	CCM 3.1.	9,175,423	1.8	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL								5.0		
Production of batteries	CCM 3.4.	2,022,089	0.4	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.0		
Production of iron and steel	CCM 3.9.	18,500,000	3.6	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.0		
Manufacture of rail vehicle components	CCM 3.19.	11,909,043	2.3	EL	N/EL	N/EL	N/EL	N/EL	N/EL								7.8		
Power generation using photovoltaic technology	CCM 4.1.	4,648	0.0	EL	EL	N/EL	N/EL	N/EL	N/EL								0.0		
Infrastructure for low-CO ₂ shipping	CCM 6.16.	38,218,808	7.4	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.0		
Sale of spare parts	CE 5.2.	15,048,301	2.9	N/EL	N/EL	N/EL	N/EL	EL	N/EL								0.0		
Product as a service and other cycle- and result-orientated service models	CE 5.5.	120,752	0.0	N/EL	N/EL	N/EL	N/EL	EL	N/EL								0.0		
Sales of taxonomy-compliant but not environmentally sustainable activities (non-taxonomy-compliant activities) (A.2)		94,999,065	18.5	15.5%	0.0%	0.0%	0.0%	3.0%	0.0%								0.0		
A. Sales of taxonomy-eligible activities (A.1 + A.2)		94,999,065	18.5	15.5%	0.0%	0.0%	0.0%	3.0%	0.0%								12.8		
B. ACTIVITIES NOT SUBJECT TO TAXONOMY																			
Sales of activities not eligible for taxonomy		418,850,058	81.5																
Total		513,849,123	100.0																

Codes in columns 5 to 10:

Y - Yes: Taxonomy-eligible and Taxonomy-aligned activity with the relevant environmental objective | N - No: Taxonomy-eligible but not Taxonomy-aligned activity with the relevant environmental objective; | N/EL: not eligible, Taxonomy non-eligible activity for the relevant environmental objective
EL: Taxonomy eligible activity for the relevant objective



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Template CapEx

Financial year	2024			Criteria for a significant contribution						DNSH criteria (no significant impairment)						Share of taxonomy-compliant (A.1) or taxonomy-enabled (A.2) CapEx, 2023	Category enabling activities	Category (transitional activities)	
Business activities	Code	CapEx	Share of CapEx, year 2024	Climate protection	Adaptation to climate change	Water	Environmental pollution	Circular economy	Biological diversity	Climate protection	Adaptation to climate change	Water	Environmental pollution	Circular economy	Biological diversity	Minimum protection	%	E	T
		€	%	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		988,155	8.7																
A.1 Ecologically sustainable activities (taxonomy-compliant)																			
CapEx from environmentally sustainable activities (taxonomy-compliant) (A.1)		0	0.0	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	N	N	N	N	N	N	N	10.3		
Enabling activities		0	0.0	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	N	N	N	N	N	N	N	9.1	E	
Of which transitional activities		0	0.0	0.0%						N	N	N	N	N	N		1.3		T
A.2 Taxonomy-compliant but not environmentally sustainable activities (non-taxonomy-compliant activities)																			
				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL										
Production of iron and steel	CCM 3.9.	72,211	0.6	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL								1.3		
Generation of heating/cooling from waste heat	CCM 4.25.	106,348	0.9	EL	EL	N/EL	N/EL	N/EL	N/EL								0.0		
Transport with motorbikes, passenger cars and commercial vehicles	CCM 6.5.	43,019	0.4	EL	EL	N/EL	N/EL	N/EL	N/EL								0.0		
Infrastructure for low-CO ₂ shipping	CCM 6.16.	515,744	4.5	EL	N/EL	N/EL	N/EL	N/EL	N/EL								9.1		
Installation, maintenance and repair of energy-efficient appliances	CCM 7.3.	15,472	0.1	EL	EL	N/EL	N/EL	N/EL	N/EL								0.0		
Installation, maintenance and repair of charging stations for electric vehicles in buildings (and in car parks belonging to buildings)	CCM 7.4.	7,459	0.1	EL	EL	N/EL	N/EL	N/EL	N/EL								0.0		
Installation, maintenance and repair of renewable energy technologies	CCM 7.6.	227,902	2.0	EL	EL	N/EL	N/EL	N/EL	N/EL								0.0		
CapEx of taxonomy-compliant but not environmentally sustainable activities (non-taxonomy-compliant activities) (A.2)		988,155	8.7	8.7%	0.0%	0.0%	0.0%	0.0%	0.0%								0.0		
A. CapEx of taxonomy-eligible activities (A.1 + A.2)		988,155	8.7	8.7%	0.0%	0.0%	0.0%	0.0%	0.0%								10.3		
B. ACTIVITIES NOT SUBJECT TO TAXONOMY																			
CapEx of activities not eligible for taxonomy		10,367,458	91.3																
Total		11,355,613	100.0																

Codes in columns 5 to 10:

Y - Yes: Taxonomy-eligible and Taxonomy-aligned activity with the relevant environmental objective | N - No: Taxonomy-eligible but not Taxonomy-aligned activity with the relevant environmental objective; | N/EL: not eligible, Taxonomy non-eligible activity for the relevant environmental objective
EL: Taxonomy eligible activity for the relevant objective



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Template OpEx

Financial year	2024		Criteria for a significant contribution							DNSH criteria (no significant impairment)							Share of taxonomy-compliant (A.1) or taxonomy-enabled (A.2) OpEx, 2023	Category enabling activities	Category (transitional activities)
Business activities	Code	OpEx	Share of OpEx, year 2024	Climate protection	Adaptation to climate change	Water	Environmental pollution	Circular economy	Biological diversity	Climate protection	Adaptation to climate change	Water	Environmental pollution	Circular economy	Biological diversity	Minimum protection	%	E	T
		€	%	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		2,957,821	39.2																
A.1 Ecologically sustainable activities (taxonomy-compliant)																			
OpEx from environmentally sustainable activities (taxonomy-compliant) (A.1)		0	0.0	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	N	N	N	N	N	N	N	11.1		
Enabling activities		0	0.0	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	N	N	N	N	N	N	N	6.8	E	
Of which transitional activities		0	0.0	0.0%						N	N	N	N	N	N		4.3		T
A.2 Taxonomy-compliant but not environmentally sustainable activities (non-taxonomy-compliant activities)																			
				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL										
Manufacture of systems for the production and utilisation of hydrogen	CCM 3.2.	59,906	0.8	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.0		
Production of batteries	CCM 3.4.	48,273	0.6	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.0		
Production of iron and steel	CCM 3.9.	337,000	4.5	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL								4.3		
Operation of personal mobility devices, bicycle transport logistics	CCM 6.4.	211,525	2.8	EL	EL	N/EL	N/EL	N/EL	N/EL								0.0		
Transport with motorbikes, passenger cars and commercial vehicles	CCM 6.5.	1,189,080	15.8	EL	EL	N/EL	N/EL	N/EL	N/EL								0.0		
Transport of goods by road	CCM 6.6.	30,683	0.4	EL	EL	N/EL	N/EL	N/EL	N/EL								0.0		
Infrastructure for low-CO ₂ shipping	CCM 6.16.	553,948	7.4	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.0		
Renovation of existing buildings	CCM 7.2.	341,950	4.5	EL	EL	N/EL	N/EL	EL	N/EL								0.0		
Installation, maintenance and repair of energy-efficient appliances	CCM 7.3.	86,758	1.2	EL	EL	N/EL	N/EL	N/EL	N/EL								0.0		
Installation, maintenance and repair of charging stations for electric vehicles in buildings (and in car parks belonging to buildings)	CCM 7.4.	1,586	0.0	EL	EL	N/EL	N/EL	N/EL	N/EL								0.0		
Installation, maintenance and repair of devices for measuring, regulating and controlling the overall energy efficiency of buildings	CCM 7.5.	97,112	1.3	EL	EL	N/EL	N/EL	N/EL	N/EL								6.8		
OpEx of taxonomy-compliant but not environmentally sustainable activities (non-taxonomy-compliant activities) (A.2)		2,957,821	39.2	39.2%	0.0%	0.0%	0.0%	0.0%	0.0%								0.0		
A. OpEx of taxonomy-eligible activities (A.1 + A.2)		2,957,821	39.2	39.2%	0.0%	0.0%	0.0%	0.0%	0.0%								11.1		
B. ACTIVITIES NOT SUBJECT TO TAXONOMY																			
OpEx of activities not eligible for taxonomy		4,578,849	60.8																
Total		7,536,670	100.0																

Codes in columns 5 to 10:

Y - Yes: Taxonomy-eligible and Taxonomy-aligned activity with the relevant environmental objective | N - No: Taxonomy-eligible but not Taxonomy-aligned activity with the relevant environmental objective; | N/EL: not eligible, Taxonomy non-eligible activity for the relevant environmental objective
EL: Taxonomy eligible activity for the relevant objective

	Share of sales/total sales		CapEx share/total CapEx		OpEx share/total OpEx	
	Taxonomy-compliant per target	Taxonomy-capable per target	Taxonomy-compliant per target	Taxonomy-capable per target	Taxonomy-compliant per target	Taxonomy-capable per target
CCM	-	15.5%	-	8.7%	-	39.2%
CCA	-	-	-	-	-	-
WTR	-	-	-	-	-	-
CE	-	3.0%	-	-	-	-
PPC	-	-	-	-	-	-
BIO	-	-	-	-	-	-

Nuclear energy related activities		
1.	The Company is engaged in, finances or holds risk positions related to the research, development, demonstration and deployment of innovative power-generating modules that produce energy from nuclear processes with minimal waste from the fuel cycle.	No
2.	The Company is active in the construction and safe operation of new nuclear facilities for the generation of electricity or process heat, including for district heating or industrial processes such as hydrogen production, as well as in their safety improvement through the application of the best available technologies, or finances such activities or holds risk positions relating to them.	No
3.	The Company is engaged in, financing or holding risk positions relating to the safe operation of existing nuclear facilities for the production of electricity or process heat, including for district heating or industrial processes such as hydrogen production.	No
Fossil gas related activities		
4.	The Company is involved in the construction or operation of plants for the generation of electricity from fossil gaseous fuels, finances such activities or holds risk positions related to these activities.	No
5.	The company constructs, modernises and operates fossil gas-fired combined heat and power plants, finances such activities or holds risk positions related to these activities.	No
6.	The Company is involved in the construction, modernisation and operation of plants for heat generation that produce heat/cold from fossil gaseous fuels, finances such activities or holds risk positions in connection with these activities.	No

Social information

GESCO Group sees itself as a performance community in which values such as personal responsibility, openness and transparency as well as legally compliant and ethically correct behaviour play an important role. For GESCO Group, ethically correct behaviour includes compliance with human rights standards. The reputation of the GESCO Group is a very valuable asset and therefore worth protecting for GESCO. This also includes the fact that non-compliance with due diligence obligations along the supply chain can lead to considerable damage for GESCO Group.

1 S1 – Labour force of the Company

GESCO Group endeavours to guarantee all employees an attractive and secure workplace. It is in line with the Company’s principles that cooperation between the Executive Board, management and employees is characterised by open and constructive dialogue as well as mutual trust and respect.

1.1 Effects, risks and opportunities

IRO	Value chain			Time horizon		
	Up-stream	Own operations	Down-stream	<1 year	1–5 years	>5 years
Opportunity 1: Securing and expanding business activities and thus securing and expanding employment and employee loyalty		x				x
Impact 1 (actually positive): Positive impact on employee satisfaction through flexible working time models		x		x		
Risk: Increased competitiveness and therefore earnings situation due to high wage and salary levels in Germany		x			x	
Impact 2 (actually positive): Fair remuneration of employees and voluntary social benefits increase employee satisfaction		x		x		
Impact 3 (actually positive): Positive impact on the health and well-being of employees due to high occupational safety in the workplace		x		x		

IRO	Value chain			Time horizon		
	Up-stream	Own operations	Down-stream	<1 year	1-5 years	>5 years
Opportunity 2: Increasing occupational safety through training and skills development leads to higher productivity in the long term and, as a result, to a reduction in sickness and absenteeism and the avoidance of errors		x			x	
Impact 4 (actually positive): Positive impact on employee satisfaction through improved leadership skills based on the further training of managers		x		x		
Impact 5 (actually positive): Positive impact on employee satisfaction through training and early sanctions to prevent violence and bullying		x		x		

Opportunity 1: Securing and expanding business activities and thus securing and expanding employment and employee loyalty

Securing and expanding business activities is part of GESCO Group's strategy in order to position the Company for the future. GESCO is expanding the Group through innovation, product development and tapping into new sectors, enabling employees to further develop their skills, offering career security through a forward-looking company and flexibility through new working methods, technologies and business models. This can have a positive impact on GESCO Group's earnings situation.

Impact 1: Positive effects on employee satisfaction through flexible working time models

Flexible working models such as part-time work, working from home and partial retirement support GESCO's wide-ranging flexibilization and modernisation of working structures, which underpins a culture of trust and personal responsibility. These working models are an important means of attracting and retaining skilled labour throughout the Group. At the same time, flexible working time models increase motivation and productivity and contribute to the health of GESCO Group employees. They increase employer attractiveness, reduce absenteeism and enable longer employability.

Risk: Increased competitiveness and therefore earnings situation due to high wage and salary levels in Germany

The high wage and salary level in Germany increases fixed costs, which could lead customers and investors to favour countries with lower wage costs. This puts GESCO Group under pressure to adjust prices and productivity. GESCO counters this risk primarily through sound strategic planning processes based on a lean management approach in order to increase productivity and efficiency in the long term.

Impact 2: Fair employee remuneration and voluntary social benefits increase employee satisfaction

Fair remuneration and voluntary social benefits increase the satisfaction and motivation of GESCO Group employees, which promotes productivity and company success. These measures, implemented across the Group, contribute to success, reduce staff sales in times of a shortage of skilled labour and strengthen the employer brand. They increase well-being, reduce absenteeism and create a stable, committed workforce in the long term, which benefits GESCO as a group of companies.

Impact 3: Positive effects on the health and well-being of employees through high occupational safety in the workplace

Occupational safety training in accordance with local legislation, the provision of protective clothing and safety measures in production mean that GESCO is able to greatly reduce the number of accidents at work. The implementation of occupational safety throughout the entire GESCO Group protects the health of employees and gives them security in their day-to-day work. Fewer accidents and health problems mean less stressful work. A safe environment promotes trust in the workplace and strengthens the sense of community, which helps to build a stable and sustainable work culture.

Opportunity 2: Increasing occupational safety through training and skills development leads to higher productivity in the long term and, as a result, to a reduction in sickness and absenteeism and the avoidance of errors

GESCO Group is committed to occupational safety and makes a significant contribution to employee health and satisfaction through training and skills development. This reduces accidents at work and absences due to illness. They also contribute to higher

productivity and promote a responsible corporate culture. Furthermore, safe working conditions enable stress-free and more efficient work, improve the working atmosphere in the long term and strengthen trust in the employer.

Impact 4: Positive effects on employee satisfaction through improved leadership skills based on further training for managers

The management training is carried out as part of GESCO's Leadership Framework approach and not only has a positive effect on the managers themselves, but also on the employees and the Company as a whole. It promotes dialogue and the further development of managers and young employees. The seminars give managers greater self-confidence, enable them to cope better with stress and expand their professional and social skills. For employees, the training means better communication within the Company and therefore a better feedback culture. Furthermore, conflicts can be reduced through the competence of managers. This leads to increased employee satisfaction.

Impact 5: Positive impact on employee satisfaction by preventing violence and bullying through training and early sanctions

GESCO stands for ethically correct behaviour, respect and equal opportunities. Through regular training, GESCO anchors responsible behaviour as a matter of course within the Group. This gives employees performance-related development opportunities, minimises discrimination and conflicts, and makes them feel respected and valued. This increases their commitment and satisfaction.

1.2 Involvement of the Company's labour force

Employee involvement is a central component of the corporate culture at all levels of the Group. While regular dialogue takes place between the Executive Board and the works councils of the companies at Group level, the managing directors and management of the individual companies are responsible for actively shaping this exchange. Formats such as regular discussions with the works council and works meetings are used to incorporate the voices of employees and promote open communication. GESCO Group

promotes dialogue and exchange with and within the workforce, which in turn strengthens talent and supports a family-like, open corporate culture. Employees at the subsidiaries are therefore expressly encouraged to contribute their own ideas. The companies have an "open-door policy" in which employees have the opportunity to voice their concerns at any time. GESCO's SME character is reflected in the fact that managing directors are always approachable, which creates trust and allows employees to actively contribute to shaping the Company. Depending on the subsidiary, employees have various opportunities to participate. Regular employee surveys, works meetings and monthly works council meetings provide platforms where employees can voice their opinions, concerns and suggestions. The works council plays a central role as a link to company management, while daily meetings, company tours and staff meetings in the specialist departments promote direct dialogue. These measures reflect the basic principles of GESCO Group – winning together as a team, recognising mistakes as opportunities and moving forward with courage – and create an open corporate culture of trust that motivates employees to help shape the Company.

1.3 Reporting channels

GESCO Group has set up a whistleblower system that allows employees to submit confidential reports about violations of legal regulations or internal guidelines. This system helps to create a safe environment in which employees can openly address their concerns. By implementing the requirements of the Whistleblower Protection Act, GESCO Group employees can express their concerns anonymously to GESCO SE or an external lawyer (Further information in chapter **G1 Corporate governance**).

GESCO Group also has a company suggestion scheme that gives employees the opportunity to contribute constructive ideas for improving working conditions. An ombudsman is available to ensure that concerns are dealt with confidentially. Employees can also raise their concerns via the internal safety officers or the works council. These representatives are crucial for passing on concerns and ensuring that they are taken into account. Regular training courses are organised to ensure that works council members have the necessary expertise. This training strengthens the

ability of works council members to act as a link between the workforce and company management. The internal safety officers also receive appropriate training to expand and update their expertise in occupational health and safety.

Potential deficiencies are discussed together with the company doctor, the occupational safety specialist and the management at quarterly health and safety committee meetings. These meetings serve to identify safety risks and derive suitable remedial measures.

1.4 Management approach

As part of the implementation of the LkSG, a risk analysis was carried out for the entire GESCO Group's own business area. In order to holistically identify risks in the area of "employee matters", not only the legal interests covered by the LkSG, such as compliance with employee rights and employee protection, were analysed, but also additional compliance issues in the area of "employee rights" were taken into account. The risks identified in this context are countered with suitable preventive measures (including training, organisational adjustments, technical improvements, monitoring). This risk analysis is carried out once a year or on an ad hoc basis outside of the annual cycle. In particular, the existing and now adapted preventive and corrective measures are also analysed.

Code of Conduct

GESCO Group's Code of Conduct contains information on adequate occupational health and safety measures and the guarantee of equal rights. The Code of Conduct stipulates that the health and safety of employees is a top priority. GESCO therefore relies

on effective occupational health and safety measures and expects all employees to comply with the relevant regulations and actively contribute to safety in the working environment. Managers support them in this and train them in their responsibilities. Potential hazards must be reported immediately in order to prevent accidents and enable continuous improvements. GESCO also undertakes to treat each other with respect in its Code of Conduct. Discrimination in any form is not tolerated – all employees are treated equally regardless of national or ethnic origin, gender, marital status, age, sexual orientation, personal state of health, religion, ideology or physical appearance. Personnel decisions are based exclusively on competence, suitability and performance. GESCO Group does not tolerate any form of intimidation or harassment in the workplace.

The Code of Conduct was adopted by the Executive Board of GESCO SE. However, as GESCO SE is not a Group organised centrally by the holding company, the respective managing directors of the subsidiaries are the point of contact for questions or uncertainties in connection with conduct that could deviate from the principles of the Code. The Code of Conduct is addressed both internally to the Company's own employees and externally to its business partners. A prerequisite for GESCO when entering into business partnerships is a binding code of conduct that is similar in nature to its own. The scope of the Code of Conduct includes all employees of GESCO Group. In the case of joint ventures and minority shareholdings, GESCO SE works towards the introduction of a code of conduct in accordance with this set of rules within the scope of its possibilities under company law. It is a binding framework for decision-making and action with regard to the question of whether business decisions and actions are permissible or mandatory.



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Declaration of human rights principles

GESCO Group pursues a human rights declaration of principles in order to successfully counter risks arising from the behaviour of Group companies or their direct or indirect suppliers. In addition to a clear commitment to the protection of people, the declaration of principles contains concrete measures with the help of which the protection of people in the supply chain is to be achieved as effectively as possible. More information on the declaration of principles in [Chapter S2](#).

Measures relating to occupational health and safety

Occupational safety, health protection and sustainable organisational development are essential for GESCO SE, as they increase employee satisfaction and motivation. Risks exist in health impairments and in the long-term recruitment and retention of skilled labour. In accordance with the Code of Conduct, these tasks are implemented on a decentralised basis by the subsidiaries, whose management teams act independently and report regularly to GESCO Group.

As all GESCO Group subsidiaries are production companies, the respective work steps are regularly checked for safety risks. In addition, preventative measures such as occupational safety training and the use of protective work clothing are implemented. Employees also have access to a company doctor and a company health management programme. Employees can report grievances via a Group-wide [whistleblower system](#), which has already led to adjustments.

GESCO Group companies emphasise appropriate, ergonomic workplaces, regular training and medical examinations of employees by company doctors. In addition, regular meetings of the occupational safety committee are held in all companies.

Employee aspects are a particular focus at some subsidiaries. This may be due to specific production processes, for example. Training, familiarisation and commissioning ensure safe use in production.

In principle, all employees are offered equal social protection against loss of earnings due to significant life events.

Flexible working time models

The possibility of working from home and flexible working hours promotes a good work-life balance. Male employees in particular are encouraged to take parental leave.

For GESCO Group, sustainable organisational development and an appropriate corporate culture are essential for securing the future of the Company from an employee perspective. Strategically, GESCO pursues an integrated approach, which is described in chapter [General information](#). Modern technologies and a lean-oriented way of working are defined there. In this way and through continuous training, GESCO ensures that the workforce and processes remain future-proof and efficient. In this way, GESCO creates a corporate culture that combines courage, cooperation and sustainable management, and a strategy that ensures long-term success.

Management seminars

GESCO SE attaches great importance to filling positions at all levels with suitably qualified, loyal, motivated and high-performing employees. The managers of the subsidiaries were also trained in 2024 in order to further develop their leadership skills. Training is planned for the other management levels in 2025. In future, GESCO will define and adopt management principles as part of the introduction of the [GESCO Business System](#) (GBS). These management principles form the basis for consistent, value-oriented and successful management behaviour that advances both the organisation and its employees.

Measures relating to equal opportunities and equality

It is in line with the principles of GESCO SE set out in the **Code of Conduct** to respect human diversity within the workforce and to treat each other with respect. Personnel decisions are based solely on expertise, personal suitability and work performance. No cases of discrimination were reported in the reporting year, which GESCO Group views as confirmation of the Code of Conduct and the corresponding objectives.

GESCO Group companies expressly and unreservedly pursue a policy of equal opportunities in their daily practice. Irrespective of legal obligations, this is a matter of course.

The companies are committed to attracting more female applicants, take part in campaigns such as “Girls’ Days” and seek dialogue with schools and universities. These measures are based on conviction and not on external requirements.

The integration of the 56 people with a disability (3.4% of the total Group) and people with a migration background is a matter of course. GESCO Group promotes access to the primary labour market for all people of employable age. Employees with a migration background are supported in their integration through language courses or assistance with visits to the authorities if required.

Co-determination and inclusion are practised through regular and trusting interaction with the works councils. Appropriate remuneration in line with the market at the companies is ensured, among other things, by the affiliation of some subsidiaries to IG Metall and the associated agreements.

1.5 Goals

GESCO Group has set targets for the areas of occupational safety, management training, equal opportunities and the proportion of women on the Executive Board.

Occupational safety

GESCO Group aims to prevent serious accidents at work through occupational safety measures and health protection. The individual subsidiaries also endeavour to keep the number of accidents at work as low as possible and to continue to reduce them.

Leadership training

The organisational development objective for the years 2023 to 2024 was to train the management teams of the subsidiaries and the managers of GESCO SE for four days per year as part of the management training programme. The target was achieved in both 2023 and 2024. From 2025, training will be extended to the next management level and management principles will be defined.

Equal opportunities and proportion of women

The target quota for women on the Supervisory Board is 25%, and 30% for the Executive Board. These targets were set by the Supervisory Board and are currently being met. On 1 September 2020, a first management level below the Executive Board was added to the organisational structure of GESCO SE. The Executive Board has set a target quota of 25% for this first management level, which is currently not met.

1.6 Key Figures Business year 2024

Number of people

	Total	Male	Female
Total employees	1,642	1,296	346
Permanent employees	1,454	1,161	293
Temporary employees	61	54	7
Employees without guaranteed working hours	6	5	1
Employees whose employment relationships could not be surveyed	150	99	51
Full-time employees	1,378	1,126	252
Part-time employees	117	37	80
Employees whose employment relationships could not be surveyed	147	133	14
Total number of non-employees	48		
Total number of self-employed persons	9		
Labour supplied by companies primarily active in the "placement and supply of labour" sector ¹	47		

¹ The data only relates to employees at the locations whose employment relationships could be surveyed.

	2024
Total employees	1,642
Employees in Germany	1,360
Employees in the USA	57
Employees in Hungary	66
Other countries	159
Total number of hours worked¹	2,506,684
Total number of hours worked by salaried employees	2,439,955
Total number of hours worked by non-employees	66,729
Total number of employees who left the Company voluntarily or due to dismissal, retirement or death¹	261
Employee sales rate (in %) ¹	16

¹ The data only relates to employees at the locations whose employment relationships could be surveyed.

	Male	Female
Percentage of the Company's employees who have participated in a regular development dialogue (in %) ¹	97	50
Training hours completed ¹	8,488	2,510

¹ The data only relates to employees at the locations whose employment relationships could be surveyed.

	Total	Employed	Not employed
Management system for health and safety			
Number of Company workers covered by the Company's health and safety management system based on legal requirements and/or recognised standards or guidelines ¹	1,730	1,690	40
Number of deaths attributable to work-related injuries and illnesses¹			
Total number of deaths	0	0	0
Number and rate of notifiable occupational accidents and illnesses¹			
Reportable accidents at work	68	68	0
Notifiable work-related illnesses	3	3	0
Rate of reportable accidents at work (in %)	27	27	0
Number of days lost¹			
Number of days lost due to work-related injuries, illnesses or fatalities	1,220	1,117	12

¹ The data only relates to employees at the locations whose employment relationships could be surveyed.

	2024
Total number of reported cases of discrimination (including harassment)	0
Number of complaints submitted through the channels through which the organisation's workforce can raise concerns	3
Number of complaints submitted to the OECD National Contact Points for Multinational Enterprises	0
Number of serious human rights violations and incidents involving the Company's labour force	0
Number of serious human rights abuses and incidents involving the Company's labour that violate the United Nations Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises	0

	2024
Total amount of fines, sanctions and damages resulting from incidents and complaints	0
Total amount of fines, penalties and damages for human rights incidents involving the Company's employees	0

2 S2 – Labour in the value chain

Respect for human rights and a commitment to social justice contribute to a more sustainable society. This responsibility includes fair wages, safe working conditions and compliance with human rights standards – both in our own operations and those of our suppliers. Especially in global supply chains, companies must actively identify and minimise risks such as forced labour, child labour and discrimination.

2.1 Impacts, risks and opportunities

IRO	Value chain			Time horizon		
	Up-stream	Own operations	Down-stream	<1 year	1–5 years	>5 years
Impact 1 (potentially negative): Negative impact on people in the value chain due to lack of labour rights for suppliers' employees	x			x		
Impact 2 (actually positive): Positive impact on the well-being of the labour force in the value chain by focusing purchasing activities in countries with high safety standards and selecting suppliers according to a certification system.	x			x		
Impact 3 (potentially negative): Negative impact on workers if child or forced labour occurs at suppliers	x			x		

Impact 1: Negative impact on people in the value chain due to lack of labour rights for suppliers' employees

Employees of suppliers that provide GESCO with services or products may have difficulty obtaining secure jobs, fair working hours, adequate remuneration, sufficient equal treatment or adequate safety standards. This can potentially have a negative impact on the labour force in the value chain. GESCO Group's fundamental objective is to minimise human rights-related risks in all areas in accordance with and to prevent harm to people, even if it is not regularly possible to directly influence workers in the value chain. This applies to business activities within the companies of the GESCO Group as well as to dealings with business partners and third parties in the upstream national and international supply chains.

Impact 2: Positive impact on the well-being of workers in the value chain by focussing purchasing activities in countries with high safety standards and selecting suppliers according to a certification system.

GESCO favours purchasing from local suppliers, particularly in the EU, where high safety and social standards apply. Through this procurement strategy, GESCO not only ensures responsible purchasing activities, but also contributes to the economic development of regional markets. This promotes jobs, social development and educational initiatives that strengthen human rights in these regions. This is in line with GESCO's "local for local" strategy. GESCO's suppliers and service providers are selected on the basis of appropriate information and objective criteria. The right choice of suppliers ensures the Company's ability to deliver.

Impact 3: Negative impact on workers if child or forced labour occurs at suppliers

Child and forced labour are not tolerated by GESCO. As an internationally active group of companies, GESCO Group feels a special responsibility for the protection of people not only within the companies of the GESCO Group, but also among the Group's suppliers. GESCO is firmly convinced that only responsible and sustainable treatment of people makes it possible to act in a socially appropriate and commercially justifiable manner in the long term.

2.2 Inclusion of labour in the value chain

In connection with the Company's labour force, GESCO Group has established various exchange formats that allow direct interaction with employees. (For more information, see chapter **S1 Company workforce**).

A comparable level of regularity and intensity of dialogue with employees in the upstream and downstream value chain is currently not possible. Nevertheless, GESCO Group pursues a proactive approach in its cooperation with employees in the value chain and their representatives. Employees in the value chain can provide direct feedback on any violations through GESCO Group's whistleblower system. In addition, the majority of subsidiaries conduct supplier audits in order to engage directly with suppliers in the value chain. This commitment is seen as a central component of corporate responsibility and aims to take into account both the environmental and social impact of business operations.

2.3 Signalling channels

The protection of human rights and the environment is a central requirement of GESCO Group's business activities. It has therefore set up a complaints system that enables affected parties and third parties to report violations by Group companies or their suppliers. This system, which fulfils the requirements of the German Supply Chain Duty of Care Act and supplements the existing whistleblower system, serves as an early warning mechanism. The aim is to prevent potential violations at an early stage and to take effective remedial action in the event of violations that have already occurred. Complainants and whistleblowers initially have the opportunity to submit complaints and report directly via the websites of GESCO Group companies. Under the "Human Rights and Environmental Risks" tab, there is an input mask where the complaint can be submitted. In addition, complainants and whistleblowers can address their complaints to the internal complaints office of GESCO Group; the contact persons for the internal complaints office are the external ombudsman of GESCO Group and a qualified representative of GESCO SE. From 2025, the external ombudsman will be the sole point of contact.

The complaints procedure is as follows:

1. Receipt of a complaint	2. Examination of the complaint	3. Clarification of the facts	4. Working out a solution with the whistleblower	5. Implementation of the agreed measures	6. Review of the measures and conclusion of the procedure	7. Effectiveness review
Receipt is confirmed and documented to the person providing the information.	The complaint is examined and the further procedure and responsibilities are determined. In the event of a rejection, the person providing the information will receive a reason.	The facts of the case will be discussed with the whistleblower and examined in detail by the complaints office.	Based on step 3, a proposal for remedial action is developed in dialogue with the whistleblower.	The agreed remedial measures are implemented and followed up.	The result achieved is evaluated together with the person providing the information. The whistleblower/complainant will be informed of the conclusion of the procedure.	The effectiveness of the procedure is reviewed annually and on an ad hoc basis. If necessary, adjustments are made to the process or corrective measures are taken. It is checked and ensured that no retaliatory measures are taken.

GESCO SE reviews the effectiveness of the complaints procedure together with the GESCO Group complaints office at least once a year and on an ad hoc basis. The evaluation is based on the key questions of the extent to which the procedure encourages those affected to report potential violations and how it contributes to averting damage or facilitating remedial measures. The review is based on various key figures, including the number and regional distribution of complaints, accessibility of reporting channels, type of concerns, groups of people involved, processing time and complainant satisfaction. The results are included in the annual reporting in accordance with the Supply Chain Due Diligence Act.

2.4 Management approach

Respect for human rights is a matter of course for GESCO. The avoidance of human rights and environmental violations in the supply chain are among the sustainability issues identified as material. The resulting risks from social responsibility in the value chain primarily affect relationships with suppliers. The potential negative effects range from direct suppliers (direct suppliers) to their upstream supply chain (indirect suppliers) and the procurement of raw materials.

The majority of GESCO Group companies are based in Germany and therefore operate in a highly regulated environment. As medium-sized companies, they purchase raw materials, input materials and components predominantly from established, primarily German suppliers. Approximately 80% of sales are also generated in Germany and other European countries, i. e. also in a regulated environment.

Declaration of human rights principles

Respecting human rights and protecting the environment are of fundamental importance to GESCO Group companies. These legal interests are among the sustainability issues identified as material for the Group. They can be violated by the behaviour of companies belonging to the Group or by their direct or indirect suppliers, for example in the course of raw material procurement. In order to successfully counter this risk, GESCO Group companies have developed a human rights strategy which, in addition to a clear commitment to the protection of people, contains specific measures to ensure that the protection of people in the supply chain is achieved as effectively as possible. In addition to concrete protection, this includes a complaints procedure which, as described above, involves workers in the value chain and provides them with measures to enable remedial action in the event of impacts on human rights. To ensure standardised implementation at Group level, the Executive Board bears ultimate responsibility for the human rights policy statement.

GESCO SE documents its LkSG management on an ongoing basis and evaluates the effectiveness of the measures implemented annually. The results are published in the BAFA report, which presents human rights and environmental risks as well as measures taken to fulfil due diligence obligations. The findings from the effectiveness assessment during the year are also included in the annual report. From 2025, the report will be published in accordance with Section 10 (2) LkSG.

GESCO Group expects its own employees to adhere to the guidelines of this policy statement when making decisions and to follow its instructions. GESCO also expects its suppliers to adhere to the guidelines, to base their business relationships on these guidelines and, where possible, to incorporate them into their business relationships with their own suppliers and business partners as minimum standards within the meaning of Section 6 para. 4 sentence 2 LkSG.

GESCO Group companies are particularly committed to the following internationally recognised standards and guidelines:

- United Nations (UN) Universal Declaration of Human Rights of 10 December 1948
- United Nations Guiding Principles on Business and Human Rights (UNGPR) from 2011
- The ten conventions and recommendations of the International Labour Organization (ILO core labour standards, in accordance with the Annex to Section 2 (1), Section 7 (3) sentence 2 LkSG) on labour and social standards
- UN Convention on the Rights of the Child of 20 November 1989
- Minamata Convention on Mercury of 10 October 2013 (Minamata Convention)
- Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and their Disposal of 22 March 1989 (Basel Convention)
- Stockholm Convention on Persistent Organic Pollutants of 17 May 2004

Code of Conduct and Supplier Code

As mentioned in chapter **S1 Company workforce**, GESCO Group has a Code of Conduct that regulates various employee-related issues. This supports the human rights policy statement and should be read in addition to it. The Code of Conduct already includes parts of the ILO core labour standards, such as the explicit rejection of child labour.

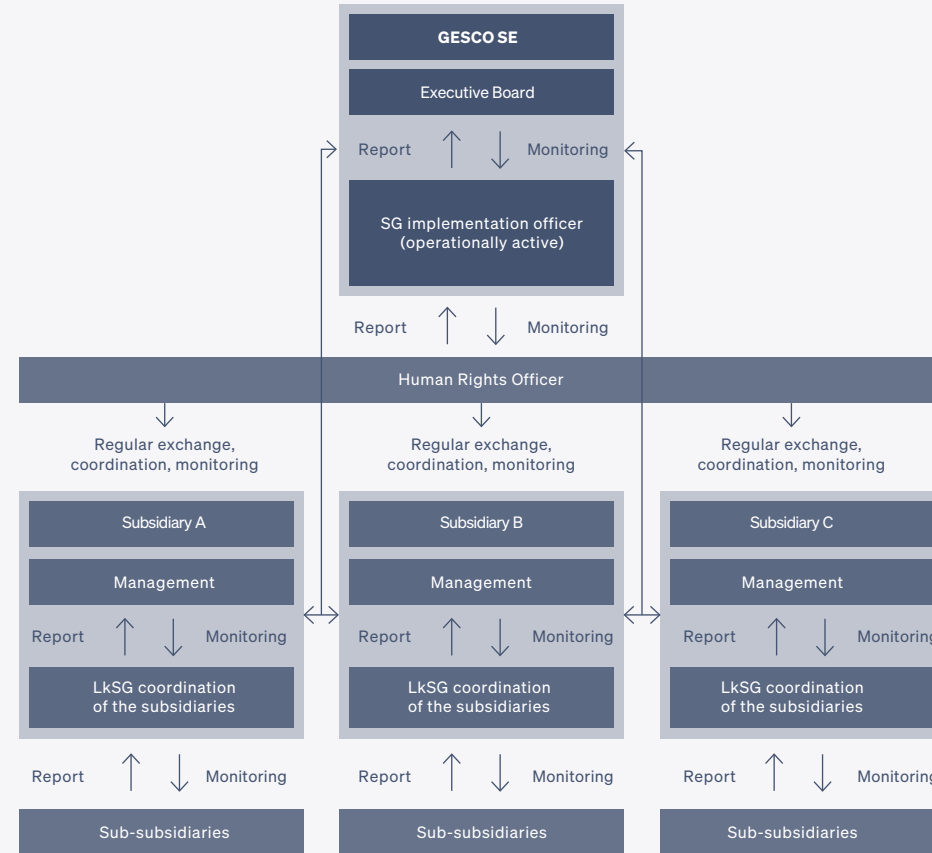
As GESCO Group's largest subsidiary in terms of sales, Doerrenberg's Supplier Code of Conduct obliges all of its suppliers to comply with rules relating to environmental protection and human rights. Further contents of the Supplier Code of Conduct are described in chapter **G1 Corporate governance**.

Measures relating to labour in the value chain

The implementation of the obligations arising from the LkSG is managed centrally by a steering committee comprising managers and specialist departments such as Legal, Tax, Administrative Services, Investor Relations and Communications. This steering committee is supported by external sustainability consultants, a compliance officer and an ESG officer. Coordination takes place with officers in the subsidiaries who are closely involved in supply chain management and actively promote the topic. These officers receive regular training from external experts and internal managers in order to fulfil the requirements of the LkSG. GESCO SE separates the operational processing and monitoring of compliance with the due diligence obligations under the LkSG by appointing a human rights officer and an independent operational LkSG implementation officer.

The risk analysis for the supply chain was initially carried out centrally by the Company and an external service provider. These risks were then concretised using specific questionnaires for the companies' supply chains and their direct suppliers. These questionnaires were sent to the subsidiaries and analysed in order to coordinate the necessary risk mitigation and prevention measures. The implementation and monitoring of the due diligence obligations is carried out by a centrally appointed human rights officer, who ensures compliance in consultation with the local coordinators.

Implementation obligation according to the LkSG



The organisational structure described is partly prescribed by law (appointment and function of the Human Rights Officer at GESCO Group). The effectiveness of the LkSG officer concept and the respective processes are regularly reviewed. If the concept needs to be adapted, this can be addressed by all participants in the meeting and then implemented accordingly.

Identification of risks

Potential human rights and environmental risks in the supply chain were identified through a systematic risk analysis based on databases such as the Agency for Business and Human Rights. Abstract risks were identified on the basis of product types and countries of origin, then concretised and prioritised, taking into account the Company's influence, the impact on those affected and the likelihood of their occurrence. Particularly vulnerable groups, as defined in the LkSG guidelines on child labour, forced labour and discrimination, are also taken into account.

The analysis serves as the basis for customised questionnaires to suppliers in order to assess specific risks and define escalation levels – from preventive measures to the termination of business relationships. Employees are sensitised to comply with due diligence obligations, while business partners are encouraged to adhere to similar ethical standards. A separate, multilingual complaints mechanism on the Company website protects whistleblowers and is regularly reviewed for its effectiveness. In future, suppliers will be increasingly analysed for human rights and environmental standards and appropriate measures will be developed, with reporting following the LkSG requirements in future.

2.5 Goals

GESCO SE has set itself the goal of continuously analysing and preventing human rights and environmental risks. By the end of the 2024 reporting year, 80% of existing suppliers and 80% of new suppliers had been screened for compliance with human rights and environmental obligations. In future, GESCO plans to implement a central purchasing guideline with sustainability criteria, conduct supplier audits and surveys and provide its purchasers with targeted training on human rights and sustainability-related topics.

Governance

1 G1 – Corporate management

Companies bear a significant responsibility for transparent and ethical corporate governance. This includes decision-making processes with integrity, compliance with legal requirements and responsible risk management. Managers are obliged to actively avoid corruption, conflicts of interest and unethical behaviour and to promote a culture of accountability. Clear structures, transparency and value-orientated management at GESCO Group ensure that economic success goes hand in hand with social responsibility.

1.1 Effects, risks and opportunities

IRO	Value chain			Time horizon		
	Up-stream	Own operations	Down-stream	<1 year	1–5 years	>5 years
Opportunity 1: Fair and transparent payment practices contribute to the Company's financial stability, cost efficiency and sustainable business development		x				x
Opportunity 2: Safeguarding the Company's reputation through effective compliance management		x				x

Opportunity 1: Fair and transparent payment practices contribute to financial stability, cost efficiency and sustainable corporate development

Fair and transparent payment practices allow long-term relationships to be established with reliable suppliers. In financial terms, this means that GESCO does not have to switch to alternative suppliers with higher price levels due to planning security in the supply chain and that there are no switching costs due to the certification of new suppliers, for example, which can lead to higher profitability.

Opportunity 2: Safeguarding the Company's reputation through effective compliance management

GESCO ensures compliance with regulatory requirements and ethical standards through regular training on compliance guidelines and the introduction of a compliance officer. This helps to avoid reputational damage, legal sanctions and financial risks. At the same time, proactive compliance management strengthens the trust of employees and stakeholders, improves business partner relationships and can positively influence the market position and access to sustainable financing in the long term. It also increases employee loyalty, which reduces staff sales and recruitment costs.

1.2 Management approach

Whistleblower Directive

In connection with the Code of Conduct (**S1 Company employees**), GESCO SE has set up a whistleblower system that is also available to external parties. This allows GESCO to be informed about violations of legal regulations or compliance rules and to contribute to their detection. In the event of specific, well-founded indications of serious legal violations or breaches of rules within GESCO Group, affected persons can



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contact GESCO SE via the external ombudsman. Internal employees can contact the ombudsman directly using the contact details provided in a circular. External stakeholders can send a report to GESCO SE anonymously via the website. Detailed information on the whistleblower system can be found on the GESCO Group website at www.gesco.de/en/responsibilities/human-rights-and-environmental-risks.

Code of Conduct

GESCO Group is a group of medium-sized companies that are primarily active in the industrial manufacturing sector. The customers and suppliers are located in different countries. This structure gives rise to individual risks, including corruption and conflicts of interest as well as the violation of tax and social security laws, labour laws and occupational health and safety regulations as well as data protection and antitrust regulations. In addition, production and product-related regulations must be complied with. Due to the Company's international focus, there are also risks of violations, particularly of the applicable export and export control regulations, the applicable customs regulations and violations of foreign law. Finally, due to its listing in the Prime Standard, GESCO SE must comply with special capital market law requirements. No significant new risks were identified for the 2024 reporting year.

GESCO SE requires and supports behaviour in its companies that complies with the law and guidelines by complying with applicable laws, regulations, case law, official decisions and internal guidelines and resolutions. This applies in particular to anti-corruption regulations. To this end, GESCO SE has established a compliance management system involving all Group companies.

The aim of the compliance management system is to prevent violations of the law. GESCO SE's obligation to comply with the law ("Tone from the Top") is set out in the Group-wide Code of Conduct. Compliance training courses convey the content to employees. The Code of Conduct for all GESCO Group employees is available on the website at www.gesco.de/en/investor-relations/corporate-governance-compliance.

The Code of Conduct is substantiated by guidelines and work instructions that clarify typical behavioural issues in important areas of activity for executive bodies and employees. These areas of action are identified regularly or, if necessary, through risk analyses.

The guidelines are made available to GESCO Group employees in paper form, electronically and via an online information system (Rulebook). The executive bodies and employees of the Group companies also have the opportunity to seek advice from GESCO SE or an external compliance officer appointed by GESCO SE in case of doubt.

To ensure efficient protection against violations of the law, the Head of Legal and Tax at GESCO SE carried out random audits at the Group companies in 2024. In future, an external consultant will take over this task. Legal violations can be reported anonymously via the whistleblower system. Three reports were received for the 2024 reporting year. Of the matters reported via the whistleblower system, one case was classified as implausible. Two other cases were investigated, but no legally objectionable misconduct was identified. In addition, numerous consultations on individual employee issues were conducted both by an external ombudsman and internally.

At GESCO SE level, the area of compliance is anchored in the Finance Executive Board department.

The content of the compliance management process is subject to constant dynamic change: New legal requirements require adaptation, as do new findings from the compliance risk analysis of the GESCO companies, information about the whistleblower protection system or the regular audits carried out by external auditors at the GESCO companies. Depending on these developments and findings, GESCO adapts the existing regulations, the existing training programme and the existing advisory services, if necessary with external support. For this reason, GESCO has rolled out additional guidelines and training courses for the entire Group. These include an antitrust guideline and antitrust training courses, which were conducted at all subsidiaries.

Antitrust Directive

GESCO's antitrust guideline was formulated in 2024 and employees in relevant positions were trained on it. The guideline is to be implemented for the Group in 2025. To this end, the guideline will be included in the Rulebook online tool. Furthermore, employee training on compliance will be expanded for all German companies. The respective managers of the relevant subsidiary are responsible for implementation.

The directive formulates clear instructions for avoiding violations of antitrust law. It contains provisions on the prohibition of cartel agreements and the abuse of dominant market positions. It also regulates the obligation to have certain mergers scrutinised by the authorities as part of merger control. In addition, binding rules of conduct are defined for various situations of practical relevance – for example, for participation in association meetings, trade fairs and business events, for internal and external communication and for dealing with official investigations, requests for information or seizures by antitrust authorities. In addition, the guideline provides information on the support available for employees in the event of antitrust law issues or reports.

The regulatory basis is primarily the German Act against Restraints of Competition (GWB), the Treaty on the Functioning of the European Union (TFEU) (which is directly applicable in this respect) and the associated EU antitrust regulations (which are also directly applicable).

GESCO SE guideline on avoiding corruption and conflicts of interest by accepting and making donations

This guideline, which employees can access via the Rulebook, applies to all employees of GESCO SE, including the Executive Board of GESCO SE. It regulates the correct handling of cash benefits, benefits in kind, hospitality, specialist events, events, sponsoring and donations. The executives of GESCO SE are responsible for implementation at the highest level. Employees and external stakeholders have the opportunity to report violations of this guideline via the GESCO whistleblower system, which enables GESCO to monitor implementation.

GESCO SE guideline on the avoidance of corruption and conflicts of interest when commissioning third parties and performing ancillary activities by accepting and making donations

This guideline, which employees can access via the Rulebook, applies to all employees of GESCO SE, including the Executive Board of GESCO SE. This guideline regulates typical case constellations in which the personal interests of an employee may come into conflict with the business interests of the Company when performing secondary employment. The managers of GESCO SE are responsible for its implementation. Here, too, GESCO monitors implementation through violations reported via the whistleblower system.

Management of relationships with suppliers

GESCO Group pursues a strategic and responsible approach in its relationships with suppliers, which aims to minimise risks and promote sustainable cooperation.

Various criteria play a central role in the selection of suppliers, including creditworthiness and the ability to reliably fulfil orders in line with the Company's growth. This reduces the risk of delivery failures and ensures a stable supply chain. At the same time, GESCO takes common values such as sustainability and ethical standards into account.

As part of the LkSG, the main suppliers per company were carefully reviewed and the necessary information collected (**S2 Labour in the value chain**). To ensure compliance with the regulations, GESCO Group subsidiaries conduct regular supplier audits and surveys. These self-assessments help to verify suppliers' compliance and ethical standards. GESCO bases its assessment on indices such as the Corruption Perceptions Index and the Environmental Performance Indicator. Supplier management in the individual companies is carried out in accordance with the established standards of the certified integrated management system in accordance with DIN EN ISO 9001, DIN EN ISO 14001 and DIN EN ISO 50001 in order to ensure compliance with high quality, environmental and energy management standards.

GESCO favours long-term relationships with its suppliers and avoids “supplier hopping”. This promotes stability and reliability in the supply chain. Raw material suppliers are visited regularly to ensure the quality of the purchased materials and the sustainability of the collaboration.

GESCO prioritises the procurement of raw materials from Germany or the EU in order to ensure high quality standards. GESCO significantly reduces potential risks in the supply chain through the predominantly regional procurement market. This enables better control over the quality and reliability of suppliers. For certain markets, such as the US market, procurement takes place within the country, particularly for paper products, which strengthens the local economy.

As the GESCO Group subsidiary with the highest sales, Doerrenberg’s Supplier Code of Conduct also obliges all of its suppliers to comply with rules relating to

- corruption, money laundering and conflicts of interest,
- antitrust and competition law, customs and foreign trade law as well as intellectual property,
- information security and data protection as well as the protection of business secrets.

Prevention and detection of corruption and bribery

GESCO SE has implemented a comprehensive compliance management system (CMS) to prevent, detect, investigate and prosecute corruption and bribery. The CMS consists of the elements of prevention, detection, investigation and prosecution. In order to take a preventative approach, GESCO Group has a Code of Conduct with clear guidelines and rules of behaviour, guidelines on the detailed handling of benefits and trains its employees on the topics of anti-corruption, conflicts of interest and the whistleblower system. The focus is particularly on employees in risk functions such as purchasing, sales and project management. Management and supervisory bodies are also part of the training programme. The training is conducted in the form of e-learning,

face-to-face events and the use of the GESCO Rulebook, and the frequency and scope of the training is adapted to the respective risk profiles of the employees. In order to uncover cases, GESCO offers its employees and external stakeholders the opportunity to report violations via a whistleblower system. Internal audits are also carried out regularly to check compliance and identify potential risks. The identified cases and risks are investigated by the Compliance Officer or the Ombudsman. If necessary, the investigation can also be carried out by external experts. Any violations identified are followed up. Appropriate sanctions are imposed, and the criminal prosecution authorities are involved if criminal offences are suspected.

The investigators (Compliance Officer and Ombudsman) are organisationally separate from operational management and report directly to the Executive Board. This ensures the independence of the investigations. The results of the investigations are reported to the Executive Board and the Audit Committee of the Supervisory Board.

Corruption or bribery cases

GESCO has introduced a comprehensive compliance management system that also addresses the areas of corruption and bribery and contains corresponding guidelines and procedures to prevent unfair behaviour. This system ensures that all employees are informed about the applicable laws and internal standards. Regular training is provided for employees and managers to raise awareness of corruption risks and the importance of complying with anti-corruption guidelines. This training covers topics such as gifts, invitations and potential conflicts of interest. Regular internal and external audits of business processes are carried out to ensure adherence to compliance requirements and to recognise potential violations at an early stage. The aim of these audits is to create transparency and strengthen confidence in internal controls.

GESCO’s management is actively committed to combating corruption and bribery and promotes a corporate culture that upholds ethical behaviour and integrity. This is reflected in the fact that there were no known cases of bribery and corruption within GESCO Group in 2024.

Political influence

A whole series of current legislative processes that primarily affect GESCO's investments are relevant to GESCO Group's work, such as the Corporate Sustainability Reporting Directive (CSRD) and the Carbon Border Adjustment Mechanism (CBAM) at EU level and the Supply Chain Duty of Care Act (Lieferkettensorgfaltspflichtengesetz) at national level. GESCO analyses these projects and the resulting requirements for risk management, evaluates them and implements appropriate measures at an operational level.

GESCO SE is a member of Deutsches Aktieninstitut e.V. (DAI). On behalf of its member companies, the DAI contributes the perspectives of the real and financial economy to the political debate through professional dialogue with politicians and supervisory authorities.

GESCO Group companies do not make donations to political organisations.

1.3 Key figures

Risky functions

	2024
Number of functions for which it can be assumed that there is a risk of corruption and bribery due to their tasks and responsibilities (functions at risk)	112
Number of high-risk functions covered by training programmes	47
Percentage of high-risk functions covered by training programmes	42

Cases of corruption

	2024
Number of convictions for offences against corruption and bribery regulations	0
The amount of fines for offences against corruption and bribery regulations (in EUR)	0

Information on payment practices

	2024
The average time (in days) taken by the Company to settle an invoice from the date on which the contractual or statutory payment period begins	22
Number of court proceedings currently pending due to late payment	0

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BP-2	Information in connection with specific circumstances	page 39
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IRO-1	Description of the process for identifying and assessing the material impacts, risks and opportunities	page 46
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GESCO SE, Wuppertal

Combined management report for the 2024 financial year (01/01 until 12/31/2024)

The management report of GESCO SE is combined with the management report of the Group. This management report is published in the GESCO Annual Report 2024 and together with the annual financial statements of GESCO SE. Unless otherwise stated, the information relates to GESCO Group and GESCO SE together, whereby the explanations refer to the consolidated financial statements prepared in accordance with the International Financial Reporting Standards (IFRS). The information on GESCO SE is contained in a separate section and relates to the annual financial statements prepared in accordance with the provisions of the German Commercial Code (HGB) and the supplementary provisions of the SEAG and the German Stock Corporation Act (AktG).

The contents of websites or publications to which we refer in the management report are not part of the management report but merely serve to provide further information. This does not include the corporate governance statement in accordance with Sections 289f and 315d HGB.

Fundamentals of the Group

Business model

GESCO: Partner for SMEs

Founded in 1989, GESCO SE is a long-term investor that acquires economically sound industrial SMEs in order to hold and develop them over the long term. Acquisitions are often made in the course of succession planning, with GESCO SE generally acquiring majorities, usually 100%. Hubl GmbH is the only German company in which a managing director holds a 20% stake. The subsidiaries are operationally independent. They are integrated into GESCO Group's reporting and risk management system.

GESCO SE is a successful partner for industrial SMEs and has developed into a dynamic group consisting primarily of market and technology leaders. This development has been made possible by a clear and focussed business model based on identifying and exploiting growth potential. SMEs form the backbone of the German economy, and GESCO bridges the gap between SMEs and the capital market.

Developing vertical integration

Our focus is on business models with high intrinsic value contributions and differentiating features, which we are continuously developing. We are determined to identify sustainable growth potential and secure the future viability of our Group. Through this approach, we create added value for all stakeholders, including shareholders, employees, customers, suppliers, business partners and the communities in which we operate.

Concentrating on the essentials

Our philosophy is based not only on financial investment, but also on intensive cooperation with our subsidiaries. We focus on identifying the specific opportunities and challenges of each company and substantially improving their competitiveness through concrete and binding implementation plans.

As at the reporting date, GESCO Group consisted of GESCO SE, its 9 direct subsidiaries and their subsidiaries in Germany and abroad.

GESCO SE has been listed on the stock exchange since 24 March 1998. The GESCO share is listed in the Prime Standard segment of the Frankfurt Stock Exchange.

Strategic orientation of GESCO

Our vision

We are striving to become the best-managed SME investment company in the world.

Our mission

GESCO pursues a clear strategy: we acquire, hold and develop healthy SMEs. Under the umbrella of a lean holding company, our subsidiaries can operate independently while benefiting from the guidance and support of GESCO SE. In this way, we develop a strong group of sustainable market and technology leaders that lead and drive innovation in their respective sectors. The mission of GESCO SE is to jointly create sustainable value for our shareholders.

Our strategic orientation

The last few years have been characterised by a phase of consolidation. Companies and parts of companies were sold and the portfolio was streamlined. Acquisitions were only made selectively. The last investment was acquired in 2021. In 2023, two add-on acquisitions were made for the Doerrenberg Group and the SVT Group. The focus is now on strengthening our portfolio companies through their individual further development. By portfolio companies, we mean the corporate groups of our direct subsidiaries. Following the sale of AstroPlast, these are the nine companies or groups of companies:

- Kesel with headquarters in Kempten
- MAE based in Erkrath
- INEX based in Bretten
- Doerrenberg based in Engelskirchen-Ründeroth
- PGW based in Finnentrop
- SVT based in Schwelm
- Funke based in Sundern
- Setter based in Emmerich am Rhein
- AMTRION (previously referred to as UMT) based in Porta Westfalica

The portfolio companies are to be enabled to achieve sustainable organic growth. In addition, inorganic growth is also promoted through add-on acquisitions. Each group of companies should achieve at least two of the following three goals in the medium term:

- 7% compound annual growth rate (CAGR)
- At least 10% return on sales (ROS)
- At least 15% return on capital employed (ROCE)

In addition to the further development of existing companies, we also want to grow inorganically on a regular basis. The focus here is on existing areas of expertise and within the segments. In the medium term, we are also considering acquisitions in business areas that we do not currently occupy.

Focus on succession planning in the SME sector

One of GESCO's key concerns is to support entrepreneurs who are looking for a suitable successor. Many successful German SMEs are facing this challenge. GESCO offers itself here as a supportive partner and gives entrepreneurs the flexibility to either exit quickly or remain active in the company. This flexibility is particularly important for companies undergoing a transition, be it in terms of structural changes or strategic reorientation.

Individual development of each portfolio company

Each portfolio company can operate independently but is supported by an experienced team of business managers. This enables each company to be developed individually, tailored to its specific needs and opportunities. We rely on the GESCO Business System (GBS), which provides a framework for overarching principles, methods and best practices based on lean management. This system enables our companies to implement efficient processes and drive continuous improvement.

Sustainable investment

GESCO pursues an investment strategy that is not aimed at a short-term "exit strategy". Instead, we invest with a "value agenda" in medium-sized industrial companies with sustainable, long-term potential. In our investments, we aim for majority shareholdings, usually 100%, in order to have full control over the strategic direction and operational efficiency of the companies.



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Innovation and customer centricity

A central part of our agenda is the promotion of innovation and a strong customer focus. We encourage our portfolio companies to develop innovative solutions that meet the ever-changing demands of the market. The continuous improvement of products and services is crucial to ensure our competitiveness and to offer our customers the best added value.

GESCO is becoming increasingly global: expanding local expertise on a global level

With the increasing internationalisation of markets, GESCO pursues the strategy of being able to address regional customer needs as quickly and effectively as possible through a local presence. The “local for local” philosophy is actively practised by providing our portfolio companies with the necessary resources and financial leeway to effectively implement their globalisation strategies. This means that foreign customers should increasingly be able to rely on locally based sales and service structures and, in future, also increasingly on locally produced goods.

Access to family-run companies

Access to family-owned companies is a key value driver for GESCO. This network enables us to make targeted investments in companies that are characterised by tradition and innovative strength. The basis of our success is a deep and comprehensive understanding of the specific challenges and sectors in which we operate.

Focus on proven business models

When selecting our investments, we focus on established, well-positioned companies with proven and scalable business models that have development potential. We support our subsidiaries not only financially, but also strategically, methodically and procedurally by providing them with valuable experience and advice. This enables them to develop their businesses faster and better than they could on their own.

Adaptability to market conditions

In an increasingly dynamic market environment, it is essential that our companies remain adaptable in order to respond to changes in the industry and market conditions. We help our portfolio companies to strengthen their strategic position, be it through the expansion of their product range, regional expansion or targeted company acquisitions. Improving operational processes and adapting them to changing conditions are also essential components of this strategy.

The existing portfolio is being systematically developed through the GESCO Business System and lean management. The methodological expertise available within GESCO SE provides our subsidiaries with broad and comprehensive operational experience for the continuous implementation of upcoming activities. A special focus is also placed on establishing a common corporate culture with a balanced focus on performance.

Sustainability in corporate management

Another important aspect of our strategic focus is to support our portfolio companies in developing and implementing their sustainability strategies. In view of the transformation of our economy and society, we see it as our responsibility to support these companies in identifying and utilising opportunities that arise from sustainable practices.

Sector structure and geographical focus – investment focus of GESCO SE

GESCO has traditionally focussed on manufacturing companies, which form the foundation of the strong global reputation of the German Mittelstand. Our industry focus is diverse and ensures that we are active in different sectors with high growth potential.

When making acquisitions, GESCO focusses on companies with sales of between € 20 million and € 50 million. Strategically motivated bolt-on acquisitions of subsidiaries are made at lower sales levels. The plan is to finance acquisitions from the Company's own funds and debt capital.



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Geographical focus

All of our direct investments are currently based in Germany. However, the majority of our portfolio companies are well represented internationally, with foreign shares of over 80% in some cases. Some subsidiaries also have foreign production facilities, which enables them to serve their markets even better globally and benefit from international growth opportunities.

In 2023, the legal form was changed from a German stock corporation (AG) to a European stock corporation (SE). The increasingly European orientation is thus visible. Acquisitions of basic holdings in other European countries as well as acquisitions of supplementary investments outside Europe are part of the inorganic growth strategy.

Summary

GESCO SE is not a passive holding company, but an active partner. Through its clear strategic focus, commitment to sustainable growth and willingness to invest in innovative SMEs, GESCO helps to strengthen the competitiveness of its portfolio. GESCO endeavours to stand alongside our subsidiaries as a partner and master the challenges of the market together, while at the same time creating value that goes beyond financial aspects.

We see numerous opportunities and challenges and will actively tackle these in order to further secure and expand the future viability of GESCO Group and its subsidiaries.

Significant changes in the scope of consolidation

There were significant changes in the reporting year and the previous year as a result of reorganisations under company law and disposals.

1. Sales as part of asset or share deals:

GESCO SE sold 100% of the shares in AstroPlast Kunststofftechnik GmbH & Co. KG and AstroPlast Verwaltungs GmbH as part of a management buyout with economic transition as at 31 December 2024.

Dörrenberg Edelstahl GmbH sold the steelworks and foundry divisions to a private equity company with economic transition as at 31 December 2024.

2. Acquisitions as part of asset or share deals:

There were no acquisitions in the 2024 financial year.

3. Corporate reorganisations:

There were no reorganisations under company law in the 2024 financial year.

Control system

GESCO Group is planned and managed at the level of the individual subsidiaries and GESCO SE. The framework for the operational development, personnel measures and investments of the subsidiaries is provided by an annual plan prepared by the management of the respective company and approved jointly with the Executive Board of GESCO SE. As part of regular reporting, GESCO SE receives data from the subsidiaries during the year and at least on a monthly basis. This information is recorded and analysed by GESCO SE, supplemented by figures from the finance and accounting department of GESCO SE itself and consolidated. The findings from the subsidiaries' reporting are analysed between the responsible Business Director of GESCO SE and the respective managers of the companies in at least monthly meetings on site or in video meetings and evaluated with regard to the degree of target achievement. Options for action on both the opportunity and risk side are discussed together in order to be able to react promptly to changes in the market situation.



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GESCO SE prepares Group planning based on the planning of the individual subsidiaries. At the annual accounts press conference, the Executive Board of GESCO SE provides an outlook for Group sales and Group net income after minority interest for the new financial year; this outlook is further specified in the course of quarterly reporting. In the economic report and the report on expected developments in this management report, consolidated revenue and consolidated net income after minority interests are included as the most significant indicators in the notes. For the separate financial statements of GESCO SE, this applies to income from investments and net income for the year as well as the equity ratio.

Research and development

As a holding company, GESCO does not conduct any research and development work. All activities in this area are carried out by the subsidiaries. The subsidiaries are mostly smaller SMEs whose research and development activities are largely market- and customer-related. Technical innovations as well as new products and applications are generally developed in project work as part of customer orders. Depending on the task at hand, companies cooperate with universities and institutes and participate in publicly funded research projects. Nevertheless, research and development is also of the utmost importance from GESCO's perspective and innovation is therefore seen as a central key to the further development of the Company.

The portfolio companies are encouraged to invest in defined future fields in which there are very good long-term development prospects. The holding company supports the subsidiaries methodically in deriving innovation strategies, identifying innovation potential, generating and selecting ideas and managing innovation potential. An important focus is also on sensitising and networking the various management teams. Trends and developments in the markets are observed across all sectors and the knowledge is brought into the Group companies as part of an active dialogue with the respective management teams. GESCO actively promotes dialogue between the portfolio companies in order to facilitate the development of innovation through a change of perspective. If required, GESCO also establishes links to external partners and institutions for its subsidiaries and provides support in collaborating with science and research.

Economic report

Macroeconomic and sector-specific framework conditions

In 2024, Germany was particularly affected by the subdued global economic growth prospects. In its latest World Economic Outlook, the International Monetary Fund (IMF) states that although the global decline in inflation represents an important milestone for economic development, persistent structural burdens – such as an ageing population and weak productivity – are slowing potential growth in many economies. In addition, downside risks are increasing and now dominate the outlook. The latter include an escalation of regional conflicts, a monetary policy that remains tight for too long, a possible resurgence of financial market volatility with negative effects on the markets for government bonds, a stronger slowdown in growth in China and a further tightening of protectionist policies.

At the beginning of 2024, many economic experts expected an imminent upturn. However, this failed to materialise. The real wage increases in 2023 and 2024 have not yet prompted private households to substantially increase their consumer spending. In addition, there have been significant losses in production and value added in the construction and manufacturing industries. This is reflected in weak exports and a sharp decline in corporate investment in the current year. The German export industry is benefiting less from the growing global economy than in the past, although the traditional German export markets are proving robust. This indicates that the economic weakness is largely due to high cost increases and non-price competitive factors in an international comparison. In addition, there are domestic negative factors such as high economic uncertainty. However, the greater weight of German energy-intensive industries in an international comparison, which are reacting to high energy costs, as well as the mechanical engineering and automotive industries, which are facing increasing

competition from China in addition to restructuring in connection with decarbonisation and digitalisation, are also currently proving to be a burden.

This means that the German economy is still in a stagnation phase at the end of 2024 despite falling inflation and the recovery of the global economy. High levels of uncertainty regarding the economic outlook both at home and abroad have dampened demand, production, investment and private consumption. The key sectors of manufacturing and the property market are particularly weak.

According to estimates by the Federal Statistical Office, price-adjusted gross domestic product (GDP) fell by 0.2% in 2024 as a whole compared to the previous year. This makes Germany the only major country in the eurozone to experience a decline in gross domestic product in the calendar year 2024.

According to the German Engineering Federation (VDMA), mechanical and plant engineering companies from Germany suffered noticeable losses on foreign markets in 2024. According to preliminary calculations by the Federal Statistical Office, the nominal decline in exports was 5.0% compared to the previous year. Adjusted for prices, machinery exports were even 7.1% below the previous year's level over the course of the year. This largely corresponded to the decline in production in the mechanical engineering sector of (provisionally) 7.5% in real terms.

The very subdued outlook in the mechanical engineering sector is reflected in incoming orders: orders for large-scale systems provided a positive surprise in the order books of mechanical and plant engineering companies at the end of the year. However, the overall order result was disappointing, with orders in 2024 down 8% on the previous

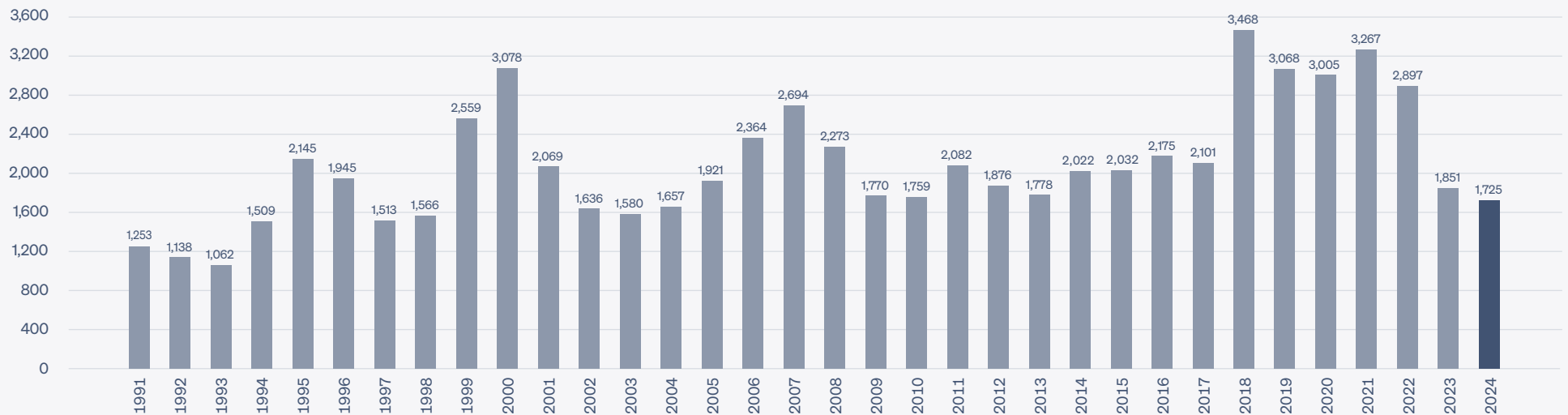
year in real terms. Domestic mechanical engineering companies recorded a 13% drop in orders in 2024, while orders from abroad fell by 5%. The drop in orders from euro countries amounted to 9%, while non-euro countries recorded a decline of 4%.

This is the second year in a row that companies have recorded a significant drop in orders across the board, meaning that the wait for a turnaround continues. The looming trade conflict with the United States continues to be a burden. A free trade agreement with the Mercosur countries could provide a boost.

In terms of the number of M&A deals, the M&A market had already slumped significantly in the 2023 financial year and has not recovered since then. Increased financing costs due to higher interest rates, continued high valuations for attractive target companies and, above all, uncertainties regarding future business development continued to put pressure on M&A activities in the 2024 financial year.

What is striking in the 2024 financial year is the significant increase in companies actively seeking a buyer. However, these are usually companies that are struggling due to the economic environment and where it is difficult to assess whether this is just a temporary phase of weakness or a structural break. GESCO does not invest in distressed securities, but rather in promising companies that are either already market leaders or can be developed further. In this environment, GESCO continues to actively approach entrepreneurs both for basic investments and, increasingly, for potential bolt-on acquisitions.

Number of M&A deals in Germany from 1991 to 2024



Source: <https://imaa-institute.org/mergers-and-acquisitions-statistics/germany-ma-statistics>

Business performance

The German economy as a whole and, in particular, the heavily export-orientated German mechanical and plant engineering sector suffered from customers' increasing reluctance to invest over the course of the year due to heightened economic uncertainty. According to the order balance sheet of the German Engineering Federation (VDMA), incoming orders remained at a low level at the end of 2024. Compared to the previous year, companies recorded a decline in orders of 6% in real terms. While domestic orders fell by 4%, foreign orders presented a mixed picture: 5% more orders came from euro countries, while non-euro countries were 11% down on the previous year. This also resulted in an overall decline in orders of 7% in foreign business.

With Germany accounting for 46.7% of sales, GESCO Group is still largely dependent on developments in its home country. The mechanical engineering companies within GESCO Group in particular were unable to escape these general conditions.

The difficult general conditions and the stagnation of the economy in Germany led to a decline in business figures in all segments compared to the previous year. On a positive note, both the managing directors and the Executive Board are of the opinion that, with a few exceptions, the companies have not lost any market share. This is a strong indication of the companies' good market position. The companies continued to record high demand. In view of the general reluctance to invest, many enquiries have not yet led to incoming orders. Nevertheless, the ratio of incoming orders to sales for the Group was 1.1 in the 2024 financial year.

The decline in sales compared to the previous year led to a loss of margin. The companies countered this with cost-cutting measures such as short-time working, a reduction in temporary staff and personnel as well as a general freeze on costs and investments. The focus was also on securing liquidity and thus reducing working capital and debt. As a result, the pleasingly solid balance sheet ratios were maintained and the equity ratio even improved.

SVT bucked the trend in the past financial year. The high demand for LNG terminals brought SVT record sales and earnings for the past financial year.

The largest subsidiary, Doerrenberg, had a significant impact on GESCO Group's performance. Falling material prices and alloy surcharges, high energy costs and, above all, weak demand, which had a particularly negative impact on the foundry and steel mill business areas, put significant pressure on profitability. The two loss-making divisions Foundry and Steelworks alone led to an operating loss of around € 4.2 million in EBIT. In December 2024, the process of selling these two divisions, Foundry and Steelworks, was successfully completed. As a result, Doerrenberg will focus on its core competence as an international trading organisation for tool steel in future. The figures for these two divisions were included in the GESCO Group figures for 2024. The sale led to a one-off charge of around € 4.8 million on Group earnings in 2024.

AstroPlast was also sold at the end of the year as part of a management buyout. As a locally operating, highly automated contract manufacturer with low vertical integration, AstroPlast's business model set it apart from most other GESCO Group companies. The sale was therefore completed as announced.

Due to the one-off effects from the sale of the Foundry and Steelworks divisions, the sales and earnings forecast updated in December 2024 had to be adjusted following the sale. Accordingly, the Executive Board expected consolidated sales of € 520 – 540 million and consolidated earnings after minority interests of around € 3.5 – 7.5 million for 2024.

This adjusted forecast was essentially achieved in the end.

Position of the Group

Earnings situation

GESCO Group's incoming orders totalled € 519.1 million in financial year 2024 (previous year: € 542.7 million), down 4.4% on the previous year. By contrast, the Healthcare and Infrastructure Technology segment increased incoming orders by 6.9% compared to the previous year.

Group sales totalled € 513.8 million, down 8.4% on the previous year (€ 560.7 million). The financial year ended with an order backlog of € 188.9 million (previous year: € 196.4 million), 3.8% lower than in the previous year.

Due to the only moderate decline in prices over the course of the year, the cost of materials ratio of 56.8% is only slightly below the previous year (57.1%).

Other operating income was slightly higher than in the previous year, mainly due to income from currency conversion.

Earnings before interest, taxes, depreciation and amortisation (EBITDA) amounted to € 36.7 million, compared to € 59.0 million in the previous year. The cost of materials ratio fell slightly, while the personnel expenses ratio rose from 22.5% to 25.5%, primarily due to the lower sales and wage increases for the workforce. Depreciation and amortisation amounted to € 21.5 million in the reporting period (previous year: € 23.1 million) and included scheduled depreciation and amortisation as well as impairment losses of € 2.2 million (previous year: € 5.1 million).

Earnings before interest and taxes (EBIT) totalled € 15.2 million (€ 35.9 million). This includes a one-off charge of € 4.3 million in connection with the sale of the Foundry and Steelworks divisions at Doerrenberg. The EBIT margin thus totalled 3.0% (6.4%) and was therefore well below our target corridor for the Group of 8 – 10%.

The financial result of € –5.2 million (previous year: € –3.5 million) is primarily due to the increase in interest rates. The result from investments is recognised at € 0.4 million (previous year: € 0.0 million). Interest and similar expenses increased slightly from € 4.7 million to € 5.3 million.

Earnings before taxes (EBT) totalled € 10.0 million (previous year: € 32.4 million). At 43.8%, the tax rate was higher than in the previous year (31.6%). This was due, among other things, to effects from the sale of the Foundry and Steelworks divisions.

After minority interests in the earnings of corporations totalling € 1.2 million (previous year: € 1.3 million), Group earnings for the year after minority interests amounted to € 4.4 million, compared to € 20.9 million in the previous year. Earnings per share according to IFRS totalled € 0.42 (previous year: € 1.93).

Sales and earnings by segment

GESCO SE reorganised the segmentation of its portfolio companies as of 1 January 2025. The segments are more clearly structured, particularly for investors. They are based on known sales markets and are aligned even more closely with the respective business models of the individual subsidiaries. This repositioning followed the M&A activities in December 2024 and will ensure greater transparency, comparability and balance within the segments in future. The three segments also reflect the strategic focus on high value-added and customer-oriented business models relating to industrial processes, products and projects. From now on, GESCO will be organised into the following three segments:

Materials Refinement & Distribution: This segment comprises the companies Doerrenberg, PGW and Funke. These companies generate added value for customers through complex production processes and the ability to deliver highly specialised primary materials and semi-finished products at short notice. They are characterised both by their ability to master global supply chains and by ensuring the highest quality standards in their processes. Their diversification in terms of different sales markets and global customers makes them more resilient to economic fluctuations.

Lifescience & Healthcare: This segment comprises the companies Setter, INEX and AMTRION. The companies in this segment offer customised products and solutions. They are aimed at the rapidly growing healthcare, medical, pharmaceutical and food markets. Thanks to their innovative strength, which is closely aligned with real customer needs, they are well placed to fulfil the increasing requirements in these important areas.

Industrial Assets & Infrastructure: With SVT, MAE and Kesel, this segment includes companies that are leaders in mechanical and plant engineering within their infrastructure markets. They are all globally positioned, relevant players on international markets. Their excellent skills in managing large and complex projects help them to fulfil even highly individual customer requirements efficiently and on time.

In the following comments on the earnings situation, the segmentation valid until 31 December 2024 is still used, with the **Process Technology** segment (INEX, MAE and Kesel), **Resource Technology** (Doerrenberg, PGW and SVT) and the **Healthcare and Infrastructure Technology** segment (Setter, Funke, AMTRION and AstroPlast).

In the Process Technology segment, market participants continue to adopt a wait-and-see attitude due to uncertainty about future economic developments. The good market positioning of our companies is also confirmed. Customer enquiries remain high. Due to the continued restraint in orders, incoming orders of € 92.6 million in the 2024 financial year were only slightly below the previous year's figure of € 93.3 million. This resulted in an order backlog of € 43.8 million as at the reporting date (2023: € 56.5 million).

Segment sales fell by 3.2% from € 107.6 million in the previous year to € 104.2 million. EBIT totalled € 8.3 million in the reporting period after € 12.0 million in the previous year, which corresponds to an EBIT margin of 8.0% (2023: 11.2%). The decline is due to reduced margins from shifts in the product mix and higher other operating expenses.

The Resource Technology segment continued to develop very heterogeneously in the reporting period. While Doerrenberg in particular recorded a decline in sales and earnings due to falling material prices and customer restraint, SVT continued its profitable growth unperturbed.

At € 290.0 million, incoming orders were below the previous year's level (€ 321.8 million) despite the high order intake at SVT. At € 105.2 million, the order backlog was almost on a par with the previous year (€ 105.8 million). Sales fell significantly and only reached € 283.6 million after € 320.9 million in 2023. Segment EBIT amounted to € 7.9 million after € 28.1 million in the same period of the previous year. The result was primarily impacted by Doerrenberg. Customer restraint, declining material prices and lower alloy surcharges played an important role here. In addition to the operating loss of € 4.2 million from the Foundry and Steelworks divisions, one-off effects totalling € 4.3 million from the sale contributed to the poor result. The segment's EBIT margin fell accordingly from 8.8% (2023) to 2.8%.

By focusing the Doerrenberg Group on its core competence as an international trading organisation for tool steel, we aim to deliver significantly better results again in 2025. We will also continue to pursue our successful internationalisation strategy.

The companies in the Healthcare and Infrastructure Technology segment recorded solid business development in the 2024 financial year in view of the general conditions. Incoming orders in the segment increased by 6.9% compared to the previous year to € 136.5 million. The fact that incoming orders are once again higher than sales is a ray of hope and indicates a slow recovery. In line with the higher order intake, the order backlog increased by 17.2% to € 39.9 million at the end of 2024. At € 126.2 million, sales in the segment were down on the previous year (€ 132.2 million). At € 6.2 million, EBIT was lower than in the previous year (€ 9.5 million), mainly due to reduced sales.

In addition to GESCO SE, the GESCO SE/other companies segment also includes a number of subordinate companies. The reconciliation item shows consolidation effects and the reconciliation to the corresponding IFRS Group figures.

Sales by region

The foreign share of Group sales totalled 53.3% (previous year: 53.5%). Europe (excluding Germany) accounted for 30.0% (27.7%) of sales, with France and Italy being the most important individual markets. Asia accounted for 8.0% (9.8%), of which 4.4 (3.7) percentage points were attributable to China. With a share of 13.1% (12.9%), the USA was the most important market outside Germany.

The foreign shares of the individual companies vary greatly depending on the respective business model; several subsidiaries have export quotas of over 80%.

With regard to this regional distribution of sales, it should be noted that many of our companies' domestic customers are themselves export-orientated. GESCO Group is therefore likely to have significant indirect exports, although this cannot be quantified precisely.

Financial situation

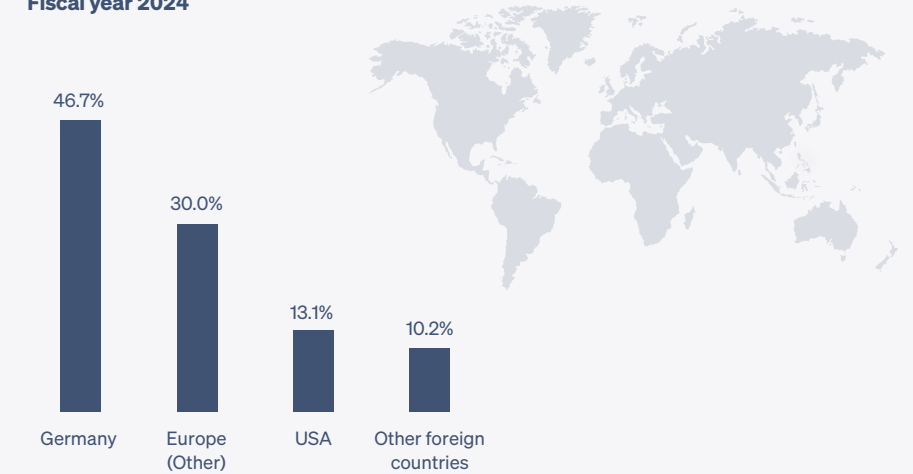
Capital structure

GESCO Group's balance sheet continues to show very strong balance sheet ratios with high equity. At 14.4% (14.0%) of equity, goodwill is at a low level. Overall, GESCO Group has the necessary financial resources for internal and external growth.

On the liabilities side, equity totalled € 270.1 million, down on the level at the beginning of the financial year of € 277.7 million, which resulted in particular from the share buy-back and the dividend paid out. The reduction in current liabilities meant that the balance sheet total was significantly lower than in the previous year; the 7.6% reduction in the balance sheet total increased the equity ratio from 59.2% to 62.3%.

Sales by region

Fiscal year 2024



Investments

As a long-term investor, GESCO SE supports regular investments by the subsidiaries in their technical equipment to strengthen their competitiveness. This includes investments in tangible assets as well as modern information technology and, in particular, systems for efficient production planning and control.

Overall, investments in tangible assets and intangible assets for all companies totalled € 11.4 million compared to € 20.3 million in the previous year. This includes right-of-use assets recognised as investments in accordance with IFRS 16 of € 3.1 million in the reporting period and € 3.2 million in the previous year.



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In the reporting year, the total volume was spread across various replacement, modernisation and expansion investments. The focus of investment this year was once again on the Resource Technology segment. Pickardt & Gerlach finalised the capacity expansions launched in 2024.

Depreciation and amortisation of tangible assets, current assets and intangible assets amounted to € 21.5 million in the reporting period (previous year: € 23.1 million).

Liquidity and net debt

Cash and cash equivalents totalled € 33.3 million on the balance sheet date, slightly below the previous year's figure of € 34.5 million.

Current and non-current liabilities to banks fell significantly by € 29.8 million to € 57.3 million. Current and non-current lease liabilities fell by € 0.4 million from € 18.0 million to € 17.6 million.

Net debt was reduced significantly. It fell from € 52.6 million to € 24.0 million. Taking into account the lease liabilities, this results in an improvement from € 70.6 million to € 41.6 million.

In relation to EBITDA of € 36.7 million, the net debt to EBITDA ratio is therefore at 0.7 or, including IFRS 16, at 1.1. This means that the ratio improved slightly compared to the previous year (previous year: 0.9 or 1.2 including IFRS 16) despite the fall in EBITDA.

At the end of the financial year, there were committed but unutilised credit lines amounting to € 57.5 million. The Group was able to always fulfil its payment obligations.

Based on the positive result for the period before minority interests of € 5.6 million, cash flow from earnings decreased to € 34.8 million (previous year: € 55.4 million). Cash flow from working capital improved significantly to € 29.9 million compared to € –8.3 million in the previous year. Cash flow from operating activities totalled € 51.6 million (previous year: € 33.1 million). Cash flow from investing activities fell compared to the previous year, primarily due to the reluctance to invest in tangible assets. The repayment of loans in the amount of € 77.1 million is counterbalanced by new borrowings in the amount of € 47.7 million.

Financial position

GESCO Group's total assets amounted to € 433.3 million as at the reporting date, compared to € 469.0 million in the previous year. Non-current assets fell by 5.1% to € 178.0 million due to significantly lower tangible assets (€ –11.5 million) and lower other intangible assets (€ –3.2 million), while other assets increased (€ +7.1 million). Inventories fell sharply by € 19.3 million, while trade receivables decreased moderately by € 6.2 million.

Economic development of GESCO SE

The notes refer to the separate financial statements of GESCO SE prepared in accordance with the German Commercial Code (HGB). GESCO SE assumes a holding company function within the Group.

At € 4.1 million, GESCO SE's income from investments in financial year 2024 was below the level of the previous financial year (€ 11.0 million). Distributions are determined individually, considering the earnings, net assets and liquidity position of the subsidiaries as well as the optimisation of liquidity within GESCO Group.

As in the previous year, no loss transfers had to be recognised in 2024. Income from profit and loss transfer agreements fell from € 16.6 million to € 13.1 million in the reporting year. As at the balance sheet date, there were a total of three profit and loss transfer agreements with the following subsidiaries

- INEX – solutions GmbH
- Setter Holding GmbH
- MAE Maschinen- und Apparatebau Götzen GmbH

There are no write-downs on financial assets in 2024; the amount of € 6.7 million from 2023 relates to the fair value adjustments recognised at the subsidiaries AstroPlast and Funke.

The slight decrease in sales compared to the previous year of € 1.8 million (previous year: € 2.1 million) is due to the recharging of expenses to the associated companies and consultancy services.

Other operating income totalled € 0.6 million in the reporting year (previous year: € 0.3 million). Other operating expenses fell from € 10.6 million to € 4.8 million and are primarily made up of legal and consulting costs, recruitment costs and acquisition costs. In the 2023 reporting year, other operating expenses included in particular value adjustments on receivables from AstroPlast and Funke totalling € 4.5 million.

In the 2024 financial year, net income for the year totalled € 12.0 million (previous year: € 7.8 million).

In the management report for financial year 2023, GESCO SE had forecast income from investments and net income for the new financial year 2024 at approximately the same level as in 2023. In November 2024, GESCO SE revised its forecast for the Group figures for 2024 downwards, meaning that the original forecast figures for GESCO SE could no longer be achieved. The significantly lower income from investments and profit transfer agreements as well as write-downs on financial assets in financial year 2024 consequently led to net income for the year that was below the original forecast.

GESCO SE's total assets amounted to € 246.5 million as at the reporting date (previous year: € 250.8 million).

On the assets side, financial assets increased by a total of € 3.0 million because of the increase in other loans. The other loans totalling € 12.8 million (previous year: € 9.7 million) relate to vendor loans in connection with the transactions carried out at the end of 2020 and the end of 2024.

Cash and cash equivalents totalled € 3.4 million as at the balance sheet date (previous year: € 2.9 million).

In the 2023 financial year, a dividend of € 0.40 per share – corresponding to a total of € 4.1 million – was distributed to the Company's shareholders in the reporting period.

On the liabilities side, equity fell slightly to € 235.6 million (previous year: € 236.2 million), while the equity ratio rose from 94.2% to 95.6%.

The decrease in liabilities to banks from € 5.5 million to € 4.6 million is due to the repayment of bank loans.

Overall, GESCO SE's balance sheet had very healthy ratios as at the reporting date, with a very high equity ratio, low debt and sufficient cash and cash equivalents. Against this backdrop, GESCO SE continues to have sufficient access to debt capital at attractive conditions. The Company is thus fully capable of acting with regard to both its equity and liabilities.

In the management report for financial year 2023, GESCO SE had forecast an equity ratio of over 80% for the new financial year, and this is clearly being met with an equity ratio of 95.6%.

At the end of the financial year, GESCO SE had committed but unutilised credit lines amounting to € 9.2 million.



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Overall assessment of business performance

We are not satisfied with the course of business. This applies to both the Group and GESCO SE. Even though the economic situation was challenging, this cannot be considered a justification. We were obviously too optimistic at the start of the financial year and expected an increase in annual sales and earnings roughly on a par with the previous year.

This assessment proved to be incorrect, as the general conditions deteriorated rather than improved over the course of the year. Almost all companies were unable to fulfil the expectations placed in them and had to pay tribute to the massively gloomier business prospects in their sectors. However, it should be noted that GESCO was once again able to end the financial year with a positive result despite considerable headwinds.

There were no other significant events or transactions with a material impact on the earnings situation, net assets and financial position of GESCO SE or within the Group during the reporting period.

Non-financial performance indicators

Environmental protection

The GESCO Group is committed to protecting the environment above and beyond legal requirements. This commitment applies to the entire production process and the life cycle of each product, including recycling.

Focusing development and production on environmental concerns can open new market opportunities. Resource conservation and energy efficiency are convincing sales arguments. But it is not only the products that have environmental aspects. Energy aspects are also considered in construction measures and investments in machinery and equipment. The aim is to reduce follow-up costs and emissions.

Climate-relevant emissions are calculated as CO₂-equivalents per million euros in sales.

Further information on environmental protection can be found in the non-financial Group report in accordance with Section 315b (3) HGB. This report is published as a separate section of the annual report, together with the Group management report. From 2021 to 2023, the report was based on the German Sustainability Code. For financial year 2024, GESCO followed the requirements of the CSRD.

Employees

As at the reporting date, GESCO Group employed a total of 1,642 people (previous year: 1,899).

In the fourth quarter of 2024, GESCO offered all domestic employees of GESCO Group the opportunity to acquire employee shares as part of an employee share ownership programme for the 25th time. GESCO SE sees this programme as an important instrument for employee retention. The continuation of the programme is therefore also planned for the future.

The future viability of GESCO Group companies depends heavily on attracting qualified and motivated employees and retaining them in the long term. Training and further education are highly valued within the Group. The subsidiaries also actively position themselves as attractive employers.

There are numerous activities, ranging from participation in school events such as Girls' Days and dual study programmes to cooperation with universities and other educational institutions. Doerrenberg Edelstahl GmbH has been giving out the "Doerrenberg Award" for many years. This is a prestigious award for students specialising in materials technology and engineering.

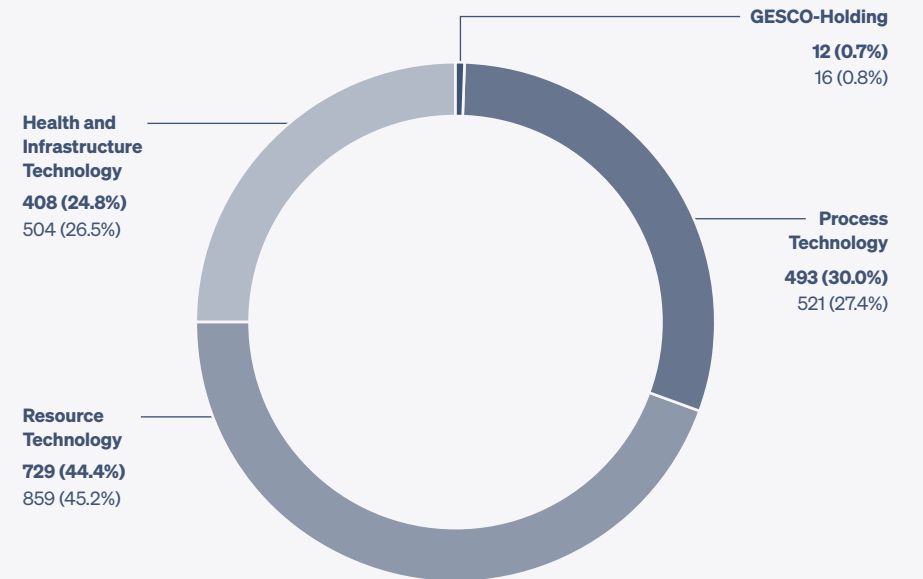
Performance indicators such as the training rate and the costs and hours of further training are determined for evaluation purposes.

Further information on the topic of employees can be found in the separate non-financial Group report in accordance with Section 315b HGB.

Employees by segment (end of financial year)

Fiscal year 2024*

Fiscal year 2023



*Excluding the sold business units Doerrenberg and AstoPlast.

Other information

Remuneration report

The remuneration report prepared separately for financial year 2024 and published on the GESCO SE website in accordance with Section 162 AktG provides information on the remuneration of the Executive Board and Supervisory Board.

Own shares

As part of its share buyback programme announced on 28 March 2024, which began on 11 April 2024 and ended on 25 April 2024, the Company bought back 499,974 shares via a voluntary public share buyback offer. Including the shares already held before the share buy-back offer, the Company then held 511,304 treasury shares. In connection with its employee share ownership programme 2024, the Company distributed 25,623 treasury shares to the securities accounts of employees participating in the programme in December 2024 in accordance with Section 71 para. 1 no. 2 AktG. As at the reporting date, GESCO SE therefore held 485,681 shares.

Forecast, opportunity and risk report

Forecast report

According to the ifo economic forecast from autumn 2024, the German economy will experience a gradual recovery over the next two years (2025 and 2026).

The development of the industrial and consumer economy shows that both sectors are only very slowly emerging from their stagnation. The ongoing economic uncertainties and global challenges, such as rising energy prices and geopolitical tensions, are having a negative impact on demand.

Particular attention will be paid to the year 2026, in which the increase in economic output could be overstated due to the high number of working days. Adjusted for calendar effects, however, an actual increase in price-adjusted gross domestic product of just 1.2% is expected. These adjustments make it clear that the economic basis remains fragile despite the positive forecasts.

The weak economy is also having an impact on the labour market. Employment growth will slow down and unemployment will initially rise. In 2024, the average unemployment rate was 6.0%, which corresponds to an increase of 0.3 percentage points compared to 2023. In the following years, however, unemployment is expected to decline, with the rate falling to 5.8% in 2025 and 5.3% in 2026. Despite this positive outlook, the increase in employment will only be slight.

Demographic change is becoming increasingly noticeable and a decline in the labour force potential is expected from 2025, which will reduce future growth potential.

The inflation rate fell significantly in 2024. It fell from 5.9% in 2023 to 2.2% in 2024. For the following years, the ifo Institute expects an inflation rate of 2.0% in 2025 and 1.9% in 2026. These declines offer some relief for consumers and companies.

Current early indicators point to a slight improvement in economic sentiment at the start of 2025. Nevertheless, there is a clear division between industry and the service sector. According to the ifo Business Climate Index, sentiment in the service sector improved slightly in January. Companies in the retail sector in particular are more satisfied with their current business. In manufacturing, on the other hand, the business climate remains characterised by scepticism.

This uncertainty is due not least to the weak order situation, which is being influenced by stagnating demand and increased risks from the US tariffs that have been introduced and threatened.

In view of the continuing difficult framework conditions and domestic and foreign trade uncertainties, the manufacturing sector is not expected to recover quickly. The Ministry of Economic Affairs predicts that the German economy will continue to struggle to break free from the ongoing stagnation at the beginning of 2025.

Weak demand at domestic and foreign trade level, combined with increased political uncertainty and low capacity utilisation, is weighing on both production and investment. The reduced competitiveness of German industry will continue to dampen export growth.

Current indicators, such as the GfK consumer climate and ifo business expectations, also show a subdued trend in private consumption at the start of 2025 despite higher wages. Increasing concerns about job security and the tightening of the global customs regime announced by the new US government pose additional downside risks for the economy and are slowing down the recovery in consumer confidence.

Sales development in German mechanical engineering in billion €



Source: Statistisches Bundesamt, VDMA e. V.

The forecast for 2025 is based on the existing framework conditions, but is characterised by uncertainties. These result from the further course of the war in Ukraine, general geopolitical tensions and economic upheaval, particularly as a result of US economic policy.

Overall, the economic situation remains tense. Targeted measures and strategies are needed to overcome the challenges and set the course for a sustainable recovery.

According to the VDMA, the ongoing slump in the global economy is also leaving its mark on the mechanical and plant engineering sector. Following the slump in the wake of coronavirus, sales in the mechanical engineering sector reached a new record high in



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2023. In 2024, Sales fell only slightly. However, taking the inflation rate into account, the mechanical engineering sector experienced a real contraction of around 3%.

In the medium term, however, investment in machinery and equipment should increase again, also against the backdrop of the high level of investment required as part of the transformation to a climate-neutral economy.

For the first half of 2025, we anticipate continued weak demand and expect economic activity to pick up in the second half of the year at the earliest. Not least due to inventory effects and improvement measures introduced in the subsidiaries, the financial figures should gradually improve.

The significant increase in wage costs is leading to higher production costs and has had a negative impact on earnings. We will counteract this by consistently implementing the measures associated with the GBS to expand market share and increase efficiency.

We expect our financial performance indicators to develop as follows in the 2025 financial year:

Group sales for the 2024 financial year, adjusted for the deconsolidated and divested AstroPlast, Foundry and Steel Mill business units, amount to € 480.1 million. Based on this adjusted figure, we expect an increase in Group sales in the high single-digit percentage range for 2025. Group net earnings after minority interest will recover significantly but will not yet reach the level of 2021 – 2023.

The ongoing tense geopolitical situation, high prices, high interest rates and generally subdued growth expectations may have a significant impact on some subsidiaries. Continued high and volatile energy prices will also have different effects on our subsidiaries. We have factored some direct effects into our expectations. However, the dynamics of the situation are such that we are currently unable to make any more precise statements on the extent of all direct and indirect effects.

GESCO SE faces the same opportunities and risks as GESCO Group. GESCO SE also expects the following developments in performance indicators for financial year 2025: Following the weak year 2024, income from investments and net income should rise again to the level of 2023. GESCO SE's equity ratio should be above 80% in 2025, provided there are no significant changes in the group of shareholdings.

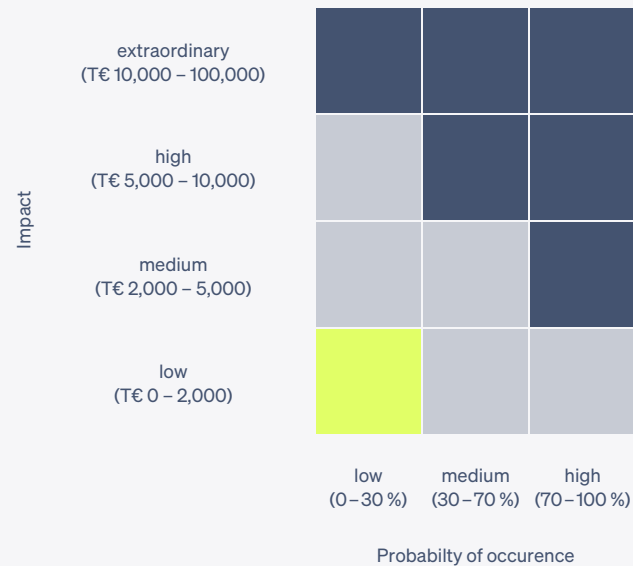
GESCO SE continues to strive for external growth through the acquisition of medium-sized industrial companies. As part of our growth strategy, we are looking for acquisition targets with sales of between € 20 million and € 50 million. Strategically motivated add-on acquisitions are realised at a lower sales level.

The statements in the report on expected developments are based on assumptions and estimates that were available to GESCO SE at the time the report was prepared. These statements are subject to risks and uncertainties. Actual results may therefore differ from expectations. No guarantee can be given for these statements.

Management of opportunities and risks

GESCO SE's business model is entrepreneurial in nature. Entrepreneurial activity is inherently associated with risks – they cannot be ruled out, but they can be handled with appropriate risk management. GESCO Group's concept is geared towards recognising, evaluating and exploiting opportunities on national and international markets on the one hand, and identifying and limiting risks on the other. The management of risks and opportunities is a continuous entrepreneurial process. GESCO Group is structured in such a way that negative developments at individual companies do not jeopardise the Group as a whole.

Risk matrix



An overall assessment of the Company's situation is carried out both in the planning meeting and in the monthly meetings and annual strategy meetings. On the one hand, this involves analysing the business opportunities and courses of action for expanding the volume of business in Germany and abroad and for increasing profitability, and on the other hand, the respective risks are assessed.

Management of opportunities

GESCO SE sees significant opportunities in the acquisition of further medium-sized industrial companies and the expansion of existing corporate structures. By maintaining the network, increasing awareness of GESCO SE as an investor and approaching interesting companies directly, a deal flow is generated that is evaluated and processed in step-by-step analyses. In addition, GESCO SE sees great opportunities in the positive operating performance of the portfolio companies and the associated investment income and dividends. To this end, the holding company offers its subsidiaries intensive advice and support in order to leverage and utilise synergy effects for the entire Group.

For the operating subsidiaries, it is essential to constantly identify opportunities on national and international markets and to turn them into successful business activities. Strategy development, sales and marketing, product development as well as quality and innovation management are decisive factors here.

Risk management in the GESCO Group

GESCO Group has an internal risk management system. GESCO Group uses a software-supported system to record risks. Risks are assessed and categorised in the risk statistics by estimating the impact on earnings before interest and taxes (EBIT) and the probability of occurrence, with a focus on the net impact of risk after mitigating measures. The risks are weighted on a company-specific basis, taking into account the sales volume and earnings power of the respective company. Specific categorisations are defined at Group level. The combination of risk impact and probability of occurrence results in an assessment of the risks according to the following matrix, with dark blue indicating the highest risk level.



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The risks reported by the subsidiaries are included in monthly reporting. The risks are reported by the managing directors in consultation with the respective investment managers in the finance department. High risks are also reported by the subsidiaries to GESCO SE on an ad hoc basis.

As at 31 December 2024, there are no individual risks that fall into the dark blue category. The focus of the individual risks recognised within the yellow category was on legacy risks and warranty risks, each with a low impact.

Risk management is the responsibility of the Executive Board and is monitored by the Supervisory Board. The GESCO SE employee responsible for risk management informs the Supervisory Board about the development of risks in quarterly meetings. The Supervisory Board is informed of major risks on an ad hoc basis.

In addition to the individual risks identified, we see risks for future development in the following areas in particular:

Risks and opportunities when acquiring companies

GESCO SE strives for internal growth based on its existing portfolio as well as external growth through the acquisition of further industrial SMEs. The search for new companies is a continuous process in which analysing opportunities and risks is naturally of particular importance as part of an acquisition due diligence. Prior to the acquisition, the companies are subjected to due diligence in order to identify the risks associated with each company acquisition, insofar as they are recognisable. Key aspects include financial, tax, technology, market and environmental risks, as well as corporate culture, the age structure of the workforce and legal risks. GESCO SE utilises both internal and external expertise.

Every acquisition harbours the risk that the newly acquired company will not develop as planned and expected and that the EBIT margin target set by GESCO will not be achieved. There is also the risk that the company's potential is not sufficient to develop into a hidden champion, i. e. a global market leader in its niche. A critical success factor for GESCO, particularly in succession solutions, is the appointment of a new managing

director upon the departure of the previous owner-manager and the cultural change that is often associated with this.

Following the acquisition, the companies will be integrated into GESCO Group's reporting system in a structured process. The companies will also be integrated into GESCO Group's risk management, compliance, data protection and insurance management system.

Opportunities may arise from a better development of the acquired company compared to the plan. In addition to positive market influences, the rapid introduction and implementation of the programmes by GESCO can also contribute to this. The departure of a previous owner-manager can also open up opportunities. A new managing director can utilise their experience to leverage additional potential and promote the company's development through new perspectives and approaches.

Risks and opportunities in relation to the operating business

In their operating business, all GESCO SE subsidiaries are subject to the typical opportunities and risks of their respective industries as well as general economic risks. As an industrial group with significant direct and indirect exports, we are affected by economic fluctuations in Germany and abroad. Through our strategy of diversification, particularly with regard to customer industries, we endeavour to offset economic fluctuations in individual sectors to a certain extent and thus reduce the risks arising from economic cycles.

In addition to the economic situation, there are risks as well as opportunities for the subsidiaries in the strategic orientation of the companies, considering technological and social change. These include, in particular, digitalisation, the emergence of new competitors, the political and economic development of regional markets, the change in social values, the political goal of reducing CO₂ emissions, the energy transition, geopolitical risks and the tightening regulatory framework.

GESCO Group is meeting these challenges with the GESCO Business System (GBS), which is currently being rolled out and is intended to help increase market share and boost efficiency at the subsidiaries. Regular meetings between the Executive Board of GESCO SE, the Business Directors and the managing directors of the subsidiaries and their teams also serve to analyse and continuously exchange information on strategic issues. Significant regulatory tightening and legislative changes that affect GESCO SE as a Group are managed and implemented centrally by GESCO SE.

In principle, there is a risk of customer complaints and claims due to poor quality, non-fulfilment of promised services or failure to meet agreed deadlines. The companies counter this risk with diligence in their processes, quality management and close contact with their customers.

Risks typical of the respective business model exist in plant engineering in particular. Here, the corresponding Group companies are repeatedly confronted with customer requirements whose technical realisation possibilities in terms of time and costs can only be calculated in advance to a limited extent, meaning that there is a risk of loss-making orders. On the other hand, this can lead to opportunities, as challenging customer projects repeatedly result in innovative approaches that can lead to marketable product innovations.

In order to counter procurement risks, the subsidiaries endeavour to gain planning security by concluding framework agreements with their suppliers and service providers or agreeing price escalation clauses with customers and suppliers. A relationship based on partnership and long-term cooperation with key suppliers supports security of supply.

GESCO Group companies utilise the instrument of trade credit insurance to hedge trade receivables where this is deemed sensible and appropriate. If relevant customers cannot be insured, the subsidiaries analyse the respective situation and define the next steps, usually in direct dialogue with the customer. Significant uninsured risks are coordinated with GESCO SE and the legal department in particular. Naturally, this is always a balancing act between the endeavour to limit risks and the need to exploit business opportunities and not lose the customer. This balancing act is further complicated by the instrument of insolvency avoidance, which is, however, covered by group insolvency avoidance insurance.

Currency risks from the operating business are generally hedged at the level of the respective subsidiaries for significant order volumes.

Geopolitical risks

In addition to the typical economic fluctuations and the aforementioned operational risks, GESCO sees the greatest risk to its operating business in the generally high level of political uncertainty. The further development in Ukraine and the generally tense geopolitical situation with its diverse effects on the business development of the subsidiaries and the economy as a whole are naturally difficult to predict. Should there be any significant changes, expansions or intensifications, further sanctions and effects on energy and commodity markets could affect our subsidiaries in various ways.

The strategic competition between the USA and China also harbours further risks. Trade tensions, technological advances and the impact on the energy sector are issues that influence the global economy. The increasing dependence on renewable energies can lead to tensions with countries that rely primarily on fossil fuels and nuclear power.

Last but not least, the new US administration is forcing an emancipation of European economic, energy and environmental policy.

By international comparison, the very high bureaucratic and regulatory requirements placed on European companies, such as the effects of the Supply Chain Sustainability Act and CSRD reporting, present them with immense challenges and worsen their international competitive position.

Climate change has become a highly political issue worldwide, affecting national security and global stability. Extreme weather events, rising sea levels and water shortages are becoming more frequent.

Having available and accessible energy resources is crucial for a country's economic development. Several of the issues mentioned above – especially climate change, cyber security threats and the war in Ukraine – have increased the vulnerability of energy security in Europe. Energy security and high energy prices will remain one of the relevant geopolitical problems and risks in 2025.

The new US administration has shattered fundamental certainties in a very short space of time. With its appeasement policy towards Russia and the questioning of the NATO defence umbrella for Europe, Europe finds itself in a threat situation that has never been higher since the Cold War. The tariffs that have been announced and introduced have the potential to significantly increase existing trade conflicts. In January 2025, the Cologne Institute for Economic Research (IW Köln) calculated that a trade dispute between the US and the EU could cost Germany around 180 billion euros over the course of Trump's four-year term in office. This would correspond to more than one per cent of German economic output per year. According to calculations by the Prognos Institute, 1.2 million jobs in Germany depend on exports to the USA. That is 10% of all jobs directly or indirectly dependent on exports.

It is to be feared that the increasing international protectionism emanating from the USA and escalating trade conflicts will remain constant challenges. In addition to the escalating trade conflict between the US and its Western trading partners, including Canada and Mexico, the trade conflict between the US and China is also likely to escalate further. This will not only affect the global production of goods and services but will also have a major impact on trade flows. Many goods will increasingly be exported to Europe if sales markets in the USA collapse.

With the foreseeable success of the Russian invasion of Ukraine, a potential military conflict between China and Taiwan is also becoming more likely. This would have dramatic economic consequences, as Taiwan is an important producer of semiconductors and microchips. A loss of production could lead to a severe global recession.

The GESCO subsidiaries may be directly and indirectly affected by the global impact to varying degrees. Direct effects may result from a lack of energy supply and rising energy prices. Even though GESCO disposed of very energy-intensive areas and one subsidiary at the end of 2024, the availability of energy at competitive prices remains an important factor influencing business development. Some subsidiaries have a high export ratio or are partially dependent on international suppliers. They may be directly affected by general geopolitical effects. Indirect effects affect subsidiaries with major international customers. If customers' supply chains are disrupted or if general developments have an impact on direct customers, this can lead to changes in customers' purchasing behaviour.

These general geopolitical risks are followed by specific effects for the subsidiaries' operating business, which are referred to as "decoupling" or "derisking" effects and affect the entire economy.

In terms of regulation, the enactment of mutually exclusive and often extraterritorial local laws and rules can be observed, which range from exclusion from public tenders to fines and even a ban on activities (e. g. import ban in the event of a breach of the CO₂ border adjustment mechanism "CBAM"). In terms of raw materials, this means export and import restrictions on rare earths or export restrictions. In terms of sales markets, this means punitive tariffs and non-tariff trade barriers, import and export bans for chips, network equipment and basic materials such as rare earths or certain chemicals, as well as market entry barriers. Regarding data, these include a ban on data transfers to other countries, the obligation to make data and algorithms available to government agencies and related counter-legislation (e. g. the US Cloud Act and GDPR). In terms of technology, this means setting uniquely valid norms and standards per region and defining different interfaces and usage bans for business-relevant software. In terms of environmental protection, this means different environmental standards and the resulting competitive advantages and disadvantages.

As part of GESCO's accelerated internationalisation strategy, the decoupling effects for subsidiaries with existing international locations and international customers lead to increased risks. Risks include rising procurement and production costs due to "multiple regional sourcing" instead of "single global sourcing" from the most favourable supplier worldwide, multiple costs for research and development, procurement and lower economies of scale due to regional differences in norms and standards. Furthermore, this can lead to additional costs for various compliance management systems, high implementation costs and high implementation effort.

In terms of personnel, this means a restriction or ban on the employment of foreign expats or travel restrictions for business trips (e. g. through work visa restrictions, tax disadvantages and travel restrictions) as well as a ban on the employment of foreign researchers in research institutes. Travel restrictions pose risks, particularly for subsidiaries with international customers and international service business, as trade fair and customer visits, but above all service technician assignments, cannot take place as planned and often as necessary.



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These decoupling effects are expected to intensify in the future. For this reason, the GESCO subsidiaries abroad should increasingly follow the “local for local” approach. This means that foreign customers will increasingly be able to utilise locally produced goods in the future.

However, these risks are also offset by opportunities. Aid decided by governments, such as the energy price brake in Germany, is helping to stabilise the energy markets. The market leadership of many of our subsidiaries, combined with further internationalisation and the establishment of sustainable supply chains, secures and offers opportunities for the further expansion of market shares. For example, the information gained through the implementation of the national Supply Chain Duty of Care Act can be used to stabilise global supply chains and for more effective risk management and the development of resilient supply chains.

In addition, the subsidiaries of GESCO SE source raw materials, materials and services from suppliers/service providers predominantly from Germany and countries in the European Union, which significantly reduces the overall decoupling effects and geopolitical risk.

Against this backdrop, GESCO Group believes that it remains well positioned and ready to master these challenges through consistent risk management and the diversification of its subsidiaries’ business activities.

Compliance risks

Compliance risks include corruption, violations of human rights and environmental due diligence obligations, antitrust violations and criminal behaviour and the resulting fines and claims for damages. These risks can lead to significant financial damage as well as considerable reputational damage. GESCO Group counters these risks with a compliance management system that includes, in particular, a Group-wide Code of Conduct, accompanying guidelines and work instructions, an online information system (Rulebook) for GESCO Group employees, accompanying training, case-related spot checks and a whistleblower system for employees and external parties as well as a complaints system in accordance with the German Supply Chain Compliance Act (LkSG). The managing directors of the subsidiaries are responsible for anchoring the respective requirements and principles in their companies.

Compliance management is conceptualised and managed centrally by the Group compliance officer at GESCO SE. In financial year 2024, closer cooperation with the subsidiaries and, in particular, the establishment and expansion of a compliance governance structure was driven forward.

Such a structure will enable the subsidiaries to concentrate more on their core business, as regulatory requirements are becoming increasingly strict and will become even stricter in the future.

This system is primarily the responsibility of the legal department, which is accountable to and reports to the Executive Board of GESCO SE. To this end, a compliance report is prepared regularly, but at least once a year, and presented to the Executive Board of GESCO SE.

This report also presents the compliance strategy and the specific targets for the current financial year.

Risks and opportunities in relation to personnel

Qualified personnel play a key role in the current performance and long-term competitiveness of GESCO SE's subsidiaries. In Germany's manufacturing industry, companies are faced with the constant challenge of recruiting enough qualified specialists and retaining them in the long term. This challenge is being exacerbated by demographic change, which is leading to a decline in the available labour force. The mechanical engineering sector in particular needs highly qualified labour to keep pace with rapid technological developments and drive forward innovative solutions that are crucial for market locations and the industry as a whole.

In order to overcome these challenges, GESCO Group companies are developing a variety of measures aimed at positioning themselves as attractive and competitive employers in their respective regions. These include creating a positive working environment, flexible working time models and training opportunities that help employees to continuously develop their skills. These initiatives not only attract the interest of potential new employees but also strengthen the loyalty of existing employees to the company.

The potential loss of expertise poses an additional risk to the performance of companies within GESCO Group. If proven knowledge and skills are not adequately passed on from more experienced employees to less experienced colleagues, this can lead to a lethal knowledge gap. To counteract this and ensure long-term success, the subsidiaries are implementing targeted measures to transfer expertise. These include structured mentoring systems, workshops and training courses that enable an effective exchange of knowledge and ensure thorough documentation of company processes.

The recruitment and retention of suitable managing directors and managers for the companies of GESCO SE is also of paramount importance. These key positions ensure that the corporate strategy is successfully implemented. Managers who do not fulfil the high expectations of the company's management or whose positions are subject to frequent personnel changes pose a considerable risk. Such instabilities can have a negative impact not only on the internal corporate culture, but also on the external perception of the company. GESCO SE counters this risk with great care. Through a multi-stage selection process, which includes comprehensive interviews and assessments, great importance is attached to the suitability of managers as early as the

selection phase. The Supervisory Board is also involved in the selection process to ensure a high level of transparency and accountability.

At the level of GESCO SE, difficulties in recruiting and retaining qualified employees can also jeopardise the company's overall success. Building a trusting and resilient working relationship within the holding company and with the subsidiaries in particular requires personnel continuity and transparent knowledge sharing. This is where regular team meetings, open communication channels and a culture of mutual respect and recognition come into play in order to ensure a productive working environment.

The targeted filling of managing director and management positions not only harbours risks, but also many opportunities. A good management culture ensures reduced fluctuation, motivated employees and an overall positive working atmosphere, which contributes significantly to the achievement of corporate goals. In addition, GESCO SE's established management development programmes offer considerable potential. These programmes are designed to promote and adapt management skills in the subsidiaries and within the holding company. These investments in the development of managers not only strengthen relationships within the companies but also strengthen the ties between the holding company and the subsidiaries.

To summarise, qualified personnel are of crucial importance for GESCO SE and its subsidiaries. Through strategic initiatives to recruit skilled labour, effective measures to secure expertise and the targeted selection of managers, GESCO SE will not only meet current challenges, but also emerge from them stronger. Ultimately, the aim is to form a dynamic, innovative and competitive group of companies that can respond optimally to market requirements and thus lay the foundation for sustainable success.

GESCO SE's employee share ownership programme regularly offers GESCO Group employees in Germany the opportunity to participate in the company by purchasing discounted GESCO shares and thus accumulate assets for their retirement provision. GESCO SE sees this programme as an important instrument for employee retention.

Risks and opportunities from information technology

Cyberattacks are a growing geopolitical risk in today's interconnected world, posing a significant threat not only to businesses but also to national security. More and more countries are increasingly exposed to the threat of cybercrime, which targets critical infrastructure such as energy grids, water treatment plants and communication systems. In addition to physical damage, such attacks can also have far-reaching economic and social consequences. In this context, global cooperation to combat cyber-attacks is complicated by the complex interplay of diverse geopolitical interests and relationships, which in turn leads to a tense and often volatile insurance market.

The risks arising from information technology are of central importance to GESCO Group, as they can have a direct impact on the operations and stability of the subsidiaries. In particular, IT system failures in the companies can not only lead to considerable downtime, but also to other critical consequences such as industrial espionage, loss of expertise, data misuse and unauthorised data access. A targeted attack on company data, for example, could not only cause technical and financial damage, but also have a lasting impact on the trust of customers, business partners and the public.

In order to effectively counter these potential threats, GESCO SE invests in modern hardware and software solutions that are characterised by their resilience and flexibility. These investments are not only reactive, but also proactive, ensuring that the systems are state of the art and can withstand potential threats. In addition, GESCO SE has implemented a comprehensive information security management system (ISMS), which is continuously developed to meet the constantly changing threat landscape.

Another important aspect of our security strategy is comprehensive training programmes for employees. These training programmes are designed to create a general awareness of IT risks and provide specific guidelines for the secure handling of company resources. Employees are informed about current threats and learn how to recognise and report potential security vulnerabilities at an early stage.

The IT security guidelines are clearly formulated and regulate in particular the handling of the company's own hardware and software as well as data security requirements. This also includes access to sensitive information and the use of password-protected systems to prevent unauthorised access. In addition, external IT service providers are

contractually obliged to comply with specified security standards, which promotes a consistent security culture at all levels of the company.

In cooperation with an external IT security officer, information security management is regularly developed and reviewed through comprehensive tests of systems and processes to ensure that all security measures are comprehensive and effective. GESCO SE also conducts regular surveys on the status of information security management at the subsidiaries in order to identify potential weaknesses at an early stage and make any necessary adjustments.

One important area of reform for GESCO Group is the transition to digital technologies and the implementation of Industry 4.0 principles. This transformation requires investment and a profound rethink of production processes. Companies must proactively address the digitalisation of their manufacturing processes in order to not only remain competitive, but also to meet the dynamic demands of the market. The creation of a digital infrastructure requires integrative approaches and long-term planning to ensure that synergetic effects are realised.

There are also risks in this context, particularly if competitors make the transition to digital solutions more quickly and efficiently. Strategies for automation and digitalisation must be carefully evaluated and implemented in order to overcome the associated challenges.

Despite the risks associated with the digital transformation, there are also considerable opportunities for GESCO Group. The automation and digitalisation of processes and workflows enables companies to achieve efficiency gains and promote agility. This includes, for example, the digitalisation of workflows along the entire value chain, which not only optimises the production process but also ensures better traceability and quality assurance.

Innovative working methods, such as mobile working and the creation of paperless offices, promote a contemporary working environment that enables quick access to relevant data and information on a daily basis. These changes help to increase responsiveness to customer needs and promote a culture of continuous learning and process improvement.



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GESCO SE is driving forward the digitalisation of internal processes and the development of digital business models at its subsidiaries in order to make targeted use of these opportunities. The innovation processes initiated enable the subsidiaries to tap into new market segments and sustainably strengthen their competitiveness.

To summarise, GESCO SE is meeting both the challenges and opportunities arising from the digital transformation and cyber risks with a proactive, holistic strategy. By investing in modern security infrastructures, targeted training measures for employees and the implementation of a robust information security management system, we aim to achieve a stronger position in the market. At the same time, we aim to actively shape the digitalised transformation and position GESCO Group as an innovative and future-oriented player.

Risks and opportunities of using artificial intelligence

The integration of artificial intelligence (AI) in companies presents itself as a double-edged sword that harbours both significant opportunities and serious risks. The dynamic development of the technology is progressing rapidly and is changing the way companies work, optimise processes and make decisions.

A key argument in favour of using AI is the increase in efficiency. AI has the potential to automate routine tasks and optimise processes. This allows resources to be utilised more efficiently and productive capacities to be increased. Companies that implement corresponding systems not only benefit from time and cost savings but can also deliver higher quality results.

Another significant potential of AI lies in data analysis. In the age of big data, companies can use AI-supported analyses to process large volumes of information in order to gain insights into market trends, customer preferences and operational processes. These data-based decisions enable a more precise market approach and a faster response to changes.

AI also promotes the personalisation of products and services. Companies can offer customised solutions that are tailored to individual customer needs. This personalisation increases customer satisfaction and promotes loyalty to the brand.

Despite the compelling benefits, there are also considerable risks associated with the use of AI. One of the most prominent risks relates to data protection. The use of AI requires access to large amounts of sensitive data. This raises concerns about misuse and the protection of personal information. A breach of data protection regulations can have significant legal consequences and reputational damage.

In addition, the implementation of AI poses challenges in terms of transparency and traceability. The decisions made by AI algorithms are often incomprehensible – a phenomenon known as the “black box”. This can cause mistrust among both employees and customers, especially when it comes to important decisions that have personal or economic implications.



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In addition, attacks on companies using deep fakes are on the rise. Recognising these in good time and taking appropriate countermeasures requires companies to react quickly, which makes it necessary to maintain the corresponding resources.

In addition, excessive reliance on AI technologies leads to vulnerability to technical faults, cyberattacks and system failures, which can jeopardise overall operational performance. Regulatory uncertainty is also a significant risk, as the rapid progress of AI technologies is often not accompanied by a clear legal framework, which can put companies in uncertain situations. Finally, the high cost of implementing and maintaining AI systems is another challenge.

Overall, the use of AI in companies requires well thought-out risk management in order to minimise potential pitfalls and use the benefits responsibly. At GESCO Group, AI is only used in closed internal company environments in compliance with the GDPR. Employees also receive training in the correct and responsible use of AI. The introduction of an AI guideline is planned for 2025.

Risks in connection with data protection

Risks in the area of data protection lie in the loss or disclosure of confidential internal information, business secrets and personal data and the associated loss of reputation and risk of fines. Violations may result in the imposition of fines and the assertion of lawsuits due to the disclosure of personal or otherwise sensitive data of third parties. GESCO SE works with an external data protection officer in the area of data protection.

Risks and opportunities from financing

Financing risks could arise from the holding company's lack of access to equity and/or debt capital. Access to debt capital at adequate conditions is largely dependent on the operating success of GESCO Group and the associated ability to make interest and redemption payments as agreed. The subsidiaries have a direct influence on this, while the holding company has an indirect influence as part of its acquisition decisions and in its reporting and support of the subsidiaries. In the event of negative economic developments at individual subsidiaries, there is a risk of bottlenecks in the supply of debt capital for the respective subsidiary. There is also a risk that the reputation of GESCO SE and possibly other subsidiaries as debtors could deteriorate because of such a negative development. In order to limit the interest rate risk associated with variable interest rates, the companies enter into interest rate swaps as required, thereby swapping a variable interest rate for a fixed interest rate. The central banks have been combating the sharp rise in inflation since the first quarter of 2022 to date with significant interest rate hikes since the second half of 2022. It is possible that the central banks will not yet lower interest rates in 2024. The higher interest rates will increase financing costs in the medium term.

When it comes to accessing equity by way of possible capital increases by GESCO SE, the condition of the capital market at the relevant time, the economic development of GESCO Group, the reputation of GESCO SE and continuous, credible investor relations are key elements. We currently see no need to raise new equity.

Regarding financing structures, GESCO Group is structured in such a way that a negative development of individual companies should not jeopardise the entire Group. For this reason, we largely refrain from using instruments such as cash pooling or contingent liabilities. In the interest of financial stability, GESCO SE refrains from speculative elements both in the investment of free financial resources and on the financing side. GESCO Group works with around two dozen different banks in order to limit its dependence on individual institutions.

Opportunities in financing arise from GESCO's access to the capital market. A solid balance sheet and good equity ratio enable easy access to debt capital.

Environmental risks

Environmental damage can have considerable financial consequences as well as serious reputational risks for companies. In extreme circumstances, these risks can even threaten the existence of the company. The subsidiaries of GESCO SE pursue different approaches to risk minimisation and environmental management, depending on their specific business model and the associated environmental aspects.

One example of proactive environmental management is Doerrenberg Edelstahl GmbH, which introduced a comprehensive environmental management system back in 1997. This system is continuously developed and regularly audited to ensure that it complies with current legal requirements and industry best practice. Internal and external audits are used to check the effectiveness of the system, and necessary adjustments are made to minimise environmental impact and maximise resource conservation.

Regular environmental audits are carried out at the Pickhardt & Gerlach Group, particularly in view of its categorisation as an incident site. These audits are crucial for identifying potential environmental risks and implementing suitable risk minimisation measures. As part of these evaluations, a comprehensive analysis of operational processes is carried out to ensure that all legal requirements relating to environmental protection are met and to identify any potential for improvement.

GESCO SE has formulated clear guidelines for its subsidiaries to ensure that they strictly comply with the requirements for obtaining the necessary permits and licences. In financial year 2023, GESCO SE conducted a thorough analysis of its own business area regarding the obligations of the German Supply Chain Act (LkSG). In this context, environmental risks were identified and assessed using individual questionnaire catalogues. These catalogues help to shed light on specific environmental aspects and to plan and implement the corresponding measures. The information gathered from this analysis was integrated into the existing risk management system of the LkSG, allowing a holistic approach to risk minimisation to be developed.

GESCO SE has implemented more intensive reporting of environmental risks as part of its non-financial reporting, particularly in consideration of the implementation of the CSR Directive Implementation Act (CSR-RUG). This reporting is supported by a software-based process that enables precise and continuous monitoring of environmental

impacts. The use of modern software solutions makes it possible to record and analyse data in real time, which leads to improved transparency about environmental risk assessment.

In addition, software-supported monitoring ensures that risk minimisation measures are effectively implemented and regularly reviewed. This not only helps to increase operational efficiency, but also to continuously improve the environmental performance of the entire GESCO Group.

Overall, GESCO SE endeavours to systematically identify, assess and actively manage environmental risks. By implementing effective environmental management systems in its subsidiaries, conducting regular environmental audits and strictly complying with legal regulations, GESCO SE not only strives to comply with environmental standards, but also to ensure sustainable corporate governance that contributes to protecting the environment and safeguarding competitiveness in the long term.

Risks at the level of GESCO SE

At the level of GESCO SE, there is a risk that investments and receivables from affiliated companies may not be recoverable. This is typically caused by operating developments at the subsidiaries concerned that fall short of the premises and expectations underlying the original purchase price determination or the current investment valuation. GESCO SE endeavours to counteract negative developments through sustainable investment management in its management and support of subsidiaries.

Risks and opportunities from the insurance cover

GESCO Group's insurance cover is regularly reviewed in order to ensure appropriate cover at adequate conditions. A dualistic insurance management of Group and individual insurance policies is currently in place.

Opportunities arise where synergy effects are possible, and insurance policies are taken out as group insurance policies. These include, for example, D&O insurance, insolvency contingency insurance, cyber risk insurance and group accident insurance.

Regarding insurance, GESCO SE, like the entire industry and industrial insurers, is affected by the “decoupling” and “derisking” effects described above. This leads to risks from rising insurance premiums or risks that are no longer insurable. GESCO Group is endeavouring to counteract this by strengthening and intensifying its insurance management.

Decoupling” or “derisking” refers to a long-term trend that has been increasingly fuelled by “America first” and China’s strategy of “two cycles” and increasing geopolitical risks in recent years and is particularly affecting the insurance market.

Legal risks

GESCO Group companies are confronted with a variety of potential legal risks. For the operating companies, this relates in particular to product liability and warranty claims as well as risks from customs and foreign trade law and from sanctions imposed by

third countries on potential export destinations. There are also risks in the areas of antitrust and competition law, human resources and the environment, among others. Another legal risk relates to due diligence obligations with regard to supply chains in accordance with the German Supply Chain Due Diligence Act (Lieferkettensorgfaltspflichtengesetz – LkSG).

GESCO Group companies counter legal risks from their operating business with prudent project management, including appropriate documentation, as well as adequate quality management, including the involvement of the legal department and the involvement of specialised experts on a case-by-case basis. GESCO SE supports the subsidiaries in part by providing internal (legal) advice and by procuring external legal advice. In addition, the instruments described in the Compliance section are used to counter a wide range of risks.

In terms of the legal framework, we are currently observing significant regulatory developments at national and supranational level, particularly at European level, which have a considerable impact on GESCO Group companies. In financial year 2024, GESCO Group was intensively involved in preparing for the CSR Directive Implementation Act (CSR-RUG).

In addition, other European legislation, such as the carbon border adjustment mechanism (CBAM) and the regulation on deforestation-free supply chains (EUDR), as well as numerous national and supranational regulations will also require a strong commitment to implementation in 2025 and beyond. This includes comprehensive planning and management on the part of GESCO SE towards its subsidiaries.

These developments harbour both risks and opportunities. The risks include the considerable effort required to implement the new regulations and the rising costs of governance and compliance. On the other hand, opportunities arise from the swift and targeted implementation of these requirements, supported by GESCO SE. This will allow the subsidiaries to focus on their core business and at the same time position themselves as strategic suppliers for their customers by adapting quickly.

In the future, regulatory trends are also expected to continue to tighten as a result of the European Union’s ambitious climate policy.



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Reputational risks

Reputational risks could hinder GESCO SE both in its ability to acquire further industrial SMEs and in its relationship with the capital market. They could also limit the company's ability to recruit qualified personnel. The subsidiaries could be restricted in their operating business and in their personnel work. GESCO Group counters this risk with great care in its business processes, a compliance system, active LkSG management and open, confidence-building communication both internally and externally.

Final risk assessment

The composition of the investment portfolio plays a decisive role in GESCO Group, as it consists of various business models that are active in a wide variety of markets. This diversified structure of the Group acts as an effective mitigating factor in the aggregation of risks resulting from the individual subsidiaries.

On the one hand, the risks identified are diverse and heterogeneous due to the different business activities, while on the other hand the companies operate largely independently of each other. As a result, risks tend to occur selectively rather than having an impact across the entire Group. This independence helps to minimise the general risk to the value of GESCO SE's investments. In addition, the holding company's high equity ratio ensures stability, even in the event of higher risk-related impairments of individual investments.

When assessing risk, we also place particular emphasis on the financial situation of the respective companies and the holding company and their currently available credit lines. Our assessment is based on the overall risk-bearing capacity of GESCO Group, understood as the ability to cover potential losses from equity and liquidity. Additional sources of liquidity, such as debt capital in the form of loans or bonds, are also available.

We currently see the greatest challenges in the geopolitical environment as well as in the areas of information technology, data protection and the increasingly stringent regulatory requirements and the associated insurability of these risks. In our view, geopolitical uncertainties have increased significantly in the past year and could intensify further. We are also seeing a global increase in cyber security threats, which have intensified during the war in Ukraine. The trend towards decoupling and derisking is also likely to intensify in the future.

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Business risks	Significance of risk	Change compared to previous year
Risks associated with the acquisition of companies	low	-
Risks in relation to the operating business	medium	-
Geopolitical risks	high	-
Compliance risks	medium	-
Risks in relation to personnel	medium	-
Risks from information technology	medium	reduced
Risks in connection with data protection	medium	reduced
Risks from financing	low	-
Environmental risks	low	-
Recoverability of the investments	medium	-
Insurance cover	medium	-
Legal risks	medium	-
Reputational risks	low	-

At present, we have not identified any specific risks that could jeopardise or significantly impair the continued existence of GESCO SE and the Group, either individually or collectively, but we are aware of the increasing risks and want to counter these by strengthening risk management at GESCO SE level.

Internal control and risk management system in relation to the accounting process

The internal control and risk management system in relation to the accounting process (ICS) is designed and overseen by the Executive Board and monitored by the Supervisory Board. It comprises principles, procedures and measures that serve to ensure the correctness of internal and external accounting and compliance with legal regulations as well as the timely identification of accounting risks. The ICS is continuously developed further.

The subsidiaries are responsible for their own accounting. Group accounting is carried out by the responsible employees of GESCO SE on the basis of the subsidiaries' reporting. Detailed Group guidelines, which are set out in a manual, define a binding standard for all Group companies and all auditors. Changes to laws, accounting standards or other regulations are reviewed with regard to their relevance to the accounting process and, if necessary, are incorporated into the internal guidelines. If necessary, external service providers are consulted, for example for the valuation of pension obligations.

The responsible employees of GESCO SE are available to the managing directors, the financial officers and the relevant employees of the subsidiaries as contacts and advisors for all questions relating to accounting. The responsible employees receive regular training. To avoid risks from the accounting process, IT-supported and manual plausibility checks, the principle of segregation of duties and the principle of dual control are implemented. The functionality and effectiveness of the ICS is assessed by the auditors as part of the audit of the annual financial statements.

Takeover-relevant information

Disclosures in accordance with Sections 289a, 315a (1) HGB

No. 1: Composition of the subscribed capital

As at the reporting date, the share capital of GESCO SE totalled € 10,353,818.00 and is divided into 10,353,818 no-par value registered shares. The shares are fully paid up. All shares carry the same rights and obligations. The rights and obligations of shareholders are set out in detail in the provisions of the German Stock Corporation Act (AktG), in particular Sections 12, 53a ff, 118 ff and 186 AktG.

No. 2: Restrictions affecting voting rights or the transfer of shares

Each share grants one vote at the Annual General Meeting and is decisive for the shareholders' share in the company's profit. This does not apply to treasury shares held by the company, which do not entitle the company to any rights. As at the balance sheet date, the company held 485,681 treasury shares. In the cases of Section 136 AktG, voting rights from the shares concerned are excluded by law.

No. 3: Shareholdings exceeding 10% of the voting rights

Information on shareholdings exceeding 10% of the voting rights is included in the notes.

No. 4: Holders of shares with special rights conferring powers of control

There are no shares in the company with special rights conferring powers of control.

No. 5: Control of voting rights in the case of employee shareholdings

There is no control of voting rights in the event that employees hold shares in the capital of GESCO SE and do not exercise their control rights directly.

No. 6: Appointment and dismissal of members of the Executive Board; amendments to the Articles of Association

Members of the Executive Board are appointed and dismissed on the basis of Article 39 of the SE Regulation, Section 16 para. 1 of the SE Implementation Act, Sections 84 and 85 of the German Stock Corporation Act (AktG) and Article 7 of the Articles of Association of GESCO SE. Accordingly, Executive Board members are appointed by the Supervisory Board for a maximum of five years. Reappointment or extension of the term of office, in each case for a maximum of five years, is permitted. Appointments may be revoked by the Supervisory Board for good cause. In accordance with Section 7 para. 1 of the Articles of Association of GESCO SE, the Executive Board consists of one or more persons. In accordance with Section 7 para. 2 of the Articles of Association and within the framework of the statutory provisions, the Supervisory Board appoints the members of the Executive Board and determines their number; it may also appoint deputy members of the Executive Board.

Amendments to the Articles of Association are governed by Article 59 para. 1 SE Regulation, Section 179 AktG and Article 18 of the Articles of Association of GESCO SE. In accordance with Article 59 para. 1 SE Regulation and Section 179 para. 1 sentence 1 AktG, any amendment to the Articles of Association requires a resolution by the Annual General Meeting. Pursuant to Section 179 para. 1 sentence 2 AktG in conjunction with Section 18 para. 2 of the Articles of Association, however, the Supervisory Board is authorised to make amendments to the Articles of Association that only affect their wording. Otherwise, amendments to the Articles of Association require a majority of two-thirds of the votes cast when the resolution is passed in accordance with Article 59 para. 1 of the SE Regulation and, insofar as there are no mandatory statutory provisions to the contrary, in accordance with Section 18 para. 1 of the Articles of Association in conjunction with Section 179 para. 2 sentence 2 AktG. § Section 179 para. 2 sentence 2 AktG of the simple majority of the share capital represented when the resolution is passed.

No. 7: Authorisation of the Executive Board to issue or buy back shares

The company currently has no authorised capital.

The company may only repurchase treasury shares on the basis of an authorisation by the Annual General Meeting or in the few cases expressly regulated in the German Stock Corporation Act. The Annual General Meeting on 18 June 2020 authorised the company, with the approval of the Supervisory Board, to acquire treasury shares of up to ten percent of the share capital until 17 June 2025, taking into account treasury shares already held by the company. The authorisation may be exercised for any legally permissible purpose; trading in treasury shares is excluded. At the discretion of the Executive Board, the shares may be acquired via the stock exchange or by means of a public purchase offer to all shareholders, subject to the conditions specified in the authorisation resolution. The Executive Board is also authorised, with the approval of the Supervisory Board, to sell the acquired treasury shares on the stock exchange or by means of a public offer to all shareholders. Shareholders have no subscription rights if the shares are sold via the stock exchange. In the event of a sale by means of a public offer, the Executive Board is authorised to exclude shareholders' subscription rights for fractional amounts. In addition, the Executive Board is authorised, with the approval of the Supervisory Board, to use the acquired treasury shares as follows, excluding

shareholders' subscription rights, subject to the conditions specified in the authorisation resolution:

- Sale to third parties for cash at a price that is not significantly lower than the market price of the company's shares at the time of sale (exclusion of subscription rights limited to 10% of the share capital in accordance with Section 186 (3) sentence 4 AktG);
- Sale to third parties for the purpose of acquiring companies, parts of companies and/or equity interests in companies or to service bonds with warrants and/or convertible bonds;
- in the event of an offer to all shareholders for the purpose of granting subscription rights to the shares to the holders of any bonds with warrants and/or convertible bonds issued by the company or a Group company to the extent to which they would be entitled after exercising their option or conversion rights or after fulfilment of their conversion obligation.

The Executive Board is also authorised, with the approval of the Supervisory Board, to withdraw some or all of the treasury shares acquired without a further resolution by the Annual General Meeting.

These authorisations may be exercised once or several times, in full or in partial amounts, individually or jointly by the company or its affiliated companies or by third parties for the account of the company or its affiliated companies.

As part of its share buyback programme announced on 28 March 2024, which began on 11 April 2024 and ended on 25 April 2024, the company bought back 499,974 shares via a voluntary public share buyback offer. Including the shares already held before the share buy-back offer, the company then held 511,304 treasury shares. In connection with its employee share ownership programme 2024, the company distributed 25,623 treasury shares in December 2024 to the securities accounts of employees participating in the programme in accordance with Section 71 para. 1 no. 2 AktG. As at the reporting date, GESCO SE therefore held 485,681 shares.



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No. 8: Material agreements of the company that are subject to the condition of a change of control following a takeover bid

The company has not entered into any agreements that are subject to the condition of a change of control following a takeover bid.

No. 9: Compensation agreements between the company and members of the Executive Board or employees in the event of a takeover bid

The company has not entered into any compensation agreements with members of the Executive Board or employees in the event of a takeover bid.

Declaration on corporate governance

The corporate governance declaration in accordance with Sections 289f and 315d of the German Commercial Code (HGB) is published on our website at www.gesco.de/en/investor-relations/financial-reports.

Wuppertal, 31 March 2025

GESCO SE
– Executive Board –

Johannes Pfeffer
CEO/Speaker of the Executive Board

Andrea Holzbaur
CFO

Insurance of the legal representatives

To the best of our knowledge, and in accordance with the applicable reporting principles, the annual financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group, and the combined management report of the company and the Group includes a fair review of the development and performance of the business and the position of the company and the Group, together with a description of the principal opportunities and risks associated with the expected development of the company and the Group.

Wuppertal, 31 March 2025

GESCO SE
– Executive Board –

Johannes Pfeffer
CEO/Speaker of the Executive Board

Andrea Holzbaur
CFO

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Balance Sheet

in thousand €	12/31/2024	12/31/2023
Assets		
Fixed assets		
Intangible assets	10	33
Tangible assets	80	44
Financial assets	178,083	175,069
	178,173	175,146
Current assets		
Receivables and other assets	64,657	72,516
Cash on hand, bank balances	3,423	2,949
Accounts receivable and payables	261	146
Total assets	246,515	250,757
Equity and liabilities		
Equity	235,583	236,184
Provisions	5,287	7,421
Liabilities	5,644	7,152
Total equity and liabilities	246,515	250,757

Profit and Loss account

in thousand €	01/01/2024 – 12/31/2024	01/01/2023 – 12/31/2023
Sales	1,761	2,124
Other operating income	559	281
Personnel expenses	-3,920	-3,352
Amortisation of intangible assets of non-current assets and intangible assets	-48	-66
Other operating expenses	-6,703	-10,567
Income from investments	6,020	11,000
Income from profit transfer agreements	13,084	16,560
Income from other securities and loans of financial assets	390	375
Other interest and similar income	750	490
Depreciation and amortisation of financial assets	0.00	-6,699
Interest and similar expenses	-188	-114
Income taxes	268	-2,204
Net earnings	11,973	7,829
Other taxes	0	-2
Net earnings/loss for the year	11,973	7,827
Allocation to retained earnings	5,987	0
Balance sheet profit	5,987	7,827

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Assets

in thousand €	Notes	12/31/2024	12/31/2023
Tangible assets	19	80,798	92,288
Right-of-use assets	18, 19	16,688	17,286
Goodwill	19, 20	38,988	38,848
Other intangible assets	19	18,044	21,198
Other financial assets	25	17,044	9,950
At-equity valued investments	21	1,825	2,920
Deferred tax assets	22	4,657	5,030
Non-current assets		178,044	187,520
Inventories	23	144,300	163,639
Trade receivables	24	66,668	72,879
Other financial assets	25	8,668	4,971
Income tax receivables	26	2,346	5,489
Cash and cash equivalents	27	33,290	34,464
Current assets		255,272	281,442
Total assets		433,316	468,962

Equity and Liabilities

in thousand €	Notes	12/31/2024	12/31/2023
Subscribed capital		10,354	10,828
Capital reserve		72,433	72,433
Accumulated earnings for the period and other reserves		181,563	188,458
Equity attributable to shareholders	28	264,350	271,719
Non-controlling interests	28	5,737	5,935
Total equity		270,087	277,654
Financial liabilities	31	25,795	32,754
Other provisions	30	522	682
Other liabilities	33	394	833
Lease liabilities	37	14,255	14,272
Deferred tax liabilities	22	6,049	6,004
Pension provisions	29	8,615	8,656
Non-current liabilities		55,630	63,201
Trade payables	32	15,021	11,817
Financial liabilities	31	31,472	54,314
Lease liabilities	37	3,360	3,735
Other provisions	30	7,327	7,052
Income tax liabilities	26	4,877	13,214
Other liabilities	33	45,542	37,975
Current liabilities		107,599	128,107
Total liabilities		433,316	468,962

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Profit and loss statement

in thousand €	Notes	12/31/2024	12/31/2023
Sales	10	513,809	560,724
Changes in inventory		-534	-527
Capitalised own work	11	390	689
Other operating income	12	8,660	8,147
Total output		522,325	569,033
Cost of materials	13	-291,649	-320,077
Personnel expenses	14	-130,991	-126,128
Other operating expenses	15	-63,012	-63,454
Impairment losses on financial assets		0	-364
Earnings before interest, taxes, depreciation and amortisation (EBITDA)		36,673	59,010
Depreciation and amortisation of non-current and current assets	16	-21,491	-23,144
Earnings before interest, taxes (EBIT)		15,182	35,866
Earnings from investments		368	0
Earnings from companies recognised at equity		-786	600
Other interest and similar income		529	560
Interest and similar expenses		-5,294	-4,665
Other financial result		-34	0
Financial result	17	-5,217	-3,505
Earnings before taxes (EBT)		9,964	32,361
Taxes on income and earnings	22	-4,370	-10,220
Group earnings		5,596	22,141
Earnings attributable to non-controlling interests		-1,157	-1,256
Total comprehensive income		4,439	20,885
Earnings per share (€)	17	0.42	1.93

Consolidated Statement of Comprehensive Income

in thousand €	Notes	01/01/2024-12/31/2024	01/01/2023-12/31/2023
Group earnings		5,596	22,141
Revaluation of defined benefit obligations not affecting net income	12	-363	501
Items that cannot be reclassified to the Profit and Loss account		-363	501
Currency conversion difference		1,373	-1,191
Market valuation of hedging instruments		-151	0
Items transferable to Profit and Loss account		1,222	-1,191
Other earnings	16	859	-690
Total earnings for the period		6,455	21,451
of which minority interests in companies		1,250	1,066
of which attributable to GESCO shareholders		5,204	20,385

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Consolidated Statement of Changes in Equity

in thousand €	Accumulated earnings for the period									
	Subscribed capital	Capital reserves	Retained earnings	Own shares	OCI financial instruments	OCI pensions	Currency adjustments items	Group share	Total minority interests	Total equity
As of 01/01/2023	10,839	72,433	184,619	-177	4	-2,011	-1,107	264,600	10,106	274,706
Net income/loss	0	0	20,885	0	0	0	0	20,885	1,256	22,141
Gains/losses recognised in OCI (including deferred taxes)	0	0	0	0	9	501	-1,010	-500	-190	-690
Dividends	0	0	-10,839	0	0	0	0	-10,839	-2,076	-12,915
Acquisition/sale of treasury shares	-11	0	0	-215	0	0	0	-226	0	-226
Acquisition of shares in subsidiaries	0	0	-3,208	0	0	0	0	-3,208	-3,161	-6,369
Change in scope of consolidation	0	0	1,007	0	0	0	0	1,007	0	1,007
Total earnings for the reporting period	-11	0	7,845	-215	9	501	-1,010	7,119	-4,171	2,948
Balance as at 12/31/2023	10,828	72,433	192,464	-392	13	-1,510	-2,117	271,719	5,935	277,654
Balance as at 01/01/2024	10,828	72,433	192,464	-392	13	-1,510	-2,117	271,719	5,935	277,654
Net income/loss	0	0	4,439	0	0	0	0	4,439	1,157	5,596
Gains/losses recognised in OCI (including deferred taxes)	0	0	0	0	-151	-363	1,280	766	93	859
Dividends	0	0	-4,131	0	0	0	0	-4,131	-1,448	-5,580
Acquisition/sale of treasury shares	-474	0	0	-7,968	0	0	0	-8,442	0	-8,442
Total earnings for the reporting period	-474	0	307	-7,968	-151	-363	1,280	-7,369	-198	-7,567
Balance as at 12/31/2024	10,354	72,433	192,772	-8,360	-139	-1,873	-838	264,350	5,737	270,087

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Consolidated Cash Flow Statement

in thousand €	01/01/2024– 12/31/2024	01/01/2023– 12/31/2023
Net income for the period	5,596	22,141
Total net income for the period and income from discontinued operations	5,596	22,141
Losses (+)/gains (–) from the disposal of fixed assets	309	–176
Amortisation (+)/write-ups (–) on fixed assets	21,491	23,144
Reclassifications and other non-cash expenses/income	7,388	10,275
Cash flow from earnings	34,784	55,384
Increase (–)/decrease (+) in inventories	16,046	11,165
Increase (–)/decrease (+) in receivables and other assets	404	384
Increase (+)/decrease (–) in provisions	2,382	–3,442
Increase (+)/decrease (–) in liabilities and other liabilities	11,027	–16,450
Working capital	29,859	–8,343
Interest paid and interest-like payments	–4,445	–3,820
Interest and interest-like income received	107	544
Income tax payments	–9,096	–10,669
Cash flow from operating activities	51,209	33,096
Proceeds from the sale of fixed assets (excluding financial assets)	7,250	538
Proceeds from the sale/repayment of financial assets	0	14
Proceeds from the sale of consolidated companies less cash and cash equivalents	–1,674	0
Acquisition of intangible assets and property, plant and equipment	–8,276	–17,490
Acquisition of financial assets and other financial investments	–3,994	–291
Acquisition of consolidated companies less cash and cash equivalents	0	–4,525
Results from associated companies and investments	368	0
Cash flow from investing activities	–6,326	–21,754

in thousand €	01/01/2024– 12/31/2024	01/01/2023– 12/31/2023
Payments to shareholders	–4,131	–10,840
Proceeds/payments from changes in ownership interests in a subsidiary	0	–6,368
Proceeds from the sale of treasury shares	457	492
Payments for the acquisition of treasury shares	–8,900	–718
Payments to minority shareholders	–1,449	–2,076
Proceeds from financial loans and financial liabilities	1,825	33,488
Payments for financial loans and financial liabilities	–31,241	–22,777
Payments from leasing obligations	–4,032	–3,411
Cash flow from financing activities	–47,470	–12,210
Cash-effective change in cash and cash equivalents	–2,588	–868
Currency adjustments	1,414	–919
Change in cash and cash equivalents	–1,174	–1,787
Cash and cash equivalents at the beginning of the period	34,464	36,251
Cash and cash equivalents at the end of the period	33,290	34,464
Change in cash and cash equivalents	–1,174	–1,787

IFRS-consolidated-notes

1. Reporting company

GESCO SE is a European public limited company based in Wuppertal, Germany, and is entered in the commercial register of the Wuppertal district court under HRB 33375. The registered office is Johannisberg 7, 42103 Wuppertal, Germany. The consolidated financial statements of the Company for the financial year ending 31 December 2024 comprise the Company and its subsidiaries (together referred to as GESCO or GESCO Group). GESCO is primarily engaged in the acquisition and management of investments in medium-sized industrial and trading companies.

2. Fundamentals of preparing financial statements

The consolidated financial statements have been prepared in accordance with all International Financial Reporting Standards (IFRS) applicable in the EU. In addition, the provisions of commercial law to be applied in accordance with Section 315e (1) HGB have been taken into account.

The Executive Board of GESCO SE has prepared the consolidated financial statements for the period from January to March 2025.

The income statement has been prepared using the nature of expense method. The balance sheet is classified according to the maturity of the assets and liabilities.

3. Functional and display currency

These consolidated financial statements are presented in EUR, the Group's functional currency. Unless otherwise stated, all amounts are shown in thousands of euros (€ thousand), which means that adding up individual figures does not always result in the exact amount shown.

4. Use of estimates and judgements

The preparation of the consolidated financial statements requires the Executive Board to make judgements and estimates relating to the future, including climate-related risks and opportunities that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis and are therefore in line with the Group's risk management. Revisions to estimates are recognised prospectively.

Information on judgements made in the application of accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in the notes below:

- Determining the useful life of non-current assets (section 5)
- The recognition of provisions (section 32)
- Deferrals in sales recognition (section 10)



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- Lease term; determining whether the exercise of renewal options is reasonably certain (section 38)
- Measurement of defined benefit obligations; significant actuarial assumptions (section 30)
- Recognition of deferred tax assets; availability of future taxable profits against which deductible temporary differences and tax loss carry forwards can be utilised (section 23)

Information on assumptions and estimation uncertainties as at the reporting date, which may give rise to a significant risk that a material adjustment to the carrying amounts of the recognised assets and liabilities will be required within the next financial year, is included in the notes below:

- Recognition of deferred tax assets; availability of future taxable profits against which deductible temporary differences and tax loss carry forwards can be utilised (section 24)
- The impairment test of intangible assets and goodwill; key assumptions underlying the determination of the recoverable amount (section 21)

5. Scope of consolidation

In addition to GESCO SE, a total of 30 (previous year: 33) domestic and 22 (previous year: 20) foreign companies were included in the consolidated financial statements as at 31 December 2024. All material companies are fully consolidated, as control exists due to the majority of voting rights. There are no significant restrictions with regard to the ability to gain access to the assets or to utilise them and fulfil liabilities. Two associated companies are accounted for using the equity method.

The reporting date for all consolidated companies is 31 December. There is one non-consolidated Group company as at the reporting date.

A list of Group companies can be found in section 41.

In the reporting year, 2 new companies were founded (previous year: 0).

In the reporting year, 1 (previous year: 3) company was acquired.

In the reporting year, 4 (previous year: 0) companies were deconsolidated.

6. Significant accounting policies

Consolidation principles

(i) Business combinations

GESCO accounts for business combinations using the acquisition method if the acquired group of activities and assets fulfils the definition of a business and the Group has obtained control (see (ii)). The Group assesses whether a particular group of activities and assets is a business based on whether the group of acquired assets and activities comprises at least one resource input and one substantive process and whether the acquired group is capable of producing outputs.

The consideration transferred on acquisition and the identifiable net assets acquired are generally measured at fair value. Any goodwill arising from the transaction is tested annually for impairment (see section 20). Any gain from the acquisition at a price below fair value is recognised immediately in the income statement. Costs associated with the transaction are recognised immediately as an expense.

(ii) Subsidiaries

Subsidiaries are companies controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of these companies are included in the consolidated financial statements from the date on which control begins until the date on which control ends.



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(iii) Non-controlling interests

In the case of business combinations, the Group measures non-controlling interests in the acquired company at their corresponding share of the identifiable net assets of the acquired company, which is generally measured at fair value. Shares in net assets that are not attributable to GESCO SE are recognised under non-controlling interests as a separate component of equity.

Changes in the Group's interest in a subsidiary that do not lead to a loss of control are recognised as equity transactions.

(iv) Loss of control

If the Group loses control over a subsidiary, the assets and liabilities of the subsidiary and the associated non-controlling interests are derecognised. The result is recognised in the income statement. The retained shares are measured at fair value at the time of loss of control.

(v) Investments in financial assets accounted for using the equity method

Associated companies are companies in which the Group has a significant influence, but not control or joint control, over the financial and operating policies.

Investments in associates are recognised using the equity method. They are initially recognised at cost, including transaction costs. After initial recognition, the consolidated financial statements include the Group's share of the total comprehensive income of the investments accounted for using the equity method until the date on which the significant influence or joint control ends.

(vi) Transactions eliminated on consolidation

Intragroup balances and transactions as well as all unrealised income and expenses (except income and expenses from foreign currency transactions) from intragroup transactions are eliminated in the preparation of the consolidated financial statements. Unrealised gains from transactions with companies accounted for using the equity method are derecognised against the investment in the amount of the Group's share in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only if there is no indication of impairment.

Foreign currency

(i) Transactions in foreign currency

Transactions in foreign currencies are translated into the corresponding functional currency of the Group companies at the spot rate on the date of the transaction.

Monetary assets and liabilities denominated in a foreign currency on the reporting date are translated into the functional currency at the closing rate. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated at the closing rate. Non-monetary items that are measured at historical cost in a foreign currency are translated at the exchange rate on the date of the transaction. Currency translation differences are generally recognised in profit or loss for the period and reported under finance costs.

In deviation from the principle, currency translation differences are recognised in other comprehensive income for the following items:

(a) Financial liabilities designated as hedges of a net investment in a foreign operation to the extent that the hedge is effective

(b) Qualifying cash flow hedges, to the extent that they are effective

In accordance with the functional currency concept, companies outside the eurozone generally prepare their financial statements in the respective national currency. These financial statements are translated into euros at the closing rate for assets and liabilities. With the exception of items recognised directly in equity, equity is carried at historical rates. The items in the income statement are translated at average exchange rates and the resulting currency differences are recognised directly in equity. Currency translation differences recognised in equity during the period of membership of the Group are recognised in other operating expenses or income when Group companies leave the scope of consolidation.

The exchange rates used are shown in the following table:

	1 € =	Closing rate		Average rate	
		12/31/2024	12/31/2023	01/01/2024 – 12/31/2024	01/01/2023 – 12/31/2023
China	CNY	7.58	7.85	7.77	7.66
Mexico	MXN	21.55	18.72	20.01	19.18
Romania	RON	4.97	4.98	4.98	4.95
Singapore	SGD	1.42	1.46	1.45	1.45
South Korea	KRW	1,532.15	1,433.66	1,479.03	1,412.88
Taiwan	TWD	34.33	33.92	34.77	33.73
USA	USD	1.04	1.11	1.08	1.08

(ii) Foreign business operations

Assets and liabilities from foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated into euros at the closing rate on the reporting date. Income and expenses from foreign operations are translated at the average exchange rate at the time of the respective transaction.

Currency translation differences are recognised in other comprehensive income and reported in the currency translation reserve in equity, unless the currency translation difference is allocated to non-controlling interests.

In the event of the complete or partial disposal of a foreign operation that leads to the loss of control, significant influence or joint control, the cumulative amount recognised in the currency translation reserve in connection with this foreign operation up to this point is reclassified to profit or loss as part of the gain or loss on disposal. In the case of only partial disposal, without loss of control of a subsidiary that includes a foreign operation, the corresponding portion of the cumulative translation difference is allocated to non-controlling interests. If the Group only partially disposes of an associate or joint venture that includes a foreign operation, but retains significant influence or joint control, the corresponding portion of the cumulative currency translation difference is reclassified to profit or loss.

Sales/current production orders

As part of the revenue recognition of customer contracts, revenue is recognised either over a period of time or at a point in time in accordance with the 5-step model described in IFRS 15.

Revenue is measured based on the consideration specified in a contract with a customer. The Group recognises revenue when it transfers control of the goods or services to a customer.

The following table provides information on the nature and timing of the fulfilment of performance obligations from contracts with customers, including key payment terms, and the associated principles of sales recognition.

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Process technology

Type of product/service	Method and time of performance of the obligation, including significant payment terms	Sales recognition method
Sale of services (assembly service/engineering)	Sales from the provision of services is recognised in the reporting period in which the services are provided. Service invoices are issued monthly and are due immediately.	Sales are recognised based on the actual services rendered at the end of the reporting period in relation to the total services to be rendered, as the customer receives and consumes the benefit at the same time. This is determined based on the actual hours worked in relation to the total expected hours.
Sale of customised goods	With customised contract manufacturing of products, the customer has control over the entire manufacturing process. The products are manufactured according to specific customer requirements. In the event of contract cancellation by the customer, the Group is entitled to reimbursement of costs already incurred, including an appropriate profit margin. The average payment term is approximately 40 days.	Invoices are issued in accordance with the contractual agreements (advance payments or partial invoices).
Sale of machine tools	Different payment milestones are agreed depending on the order. As a rule, customers pay a down payment of between 10% and 100% of the order volume, which is normally spread over one to three different payments. Invoices are issued in accordance with the contractual agreements and are generally payable within the agreed payment term. The final payment is made after delivery, depending on the final acceptance or the expiry of the warranty period.	Sales for machinery are recognised when the risk passes. As a rule, this is the delivery in accordance with the agreed Incoterms.
Carrying out retrofits for existing machines	Sales are realised and the invoice is issued when final acceptance is granted, or the service report is signed by the customer. In the case of retrofit projects with a high order volume, payments can be processed in the same way as for the sale of machine projects, i.e. with different payment dates for down payments and final instalments.	Sales are recognised either after successful final acceptance or after the customer has signed the service report.
Sale of spare parts	Customers receive the power of disposal over the spare parts when the goods are dispatched from the warehouse. At this point, invoices are created and sales are realised.	Sales for spare parts are recognised after the items have been shipped.
Realisation of services	Customers accept the service by signing the service report. At this point, invoices are created and sales are realised.	Sales are recognised after the service report has been signed by the customer.
Sale of machine tools	Different payment milestones are agreed depending on the order. As a rule, customers pay the payment milestones down payment, start of production, pre-acceptance and commissioning of the machine tool on site at the customer's premises. The individual payments can vary and amount to between 10% and 100% of the order volume. Invoices are issued in accordance with the contractual agreements and are payable within the agreed payment term.	Sales for machinery are recognised when the risk passes. As a rule, this is the delivery in accordance with the agreed Incoterm. As a rule, the Incoterm FCA is negotiated. Alternatively, exworks or CIF is realised.
Proceeds clamping technology	Sales are realised and the invoice is issued when final acceptance is granted or the service report is signed by the customer. In the case of services with a high order volume, the processing of payments can be analogous to the sale of machine tools.	Sales are recognised either after successful final acceptance or after the customer has signed the service report.
Sale of spare parts	Customers receive power of disposal over the spare parts once the goods have been dispatched. At this point, invoices are created and sales are realised.	Sales for spare parts are recognised after the items have been shipped.



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Resource technology

Type of product/service	Method and time of performance of the obligation, including significant payment terms	Sales recognition method
Merchandise, surface technology, steel and foundry products	Customers receive the power of disposal when the products are dispatched from the Company's warehouse. At this point, invoices are issued and sales are realised. Invoices are payable net within 45 days on average.	Sales are recognised when the products are dispatched from the company's warehouse.
Nifin, nickel-plated strip	Our customers for nickel-plated strip can be found in the decoration industry, but also in the office supplies, household appliances and furniture industries. Over 65% of our customers for nickel-plated strip have Incoterms CPT. Over 18% are supplied with Incoterms FCA. The rest of our customers for nickel-plated strip have the Incoterms EXW, DAP and CIF. The terms of payment are between 14 days less 3% discount and 90 days net, depending on the customer and country.	Sales are recognised when the goods are handed over to the carrier.
Cofin, copper-plated strip	Copper-plated strip is used in the electrical industry, but also in interior fittings and packaging. 56% is supplied by CPT and 38% by FCA, the rest by DAP and less than 1% by CIF. Payment terms are between 14 days less 3% discount and 90 days net, depending on the customer and country.	Sales are recognised when the goods are handed over to the carrier.
Brafin, brass-plated strip	The largest customer for our brass-plated strip is the sports industry, but brass-plated strip is also used in packaging and decoration. Over 50% of our customers for brass-plated strip have Incoterms CPT. Over 30% of our customers for brass-plated strip have the Incoterms CIF. Over 10% of our customers for brass-plated strip have Incoterms FCA. The rest of our customers for brass-plated strip have Incoterms EXW and DAP. Payment terms range from 14 days less 3% discount to 90 days net, depending on customer and country.	Sales are recognised when the goods are handed over to the carrier.
Spare parts	The Group sells spare parts to Germany and worldwide. The spare parts are dispatched by the Shipping department. Invoices are issued according to the agreed Incoterm. The payment term is generally 30 days net, for domestic deliveries 14 days 2%, 30 days net. In the case of large deliveries of spare parts with a value of more than € 50 thousand, advance payments against an advance payment guarantee are also agreed on a case-by-case basis. Advance payment is agreed for customers unknown to us or for deliveries to countries with a lack of foreign currency. Invoices are mainly issued in EUR, but also in USD.	As a rule, EXW, FCA or DAP are agreed as Incoterm. FCA: Sales are recognised when the goods are loaded onto the truck. DAP: Sales are recognised when the goods arrive at their destination. EXW: Sales are recognised when the customer is notified that the goods are ready for dispatch.
Spare parts USA	The Group sells spare parts to the subsidiary Connex SVT Inc, Houston, Texas, USA. The payment term is generally 30 days net. In the case of large deliveries of spare parts with a value of over € 50 thousand, advance payments are also agreed on a case-by-case basis against an advance payment guarantee. Invoices are mainly issued in USD.	DAP: Sales recognition upon arrival of goods at destination.

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Type of product/service	Method and time of performance of the obligation, including significant payment terms	Sales recognition method
Customer service	The Group carries out customer services such as repairs, maintenance, manual installation of loading arms, commissioning of loading arms and training. Invoices are issued after the services have been performed on the customer's construction site. As a rule, this is documented by a hand-over protocol or by the timesheets signed off by the customer.	Revenue is recognised when the relevant billing documents, such as the timesheets signed by the customer or hand-over protocols, have been handed over to the Aftersales department by the customer service technician.
LNG	<p>The payment term is usually 30–45 days. Invoicing is mainly in €, but also in US-\$. In addition, in the case of large orders in the area of ship loading arms, there is the special feature that the installation, commissioning and/or training has already been sold as part of the main order. In this case, customer service "only" performs the service. Invoicing is carried out by the ship loading arms division.</p> <p>The Group mainly sells LNG loading arms abroad. Invoices are issued according to the agreed Incoterm. The FOB Incoterm is frequently agreed, but DAP and FCA are also agreed in some cases.</p> <p>As a rule, advance payments (10%–20%) are made by the customer against an advance payment guarantee. The customer also receives a performance bond for 10% of the order amount. There is often a further payment stage on receipt of the main materials (30%–40%). When the loading arms are delivered, 90% is usually payable less the advance payments already received. The final 10% is due after final documentation or after installation.</p> <p>Invoices are generally due for payment within 30–60 days. In the case of orders for which there is no "main materials" payment stage, 80% of the order value is due for payment on delivery. In these cases, payment is processed via letters of credit. After delivery, the customer receives a warranty bond amounting to 10% of the order value with a term of up to 60 months. In exceptional cases, a warranty period of up to 72 months is agreed. The project duration is approx. 1 year.</p>	<p>As a rule, FOB, FCA or DAP are agreed as Incoterm. FCA: Revenue recognition upon loading onto the truck. DAP: Revenue recognition upon arrival of the goods at the destination. FOB: Revenue realisation upon acceptance of the goods on board, documented by the BL.</p> <p>Special case of fixed-price assembly: Occasionally, assembly and commissioning or training is also sold as part of the main order when the supply contract for the delivery of ship loading arms is concluded. There is then no separate order for assembly, for example. In these cases, SVT invoices the entire order value according to the agreed Incoterms, including the installation work not yet performed. As a rule, this is a share of sales amounting to approx. 3% of the order value. The expenses necessary for the provision of the missing service (e. g. assembly hours of our fitters, travelling expenses) are deferred. The presentation is different in the Group reporting forms. Here sales and the contribution margin are eliminated from the figures.</p>
ONC	<p>The Group sells oil and chemical loading arms in Germany and abroad. Invoices are issued according to the agreed Incoterm. The FOB Incoterm is frequently agreed, but DAP and FCA are also agreed in some cases.</p> <p>As a rule, advance payments (10%-20%) are made by the customer in return for an advance payment guarantee. The customer also receives a performance bond for 10% of the order amount. There is often a further payment stage on receipt of the main materials (30%-40%). When the loading arms are delivered, 90% is usually payable less the advance payments already received. The final 10% is due after final documentation or after installation.</p> <p>Invoices are generally due for payment within 30–60 days. For orders where there is no "main materials" payment step, 80% of the order value is due for payment on delivery. In these cases, payment is processed via letters of credit. After delivery, the customer receives a warranty bond amounting to 10% of the order value with a term of up to 60 months. The project term is approx. 1 year.</p>	<p>As a rule, FOB, FCA or DAP are agreed as Incoterm. FCA: Revenue recognition upon loading onto the truck. DAP: Revenue recognition upon arrival of the goods at the destination. FOB: Revenue realisation upon acceptance of the goods on board, documented by the BL.</p> <p>Special case of fixed-price assembly: Occasionally, assembly and commissioning or training is also sold as part of the main order when the supply contract for the delivery of ship loading arms is concluded. There is then no separate order for assembly, for example. In these cases, SVT invoices the entire order value in accordance with the agreed Incoterms, including the assembly work that has not yet been performed, for example. As a rule, this is a share of turnover amounting to approx. 3% of the order value. The expenses necessary for the provision of the missing service (e.g. assembly hours of our fitters, travelling expenses) are deferred. The presentation is different in the Group reporting forms. Here, sales and the contribution margin are eliminated from the figures.</p>

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Healthcare and infrastructure technology

Type of product/service	Method and time of performance of the obligation, including significant payment terms	Sales recognition method
Sticks	<p>Customers acquire power of disposal over sticks in accordance with the Incoterms agreed with this customer. The majority of sales are carried out using Incoterms FCA or DAP, and accordingly the transfer of control takes place upon transfer to the carrier or upon delivery to the named place.</p> <p>Invoices are issued when the goods are collected from the Company premises and are generally due after 30 to 90 days, depending on the agreed payment terms. In some cases, customers are granted a discount for shorter payment terms. Invoices are generally settled at t by bank transfer.</p>	Invoicing shall take place upon dispatch or collection of the goods. Shipments for which the transfer of risk has not yet taken place in accordance with Incoterms will be deducted from the proceeds and added to the finished goods inventory.
Machined turned part	<p>The fulfilment of the performance obligation occurs as soon as the customer receives the machined turned parts or has them collected. Invoices are issued immediately.</p> <p>The terms of payment range from direct debit with a 3.5% discount to 90 days net. Some customers have bonus agreements that represent a subsequent discount.</p>	Revenue is recognised when the goods are delivered to the customer or accepted by the customer on our Company premises.
Assembled turned part	<p>The fulfilment of the performance obligation occurs as soon as the customer receives the assembled turned parts or has them collected. Invoices are issued immediately.</p> <p>The terms of payment range from direct debit with a 3.5% discount to 90 days net. Some customers have bonus agreements that represent a subsequent discount.</p>	Revenue is recognised when the goods are delivered to the customer or accepted by the customer on our Company premises.
Supply of medical and industrial technology products	<p>Standard/collection by customers: Customers acquire power of disposal over our products as soon as the products have been handed over to the forwarding agent commissioned by us. The standard payment term is 14 days net; individual payment terms can also be agreed.</p> <p>Consignment stock: Consignment warehouses have been set up for two major customers and one small customer. AMTRION GmbH receives a weekly notification of the customer's accepted products, which are then invoiced to the customer. Individual payment agreements apply.</p>	<p>Once the carrier has signed for receipt of the products, the revenue is invoiced.</p> <p>Revenue is invoiced upon receipt of the notification of the products removed from the consignment warehouse by the customer.</p>



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(i) Short-term employee benefits

Obligations from short-term employee benefits are recognised as an expense as soon as the related work is performed. A liability is recognised for the amount expected to be paid if GESCO currently has a legal or constructive obligation to pay this amount as a result of work performed by the employee and the obligation can be reliably estimated.

(ii) Defined benefit plans

GESCO's obligations from defined benefit pension plans are calculated separately for each defined benefit plan in accordance with actuarial principles. Firstly, the pension benefits earned by employees in the current period and in previous periods – in exchange for the work performed – are estimated. In a next step, these pension benefits are discounted using the projected unit credit method to determine the present value of the defined benefit obligation, the so-called gross pension obligation.

GESCO determines the interest expense (interest income) by multiplying the liability at the beginning of the period by the interest rate underlying the discounting of the defined benefit obligation at the beginning of the period.

The discount rate is determined based on market data published by Heubeck AG.

The calculation of the liability is based on an actuarial report by a qualified actuarial expert at each reporting date.

The Company recognises all remeasurement effects immediately in other comprehensive income, whereas the other components of the net pension expense (service cost and interest component) are recognised in profit or loss for the period.

If the present value of a defined benefit obligation changes as a result of a plan amendment (i.e. the introduction, withdrawal or amendment of a defined benefit plan) or curtailment (i.e. a significant reduction in the number of employees covered by a pension plan), the company recognises the resulting effects as past service cost in profit or loss for the period. Recognition generally takes place at the time at which the plan amendment or curtailment occurs.

(iii) Benefits due to termination of the employment relationship

Termination benefits are recognised as an expense if the Group is demonstrably committed, with no realistic possibility of avoiding it, to a formal detailed plan either to terminate the employment relationship before the date of normal retirement or to provide termination benefits as a result of an offer to encourage voluntary early retirement. Termination benefits due to voluntary early retirement are recognised as an expense if the Group has made an offer of voluntary early retirement, it is probable that the offer will be accepted and the number of employees accepting the offer can be reliably estimated. If benefits are not expected to be fully settled within twelve months of the reporting date, they are discounted.

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Financial income and financial expenses

Financial income includes:

- Interest income on invested funds

Financing expenses include:

- Interest expenses and prepayment penalties for borrowings,
- Accrued interest on provisions and accrued consideration, recognised impairment losses on financial assets (with the exception of trade receivables and trade payables), recognised impairment losses on financial assets (with the exception of trade payables) and recognised impairment losses on financial assets (with the exception of trade receivables).
- Leasing.

Income taxes

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.

(i) Actual taxes

Actual taxes are the expected tax liability or tax receivable on the taxable income or tax loss for the financial year, based on tax rates that apply or will soon apply on the reporting date and any adjustments to the tax liability for previous years, if no valid tax assessment notices are yet available. The amount of the expected tax liability or tax receivable reflects the amount that represents the best estimate, considering tax uncertainties, if any. Tax provisions are recognised in the balance sheet for current income taxes for the current and prior periods if they have not yet been paid.

Current tax assets and liabilities are only netted under certain conditions.

(ii) Deferred taxes

Deferred taxes are recognised in respect of temporary differences between the carrying amounts of assets and liabilities for Group accounting purposes and the amounts used for tax purposes.

Deferred taxes are not recognised for

- temporary differences arising on initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting profit nor taxable profit (e.g. tax-free investment allowances).
- temporary differences in connection with investments in subsidiaries, associates and jointly controlled entities, provided that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future.
- taxable temporary differences on initial recognition of goodwill.

Temporary differences relating to a right-of-use asset and a lease liability for a specific lease are considered together (the lease) for the purpose of recognising deferred taxes.

A deferred tax asset is recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profit will be available against which they can be utilised. Future taxable profits are determined on the basis of the reversal of taxable temporary differences. If the amount is not sufficient to fully capitalise deferred tax assets, the future taxable profits – taking into account the reversal of temporary differences – are determined on the basis of the subsidiaries' individual business plans. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the associated tax benefit will be realised; write-ups are made if the probability of future taxable profits improves.

The measurement of deferred taxes reflects the tax consequences that arise from the Group's expectation of the manner in which the carrying amounts of its assets will be realised or its liabilities settled as at the reporting date.

Deferred tax assets and deferred tax liabilities are netted if certain conditions are met.

Inventories

Inventories are valued at the lower of acquisition or production cost and net realisable value.

Tangible assets

(i) Recognition and measurement

Tangible assets are measured at cost less accumulated depreciation and accumulated impairment losses. The acquisition costs include expenses that are directly attributable to the acquisition of the asset.

If parts of an item of tangible assets have different useful lives, they are recognised as separate items (main components) of tangible assets.

Any gain or loss from the disposal of an item of tangible assets is recognised in profit or loss.

(ii) Subsequent acquisition and production costs

Subsequent expenditure is only capitalised if it is probable that the future economic benefits associated with the expenditure will flow to the Group.

(iii) Amortisation

Depreciation is calculated by allocating the cost of tangible assets less their estimated residual values on a straight-line basis over their estimated useful lives. Depreciation is recognised in profit or loss. Land is not depreciated.

The estimated useful lives for the current year and comparative years for significant items of tangible assets are as follows:

in years	Duration of use
Building	30–50
Technical equipment and machinery	5–15
Other equipment, operating and office equipment	3–15

Amortisation methods, useful lives and carrying amounts are reviewed at each reporting date and adjusted if necessary.

Intangible assets

(i) Recognition and measurement

Goodwill

Goodwill arising from business combinations is recognised at cost less accumulated impairment losses.

Other intangible assets

Other intangible assets that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortisation and accumulated impairment losses.

(ii) Amortisation

With the exception of goodwill, intangible assets are amortised on a straight-line basis over their estimated useful lives from the date on which they are available for use. Amortisation is generally recognised in profit or loss. Goodwill is not amortised. Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if necessary.

in years	Amortisation period
Computer software	3-7
Technology	10-13
Customer base	7-15
Order backlog	1-2
Capitalised development costs	7

Assets held for sale

Non-current assets or disposal groups comprising assets and liabilities are classified as held for sale or held for distribution if it is highly probable that they will be realised primarily through sale or distribution and not through continued use.

In general, these assets or the disposal group are recognised at the lower of their carrying amount and fair value less costs to sell. Any impairment loss on a disposal group is first allocated to goodwill and then to the remaining assets and liabilities on a pro rata basis – with the exception that no loss is allocated to inventories, financial assets, deferred tax assets, which continue to be measured in accordance with the Group's other accounting policies. Impairment losses on initial classification as held for sale or held for distribution and subsequent gains and losses on remeasurement are recognised in profit or loss.

Intangible assets and tangible assets are no longer amortised and any investment accounted for using the equity method is no longer accounted for using the equity method as soon as it is classified as held for sale or held for distribution.

Financial instruments

In accordance with the provisions of IFRS 9, the Group classifies financial instruments at amortised cost and at fair value through profit or loss, depending on the category.

Financial assets whose cash flows consist solely of interest and principal payments are classified according to the Group's business model. All financial assets held by the Group whose cash flows consist solely of interest and principal payments are held in a business model that provides for the asset to be held in order to collect the contractual cash flows and are therefore measured at amortised cost.

Financial assets whose cash flows do not consist exclusively of interest and principal payments, such as derivatives, are measured at fair value through profit or loss.

Trade receivables are measured at amortised cost.

The valuation allowances are calculated using the expected credit loss model. In accordance with this model, allowances for expected credit losses are recognised for financial assets that are recognised at amortised cost according to their category.



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For trade receivables, the amount of the impairment is measured from the initial recognition of the receivable based on the lifetime expected credit losses. The lifetime expected credit losses are determined both at the level of the individual asset and at a collective level.

All assets that are individually significant, i.e. trade receivables, are assessed for specific incurred credit losses. Those that turn out not to be specifically impaired are then collectively assessed for any expected credit losses that have not yet materialised. Any such credit losses are recognised in profit or loss and directly in the carrying amount of the financial asset.

Assets that are not individually significant are collectively assessed for lifetime expected credit losses by grouping together assets with similar risk characteristics. These receivables are impaired via an allowance account. GESCO recognises valuation allowances on a case-by-case basis, considering the creditworthiness, economic situation and economic environment of the respective business partner.

An impairment loss on a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of estimated future cash flows, discounted at the asset's original effective interest rate. If an event occurring after the impairment was recognised results in a reduction in the amount of the impairment, the reduction in the impairment is reversed through profit or loss.

(i) Non-derivative financial assets

GESCO recognises loans and receivables from the date on which they arise. All other financial assets are recognised for the first time on the trade date, i.e. the date on which the Group becomes a contractual party to the financial instrument.

GESCO derecognises a financial asset when the contractual rights to the cash flows from the asset expire or when it transfers the rights to receive the cash flows in a transaction in which all material risks and opportunities associated with ownership of the financial asset are also transferred. Any interest in such transferred financial assets that arises or remains within the Group is recognised as a separate asset or liability. There were no so-called missed disposals in the published period.

Financial assets and liabilities are offset and recognised as a net amount in the balance sheet, but only if the Group has a legal right to offset the recognised amounts and intends either to settle on a net basis at or to realise the asset and settle the liability simultaneously. No offsetting was carried out as at the reporting dates presented.

(ii) Financial liabilities measured at amortised cost

GESCO recognises its primary financial liabilities for the first time at the time they are incurred. Financial liabilities are derecognised when the contractual obligations are fulfilled, cancelled or expire.

Other financial liabilities are initially recognised at fair value less directly attributable transaction costs. As part of subsequent measurement, these financial liabilities are measured at amortised cost using the effective interest method. Interest is recognised as interest expense on an accrual basis using the effective interest method.

Financial liabilities mainly include liabilities to banks and other lenders.



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(iii) Derivative financial instruments

Derivative financial instruments (derivatives) are measured at fair value on initial recognition (FVTPL); attributable transaction costs are recognised directly in OCI. Please refer to section 9 for the procedure for measuring fair value. Derivatives are recognised on the trading day before the balance sheet date. The Group holds derivative financial instruments exclusively to hedge currency risks from forward exchange contracts, without applying the hedge accounting rules in accordance with IFRS 9. The Group applied the Phase 2 amendments retrospectively as of 1 January 2021.

Subscribed capital

(i) Ordinary shares

The costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity. Income taxes relating to the transaction costs of an equity transaction are recognised in accordance with IAS 12.

(ii) Repurchase and reissue of equity shares (treasury shares)

If subscribed capital recognised in equity is repurchased, the amount paid, including directly attributable costs, is deducted from equity. The shares acquired are classified as treasury shares and recognised in the reserve for treasury shares. If treasury shares are subsequently sold or reissued, the proceeds are recognised as an increase in equity. Any difference is recognised in the income statement.

Impairment

(i) Non-derivative financial assets

A financial asset that is not recognised at fair value through profit or loss is reviewed at each reporting date to determine whether there is objective evidence that an impairment loss has been incurred. A financial asset is impaired if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset and such an event has an impact on the expected future cash flows of that asset that can be reliably estimated.

(ii) Non-financial assets

The carrying amounts of the Group's non-financial assets – with the exception of inventories and deferred tax assets (see also IAS 36.2) – are reviewed at each reporting date to determine whether there is any indication of impairment. If this is the case, the recoverable amount of the asset is estimated. If available, goodwill and intangible assets with an indefinite useful life are tested annually for impairment.

In order to test for impairment, assets are summarised in the smallest group of assets that generate cash inflows from continuing use that are largely independent of the cash inflows from other assets or cash-generating units (CGUs). Goodwill acquired in a business combination is allocated to the CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.



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The recoverable amount of an asset or a CGU is the higher of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognised if the carrying amount of an asset or a CGU exceeds its recoverable amount.

Impairment losses, if any, are recognised in profit or loss. Impairment losses recognised in respect of CGUs are first allocated to any goodwill allocated to the CGU and then to the carrying amounts of the other assets of the CGU (group of CGUs) on a pro rata basis.

Impairment losses relating to goodwill are not reversed. For other assets, an impairment loss is only reversed to the extent that the carrying amount of the asset does not exceed the carrying amount that would have been determined net of depreciation or amortisation if no impairment loss had been recognised.

Other provisions

A provision is recognised when the Group has a present legal or constructive obligation as a result of a past event that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Other provisions are recognised under other financial liabilities.

Leases

At the inception of the contract, the Group assesses whether the contract is or contains a lease. This is the case if the contract authorises the control of the use of an identified asset for a certain period of time in return for a payment. In order to assess whether a contract contains the right to control an identified asset, the Group uses the definition of a lease in accordance with IFRS 16.

GESCO as lessee

On the provision date or when a contract containing a lease component is amended, the Group allocates the contractually agreed payment on the basis of the relative stand-alone selling prices. For property leases, however, the Group has decided not to separate the non-lease components and instead to recognise lease and non-lease components as a single lease component.

On the provision date, the Group recognises an asset for the right of use granted and a lease liability. The right-of-use asset is initially measured at cost, which corresponds to the initial measurement of the lease liability, adjusted for payments made on or before the commencement date, plus any initial direct costs and the estimated costs of dismantling or removing the underlying asset or restoring the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently amortised on a straight-line basis from the commencement date to the end of the lease term, unless ownership of the underlying asset is transferred to the Group at the end of the lease term or the cost of the right-of-use asset reflects the fact that the Group will exercise a purchase option. In these cases, the right-of-use asset is amortised over the useful life of the underlying asset, which is determined in accordance with the regulations for tangible assets. In addition, the right-of-use asset is adjusted on an ongoing basis for impairment losses, if necessary, and for certain remeasurements of the lease liability.

The lease liability is initially recognised at the present value of the lease payments not yet made at the commencement date, discounted at the interest rate implicit in the lease or, if this cannot be readily determined, at the Group's incremental borrowing rate. The Group normally uses its incremental borrowing rate as the discount rate.

To determine its incremental borrowing rate, the Group obtains interest rates from various external financial sources and makes certain adjustments to take account of the lease terms and the nature of the asset. The contractually agreed interest rates have been recognised in the current financial statements.

The lease payments included in the measurement of the lease liability include

- fixed payments, including de facto fixed payments,
- variable lease payments that are linked to an index or (interest) rate, initially measured using the index or (interest) rate applicable on the provision date,
- amounts expected to be payable under a residual value guarantee,
- the exercise price of a purchase option if the Group is reasonably certain to exercise it, lease payments for an extension option if the Group is reasonably certain to exercise it, and penalties for early termination of the lease, unless the Group is reasonably certain not to terminate early.

The lease liability is measured at amortised carrying amount using the effective interest method. It is remeasured if the future lease payments change due to a change in an index or (interest) rate, if the Group adjusts its estimate of the expected payments under a residual value guarantee, if the Group changes its estimate of the exercise of a purchase, extension or cancellation option or if a de facto fixed lease payment changes.

In the event of such a remeasurement of the lease liability, the carrying amount of the right-of-use asset is adjusted accordingly or recognised in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Short-term leases and leases based on low-value assets

The Group has decided not to recognise right-of-use assets and lease liabilities for leases based on low-value assets (e.g. PCs, notebooks, etc.) and for short-term leases (i.e. with a lease term of 12 months or less), including IT equipment. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the term of the lease.

7. Changes in significant accounting policies

There were no changes to significant accounting policies in the reporting year.

8. New standards and interpretations

With the exception of the application of new and revised standards and interpretations, the accounting policies applied in the previous year will continue unchanged as of 31 December 2024.

Standards and interpretations applied for the first time

New or amended standards and interpretations	Description	To be applied for financial years beginning on
IAS 7	Supplier financing agreements (Amendment to IAS 7 and IFRS 7)	01/01/2024
IAS 1	Classification of debt as current or non-current; non-current debt with ancillary conditions (Amendment to IAS 1)	01/01/2024
IFRS 16	Lease liability in a sale and leaseback transaction (Amendment to IFRS 16)	01/01/2024

The standards to be applied from 1 January have no material impact on the Group's financial statements.

Standards and interpretations not applied early

Various new amendments to standards have been published, but are not mandatory for the 2024 financial year and will not be applied early by the Group.

New or amended standards and interpretations	Description	To be applied for financial years beginning on
IFRS 19	Subsidiaries without public accountability: Disclosures	01/01/2027 ¹
IFRS 18	Presentation and disclosures in the financial statements	01/01/2027 ¹
IFRS 9 and IFRS 7	Contracts that relate to nature-based electricity (Amendments to IFRS 9 and IFRS 7)	01/01/2026 ¹
IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7	Annual improvements to IFRS Standards – Volume 11	01/01/2026 ¹
IFRS 9 and IFRS 7	Changes to the classification and measurement of financial instruments (Amendments to IFRS 9 and IFRS 7)	01/01/2026 ¹
IAS 21	Lack of exchangeability (Amendment to IAS 21)	01/01/2025

¹ EU endorsement still pending

The standards to be applied after 1 January 2025 have no material impact on the financial statements of GESCO. The other standards to be applied in the future are not expected to have a material impact on the Group's financial statements.

9. Acquisition of subsidiaries and other transactions

In the reporting year and the previous year, significant changes were made as a result of reorganisations under Company law and disposals.

1. Sales as part of asset or share deals

GESCO SE sold 100% of the shares in AstroPlast Kunststofftechnik GmbH & Co. KG and AstroPlast Verwaltungs GmbH as part of a management buyout with economic transfer as of 31 December 2024. The deconsolidation result from the sale of the two companies amounts to € –1,459 thousand.

Dörrenberg Edelstahl GmbH sold the Steelwork and Foundry divisions to a private equity company with economic transition on 31 December 2024.

2. Acquisitions as part of asset or share deals

There were no acquisitions in the 2024 financial year.

3. Corporate reorganisations

There were no reorganisations under company law in the 2024 financial year.

10. Sales revenue

Sales revenue is generally recognised when the risks and rewards of ownership of the sold assets are transferred to the customer and the customer thus obtains control over the goods or services. Sales are mainly generated from product deliveries and services. Further explanations can be found in sections 6 and 37.

11. Other own work capitalised

This item mainly includes capitalised expenses for technical equipment and tools.

12. Other operating income

Other operating income breaks down as follows:

in thousand €	12/31/2024	12/31/2023
Income from the reversal of provisions and liabilities	2,050	2,723
Price gains	2,827	1,861
Income from public subsidies	3	52
Rental income (operating lease)	299	286
Income from the reversal of bad debt allowances and the receipt of derecognised receivables	369	1,355
Income from the disposal of fixed assets	2,536	188
Result from deconsolidation	-1,453	0
Other income	2,029	1,682
	8,660	8,147

The result from deconsolidation mainly includes the sale of AstroPlast Kunststofftechnik GmbH & Co. KG. This resulted in a deconsolidation expense of € 1,459 thousand, which was offset by the income of € 2,460 thousand from the sale of the property of AstroPlast Kunststofftechnik GmbH & Co. KG realised in connection with the transaction due to an impairment loss recognised in the previous year. The sale of the property is recognised under income from the disposal of fixed assets.

The rental income results from property rentals.

13. Cost of materials

in thousand €	12/31/2024	12/31/2023
Expenses for raw materials, consumables and supplies and for purchased goods	-263,506	-294,582
Expenses for purchased services	-28,143	-25,495
	-291,649	-320,077

14. Personnel expenses

in thousand €	12/31/2024	12/31/2023
Wages and salaries	-108,795	-106,670
Social security contributions/pension expenses	-22,196	-19,458
	-130,991	-126,128

The compounding of the pension provision is included in the interest and similar expenses item.

15. Other operating expenses

in thousand €	12/31/2024	12/31/2023
Operating expenses	-17,401	-22,071
Selling expenses	-19,223	-22,667
Administrative expenses	-14,930	-11,885
Other expenses	-11,458	-6,831
	-63,012	-63,454

16. Amortisation of intangible assets and depreciation of tangible assets

Amortisation of intangible assets and depreciation of tangible assets are shown in the consolidated statement of changes in non-current assets.

Further explanations can be found in the notes to the corresponding balance sheet items.

17. Financial result

in thousand €	12/31/2024	12/31/2023
Other interest expense	-4	-29
Income from securities	455	375
Other interest income	78	169
Other interest and similar income	529	515
Interest expense from bank loans	-4,436	-3,820
Interest expense from lease liabilities	-614	-520
Accrued interest on pension provision	-243	-280
Interest and similar expenses	-5,294	-4,620
Other net interest income	-34	0
Other financial result	-34	0
Income from investments	368	0
Income from companies accounted for using the equity method	-786	600
	-5,217	-3,505

In accordance with IAS 33 (Earnings per Share), earnings per share are calculated by dividing the Group net earnings for the year attributable to shareholders by the weighted average number of shares in circulation.

	01/01/2024–12/31/2024	01/01/2023–12/31/2023
Group earnings for the year (in thousand €)	4,439	20,885
Weighted number of shares	10,505,850	10,828,169
Earnings per share in accordance with IAS 33 (in €)	0.42	1.93

There are no circumstances that would lead to a dilution effect.

18. Rights of use from leasing/rental

The carrying amounts of right-of-use assets from leases and rental agreements developed as follows:

Rights of use

in thousand €	Carrying amount 01/01/2024	Additions	Disposals	Additions Amortisation	Disposal Amortisation	Rebookings/ Currency differences	Carrying amount 12/31/2024
Intangible assets	246	0	-341	-120	398	1	184
Land and buildings	13,933	0	-275	-2,508	273	-110	11,313
Technical equipment and machinery	1,897	2,161	-360	-100	256	14	3,868
Other equipment, operating and office equipment	1,265	919	-939	-897	981	-6	1,323
Total rights of use	17,341	3,079	-1,915	-3,624	1,908	-103	16,688

in thousand €	Carrying amount 01/01/2023	Additions	Disposals	Additions Amortisation	Disposal Amortisation	Rebookings/ Currency differences	Carrying amount 12/31/2023
Intangible assets	386	76	0	-245	0	29	246
Land and buildings	13,891	2,498	-230	-2,384	230	-72	13,933
Technical equipment and machinery	2,836	50	-151	-407	72	-503	1,897
Other equipment, operating and office equipment	1,356	622	-319	-809	411	4	1,265
Total rights of use	18,469	3,246	-700	-3,845	713	-542	17,341

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19. Development of goodwill, rights of use and amortisation rights from leasing/rental, other intangible assets and tangible assets

Acquisition/production costs

in thousand €	Initial portfolio 01/01/2024	Additions	Disposals	Rebooking	Currency difference	Closing balance 12/31/2024
Goodwill	39,310	0	0	0	139	39,449
Rights of use	29,106	3,079	-1,915	0	133	30,403
Software, advance payments and other intangible assets	3	736	-278	2,503	0	2,964
Licences and concessions	12,572	101	-140	-2,503	0	10,030
Customer base	38,005	0	0	0	476	38,481
Capitalised development costs	1,728	273	0	0	0	2,001
Total other intangible assets	52,308	1,110	-418	0	476	53,476
Land and buildings	67,995	205	-7,608	324	171	61,086
Technical equipment and machinery	94,857	2,048	-11,927	24,580	187	109,744
Other equipment, operating and office equipment	66,561	2,222	-15,520	-15,830	-24	37,410
Advance payments and assets under construction	10,644	2,691	-457	-9,074	10	3,814
Total tangible assets	240,057	7,166	-35,512	0	343	212,054

Depreciation, amortisation and impairment

in thousand €	Initial portfolio 01/01/2024	Additions	Disposals	Rebooking	Currency difference	Closing balance 12/31/2024
Goodwill	-461	0	0	0	0	-461
Rights of use	-11,820	-3,624	1,908	-141	-38	-13,716
Software, advance payments and other intangible assets	0	-215	278	-2,187	0	-2,124
Licences and concessions	-8,941	-688	107	2,135	0	-7,387
Customer base	-22,169	-3,219	0	0	-464	-25,853
Capitalised development costs	0	-68	0	0	0	-68
Total other intangible assets	-31,110	-4,190	385	-52	-464	-35,431
Land and buildings	-28,290	-1,894	3,264	-235	-31	-27,186
Technical equipment and machinery	-67,486	-6,574	11,899	-12,916	-122	-75,199
Other equipment, operating and office equipment	-51,993	-5,208	15,003	13,344	-17	-28,870
Advance payments and assets under construction	0	0	0	0	0	0
Total tangible assets	-147,769	-13,676	30,166	194	-170	-131,255

Acquisition/production costs

in thousand €	Opening balance 01/01/2023	Correction rights of use	Additions	Disposals	Rebooking	Changes to the consolidation scope	Currency difference	Closing balance 12/31/2023
Goodwill	39,802	-468	54	0	0	0	-78	39,310
Rights of use	27,530	-341	3,246	-700	-474	0	-155	29,106
Software, advance payments and other intangible assets	9,355	-9,733	395	-323	310	5	-6	3
Licences and concessions	4,070	8,502	0	0	0	0	0	12,572
Customer base	39,485	-1,211	0	0	0	0	-269	38,005
Capitalised development costs	1,382	-2	348	0	0	0	0	1,728
Total other intangible assets	54,292	-2,444	743	-323	310	5	-275	52,308
Land and buildings	89,129	-26,091	2,798	-230	0	2,618	-229	67,995
Technical equipment and machinery	90,001	-3,035	3,184	-1,363	4,008	2,189	-127	94,857
Other equipment, operating and office equipment	70,770	-8,086	5,056	-1,807	510	173	-55	66,561
Advance payments and assets under construction	7,021	-112	8,408	-27	-4,625	0	-21	10,644
Total tangible assets	256,921	-37,324	19,446	-3,427	-107	4,980	-432	240,057

Depreciation, amortisation and impairment

in thousand €	Initial portfolio 01/01/2023	Correction rights of use	Additions	Disposals	Rebooking	Changes to the consolidation scope	Currency difference	Closing balance 12/31/2023
Goodwill	-867	469	-63	0	0	0	0	-461
Rights of use	-9,061	286	-3,845	713	0	0	87	-11,820
Software, advance payments and other intangible assets	-7,411	7,928	-841	320	0	0	4	0
Licences and concessions	-1,793	-6,939	-212	3	0	0	0	-8,941
Customer base	-20,406	1,211	-3,216	0	0	0	242	-22,169
Capitalised development costs	0	0	0	0	0	0	0	0
Total other intangible assets	-29,610	2,200	-4,269	323	0	0	246	-31,110
Land and buildings	-33,647	12,437	-7,091	243	-13	-334	115	-28,290
Technical equipment and machinery	-61,951	283	-5,459	1,257	0	-1,680	64	-67,486
Other equipment, operating and office equipment	-55,909	7,452	-5,045	1,591	13	-143	48	-51,993
Advance payments and assets under construction	-115	112	0	0	0	0	3	0
Total tangible assets	-151,622	20,284	-17,595	3,091	0	-2,157	230	-147,769

Net book values of fixed assets

in thousand €	12/31/2024	12/31/2023
Goodwill	38,988	38,848
Rights of use	16,688	17,286
Software, advance payments and other intangible assets	841	3
Licences and concessions	2,642	3,631
Customer base	12,628	15,836
Capitalised development costs	1,933	1,728
Total other intangible assets	18,044	21,198
Land and buildings	33,900	39,705
Technical equipment and machinery	34,545	27,371
Other equipment, operating and office equipment	8,539	14,568
Advance payments and assets under construction	3,814	10,644
Total tangible assets	80,798	92,288

20. Goodwill

In accordance with IAS 36, goodwill is not amortised but is subject to an annual impairment test. The cash flows after taxes from current corporate planning are used for the next five years, while a continuous growth rate of 1% derived from long-term business expectations is used for subsequent periods. This is based primarily on assumptions about future sales prices and volumes, costs, market growth rates and exchange rates. The development of these assumptions is based on internal Group estimates as well as external market studies. The values determined in this way are discounted using the cost of capital rates after income taxes. The pre-tax cost of capital rates are as follows: Process Technology 11.0% to 12.2% (previous year: 9.6%), Resource Technology 11.4% to 11.7% (previous year: 10.9%), Healthcare Technology 10.3% (previous year: 11.2%) and Infrastructure Technology 13.6% to 16.0% (previous year: 12.7%). The cost of capital rates are calculated as a weighted average of the cost of equity and the cost of debt. The borrowing cost rates used represent the long-term

financing conditions of comparable companies. The calculated present value (value in use) is compared with the net assets including goodwill. If the net assets are higher than the value in use, an impairment loss is recognised in the amount of the difference. Goodwill arising from company acquisitions is allocated to 15 (previous year: 11) cash-generating units.

Significant within the meaning of IAS 36.134 are the goodwill of the United MedTec Group (€ 15.3 million), Sommer & Strassburger GmbH (€ 9.7 million) and the Pickhard & Gerlach Group (€ 6.3 million). Together, this goodwill accounts for 80.3% of total goodwill (previous year: 80.7%).

21. Shares valued using the equity method

The profit shares of companies accounted for using the equity method are included in the income statement in the result from companies accounted for using the equity method.

The total values are shown in the balance sheet, considering the Group's shareholding.

22. Income taxes

in thousand €	12/31/2024	12/31/2023
Actual tax expense/income	-3,689	-11,071
Deferred tax expense/income	-681	851
	-4,370	-10,220

The tax expense for 2024 mainly results from tax expenses for the current year from operating activities.

Tax reconciliation

At a tax rate of 30.71% (previous year: 30.5%), the expected income tax expense can be reconciled to the tax expense in the income statement as follows:

in thousand €	2024	2023
Earnings before income taxes	9,965	32,361
Expected Group income tax rate in %	30.71	30.50
Expected income tax expense in the reporting period	-3,060	-9,870
Permanent differences from non-tax-deductible expenses	-352	-217
Tax-free income	72	-187
Income taxes relating to other periods	593	194
Consolidation effects	0	183
Deferred taxes on losses, loss carry forwards and balance sheet differences for which no deferred taxes have been recognised	-2,820	-412
Tax rate deviations	784	-247
Other	413	336
Effective tax income/expense	-4,370	-10,220

The purpose of the tax reconciliation is to show the relationship between the tax result and the IFRS result by deriving the actual, effective tax expense from an expected tax expense. The expected tax expense is calculated by multiplying the applicable average Group tax rate by the IFRS earnings before income taxes. The Group tax rate corresponds to the tax rate of the Group parent company.

Recognised deferred tax assets and liabilities

Deferred taxes are generally calculated and recognised at 30.71% (previous year: 30.5%) on the basis of the temporary differences in the carrying amounts of assets and liabilities in the IFRS and tax balance sheets and on realisable loss carry forwards. The deferred taxes recognised result from the following balance sheet items and loss carry forwards.

Deferred taxes from loss carry forwards were capitalised to the extent that it can be assumed with sufficient certainty on the balance sheet date that these tax reduction potentials will be realised within a planning period of up to five years. Deferred tax assets in the amount of € 4,585 thousand (previous year: € 1,794 thousand) from tax loss carry forwards were not recognised as it is not considered highly probable that they will be offset against future taxable income within up to five years.

in thousand €	Active latencies		Passive latencies	
	12/31/2024	12/31/2023	12/31/2024	12/31/2023
Assets				
Intangible assets	984	1,777	-3,853	-4,368
Tangible assets	17	81	-5,991	-6,467
Financial assets	6	0	-34	0
Inventories	9	78	-77	-176
Receivables	326	542	-589	-61
Debts				
Pension provisions	995	793	-23	-46
Other provisions	98	261	-179	-242
Liabilities	3,719	4,020	0	-22
Miscellaneous	498	377	0	-393
Loss carry forwards	2,700	2,873	0	0
Deferred taxes (gross)	9,353	10,802	-10,745	-11,775
Netting ¹	-4,697	-5,772	4,697	5,772
Deferred taxes	4,657	5,030	-6,049	-6,004

¹ Deferred tax assets and liabilities are netted if the creditor and debtor are one and the same and the maturities match.

23. Inventories

Write-downs are allocated to the individual items as follows:

12/31/2024					
in thousand €	Raw materials and supplies	Unfinished goods and services	Finished goods and merchandise	Advance payments made	Total
Acquisition/production costs	35,600	28,382	81,411	1,051	146,444
Devaluations	-1,899	-220	-24	0	-2,144
Status 12/31/2024	33,701	28,162	81,387	1,051	144,300

12/31/2023					
in thousand €	Raw materials and supplies	Unfinished goods and services	Finished goods and merchandise	Advance payments made	Total
Acquisition/manufacturing costs	40,926	28,495	101,997	1,319	172,737
Devaluations	-3,605	-964	-4,530	0	-9,098
Status 12/31/2023	37,321	27,531	97,468	1,319	163,639

24. Trade receivables

Receivables are initially recognised at fair value. Subsequent measurement is at amortised cost, considering appropriate value adjustments.

Trade receivables are due within 12 months and do not bear interest.

in thousand €	12/31/2024	12/31/2023
Trade receivables (gross)	68,965	74,205
Value adjustments	-2,298	-1,326
Trade receivables (net)	66,668	72,879

Impairment losses on trade receivables developed as follows:

in thousand €	2024	2023
Value adjustments on 1 January	-1,326	-2,342
Additions	-1,431	-449
Disposals	369	1,465
Reclassification not recognised in profit or loss	91	0
Changes in the scope of consolidation	-1	0
Value adjustments as at 31 December	-2,298	-1,326

Impairments are recognised on a case-by-case basis, taking into account the creditworthiness, economic situation and economic environment of the respective business partner.

Receivables from companies accounted for using the equity method

As in the previous year, no impairment losses were recognised on receivables.

25. Other financial assets

in thousand €	12/31/2024	12/31/2023
Vendor loan	16,780	9,794
Other financial assets (non-current)	263	156
Advance payments made	125	0
Advance payments for sales tax	2,386	2,131
Other financial assets (current)	6,158	2,840
	25,712	14,921
Thereof long-term	17,044	9,950
Thereof short-term	8,669	4,971
	25,712	14,921

Non-current other assets essentially comprise three loans. These are a vendor loan in the amount of € 9 million plus capitalised interest with a latest maturity date of 21 December 2029, a vendor loan in the amount of € 2.65 million with a latest maturity date of 30 June 2035 and a vendor loan in the amount of € 3.99 million with a latest maturity date of 31 December 2029.

Other current assets mainly include prepaid expenses totalling € 5,029 thousand.

26. Income tax receivables and income tax liabilities

in thousand €	12/31/2024	12/31/2023
Income tax receivables	2,346	5,489
Income tax liabilities	4,877	13,214

Tax receivables decreased by € 3,143 thousand compared to the previous year. The reduction is mainly due to the refunds that GESCO SE received in the current year.

Income tax liabilities fell significantly by € 8,337 thousand to € 4,887 thousand in 2024. This reduction is mainly due to the payment of tax liabilities.

27. Cash and cash equivalents

in thousand €	12/31/2024	12/31/2023
Cash in hand	1	0
Bank balances	33,289	34,464
	33,290	34,464

28. Equity capital

Subscribed capital

The subscribed capital of the Group corresponds to the subscribed capital of GESCO SE and amounts to € 10,839,499.00, divided into 10,353,818 no-par value registered shares with full voting and dividend rights and 485,681 treasury shares. The subscribed capital is fully paid up.

The Annual General Meeting on 18 June 2020 authorised the Company, with the approval of the Supervisory Board, to increase the Company's share capital on one or more occasions until 17 June 2023 by up to a total of € 1,083,949.00 against cash and/or non-cash contributions by issuing up to 1,083,949 new no-par value registered shares (Authorised Capital 2020). Subscription rights could be excluded in certain cases. No use was made of this authorisation in the reporting period.

The Annual General Meeting on 18 June 2020 authorised the Company to acquire treasury shares up to ten per cent of the share capital until 17 June 2025, taking into account treasury shares already held by the Company. On 28 March 2024, the Executive Board of GESCO SE made use of this authorisation with the approval of the Supervisory Board and resolved to buy back up to 500,000 no-par value registered shares in the Company by way of a voluntary public share buyback offer. GESCO SE ultimately bought back 499,974 shares. GESCO Group employees are offered a limited number of discounted GESCO shares as part of the employee share ownership programme, which usually takes place annually. In this context, 25,623 shares were sold to GESCO Group employees.

The Executive Board is also authorised, with the approval of the Supervisory Board, to sell the acquired shares under certain conditions in a manner other than via the stock exchange or by offering them to all shareholders, to use them for the purpose of acquiring a Company or participating interest or to withdraw them in whole or in part. With the exception of the sale of shares for the purposes of the employee share ownership programme, the Executive Board has not yet made use of this authorisation. As at the reporting date, GESCO SE held 485,681 treasury shares.

The shares in circulation and treasury shares developed as follows:

	Shares in circulation	Shares in own portfolio	Proportion of share capital in %
Status 12/31/2022	10,839,499	0	0.00
Acquisitions	-36,000	36,000	0.33
Employee share ownership programme	24,670	-24,670	0.23
Status 12/31/2023	10,828,169	11,330	0.10
Acquisitions	-499,974	499,974	4.61
Employee share ownership programme	25,623	-25,623	0.24
Status 12/31/2024	10,353,818	485,681	4.48

In the past, the Company ran an employee share ownership programme for a period of around two months following the Annual General Meeting in the second half of the calendar year, giving GESCO Group employees the opportunity to acquire shares in GESCO SE at a discounted purchase price compared to the stock market price. Of the shares sold in the reporting year as part of the employee share ownership programme with a total value of € 457 thousand (previous year: € 718 thousand), 25,623 shares were sold to employees at a sales price of € 205 thousand (previous year: € 370 thousand). The discount granted to employees was recognised in other operating expenses.

Nature and purpose of the reserves

(i) Capital reserve

The capital reserve serves to generally strengthen GESCO's equity base. It has not changed compared to the previous year and amounts to € 72,433 thousand (previous year: € 72,433 thousand).

(ii) Accumulated profit for the period and other reserves

The Annual General Meeting of GESCO SE authorised the Company to acquire treasury shares in accordance with Section 71 para. 1 no. 8 AktG and to issue them as part of a share option programme. On 28 March 2024, the Executive Board of GESCO SE made use of this authorisation with the approval of the Supervisory Board (see subscribed capital).

Retained earnings increased in the reporting year by the net profit for the year of € 4,439 thousand.

The proposed dividend per share is € 0.10 at the time the financial statements were prepared. Based on the nominal number of shares of 10,353,818 shares currently entitled to dividends, the proposed distribution amounts to € 1,035 thousand. The distribution has no income tax consequences for the Company. In the previous year, a dividend of € 0.40 per share was distributed on the share capital entitled to dividends at the time the resolution was passed (10,328,195 shares).

(iii) Non-controlling interests

Minority interests relate to the capital and profit shares in the corporations and partnerships. Minority interests in the corporations are recognised in equity and mainly result from shares in Doerrenberg Edelstahl GmbH with its subsidiaries and Hubl GmbH.

Analysis of other comprehensive income

In addition to the currency adjustment items and the recognition of currency hedging transactions directly in equity, other comprehensive income includes in particular the effects of actuarial gains and losses from pension obligations recognised directly in equity.

29. Employee benefits

Provisions for pensions are based on final salary-based direct commitments for former Executive Board members of GESCO SE and current and former executive bodies and employees of subsidiaries as well as pension commitments for parts of the workforce in the form of fixed amounts. Pension provisions relate exclusively to defined benefit pension plans and are calculated using the projected unit credit method in accordance with IAS 19.

Reinsurance policies taken out to finance pension obligations are qualified as plan assets and netted against the value of the obligation if the insurance benefits coincide with the payments to the entitled employees and are due to the employee in the event of the employer's insolvency. The plan assets are recognised at fair value.

The present value of the defined benefit obligations developed as follows:

Pension provisions

in thousand €	2024	2023
Pension provisions as of 01/01	8,880	10,418
Current service cost	8	23
Interest expense	324	289
Revaluations:		
Actuarial result of a financial nature	372	-1,194
Actuarial result of experience adjustments	154	0
Pension benefits paid	-696	-656
Pension provisions as of 12/31	9,042	8,880

Development of plan assets (reinsurance):

in thousand €	12/31/2024	12/31/2023
Plan assets as of 1. January	224	209
Interest income	9	6
Actuarial result	-4	2
Employer contributions	7	7
Plan assets as of 31 December	236	224

The pension provisions are derived as follows:

in thousand €	12/31/2024	12/31/2023
Present value of defined benefit obligations	9,042	8,880
Plan assets (reinsurance)	-236	-224
Changes in the scope of consolidation	-191	0
	8,615	8,656

The calculations are based on the basic biometric values (mortality tables) according to Prof Dr Klaus Heubeck (2018 G) and the following actuarial assumptions:

in %	12/31/2024	12/31/2023
Discount rate at the balance sheet date	3.20	3.79
Future pay increases	3.00	3.00
Future pension increases	2.00	2.00
Fluctuation	1.00	1.00

The interest rate is determined on the basis of market data published by Heubeck AG and takes into account the parameters relevant to GESCO (e.g. duration).

The expected future pension payments as follows:

in thousand €	2025	2026-2029	2030-2034
Expected pension payments	694	2,860	3,713

In accordance with IAS 19.145, the sensitivity analysis must show the effects of possible changes in the parameters of the assumptions on which the calculation of pension obligations is based. Only changes that can realistically be expected in the following financial year are to be considered.

The discount rate, pension trend and life expectancy are regarded as key assumptions. These parameters are presented in the following overview, together with the changes in the parameters and their impact on the present value of the defined benefit obligation:

in thousand €		Increase by ...	Reduction by ...
Discount rate at the balance sheet date	... 100 basis points	8,259	10,027
Future pension increases	... 25 basis points	9,274	8,879
Change in life expectancy	... 1 year	9,805	8,301

Risks from defined benefit pension commitments arise from obligations and can have negative effects on provisions and equity.

As a large proportion of defined benefit pension commitments comprise lifelong pension benefits and surviving dependants' pensions, earlier utilisation or longer pension periods can lead to higher pension obligations, higher pension expenses and higher pension payments than previously expected.

30. Other provisions

The composition and development of other provisions are shown in the following overview:

in thousand €	01/01/2024	Allocation/ utilisation	Resolution	Rebooking ¹	Currency	Change consolidation scope	12/31/2024
Purchase price annuity obligations	475	40	0	0	0	0	515
Personnel provision	207	7	0	-207	0	0	7
Restructure	179	696	0	0	0	0	875
Impending loss/warranties	4,817	-25	-1,437	0	0	-350	3,005
Testing and counselling	1,048	3	-313	0	5	-34	709
Provisions other	1,008	2,351	-300	-170	0	-151	2,738
	7,734	3,072	-2,050		5	-535	7,849
Thereof long-term	682						522
Thereof short-term	7,052						7,327
	7,734						7,849

¹ Transfer to liabilities

The purchase price pension obligation arose as part of the purchase of shares in a subsidiary and is recognised at the present value of the defined benefit obligation in accordance with IAS 19.

31. Financial liabilities

Liabilities from financing activities are broken down into the following repayment obligations:

in thousand €	< 1 year	1-5 years	>5 years	Total 12/31/2024
Liabilities to banks	31.472	25.476	319	57.267
Leasing liabilities	3.360	14.255	0	17.615
	34.832	39.731	319	74.882

in thousand €	< 1 year	1-5 years	>5 years	Total 12/31/2023
Liabilities to banks	54.314	28.824	3.930	87.068
Leasing liabilities	3.735	14.272	0	18.007
	58.049	43.096	3.930	105.075

Liabilities to banks and guarantee credit lines are essentially secured by collateral:

in thousand €	12/31/2024	12/31/2023
Land charges	7,242	18,560
Carrying amount of existing properties and properties under construction	7,560	18,613
Transfer by way of security of		
Movable fixed assets	0	4,725
Inventories	0	3,889

In addition, shares in subsidiaries with a total carrying amount of € 38,848 thousand (previous year: € 38,848 thousand) are pledged.

€ 27,602 thousand (previous year: € 62,605 thousand) of the liabilities to banks relate to long-term loans with fixed repayment terms and remaining terms of between 1 and 8 years (previous year: between 1 and 9 years).

The interest rates for the loans vary from 0.95%–5.10% (previous year 1.04%–6.65%). The other liabilities to banks relate to current accounts.

32. Trade accounts payable and other liabilities

The repayment obligations for other liabilities are as follows:

in thousand €	< 1 year	1 – 5 years	>5 years	Total 12/31/2024
Liabilities from deliveries and services	15,021	0	0	15,021
Advance payments received on orders	22,392	0	0	22,392
Other liabilities	23,150	394	0	23,544
	60,563	394	0	60,957

in thousand €	< 1 year	1 – 5 years	>5 years	Total 12/31/2023
Liabilities from deliveries and services	11,817	0	0	11,817
Advance payments received on orders	13,623	0	0	13,623
Other liabilities	37,566	833	0	38,399
	63,006	833	0	63,839

33. Other liabilities

Other liabilities are broken down into

in thousand €	12/31/2024	12/31/2023
Long-term bonus	365	0
Miscellaneous other liabilities (non-current)	29	833
Advance payments received on orders	22,392	13,623
Other taxes	6,053	4,776
Wages, salaries, bonuses, social security	10,127	11,855
Outstanding incoming invoices	2,201	2,222
Miscellaneous other liabilities (current)	4,768	5,499
	45,937	38,808
Thereof long-term	394	833
Thereof short-term	45,542	37,975
	45,937	38,808

Miscellaneous other liabilities mainly relate to short-term liabilities to third parties.

The non-current bonus provision relates to the performance-related multi-year share-based remuneration component of the members of the Executive Board in the form of 18,067 virtual shares with cash settlement for the reporting year at fair value. The short-term bonus provision includes the variable remuneration component for the members of the Executive Board. Further details can be found in the remuneration report. In the previous year, the bonus provisions were still recognised under other provisions.

34. Notes to the cash flow statement

In the 2024 financial year, the Group implemented a more detailed presentation of the cash flow statement, which limits comparability with the previous year's data. The aim of these changes is to increase the transparency and comprehensibility of financial information. The cash flow statement in accordance with IAS 7 (Cash Flow Statement) shows how cash and cash equivalents have changed in the Group over the course of the reporting year as a result of inflows and outflows. Cash and cash equivalents totalled € 33,290 thousand (previous year: € 34,464 thousand).

The items are recognised in cash flow from operating activities.

The development of liabilities from financing activities is shown in the following table:

in thousand €	01/01/2024	Additions payment effective	Disposals payment effective	Disposals/ additions payment ineffective	12/31/2024
Liabilities to banks	87,068	1,825	-31,241	-385	57,267
Leasing liabilities	18,007	0	-4,032	3,640	17,615
	105,075	1,825	-35,273	3,255	74,882

in thousand €	01/01/2023	Additions payment effective	Disposals payment effective	Disposals/ additions payment ineffective	12/31/2023
Liabilities to banks	76,357	10,711	0	0	87,068
Leasing liabilities	18,632	0	-2,370	1,745	18,007
	94,989	10,711	-2,370	1,745	105,075

35. Information on segment reporting

The companies are allocated to the segments according to their respective field of activity. The segmentation is based on the respective end customer markets and comprises the three reportable segments of Process Technology, Resource Technology and Healthcare and Infrastructure Technology. What they all have in common is that they are business models in the business-to-business area; the focus is on the capital goods industry. The definition of segments and the selection of the key figures presented are in line with the internal management and reporting systems.

The Process Technology segment comprises subsidiaries that primarily support series manufacturers in their production processes with their products and services. The Resource Technology segment comprises companies that supply material-intensive industrial companies. The companies in the Healthcare and Infrastructure Technology segment supply providers for end-consumer-related mass markets in the medical, hygiene, food and sanitary sectors.

In addition to GESCO SE, the GESCO SE/Other companies segment includes those immaterial companies that are not allocated to any of the other segments. Consolidation effects and the reconciliation to the corresponding Group figures are recognised in the reconciliation item.

in thousand €	Process technology		Resources technology		Health and infrastructure technology		GESCO SE/ Other companies		Reconciliation		Group	
	01/01/2024-12/31/2024	01/01/2023-12/31/2023	01/01/2024-12/31/2024	01/01/2023-12/31/2023	01/01/2024-12/31/2024	01/01/2023-12/31/2023	01/01/2024-12/31/2024	01/01/2023-12/31/2023	01/01/2024-12/31/2024	01/01/2023-12/31/2023	01/01/2024-12/31/2024	01/01/2023-12/31/2023
Order backlog	43,785	56,511	105,208	105,767	39,937	34,078	0	0	0	0	188,931	196,356
Incoming orders (consolidated)	92,560	93,272	290,044	321,825	136,496	127,649	0	0	0	0	519,100	542,746
Sales revenue	104,244	107,633	283,620	320,962	126,227	132,170	1,761	2,124	-2,043	-2,165	513,809	560,724
IC sales revenue	91	0	0	71	62	20	1,761	2,124	-1,914	-2,215	0	0
Depreciation and amortisation (separate financial statements)	-2,395	-2,187	-7,655	-5,193	-4,383	-4,625	-66	-4,584	-6,991	-6,555	-21,491	-23,144
EBIT	8,321	12,026	7,922	28,122	6,155	9,450	-6,416	-11,582	-799	-2,150	15,183	35,866
Investments	2,480	3,852	5,289	8,311	3,526	5,280	61	6	0	2,687	11,356	20,136
Employees (number/reporting date)	493	521	729	859	408	504	12	16	0	0	1,642	1,899

There are no significant business relationships between the segments.

Segment investments relate to intangible assets (excluding goodwill) and tangible assets including capitalised rights of use in accordance with IFRS 16 in the “Reconciliation” column.

The measurement of the results of the reportable segments is based on German commercial law. The reconciliation to international accounting standards is shown in the reconciliation item. The consolidated EBIT can be reconciled to the Group earnings for the year using the consolidated income statement.

The breakdown of sales by region (sales country) is as follows:

	12/31/2024		12/31/2023	
	thousand €	%	thousand €	%
Germany	240,134	46.7	260,974	46.5
Europe without Germany	154,302	30.0	155,552	27.7
Other	119,374	23.2	144,198	25.7
	513,809	100.0	560,724	100.0

Information on revenue from products and services in accordance with IFRS 8.32 can only be presented at disproportionately high expense due to the heterogeneous nature of the products and services and is therefore not provided.

The non-current assets (only intangible assets and tangible fixed assets) are mainly distributed across the Germany region.

In financial year 2024 and the previous year, no customer accounted for more than 10% of GESCO Group sales.

36. Financial instruments

Capital management

The objectives of the Group's capital management are:

- Long-term value enhancement in the interests of investors,
- Ensuring that the Group has sufficient liquidity,
- Ensuring the ability to service debt,
- Creation of financial flexibility to implement the growth and portfolio optimisation strategy,
- Determining and managing interest rate risks and tapping potential for optimising the interest result within the scope of the relevant risk preference.

As part of GESCO's opportunity and risk management, the members of the Executive Board and management are informed monthly about key operating figures, earnings performance and their potential impact on Group equity.

The equity situation of the subsidiaries is subject to regular review.

The consolidated equity of the Group developed as follows

in thousand €	12/31/2024	12/31/2023
Equity capital	270,086	277,654
Balance sheet total	433,316	468,962
Equity ratio in %	62.3	59.2



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in thousand €	Evaluation category	Amortised acquisition costs	Fair value		Total	
	IFRS 9		effective	success-neutral	Book-worth	Fair value
Financial assets	At amortised cost	156	0	0	156	156
Derivative financial instruments (non-current and current)	In other comprehensive income at fair value	0	0	0	0	0
Receivables from goods and services	At amortised cost	66,668	0	0	66,668	66,668
Other financial assets	At amortised cost	25,557	0	0	25,557	25,557
Cash and cash equivalents	At amortised cost	33,290	0	0	33,290	33,290
Total financial assets		125,671	0	0	125,671	125,671
Financial liabilities (non-current and current)	At amortised cost	57,267	0	0	57,267	57,267
Leasing liabilities	Not within the scope of IFRS 9	0	0	0	17,615	17,615
Derivative financial instruments (non-current and current)	In other comprehensive income at fair value	0	0	200	200	200
Liabilities from deliveries and services	At amortised cost	15,021	0	0	15,021	15,021
Other financial liabilities	At amortised cost	45,736	0	0	45,736	45,736
Total financial liabilities		118,024	0	200	135,839	135,839

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in thousand €	Evaluation category	Amortised acquisition costs	Fair value		Total	
	IFRS 9		effective	success-neutral	Book-worth	Fair value
Financial assets	At amortised cost	12,821	0	0	12,821	12,821
Derivative financial instruments (non-current and current)	In other comprehensive income at fair value	0	0	18	18	18
Receivables from goods and services	At amortised cost	73,080	0	0	73,080	73,080
Other financial assets	At amortised cost	8,838	0	0	8,838	8,838
Cash and cash equivalents	At amortised cost	34,464	0	0	34,464	34,464
Total financial assets		129,203	0	18	129,221	129,221
Financial liabilities (non-current and current)	At amortised cost	87,068	0	0	87,068	87,068
Leasing liabilities	Not within the scope of IFRS 9	0	0	0	18,007	18,007
Derivative financial instruments (non-current and current)	In other comprehensive income at fair value	0	0	0	0	0
Liabilities from deliveries and services	At amortised cost	11,817	0	0	11,817	11,817
Other financial liabilities	At amortised cost	38,229	0	0	38,229	38,229
Total financial liabilities		137,114	0	0	155,121	155,121



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Due to the predominantly short-term maturities of trade receivables and payables, other assets and liabilities and cash and cash equivalents, the carrying amounts on the balance sheet date do not differ significantly from the fair values.

The fair value of liabilities to banks totalled € 57,267 thousand as at the balance sheet date.

The fair values of financial assets measured at fair value correspond to the present value of future cash inflows or outflows based on unobservable input factors. The fair values of financial liabilities measured at fair value are determined using valuation techniques based on observable market data as at the balance sheet date.

Financial risk management

GESCO Group has implemented a Group-wide risk management system in order to recognise risks as early as possible and initiate countermeasures. Detailed information on risks and opportunities can be found in the Group management report.

Risks from financial instruments affect GESCO Group with regard to credit risks, liquidity risks and market price risks. All risk types can influence the Group's net assets, financial position and results of operations. Credit risks mainly relate to trade receivables and other assets. Liquidity risks include the risk of not being able to fulfil payment obligations at the required time. Market price risks mainly relate to exchange rate changes in relation to the operating business and interest rate changes in relation to financing.

As the type and scope of the respective risks are relevant to varying degrees for each Group Company, the management of these risks is defined for each Company. Risk management is primarily carried out in the course of operational business and financing activities.

Information on the individual risk categories

(i) Credit risk

Credit risks consist of the danger of economic loss if a contractual partner does not fulfil its payment obligation at all, only partially or not on time. The management of trade receivables is a high priority for the Group companies. Receivables are widely diversified; no single debtor accounts for more than 10% of the Group's receivables. The type and scope of credit collateralisation is based on the credit rating of the respective customer. The main instruments used are export insurance, letters of credit, credit insurance, advance payment, guarantees, sureties and retention of title. The Group's default risks are limited to the usual business risk. Valuation allowances have been recognised for identifiable default risks. The counterparty risk for derivative financial instruments is limited by concluding derivatives exclusively with reputable domestic banks. Valuation allowances are calculated using a simplified impairment model based on Company-specific and portfolio-specific default rates. The default rates used are based on the average bad debt losses of recent years, unless justified assumptions require an adjustment. The business model, the respective customer and the economic environment are taken into account when determining the expected default rates. Receivables whose debtors are subject to insolvency or comparable proceedings, for example, or for which there are other objective indications of impairment (such as a significant deterioration in creditworthiness or financial restructuring) are tested individually for impairment. In addition, all receivables that are more than 180 days overdue are also individually reviewed during the year to determine whether it is necessary to recognise a specific valuation allowance.

The theoretical maximum default risk (credit risk) comprises the full default of the carrying amounts of the financial instruments. The default risk of non-impaired financial instruments is currently estimated to be low, as the risk management instruments limit the probability of default. The following table contains the estimated default risk and credit losses on trade receivables:

12/31/2024

in thousand €	Not overdue	Overdue on the balance sheet date in the following interval				
		less than 30 days	between 31 and 60 days	between 61 and 90 days	between 91 and 180 days	more than 180 days
Gross carrying amount	51,170	8,219	2,269	2,175	1,060	3,831
Value adjustment	0	0	0	-707	-345	-1,246
Net carrying amount	51,170	8,219	2,269	1,468	716	2,585

12/31/2023

in thousand €	Not overdue	Overdue on the balance sheet date in the following interval			
		less than 30 days	between 31 and 60 days	between 61 and 90 days	more than 91 and 180 days
Gross carrying amount	56,200	7,673	5,293	995	4,044
Value adjustment	0	0	-679	-128	-519
Net carrying amount	56,200	7,673	4,614	867	3,525

(ii) Liquidity risk

Cash management is conducted individually for each Group company; there is no centralised cash pooling within the Group. Cash management includes the expected cash flows from operating activities as well as the expected cash flows from financial assets and liabilities.

Future cash outflows will essentially be covered by cash inflows from operating activities. Peaks in financial requirements are covered by existing liquidity and credit lines.

(iii) Market risk

Market price risks relate to exchange rate risks from the operating business, interest rate and exchange rate risks from financing and price changes in securities.

Market price risks from exchange rate risks arise from international business relationships. Exchange rate movements are subject to continuous monitoring using a wide range of information sources. The exchange rate between the US dollar and the euro is of particular importance. If Group companies produce in the eurozone and invoice in US dollars, changes in the exchange rate between the US dollar and the euro naturally have an impact on the general competitiveness and profitability of individual projects of these companies.

Currency risks are hedged by means of forward exchange transactions for significant business transactions. These forward exchange transactions can give rise to market price risks insofar as foreign currencies must be sold at the current spot rate on the settlement date. Ultimately, forward transactions serve to avoid risks from changes in exchange rates – thus eliminating losses from exchange rate changes as well as potential gains from exchange rate changes. The term and scope of these transactions correspond to the underlying operating transactions.

In accordance with IFRS 7, the Company prepares sensitivity analyses for market price risks in order to determine the effects of hypothetical changes in risk variables. These hypothetical changes are related to the portfolio of financial instruments on the reporting date. It is assumed that the portfolio on the reporting date is representative for the year as a whole.

(iv) Interest rate risk

Interest rate risks mainly result from debt financing. In accordance with IFRS 7, interest rate risks are presented using sensitivity analyses. These analyses show the effects of hypothetical changes in market interest rates on interest expenses. If the market interest rate had been 100 basis points higher or lower in the reporting year, the net income and equity after minority interests would have been € 546 thousand (previous year: € 649 thousand) lower or higher.

(v) Currency risk

GESCO Group is only exposed to currency risks from trade relationships to a limited extent. Deliveries by subsidiaries outside the eurozone are hedged using forward contracts for larger orders.

Foreign currency trade receivables totalled € 15,032 thousand as at the balance sheet date (previous year: € 10,199 thousand). This corresponds to 22.6% of total trade receivables (previous year: 13.7%). Receivables are denominated in the following currencies:

in thousand €	12/31/2024	12/31/2023
US dollar	9,287	5,882
Chinese renminbi yuan	1,370	1,597
Taiwan dollar	1,079	1,048
Mexican peso	1,976	1,388
Singapore dollar	1,178	208
Hungarian forint	143	76
	15,032	10,199

A 10% change in exchange rates as at the balance sheet date would have had an impact of € 162 thousand (previous year: € 1,252 thousand) on profit or loss and equity after minority interests.

Forward exchange transactions and a foreign currency loan are used to hedge pending sales transactions against the exchange rate risk. The fair values of the hedging transactions totalled € –200 thousand (previous year: € +18 thousand) on the balance sheet date. € –151 thousand (previous year: € +9 thousand) was recognised in other comprehensive income after deduction of deferred taxes.

37. Leases

As a lessee, GESCO has primarily concluded contracts for property, machinery and equipment as well as vehicles. Lease agreements are negotiated individually and contain different agreements on, for example, extension, cancellation or purchase options. The purchase price depends on when the options are exercised.

The development of the carrying amounts of the right-of-use assets by class is shown in the statement of changes in non-current assets.

Interest expenses in the reporting period totalled € 614 thousand (previous year: € 520 thousand). The cash outflows for leases are shown in the cash flow statement.

38. Contingent liabilities and commitments

There are purchase commitments from investment projects totalling € 0 thousand (previous year: € 1,004 thousand).

Various GESCO Group companies are obliged to comply with certain covenants. Due to the subsidiaries' compliance with the covenants, the Company is not expected to be utilised as at the reporting date.

There are no ongoing legal disputes that are expected to have a material impact on earnings over and above the amounts recognised as provisions. The warranties entered into are within the normal scope for the industry. If a claim is expected, a provision has been recognised in the amount of the expected outflow of resources.

GESCO SE has entered into an agreement with a former Executive Board member under which GESCO SE indemnifies this former Executive Board member up to an amount of € 20 million against liability claims arising from certain breaches of duty plus any legal fees arising from or in connection with his activities as managing director of a former subsidiary. This indemnification is subordinate to the insurance cover provided by a D&O insurance policy. As at the balance sheet date, based on current estimates, no claims are expected to be asserted due to a lack of recognisable breaches of duty or claims asserted by the Company or third parties.

39. Related companies and persons

Related parties within the meaning of IAS 24 are legal or natural persons who can exert influence on GESCO SE and its subsidiaries or who are subject to control, joint control or significant influence by GESCO SE or its subsidiaries. In particular, this includes non-consolidated subsidiaries measured at fair value and associates recognised at fair value or at equity. It also includes the members of the executive bodies of GESCO SE, whose remuneration is disclosed in the notes and the remuneration report.

Members of the Supervisory Board

- Stefan Heimöller, Düsseldorf, Chairman, Managing Partner of Plate Stahl Umformtechnik GmbH, Lüdenscheid, and Helios GmbH, Neuenrade
- Jens Große-Allermann, Cologne, Deputy Chairman, Member of the Executive Board of Shareholder Value Management AG, Frankfurt am Main (since 1 March 2024), member of the Executive Board of Investmentaktiengesellschaft für langfristige Investoren TGV, Bonn, and member of the Executive Board of Fiducia Treuhand AG, Bonn (until 29 February 2024)
- Klaus Möllerfriedrich, Haan Gruiten, Retired auditor, Deputy Chairman of the Supervisory Board of TopAgers AG, Langenfeld
- Dr. Nanna Rapp, Düsseldorf, Member of the Supervisory Board

Remuneration of the Supervisory Board

The remuneration of the members of the Supervisory Board for the 2024 financial year totalled € 268 thousand (previous year: € 366 thousand).

Members of the Executive Board of GESCO SE

- Ralph Rumberg, Witten, CEO/Spokesman of the Executive Board until 30 June 2024
- Johannes Pfeffer, graduate physicist, MBA, Tübingen, CEO/Spokesman of the Executive Board since 1 October 2024
- Andrea Holzbaur, business graduate, Düsseldorf, CFO

Total remuneration of the Executive Board

The Executive Board remuneration totalled € 876 thousand for the 2024 financial year (previous year: € 1,313 thousand). This includes a multi-year share-based remuneration component in the form of a virtual share programme with an expected 4,650 shares and a fair value of € 65 thousand, which will be approved by the Supervisory Board when the consolidated financial statements are adopted. In the previous year, the fair value of the 5,700 share options promised in the 2021 financial year was included in the amount of € 141 thousand. The remuneration system and the remuneration for the Executive Board are explained individually in the remuneration report.

As of 31 December 2024, there were pension obligations (DBO) for retired members of the Executive Board amounting to € 1,402 thousand (previous year: € 1,370 thousand). Two members of the Executive Board were granted benefits totalling € 121 thousand (previous year: € 97 thousand) in the financial year from the pension commitment granted to them.



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Transactions with key management personnel and other transactions with related parties

Business relations between fully consolidated Group companies and non-fully consolidated companies are conducted at arm's length. Receivables from and liabilities to affiliated companies relate to AMTRION USA Inc., USA. The entrepreneur Stefan Heimöller, who was elected to the Supervisory Board of GESCO SE by the Annual General Meeting, maintains small-scale purchasing and sales of steel products to Dörrenberg Edelstahl GmbH and SVT GmbH, both subsidiaries of GESCO SE, via his Company Platestahl Umformtechnik GmbH. These business relationships are conducted on arm's length terms.

Group relationships

The consolidated financial statements for the smallest and largest group of companies are prepared by GESCO SE, headquartered in Wuppertal, and published in the electronic Federal Gazette.

As subsidiaries included in the consolidated financial statements of GESCO SE, the companies listed in the following table (Group companies) have utilised the exemptions under Section para. 3 HGB or Section 264b HGB with regard to auditing and disclosure. These exemptions were utilised with reference to Section 264 para. 3 HGB or Section 264b HGB and with disclosure of the parent Company in the respective financial statements of the subsidiary published in the Federal Gazette.

40. German Corporate Governance Code

The Executive Board and Supervisory Board of GESCO SE generally comply with the German Corporate Governance Code and have made the declaration of compliance available to shareholders on the GESCO SE website.

The Executive Board holds a total of around 0.0022% of the Company's shares. The members of the Supervisory Board hold a total of around 14.20 % of the shares in the Company.

41. Group companies

The following table shows the GESCO Group companies. The share of capital in % refers to the sum of directly and indirectly held shares as well as non-controlling interests.

Company	Shares
Fully consolidated companies	
GESCO SE, WUPPERTAL	
Dörrenberg Edelstahl GmbH, Engelskirchen	100.00%
Dörrenberg Tratamientos Térmicos SL, Uharte Arakil, Navarra, Spain	60.00%
Dörrenberg Special Steels PTE. Ltd, Singapore	90.00%
Dörrenberg International PTE. Ltd, Singapore	90.00%
Doerrenberg Special Steels Taiwan Ltd, Tainan, Taiwan	90.00%
Middle Kingdom Special Steels PTE Ltd, Singapore	54.00%
Jiashan Doerrenberg Mould & Die Trading Co., Jiashan, China	54.00%
Doerrenberg Specialty Steel Corp., Macedonia, Ohio, USA	100.00%
Tremblay Tool Steels, LLC, Macedonia, Ohio, USA	100.00%
Doerrenberg Real Estate LLC, Macedonia, Ohio, USA	100.00%
Franz Funke Zerspanungstechnik GmbH & Co KG, Sundern ¹	100.00%
Franz Funke Verwaltungs GmbH, Sundern	100.00%
Georg Kesel GmbH & Co KG, Kempten ¹	100.00%
Kesel International GmbH, Kempten	100.00%
Georg Kesel Machinery (Jiashan) Co, Ltd, Jiashan, China	100.00%
Kesel North America, LLC, Milton, Wisconsin, USA	100.00%
Kesel & Probst Verwaltungs-GmbH, Kempten	100.00%
INEX - solutions GmbH, Bretten	100.00%
Hubl GmbH, Vaihingen/Enz	80.00%
Sommer & Strassburger GmbH, Bretten ²	100.00%
So-Stra Verwaltungs-GmbH i. L., Bretten	100.00%
INEX - solutions International GmbH, Bretten	100.00%
INEX - solutions USA Inc., Fort Mill, South Carolina, USA	100.00%
MAE Maschinen- und Apparatebau Götzen GmbH, Erkrath ²	100.00%
MAE International GmbH, Erkrath	100.00%
MAE Machines (Beijing) Co, Ltd, Beijing, China	100.00%
MAE Amerika GmbH, Erkrath	100.00%

Company	Shares
MAE - Eitel Inc., Orwigsburg, Pennsylvania, USA	100.00%
Grafic Beteiligungs-GmbH i. L., Wuppertal	100.00%
IMV Verwaltungs GmbH i. L., Wuppertal	100.00%
Pickhardt & Gerlach GmbH & Co KG, Finnentrop ¹	100.00%
Hekhorn Verwaltungs-GmbH, Finnentrop	100.00%
Hekhorn Immobilien GmbH, Finnentrop	100.00%
Setter Holding GmbH, Emmerich ²	100.00%
Setter GmbH & Co. paper processing, Emmerich ¹	100.00%
Setter Treuhand GmbH, Emmerich	100.00%
HRP-Leasing GmbH, Emmerich ²	100.00%
Setter International GmbH, Emmerich	100.00%
Setterstix Inc, Fountain Inn, South Carolina, USA	100.00%
SQG Verwaltungs GmbH, Emmerich	100.00%
Setterstix de México S.A.DE C.V., San Luis Potosi, Mexico	100.00%
SVT GmbH, Schwelm	100.00%
SVT APAC PTE. LTD, Singapore	100.00%
Connex SVT Inc., Houston, Texas, USA	100.00%
BAV Tatabánya Kft, Tatabánya, Hungary	100.00%
SVT China Ltd.	100.00%
United MedTec Holding GmbH, Porta Westfalica	100.00%
AMTRION GmbH, Porta Westfalica	100.00%
Haseke Beteiligungs-GmbH, Porta Westfalica	100.00%
Tragfreund GmbH, Porta Westfalica	100.00%
Associated companies	
Saglam Metal Sanayi Ticaret A.S., Istanbul, Turkey	20.00%
Doerrenberg Special Steels Korea Co. Ltd, Jeongwang-dong, South Korea	45.00%
Non-consolidated companies	
AMTRION USA Inc, Fountain Inn, South Carolina, USA	100.00%

¹ Utilisation of the exemption pursuant to section 264b HGB
² Utilisation of the exemption pursuant to Section 264 (3) HGB

The control of the fully consolidated subsidiaries mainly results in risks of changes in the value of the assets of these companies and financing risks.

The following table shows the GESCO companies that – unlike in the previous year – are no longer included in the consolidated financial statements as at 31 December 2024:

Scope of consolidation		
Company	Date of disposal	Type of disposal
AstroPlast Kunststofftechnik GmbH & Co KG	12/31/2024	Sale
AstroPlast Verwaltungs GmbH	12/31/2024	Sale
Q-Plast GmbH & Co. plastics processing i. L.	12/31/2024	Liquidation
Q-Plast Beteiligungs-GmbH i. L.	12/31/2024	Liquidation

42. Employees

in thousand €	12/31/2024	12/31/2023
Employees	1,825	1,847
Apprentices	38	47
Annual average number of employees	1,863	1,894

Part-time employees were converted to full-time employees.

43. Auditors' fees

The following fees (including expenses) were recognised as expenses for the services provided by the Group auditor Forvis Mazars GmbH & Co. KG Wirtschaftsprüfungsgesellschaft Steuerberatungsgesellschaft, Düsseldorf, in the financial year:

in thousand €	2024	2023
Final audits	720	675
Other auditing services	100	0
	820	675

44. Events after the balance sheet date

Saglam Metal Sanayi Ticaret A.S. filed for insolvency on 3 March 2025. The company, with a residual carrying amount of € 463 thousand, is recognised at equity, meaning that the pro rata result of € –819 thousand is already included in the consolidated financial statements.

No other events of particular significance occurred after the end of the financial year.

Wuppertal, 31 March 2025

GESCO SE
 – Executive Board –

Johannes Pfeffer
 CEO/Speaker of the Executive Board

Andrea Holzbour
 CFO

Assurance of the legal representatives

To the best of our knowledge, and in accordance with the applicable reporting principles, the Consolidated financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group, and the combined management report of the Company and the Group includes a fair review of the development and performance of the business and the position of the Company and the Group, together with a description of the principal opportunities and risks associated with the expected development of the Company and the Group.

Wuppertal, 31 March 2025

Johannes Pfeffer
CEO/Speaker of the Executive Board

Andrea Holzbaur
CFO

Assurance of the legal representatives

To the best of our knowledge, and in accordance with the applicable reporting principles, the annual financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group, and the combined management report of the Company and the Group includes a fair review of the development and performance of the business and the position of the Company and the Group, together with a description of the principal opportunities and risks associated with the expected development of the Company and the Group.

Wuppertal, 31 March 2025

Johannes Pfeffer
CEO/Speaker of the Executive Board

Andrea Holzbaur
CFO

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To GESCO SE, Wuppertal

Report on the audit of the consolidated financial statements and the group management report

Audit

We have audited the Consolidated Financial Statements of GESCO SE and its subsidiaries (the Group), which comprise the Consolidated Balance Sheet as at 31 December 2024, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated cash flow statement for the financial year from 1 January 2024 to 31 December 2024, and notes to the Consolidated Financial Statements, including a summary of significant accounting policies. In addition, we have audited the Group Management Report of GESCO SE, which is combined with the Management Report of the Company, for the financial year from 1 January 2024 to 31 December 2024. In accordance with the German legal requirements, we have not audited the content of those parts of the Group Management Report listed in the "Other information" section of our auditor's report.

In our opinion, based on the findings of our audit

- the accompanying Consolidated Financial Statements comply, in all material respects, with the IFRS accounting standards issued by the International Accounting Standards Board (IASB) (hereinafter referred to as "IFRS accounting standards") as adopted by the EU and the additional requirements of German commercial law pursuant to Section 315e (1) HGB and, in compliance with these requirements, give

a true and fair view of the assets, liabilities and financial position of the Group as at 31 December 2024 and of its financial performance for the financial year from 1 January 2024 to 31 December 2024, and

- the accompanying Group Management Report as a whole provides a suitable 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. Our audit opinion on the Group Management Report does not cover the content of those parts of the Group Management Report listed in the "Other information" section.

Pursuant to § 322 Abs. 3 Satz 1 HGB, we declare that our audit has not led to any reservations relating to the legal compliance of the Consolidated Financial Statements and of the Group Management Report

Basis for the audit judgements

We conducted our audit of the Consolidated Financial Statements and of the Group Management Report in accordance with § 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 companies in accordance with the requirements of European law and German commercial and professional law, and we have fulfilled our other German



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professional responsibilities in accordance with these requirements. In addition, in accordance with Article 10 (2) (f) of the EU Audit Regulation, we declare that we have not provided non-audit services prohibited under Article 5 (1) of the EU Audit Regulation. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions on the Consolidated Financial Statements and on the Group Management Report.

Key audit matters in the audit of the Consolidated Financial Statements

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the Consolidated Financial Statements for the financial 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.

Impairment of goodwill

Related information in the Consolidated Financial Statements

Please refer to the disclosures in the notes to the Consolidated Financial Statements in sections “4. Use of estimates and judgements”, “6. Significant accounting policies” - in the subsections “Intangible assets and goodwill” and “Impairment” - and “20. Goodwill” for information on the accounting policies applied to goodwill. The development of the item is presented in the statement of changes in non-current assets (“Development of consolidated fixed assets”) in section “19. Development of goodwill, right-of-use assets from leases/rental agreements, other intangible assets and property, plant and equipment”

The development of this item is shown in the statement of changes in fixed assets (‘Development of the Group’s fixed assets’) in section ‘19. Development of goodwill, rights of use from leasing/rental, other intangible assets and tangible assets’.

Facts and risk for the audit

Goodwill totalling € 39 million is reported in the Consolidated Balance Sheet of GESCO SE, which accounts for around 9 % of total assets and around 14 % of the Group’s reported equity Goodwill is subjected to annual impairment tests by the Company

in order to determine a possible need for amortisation. The result of the impairment tests depends to a large extent on how the legal representatives estimate future cash surpluses and derive the discount rates used in each case. Due to the complexity underlying the valuation and the scope for judgement involved in the valuation, we consider the recoverability of goodwill to be a key audit matter.

Audit approach and findings

As part of our audit, we analysed the process implemented by the legal representatives of GESCO SE and the accounting policies for determining the recoverable amounts of cash-generating units to which goodwill was allocated for potential risks of error and obtained an understanding of the process steps. We assessed the Group’s approach to determining the discount rates and deriving the expected cash surpluses for compliance with IAS 36.

We analysed the corporate planning by comparing it with the results actually achieved in the past and current developments in the business figures. We analysed the key assumptions of the corporate planning regarding growth and business development by discussing them in detail with the legal representatives of GESCO SE. On this basis, we assessed their appropriateness.

We examined the appropriateness of the other key measurement assumptions, such as the discount rate and the growth rate, with the support of specialists from our company on the basis of an analysis of market indicators. We analysed the parameters used to determine the discount rates with regard to their appropriate derivation and verified their calculation in accordance with the relevant requirements of IAS 36.

We used sensitivity analyses to assess impairment risks in the event of changes to key valuation assumptions. We also verified the mathematical accuracy of the valuation models in accordance with the requirements of IAS 36. Finally, we assessed the disclosures in the notes to the Consolidated Financial Statements on estimates and valuation parameters used to measure the recoverable amounts of the cash-generating units containing goodwill to determine whether they are appropriate.

On the basis of our audit procedures, we were able to satisfy ourselves that the estimates and assumptions made by the legal representatives with regard to the recoverability of goodwill are justified and balanced.



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Other information

The legal representatives or the Supervisory Board are responsible for the other information. The other information comprises the following non-audited components of the Group Management Report:

- the declaration on corporate governance pursuant to Sections 289f and 315d HGB, to which reference is made in the Group Management Report
- the separate non-financial report pursuant to Section 315b (3) HGB, to which reference is made in the Group Management Report, and
- the remuneration report in accordance with Section 162 AktG, to which reference is made in the Group Management Report.

The other information also includes:

- the assurances pursuant to Section 297 (2) sentence 4 and Section 315 (1) sentence 5 HGB on the Consolidated Financial Statements and Group Management Report
- the report of the Supervisory Board and
- the remaining parts of the annual report - excluding cross-references to external information - with the exception of the audited Consolidated Financial Statements and Group Management Report and our auditor's report.

The legal representatives and the Supervisory Board are jointly responsible for the remuneration report. The Supervisory Board is responsible for the report of the Supervisory Board. Otherwise, the legal representatives are responsible for the other information.

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 doing so, consider whether the other information:

- are materially inconsistent with the Consolidated Financial Statements, the Group Management Report or our knowledge obtained in the audit, or

- otherwise appear to be materially misstated.

Responsibility of the legal representatives and the Supervisory Board for the Consolidated Financial Statements and the Group Management Report

Management is responsible for the preparation of the Consolidated Financial Statements that comply, in all material respects, with IFRS as adopted by the EU and the additional requirements of German commercial law pursuant to Section 315e (1) HGB and that the Consolidated Financial Statements, in compliance with these requirements, give a true and fair view of the assets, liabilities, financial position and financial performance of the Group. In addition, management is responsible for such internal control as they have determined necessary to enable the preparation of Consolidated Financial Statements that are free from material misstatement, whether due to fraud (i. e. accounting fraud or error) or error.

In preparing the Consolidated Financial Statements, the legal representatives are responsible for assessing the Group's ability to continue as a going concern. Furthermore, they are responsible for disclosing, as applicable, matters related to going concern. In addition, they are responsible for financial reporting based on the going concern basis of accounting unless there is an intention to liquidate the Group or to cease operations, or there is no realistic alternative but to do so.

Furthermore, management is responsible for the preparation of the 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, management is 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 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 Section 317 HGB and the EU Audit Regulation and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW) will always detect a material misstatement. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Consolidated Financial Statements and the Group Management Report.

During the audit, we exercise professional judgement and maintain professional scepticism. In addition we

- 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.
- 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 or on the effectiveness of these arrangements and measures.

- evaluate the appropriateness of accounting policies used by the executive directors and the reasonableness of accounting estimates and related disclosures made by the executive directors.
- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the Consolidated Financial Statements and in the Group Management Report or, if such disclosures are inadequate, to modify our respective audit opinions. We draw our conclusions on the basis of the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to be able to continue as a going concern.
- evaluate the overall presentation, structure and content of the Consolidated Financial Statements, including the disclosures, and whether the Consolidated Financial Statements present the underlying transactions and events in a manner that the Consolidated Financial Statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Group in compliance with IFRSs as adopted by the EU and the additional requirements of German commercial law pursuant to Section 315e (1) HGB.
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express opinions on the Consolidated Financial Statements and on the Group Management Report. We are responsible for the direction, supervision and performance of the audit of the Consolidated Financial Statements. We are solely responsible for our audit opinions.
- evaluate the consistency of the 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 legal representatives in the Group Management Report. On the basis of sufficient appropriate audit evidence we evaluate, in particular, the significant assumptions used by management as a basis for the prospective information and evaluate the proper derivation of the prospective information from these assumptions. We do not



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express a separate opinion on the forward-looking statements or on the underlying assumptions. There is a significant unavoidable risk that future events will differ materially from the forward-looking statements.

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

We provide those charged with governance with a statement that we have complied with the relevant independence requirements and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, the actions taken or safeguards applied to address independence threats.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Consolidated Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter.

Other statutory and other legal requirements

Report on the audit of the electronic reproduction of the Consolidated Financial Statements and the Group Management Report prepared for publication purposes in accordance with Section 317 (3a) HGB

Audit judgement

In accordance with Section 317 (3a) HGB, we have performed a reasonable assurance engagement to obtain reasonable assurance about whether the reproductions contained in the file [894500DZXXD0LOZYIC55-2024-12-31-0-en.zip] (MD5 hash value: [6854c313cf28a9d7338ba1a93bf864eb]) and the reproduction of the Consolidated Financial Statements and the Group Management Report (hereinafter also referred to as "ESEF documents") prepared for publication purposes complies in all material respects with the requirements of Section 328 (1) HGB for the electronic reporting format ("ESEF format"). In accordance with German legal requirements, this audit only extends to the conversion of the information contained in the Consolidated Financial Statements and the Group Management Report into the ESEF format and therefore does not extend to the information contained in these reproductions or any other information contained in the above-mentioned file.

In our opinion, the reproduction of the Consolidated Financial Statements and Group Management Report contained in the above-mentioned file and prepared for publication purposes complies in all material respects with the requirements of Section 328 (1) HGB for the electronic reporting format. Beyond this audit opinion and our audit opinions on the accompanying Consolidated Financial Statements and on the accompanying Group Management Report for the financial 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 audit opinion on the information contained in these reproductions or on the other information contained in the above-mentioned file.



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Basis for the audit opinion

We conducted our audit of the reproduction of the Consolidated Financial Statements and of the Group Management Report contained in the above-mentioned file in accordance with Section 317 (3a) HGB and the IDW Auditing Standard: Audit of the Electronic Reproduction of Financial Statements and Management Reports Prepared for Publication Purposes in Accordance with Section 317 (3a) HGB (IDW PS 410 (06.2022)) and the International Standard on Assurance Engagements 3000 (Revised). Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the ESEF Documents" section. Our audit practice has applied the IDW Quality Management Standard: Requirements for Quality Management in the Audit Practice (IDW QMS 1 (09.2022)).

Responsibility of the legal representatives and the Supervisory Board for the ESEF documents

The Company's management is responsible for the preparation of the ESEF documents including the electronic reproduction of the Consolidated Financial Statements and the Group Management Report in accordance with Section 328 (1) sentence 4 no. 1 HGB and for labelling the Consolidated Financial Statements in accordance with Section 328 (1) sentence 4 no. 2 HGB.

Furthermore, the Company's management is responsible for such internal control as they have determined necessary to enable the preparation of ESEF documents that are free from material non-compliance, whether due to fraud or error, with the requirements of Section 328 (1) HGB for the electronic reporting format.

The Supervisory Board is responsible for overseeing the preparation of the ESEF documents as part of the financial reporting process.

Auditor's responsibility for the audit of the ESEF documents

Our objective is to obtain reasonable assurance about whether the ESEF documents are free from material - intentional or unintentional - non-compliance with the requirements of Section 328 (1) HGB. During the audit, we exercise professional judgement and maintain professional scepticism. In addition, we

- identify and assess the risks of material non-compliance with the requirements of Section 328 (1) HGB, 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 opinion.
- obtain an understanding of internal control relevant to the audit of the ESEF documentation 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 these controls.
- assess the technical validity of the ESEF documents, i.e. whether the file containing the ESEF documents fulfils the requirements of the Delegated Regulation (EU) 2019/815 in the version applicable at the reporting date for the technical specification for this file.
- evaluate whether the ESEF documents enable an XHTML reproduction with content equivalent to the audited Consolidated Financial Statements and the audited Group Management Report.
- assess whether the labelling of the ESEF documents with Inline XBRL technology (iXBRL) in accordance with Articles 4 and 6 of the Delegated Regulation (EU) 2019/815 in the version applicable at the reporting date provides an adequate and complete machine-readable XBRL copy of the XHTML reproduction.

Other information in accordance with Art. 10 EU-APrVO

We were elected as group auditor by the Annual General Meeting on 29 May 2024 and engaged by the Supervisory Board on 17 December 2024. We have been the group auditor of GESCO SE without interruption since the financial year 2021.

We declare that the audit opinions expressed in this auditor's report are consistent with the additional report to the audit committee pursuant to Article 11 of the EU Audit Regulation (audit report).

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Other matters – use of the audit opinion

Our audit opinion should always be read in conjunction with the audited Consolidated Financial Statements and the audited Group Management Report as well as the audited ESEF documents. The Consolidated Financial Statements and the Group Management Report converted into the ESEF format - including the versions to be filed in the Company register - are merely electronic reproductions of the audited Consolidated Financial Statements and the audited Group Management Report and do not replace them. In particular, the ESEF report and our audit opinion contained therein can only be used in conjunction with the audited ESEF documents provided in electronic form.

Responsible auditor

The Auditor responsible for the audit is Heiko Wittig.

Düsseldorf, 4. April 2025
Forvis Mazars GmbH & Co. KG
Wirtschaftsprüfungsgesellschaft
Steuerberatungsgesellschaft

Dr. Marcus Borchert
Wirtschaftsprüfer
(Auditor)

Heiko Wittig
Wirtschaftsprüfer
(Auditor)

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29 April 2025

Annual press conference and publication Annual Report 2024

9 May 2025

Publication Quarterly Statement Q1 2025

12 – 14 May 2025

Equity Forum Frankfurt

25 June 2025

AGM in Duesseldorf

13 August 2025

Publication Half-Year Report 2025

01 – 02 September 2025

Equity Forum Frankfurt

22 – 25 September 2025

Baader Investment Conference Munich

12 November

Publication Quarterly Statement Q3 2025

24 – 26 November 2025

Eigenkapitalforum (German Equity Forum) Frankfurt a. M.

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Important notice:

This Annual Report contains forward-looking statements based on current assumptions and forecasts made by the Executive Board of GESCO SE. These statements are therefore subject to risks and uncertainties. The actual results and business development of GESCO SE and GESCO Group may differ materially from the estimates made in this annual report. GESCO SE assumes no obligation to update such forward-looking statements or to adapt them to future events or developments.

Despite the greatest possible care, technical reasons in particular (e. g. the conversion of electronic formats) may lead to deviations between the accounting documents contained in this Annual Report and those submitted to the Federal Gazette. In this case, the version submitted to the Bundesanzeiger shall be binding.

The annual report is also available in English translation; in case of discrepancies, the German version of the annual report shall prevail.