Annual Report 2024

Technology for Life

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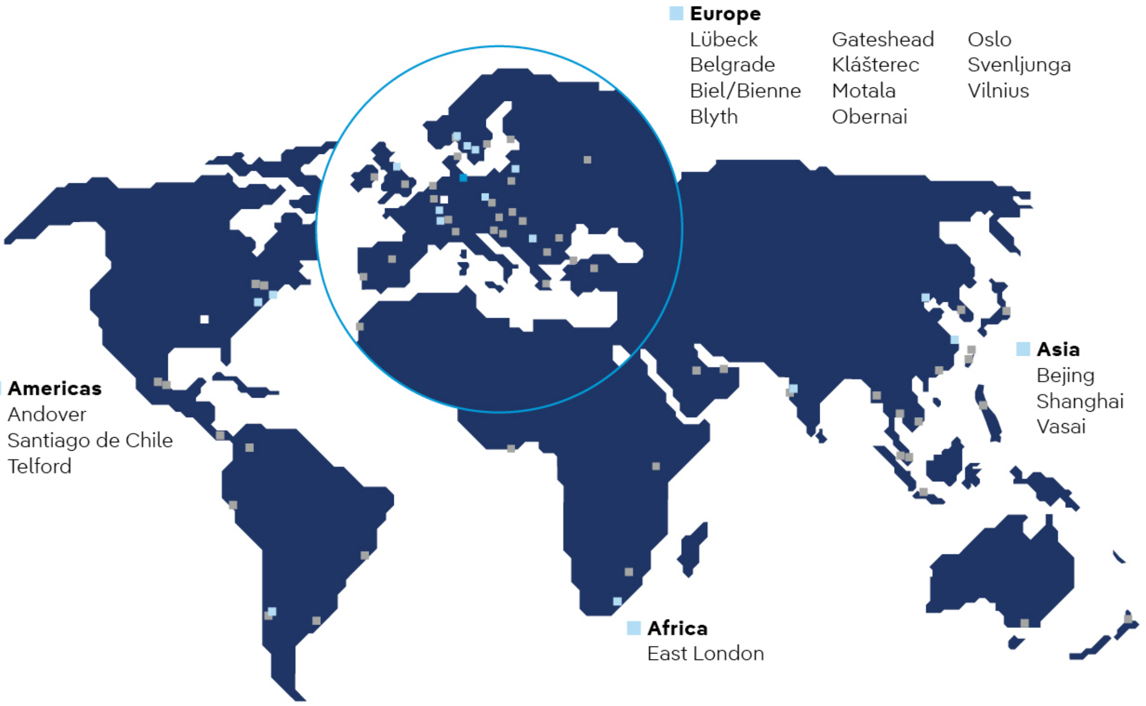
Markets

Dräger offers its customers in the field of medical technology anesthesia workstations, ventilators for intensive and emergency care, patient monitoring solutions as well as neonatal care equipment for premature babies and newborns. With its supply units, operating room IT solutions, gas management systems, technical services and accessories, Dräger is at the customer's side throughout the entire hospital.

In the field of safety technology, fire services, emergency response services, law and regulatory enforcement and industry customers all place their trust in Dräger's integrated hazard management systems, in particular for personal protection and plant safety. This includes respiratory protection equipment, stationary and mobile gas detection systems, professional diving equipment, alcohol and drug detection devices as well as safety-as-a-service offerings based on them. Dräger also develops customized solutions, such as entire fire training systems, training and service concepts as well as workshops, in collaboration with its customers.

Dräger worldwide

Headquarters, sales and service organizations, development and production sites, and logistic centers



■ Headquarters ■ Sales and service organizations ■ Development and production sites □ Logistic centers

Technology for Life

Company profile

Dräger is an international leader in the fields of medical and safety technology. The family-run company was founded in Lübeck, Germany, in 1889. Over the past five generations, Dräger has evolved into a publicly traded, worldwide group. The Company's long-term success is based on the four key strengths of its value-driven corporate culture: customer intimacy, professional employees, continuous innovation and a commitment to outstanding quality.

“Technology for Life” is the Company's guiding philosophy. Whether in the operating room, the intensive care ward, the fire department or rescue services: Dräger products protect, support, and save lives.

The Company has 16,598 employees worldwide and is currently represented in over 190 countries. Dräger has sales and service subsidiaries in about 50 countries. The relevant development and production sites are located in Germany, Chile, China, the Czech Republic, France, India, Lithuania, Norway, Serbia, South Africa, Sweden, Switzerland, United Kingdom, and the United States of America.

Selected key figures Dräger Group

				Twelve months
		2024	**2023**	**Change in %**
Order intake	**€ million**	**3,380.5**	**3,290.0**	**+2.8**
Net sales	**€ million**	**3,370.9**	**3,373.5**	**-0.1**
Gross profit	**€ million**	**1,512.5**	**1,459.7**	**+3.6**
Gross profit / net sales	%	44.9	43.3	
EBIT [1]	**€ million**	**194.0**	**166.4**	**+16.6**
EBIT [1] / net sales	%	5.8	4.9	
Net profit	**€ million**	**124.8**	**112.0**	**+11.4**
Earnings per share				
per preferred share	€	6.67	5.92	+12.7
per common share	€	6.61	5.86	+12.8
DVA [2, 3]	**€ million**	**54.3**	**55.8**	**-2.7**
Cash flow from operating activities	€ million	167.3	189.7	-11.8
Net financial debt [4] / EBITDA [2, 5]	Factor	0.49	0.63	
Equity ratio [4]	%	49.7	45.5	
Headcount as at December 31		16,598	16,329	+1.6

[1] EBIT = Earnings before net interest result and income taxes
[2] Value of the last twelve months
[3] Dräger Value Added = EBIT less cost of capital of average capital employed
[4] Value as at reporting date
[5] EBITDA = Earnings before net interest result, income taxes, depreciation and amortization

Dear Shareholders, dear Employees, dear Readers,

2024 was a successful year for Dräger. Our business developed positively overall. In addition, we have put innovative products on the market and further developed our sustainability strategy. In 2025, our goal is to continue our success and focus on profitability.

Although net sales in 2024 were slightly below our expectations, they still reached the high level of the prior year. This is an outstanding achievement, as we had still benefited from strong catch-up effects in 2023 as a result of the noticeable improvement in delivery capacity and the surge in demand for ventilators in China. In 2024, however, business in China fell by half. We were able to compensate for all of this in the rest of the world. Our earnings before interest and taxes increased significantly thanks to the operating business performance, but also due to some positive one-off effects. Maintaining our diversity with many measures contributed to both developments, i.e. net sales and earnings. For example, we have divested ourselves of some businesses and closed some locations. As a result, the EBIT margin – our most important key figure for profitability – ended up just above expectations. Our order intake also developed positively and exceeded the prior year's high level. This underlines the sustained demand for our “Technology for Life” and gives us a positive outlook for the future.

In line with our dividend policy, we intend to distribute around 30% of Group net profit to our shareholders and will therefore increase the dividend once again. On behalf of the entire Executive Board, I would like to thank our employees very much for what we have achieved.

Our most important goal remains to further improve profitability. In the medium term, strengthening our innovative power and expanding our business model to include expertise in the areas of interoperability and systems business also contributes to this. In the prior year, we promoted the implementation of these goals by introducing more innovations. More on that can be found in the “Research and Development” chapter.

We achieved several milestones on the topic of sustainability in 2024. On the one hand, an Executive Board department for sustainability and quality has been created, headed since July 1, 2024 by our new Board member, Stefanie Hirsch. On the other hand, we have defined three focus areas with “Environment and Society”, “Customers and Products”, and “Company and Employees” to implement our sustainability strategy. You can read about the specific measures and goals we are pursuing here in the Group sustainability statement, which replaces the previously separately published sustainability report.

Sustainability also has a lot to do with profitability, because without profitability there is no sustainability. For the current fiscal year, we expect an increase in net sales of 1.0 to 5.0% (net of currency effects) and an EBIT margin of 3.5 to 6.5%. Taking into account the non-operating special effects of the past two years, which have had a positive impact on earnings, the expected EBIT margin for 2025 is in line with our target of increasing the EBIT margin by an average of one percentage point each year.

I would like to express my gratitude for the trust and loyalty you have shown as our shareholders. I would also like to thank the Supervisory Board for their constructive cooperation – and this time in particular for their mutual consideration of personal and health-related circumstances. This is a team effort. Let us continue to work as a team to make our Company sustainably more profitable.

Best regards,

Stefan Dräger

Stefan Dräger

The Executive Board

Forward-looking, responsible leadership has been fundamental to Dräger's corporate culture for more than 130 years. Stefan Dräger and his Executive Board team are dedicated in realizing a sustainable increase in corporate value, pursuing that objective with openness, passion and high standards.

Stefan Dräger
Chairman of the Executive Board

Gert-Hartwig Lescow
Chief Financial Officer and Executive Board member for IT
Vice-Chairman of the Executive Board

Stefanie Hirsch
Executive Board member for Sustainability and Quality

Rainer Klug
Executive Board member for Safety Division

Dr. Reiner Piske
Executive Board member for Sales and Human Resources

Anton (Toni) Schrofner
Executive Board member for Medical Division

Stefan Dräger
joined the Company in 1992 and has been Chairman of the Executive Board since 2005. He is the fifth generation to manage the family-run company and has been appointed until the end of February 2030.

"2024 was a successful year for Dräger. We were able to compensate well for the sharp decline in China with business in the rest of the world. Net profit grew faster than net sales. This was the goal. We achieved this by maintaining our diversity with many measures. In 2024, for example, we disposed of some businesses and some locations. We will continue to do so sustainably. This is another reason why we created a separate Executive Board department for sustainability and quality last year."

Gert-Hartwig Lescow
is responsible for Finance and IT as Vice Chairman of the Executive Board. He has been with Dräger since 2008. His term runs until the end of March 2026.

"In 2024, we significantly increased our profitability thanks to the operating business performance and positive one-off effects. Due to the continued stable conversion of income into cash and cash equivalents, net financial debt has fallen further and the equity ratio has risen to just under 50%. Dräger's equity base and debt therefore remain at a healthy level. In accordance with our dividend policy, we plan to distribute 30% of group net profit."

Stefanie Hirsch
is responsible for Sustainability and Quality. She has been a member of Dräger's Executive Board since 2024. Her term runs until the end of July 2026.

"We love our footprint, because with 'Technology for Life' we make a relevant contribution to healthcare and occupational safety worldwide. Sustainability must be considered everywhere, just like quality. In 2024, we created an Executive Board department for sustainability and quality, which enables us to create new synergies across all areas. This is how we promote sustainable business."

Rainer Klug
is responsible for the safety division. He has been a member of Dräger's Executive Board since 2015. His term runs until the end of July 2028.

“We continued our profitable growth in the Safety division very successfully in 2024. To drive growth further, we are focusing on new business areas such as the cleantech sector in addition to our core business. We will also expand our position in the defense industries.”

Dr. Reiner Piske
is responsible for the Executive Board department of Sales and Human Resources. He has been with Dräger since 2015. His term runs until the end of October 2028.

“In 2024, our sales and service organization once again did a very good job of convincing customers of our ‘Technology for Life’. Order intake was up on the prior year's high level. We were able to grow in both divisions and almost all regions. We also made significant progress in implementing our HR strategy. This will enable us to retain employees, attract qualified talent and strengthen our reputation as a top employer.”

Toni Schrofner
is in charge of the medical division. He has been with the Company since 2010. His term on the Executive Board runs until the end of August 2028.

“In view of the challenging market environment in China, the medical division 2024 performed robustly overall. We were able to increase both order intake and net sales in the Germany and Americas regions. Our main goal is to improve acute care through therapy assistance and automation. To this end, we are forging ahead with the networking of medical devices, updating our product portfolio and expanding digital applications.”

Report of the Supervisory Board

Following the successful prior year, Dräger continued to develop positively in 2024. The Supervisory Board dealt intensively with the Company's economic and strategic situation. Profitability was further improved thanks to the implementation of various measures that had already been introduced in 2023.

Dear Shareholders,

In December of last year, Stefan Lauer took the decision to step back from his role as Chairman of the Supervisory Board of Drägerwerk AG & Co. KGaA at the end of 2024 for health reasons. I took over this position on January 1, 2025 and am looking forward to what my new role will bring, while of course regretting the departure of my colleague. I would like to take this opportunity to thank all members of the Supervisory Board for the trust they have placed in me and wish Stefan Lauer a speedy recovery on all our behalf.

Last year, Dräger faced the challenge of building on the positive business performance of the prior year. In 2023, the Company had still benefited from catch-up effects as a result of the improvement in delivery capacity and the high demand for ventilators in China. As expected, these two effects were absent in 2024. Nevertheless, Dräger developed positively overall: Net sales were close to the prior year's high level and the operating result increased significantly. Order intake exceeded the prior year's high figure.

At the beginning of the year, Dräger had forecast an increase in net sales of 1.0 to 5.0% (net of currency effects) and an EBIT margin of 2.5 to 5.5%. From July onwards, the Company tended to expect net sales growth in the lower half of the forecast range due to the moderate development of demand in the medical division; in addition, the forecast for the EBIT margin was narrowed to the upper half of the forecast range due to positive one-off effects recognized in profit or loss. At the end of the fiscal year, the increase in net sales of 0.5% (net of currency effects) was just below the net sales forecast and the EBIT margin of 5.8% was just above expectations.

In the view of the Supervisory Board, the Executive Board has also fulfilled its responsibilities in 2024. The measures initiated last year and systematically continued in the reporting year have helped to improve profitability. Business activities that were no longer required were sold, prices were defended, free cash flow was improved and cost awareness was further strengthened.

For the current fiscal year, the Executive Board expects an increase in net sales of 1.0 to 5.0% (net of currency effects) and an EBIT margin of 3.5 to 6.5%. The Supervisory Board considers these expectations to be realistic.

In the 2024 fiscal year, the Supervisory Board carefully and regularly monitored the work of the Executive Board of the general partner in accordance with the law and the Articles of Association and advised on the strategic development of the Company and all significant individual measures. The Supervisory Board was involved in due time in all decisions of importance to the Company. The extensive written and verbal reports by the Executive Board formed the basis for these decisions. The Chairman of the Supervisory Board was also in regular contact with the Chairman of the Executive Board and individual members of the Executive Board outside of Supervisory Board meetings.

Meetings

The Supervisory Board held four regular meetings in the reporting year, which took place in person. At these meetings, it dealt in detail with the business and strategic development of the Dräger Group, the divisions and the domestic and foreign subsidiaries, and consulted intensively with the Executive Board. At the meeting on February 28, 2024, one agenda item was discussed without the participation of the Executive Board of the general partner. Beyond this, there was no need to discuss meetings or individual agenda items without the Executive Board. The attendance of the members of the Supervisory Board and the committees is shown in the "Individual participation rate" table. The Chairman of the Supervisory Board was unable to attend all meetings for health reasons:

Individual participation rate

	Participation / number of meetings			
Supervisory Board member	Supervisory Board plenary assembly	Joint Committee	Audit Committee	Nomination Committee
Stefan Lauer (Chairman)	2/4	2/4	4/6	0/0
Christian Fischer (Vice-Chairman)	4/4	4/4	6/6	
Maria Dietz	4/4	4/4		0/0
Eckard Gesell (since July 1, 2024)	2/2			
Andrea Görndt	4/4			
Prof. Dr. Thorsten Grenz	4/4	4/4	6/6	
Henning Groskreutz	4/4	4/4	6/6	
Astrid Hamker	4/4	4/4		
Stefanie Hirsch (until June 30, 2024)	2/2			
Laura Pooth	4/4			
Frank Riemensperger	4/4	4/4	6/6	
Bettina van Almsick	4/4			
Dr. Reinhard Zinkann	4/4	4/4		0/0

Focal points of the Supervisory Board's deliberations

In the past fiscal year, discussions focused on reporting on both the medical and safety divisions, the development of the product portfolio, the Company's long-term strategic targets, as well as earnings trends and cost development. The measures to further improve profitability were the subject of all meetings.

At the meeting on February 28, 2024, the Supervisory Board dealt intensively with the single entity and Group financial statements. It received a detailed report from the auditor on the audit results and proposed the approval of the single entity financial statements to the annual shareholder's meeting.

A key topic of the meeting on May 8, 2024 was the creation of an Executive Board department to bundle the important topics of sustainability and quality by the Supervisory Board of the general partner. As part of this, Stefanie Hirsch was appointed as an additional member of the Executive Board from July 1, 2024.

At the meeting on September 12, 2024, the Supervisory Board received a detailed report on the organization and working methods of the new Executive Board function and on the sustainability strategy. The renewed implementation of an employee participation program was also discussed.

At its meeting on December 11, 2024, the Supervisory Board was informed about the planning for the 2025 fiscal year. The Supervisory Board and the Joint Committee, which is responsible for resolutions on transactions requiring approval, approved the planning after intensive discussion. The Supervisory Board also dealt with the German Corporate Governance Code (GCGC). Since issuing its last declaration of conformity on December 20, 2023, the Company has complied with the recommendations of the GCGC as amended on April 28, 2022, with two exceptions in the area of Executive Board remuneration. The declaration of conformity from the Supervisory Board and Executive Board pursuant to Sec. 161 of the German Stock Corporation Act (AktG) is permanently available on the Company website and in the declaration of corporate governance. The Supervisory Board made an important personnel decision at this meeting with my appointment as Chairwoman with effect from January 1, 2025.

↗ Please refer to the declaration of conformity in the "Declaration of corporate governance" chapter.

“The shift in focus from net sales growth to earnings growth, which began in 2023, and the measures implemented in this context have helped to improve profitability. Overall, Dräger has performed well. The bottom line was a higher net profit, in which our shareholders will once again participate. We consider the Executive Board's expectations for the current fiscal year to be realistic. We welcome the Executive Board's plans to continue to focus on profitability.”

Maria Dietz
Chairwoman of the Supervisory Board
of Drägerwerk AG & Co. KGaA

Activities of the Audit Committee

The Audit Committee held three in-person meetings and three conference calls in the reporting year. The CFO, the Head of the Accounting department, the Head of the Internal Audit department, and representatives of the auditor took part in the meetings. The Audit Committee began its sessions on February 27, 2024 and December 10, 2024, by meeting with the auditor without any other attendees from the Company.

At its meetings, the Audit Committee dealt with the single entity and Group financial statements, the quarterly results, the half-year financial report, the audit of the sustainability report and the proposal for the appropriation of profits. The Committee also reviewed and evaluated the accounting process, the risk reporting system and the auditing activities of the Internal Audit department and the auditors. The segment reporting, the organization of Compliance and its activities, as well as the risk management system and IT security were also discussed at the meetings. The Chairman of the Audit Committee reported to the full Supervisory Board on the outcome of its deliberations.

At several meetings, the Audit Committee dealt with the preparation of the Group sustainability statement and its integration into the management report in accordance with the Corporate Sustainability Reporting Directive (CSRD).

Activities of the Nomination Committee

The Nomination Committee did not meet in the reporting year.

Training and further education

The members of the Supervisory Board are responsible for the training and further education measures required for their duties and are supported in this undertaking by the Company. Internal information events, for example on changes in the legal framework, are provided by the Legal department when required. New members of the Supervisory Board are familiarized with the specifics of the Company when they take office.

Single entity and Group financial statements

The Supervisory Board commissioned KPMG AG Wirtschaftsprüfungsgesellschaft, Hamburg, which was elected by the annual shareholder's meeting, to audit the single entity and Group financial statements for the 2024 fiscal year. Subject of the audit were the single entity financial statements of Drägerwerk AG & Co. KGaA, prepared in accordance with the German Commercial Code (HGB), as well as the Group financial statements, prepared in accordance with the International Financial Reporting Standards (IFRS), and the combined management report of Drägerwerk AG & Co. KGaA and the Dräger Group. The auditor examined the single entity financial statements of Drägerwerk AG & Co. KGaA, prepared in accordance with the provisions of the German Commercial Code, the Group financial statements, prepared in accordance with IFRS, as well as the combined management report of both Drägerwerk AG & Co. KGaA and the Group, and issued an unqualified audit opinion. The auditor confirmed that the Group financial statements and the combined management report conform to IFRS as adopted by the EU.

The members of the Supervisory Board carefully examined the single entity and Group financial statements and the combined management report, as well as the audit reports. Representatives of the statutory auditor attended the Audit Committee's meeting on March 19, 2025, during which Dräger's single entity and Group financial statements were deliberated on, as well as the Supervisory Board's meeting on March 20, 2025, to discuss the financial statements. These representatives reported on the performance of the audit and were available to provide additional information. At these meetings, the Executive Board explained the single entity financial statements of Drägerwerk AG & Co. KGaA and the Group financial statements as well as the risk management system. On the basis of the audit reports on the single entity and Group financial statements and the combined management report, the Audit Committee came to the conclusion that both sets of financial statements with their respective management reports give a true and fair view of the net assets, financial position, and results of operations in accordance with the applicable financial reporting framework. To do so, the Audit Committee deliberated on key asset and liability items and their valuation, as well as the presentation of the earnings position and the development of specific key figures. The Chairman of the Audit Committee reported on the discussions to the Supervisory Board. Further questions by members of the Supervisory Board led to a more detailed discussion of the results. The Supervisory Board was convinced that the dividend proposed by the general partner was appropriate considering the net assets, financial position, and results of operations, and approved it. The liquidity of the Company and the interests of the shareholders were given equal consideration. There were no reservations concerning the economic efficiency of the Executive Board's actions.

After the preliminary review by the Audit Committee, the Supervisory Board reviewed and approved the single entity and Group financial statements of Drägerwerk AG & Co. KGaA, as well as the combined management report including the sustainability report. The single entity financial statements of Drägerwerk AG & Co. KGaA must be approved by the annual shareholders' meeting. The Supervisory Board agreed with the recommendation made by the general partner to approve the single entity financial statements of Drägerwerk AG & Co. KGaA and supports the proposed appropriation of net earnings.

Changes in the Executive Board

At its meeting on May 8, 2024, the Supervisory Board of Drägerwerk Verwaltungs AG resolved to appoint Stefanie Hirsch as an additional member of the Executive Board of the general partner with effect from July 1, 2024, for the newly formed “Sustainability and Quality” department. Ms. Hirsch was initially appointed to the Executive Board for a period of two years. There were no other changes to the composition of the Executive Board in the reporting year. On January 28, 2025, the Supervisory Board of Drägerwerk Verwaltungs AG resolved to extend Stefan Dräger's appointment by five years with effect from March 1, 2025.

Changes in the Supervisory Board

At the end of June 30, 2024, Stefanie Hirsch stepped down from the Supervisory Board due to her appointment to the Executive Board of the general partner. Eckard Gesell has been a member of the Supervisory Board since July 1, 2024. Stefan Lauer has decided to step down as Chairman of the Supervisory Board and the Nomination Committee at the end of December 31, 2024 for health reasons. At its meeting on December 11, 2024, the Supervisory Board elected me as Chairwoman of the Supervisory Board from January 1, 2025. From the same date, I also took over as Chairwoman of the Nomination Committee.

Conflicts of interest

There were no conflicts of interest on the part of members of the Executive Board and Supervisory Board that had to be disclosed to the Supervisory Board without delay and about which the annual shareholder's meeting had to be informed.

The Supervisory Board would like to express its appreciation to the Executive Board for its performance and commitment in the reporting year. It would also like to thank the shareholders for the trust they have placed in the Company and all employees for their hard work in the 2024 fiscal year.

Lübeck, March 20, 2025

Maria Dietz
Chairwoman of the Supervisory Board

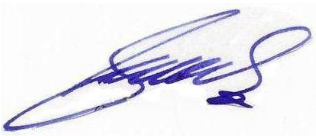
Report of the Joint Committee

Dear Shareholders,

The Company has a Joint Committee as an additional voluntary body that comprises four members of the Supervisory Board of the general partner, as well as two shareholders and two employee representatives from the Supervisory Board of Drägerwerk AG & Co. KGaA.

With regard to the legal form of the Company as a partnership limited by shares, this Committee is responsible for transactions requiring approval (pursuant to Section 111 (4) Sentence 2 AktG). The Chairman until December 31, 2024 was Stefan Lauer, who decided to step down as Chairman on this date for health reasons. At its meeting on December 11, 2024, the Joint Committee elected me as Chairman from January 1, 2025. The Joint Committee held four regular meetings in the reporting year, all of which took place in person. At its meetings, the Joint Committee dealt in detail with the business and strategic development of the Dräger Group. The Joint Committee decided on transactions requiring approval after reviewing the Executive Board's proposals. It approved all transactions.

Lübeck, March 20, 2025



Prof. Dr. Thorsten Grenz
Chairman of the Joint Committee

The Dräger shares

Against the background of declining inflation rates and lower interest rates, the capital market mood brightened in 2024. The most important international stock indexes recorded increases. The German small-cap index SDAX and the Dräger shares performed comparatively weaker.

Development of the Dräger shares

The SDAX initially fell in January 2024. It was able to recover, however, in the second half of the month. In February, the SDAX moved sideways. An upward trend then began: From March to May, the index rose significantly, interrupted by a setback in April. Good quarterly results in particular from US technology companies boosted the mood at the stock market. At the beginning of June, the SDAX rose to its high for the year of just under 15,243 points. As the month progressed, the index fell significantly due to concerns about new elections in France and a potential trade conflict with China. In the second half of July, the SDAX recorded significant price losses partly due to uncertainty surrounding the US presidential election, and, in August, fell to its lowest point since mid-January. For the remainder of the year, the index moved sideways amid high volatility. It fell to its yearly low of around 13,156 points at the beginning of November. By the year's end it was able to recover slightly due to improved market confidence. On the last trading day of the year, the SDAX closed at around 13,711 points, a decline of around two percent compared to the end of 2023. Germany's leading index, the DAX, performed significantly better, rising by around 19%.

Dräger shares started January with slight price drops, but were able to recover by the middle of the month. From the second half of January onward, these recorded substantial price losses. The common shares fell to their yearly low of EUR 40.10 at the beginning of March. Following the publication of the 2023 annual report, Dräger shares were able to recover. They rose significantly until mid-April, interrupted by a brief setback. Prices then fell again in the second half of the month. In the weeks following the publication of the quarterly report, the price of Dräger shares rose significantly. The common shares reached their yearly high of EUR 47.70 in mid-May. In June, however, Dräger shares ceded their gains in the wake of subdued market confidence. In July, they initially recorded a significant increase. The preferred shares rose to their annual high of EUR 53.90. As the month progressed, Dräger share prices fell again. In August and September, the common shares were highly volatile, while the preferred shares continued their downward trend. Dräger shares were able to recover from the end of September to mid-October. Following the publication of the preliminary figures for the third quarter, prices fell sharply. This trend continued into November. The preferred shares fell to their annual low of EUR 42.95 in the second half of the month. In the remaining weeks until the end of the year, Dräger shares were partly able to recover.

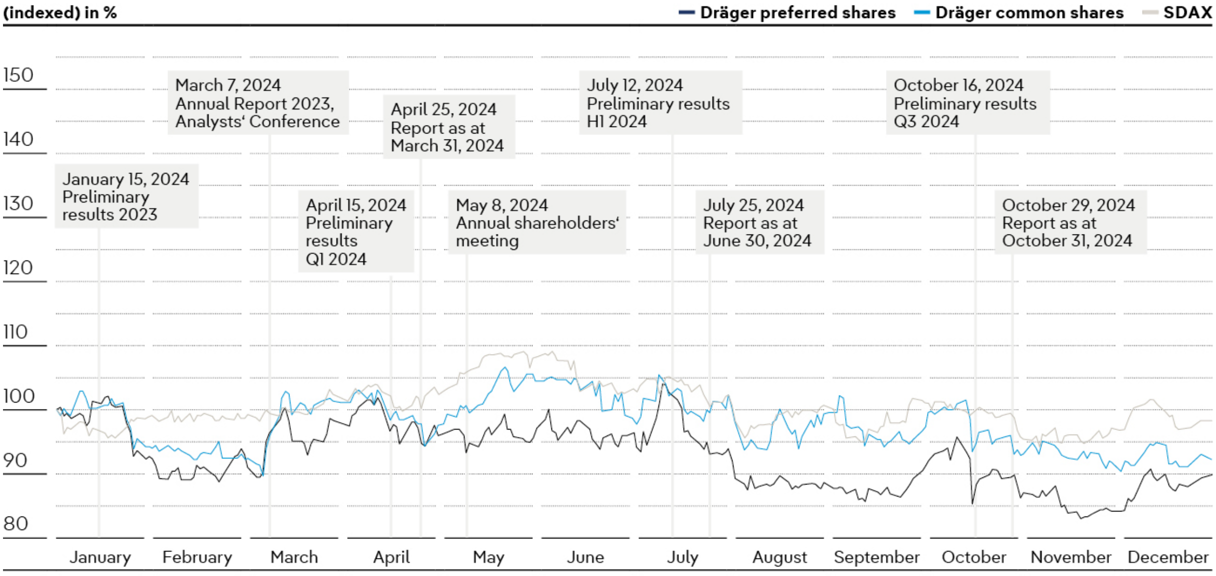
On the reporting date of December 31, 2024, the common shares were listed at EUR 41.20. This was around eight percent below the 2023 year-end closing price. The preferred shares listed on the SDAX were quoted at EUR 46.50, representing a decline of around ten percent.

↗ Please refer to figure “Dräger share price developments 2024” on the following page.

Development of the Dräger shares and SDAX as at December 31, 2024

in %	1 year	3 years	5 years	10 years
Dräger common shares	-8	-24	4	-35
Dräger preferred shares	-10	-16	-17	-45
SDAX	-2	-16	10	91

Share price developments 2024



Dividend

The Executive Board and Supervisory Board intend to propose a dividend of EUR 2.03 per preferred share (2023: EUR 1.80) and EUR 1.97 per common share (2023: EUR 1.74) to the annual shareholder's meeting for 2024. This would correspond to a distribution of 30.1% of the Group net profit.

Dräger intends to continue distributing at least 30% of Group net profit in the coming years, provided that the Group's equity ratio is at least 40%.

↗ Please refer to note 20.

Dräger shares – basic figures

	Common shares	Preferred shares
International Securities Identification Number (ISIN)	555060/DE0005550602	555063/DE0005550636
Ticker symbol / Reuters / Bloomberg	DRW8/DRWG.DE/DRW8	DRW3/DRWG_p.DE/DRW3
Main stock exchange	Frankfurt/Xetra	Frankfurt/Xetra
Market segment	Prime Standard	Prime Standard
Index	-	SDAX
Initial listing	2010	1979

Dräger shares indicators

	2024	2023
Common shares		
No. of shares as at the reporting date	10,160,000	10,160,000
High (in €)	47.70	47.30
Low (in €)	40.10	36.40
Share price on the reporting date (in €)	41.20	44.70
Annual share price development (in %)	-7.8	23.1
Average daily trading volume [1]	1,664	2,461
Dividend per share (in €) [2]	1.97	1.74
Dividend yield (in %)	4.8	3.9
Earnings per common share (in €)	6.61	5.86
Preferred shares		
No. of shares as at the reporting date	8,600,000	8,600,000
High (in €)	53.90	55.70
Low (in €)	42.95	39.65
Share price on the reporting date (in €)	46.50	51.80
Annual share price development (in %)	-10.2	24.1
Average daily trading volume [1]	8,657	12,269
Dividend per share (in €) [2]	2.03	1.80
Dividend yield (in %)	4.4	3.5
Earnings per preferred share (in €)	6.67	5.92
Total distribution (in € thousand)	37,473	33,158
Distribution rate (in %)	30.1	30.0
Market capitalization (in € thousand)	818,492	899,632

[1] All German stock exchanges (source: designated sponsor)
[2] For the reporting period, subject to approval by the annual shareholders' meeting

Shareholder structure

The capital stock is divided into common and preferred shares. As at the reporting date of December 31, 2024, 71.62% of the common shares were attributable to the Dräger family as defined by Deutsche Börse AG: 68.67% were held by Dr. Heinrich Dräger GmbH and a further 2.95% by members of the Dräger family. 5.01% of the common shares were held by the investment company Brandes Investment Partners, L.P. The remaining 23.37% were in free float. The free float of the non-voting preferred shares was 100%.

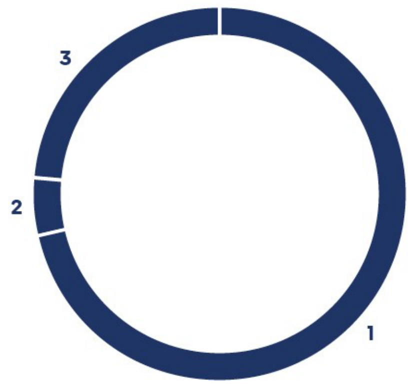
An analysis of the shareholder structure (common and preferred shares) of the shares held outside the Dräger family as at December 31, 2024 showed that institutional investors from the USA held around 30% of the free float of the share capital at that time. The proportion of institutional investors in Europe was around 29%, with just under half of that held in Germany. In the rest of the world, institutional investors held around seven percent. The proportion of private investors worldwide was around 32%. Around one percent of shareholders could not be identified.
↗ Please refer to the “Ownership of common shares” and “Shareholder structure” illustrations on the next page.

In 2024, Dräger again gave its employees the opportunity to participate in the Company through deferred compensation as part of the employee participation program. In comparison to the prior year, the average number of shares purchased per participant rose from 36 to 38. Around 71% of eligible employees have taken part in at least one such program in the past few years and became shareholders in the Company. With this, employees in all participation programs combined – and assuming that these shares are still held by them – have acquired more than eight percent of the total available preferred shares.

To implement the employee participation program, Dräger bought back a total of 77,316 of its own preferred shares on the capital market. The buyback began on October 7, 2024 and had not yet been completed by the end of the year. The shares were transferred to the employees' respective securities accounts after the end of the buy-back phase, which was completed on January 20, 2025. Dräger reports 55,487 shares as treasury shares to the amount of EUR 2,535 thousand as at the balance sheet date of December 31, 2024.

↗ Please refer to note 30.

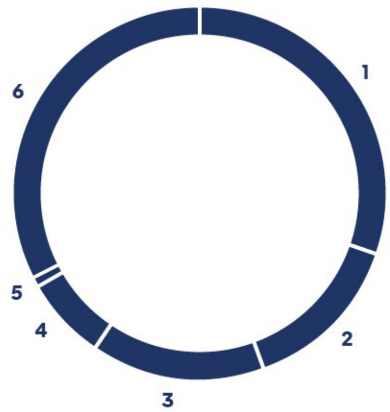
Ownership of common shares[1]



in %	
1. Dräger family	71.62
2. Brandes Investment Partners, L.P.	5.01
3. Free float	23.37

[1] As at December 31, 2024

Shareholder structure[1]



in %			
1. USA	30	4. Rest of the world	7
2. Germany	14	5. Unknown investors	1
3. Rest of Europe	15	6. Private investors worldwide	32

[1] Common shares (excluding Dräger family shares) and preferred shares; as at December 31, 2024

Sustainability reporting and rating

Dräger is audited annually by respected sustainability rating agencies. As in the prior year, Dräger was awarded 72 out of 100 points in 2024 in the CSR assessment of the EcoVadis institute, grouping them in the best 15% of companies assessed by EcoVadis. In addition, Dräger once again received the “Prime Label” in ISS' ESG Corporate Rating, taking a top position in the “Health Care Equipment & Suppliers” sector. U.S. financial services provider MSCI awarded Dräger an ESG rating of A on a scale of AAA (leader) to CCC (laggard). Sustainalytics, the sustainability rating agency, gave Dräger an ESG risk rating of “Medium Risk”. This put Dräger in the top 20% of companies in the “Medical Devices” sector. We have also published our climate data as part of the Carbon Disclosure Project (CDP). We also improved our rating with the non-profit organization “Carbon Disclosure Project" (CDP) from D to C (on a scale of A to D-). The areas of water and climate were assessed.

The sustainability report was integrated into the combined management report for the first time as the Group sustainability statement in preparation for the Corporate Sustainability Reporting Directive (CSRD) of the European Union (EU). This means that we provide detailed information about our developments in the area of sustainability in the annual report. The CSRD is intended to close existing gaps in the reporting regulations and expand sustainability reporting overall. The aim is to increase the accountability of European companies with regard to sustainability aspects and to introduce binding reporting standards at EU level for the first time. The CSRD has already been adopted by the EU. It has not yet been transposed into German law. Until then, the EU Non-Financial Reporting Directive (NFRD) continues to apply.

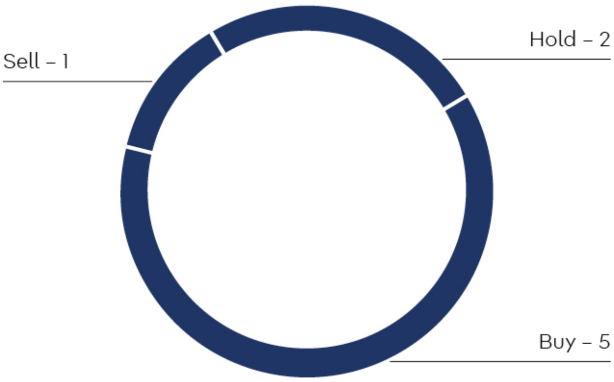
Analyst coverage

At the end of 2024, analysts from eight different institutions (2023: eight institutions) assessed Dräger's corporate development: AlphaValue, DZ Bank, Hauck Aufhäuser, Jefferies, Kepler Cheuvreux, M.M. Warburg, Metzler und mwb research. A current overview of analyst recommendations can be found at:

www.draeger.com/en-us_us/Investor-Relations/Share

↗ Please refer to figure “Analyst recommendations”.

Analyst recommendations[1]



[1] At the end of 2024

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Combined management report

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Principles of the Group

Group structure

Drägerwerk AG & Co. KGaA is the parent company of the Dräger Group. Central functions and jointly used services are also bundled here. All affiliated companies with operating activities worldwide are directly or indirectly controlled by the parent company or are under its significant influence. In addition, Drägerwerk AG & Co. KGaA holds interests in some companies that are not part of business operations of the Dräger Group.
↗ Please refer to note 46.

Dräger is represented in over 190 countries and maintains its own sales and service companies in some 50 countries. We have total of 18 development and production sites in Germany (Lübeck), Chile (Santiago de Chile), China (Beijing, Shanghai), France (Obernai), Great Britain (Blyth, Gateshead), India (Vasai), Lithuania (Vilnius), Norway (Oslo), Sweden (Motala, Svenljunga), Switzerland (Biel/Bienne), Serbia (Belgrade), South Africa (East London), the Czech Republic (Klášterec) and the USA (Andover, Telford).

Management, planning, and reporting

Organization and management system[1]

We manage our business primarily in accordance with the medical and safety divisions. Due to their different organizational structures, the medical division is made up of business units, while the safety division is comprised of strategic business fields.
↗ Please refer to figure “Executive Board responsibilities” on the next page.

Medical division

In the medical division, we develop and produce system solutions, equipment, and services that work together in acute care. Within the division, we have introduced business responsibility in accordance with the various business units: Therapy (anesthesia devices and ventilators, as well as thermoregulation equipment), Hospital Consumables & Accessories (consumables and accessories), Workplace Infrastructure (supply units, lights, gas management systems), Patient Monitoring (patient monitoring). The Research and Development, Supply Chain Management, and Production functions are integrated into the business units alongside Product Management and Marketing. Quality & Regulatory Affairs manages quality-related activities and implements the regulatory requirements for medical products across all business units. This area has been part of the Executive Board department for Sustainability and Quality since July 1 2024, but continues to operate within the medical division business area. The service function for the medical division is organizationally located in the area of the Chief Sales and Human Resources Officer (CSO), the service strategy is closely coordinated between the division's management and the CSO.

Safety division

The safety division develops and produces devices, system solutions, and services for personal protection, gas detection, and comprehensive hazard management. The division comprises the strategic business fields of Manufacturing Industries, Processing Industries, and Emergency & Rescue Services. Research & Development, Production, Supply Chain Management and Quality Management & Quality Assurance are organized on a cross-divisional basis and work for all of the aforementioned strategic business fields. Since July 1, 2024, Quality Management & Quality Assurance has been part of the Executive Board department for Sustainability and Quality, but continues to operate within the Safety division. The service function for safety technology is organizationally part of the CSO; here too, the strategic direction is closely coordinated between the management of the division and the CSO.

[1] This section is also part of the Group sustainability statement in this combined management report.

Executive Board responsibilities[1]

Stefan Dräger Chairman of the Executive Board	**Gert-Hartwig Lescow** CFO, Executive Board member for Finance, IT, and Vice-Chairman of the Executive Board	**Stefanie Hirsch** Executive Board member for Sustainability and Quality	**Dr. Reiner Piske** Executive Board member for Sales and Human Resources	**Toni Schrofner** Executive Board member for Medical Division	**Rainer Klug** Executive Board member for Safety Division
Occupational Health and Safety Basic Research Real Estate Intellectual Property Legal, Compliance, and Data Protection Corporate Auditing Corporate Communications and Corporate Identity Corporate Strategy and Business Development	Controlling Purchasing (indirect materials and IT) Information Security Information Technology Investor Relations Accounting Taxes Treasury Insurance Customs and Export Control	Sustainability Quality Management	Human Resources Service Sales	Purchasing Research and Development Logistics Marketing Production Product Management Quality	Purchasing Research and Development Logistics Marketing Production Product Management Quality
			Sales and service locations	Production and development locations Medical Division	Production and development locations Safety Division

[1] Simplified representation as at December 31, 2024; Stefanie Hirsch has been Chief Sustainability and Quality Officer since July 1, 2024.

Sales and service

Sales and Service is the interface between the two divisions, which are engaged in product development and production, and our customers. Operational responsibility for the sales and service business lies with management at the country level. In every country with Dräger subsidiaries, the local management team makes all decisions of local importance on the basis of the corporate standards and strategy, and reports directly or indirectly to the Executive Board member with responsibility for Sales.

Global functions such as IT, Finance, Human Resources, Quality & Regulatory Affairs (Corporate), Basic Research, and Legal and Compliance are located at the Group headquarters in Lübeck and partially also at other international locations. The global functions provide services to the national companies, set globally applicable Group standards, and are responsible for strategic management.

The responsibilities within a structure that is oriented toward cooperation are therefore clearly allocated. It is also a way of fostering customer focus and entrepreneurial activity at Dräger, and accelerating our decision-making processes.

↗ Please refer to figure “Executive Board responsibilities” on this page.

In 2024, we reorganized our regional structure to focus our sales activities even more strongly and specifically on our customers. The Germany region has been separated from the Europe region as a new independent region. The Middle East / Africa sub-region has been divested from the Africa, Asia, and Australia (AAA) region and merged with the Europe region to form the new Europe / Middle East / Africa (EMEA) region. The remaining part of the AAA region has been combined to form the Asia-Pacific (APAC) region. Nothing has changed for our Americas region.

Value driven management

In order to achieve long-term success, Dräger has to generate steady growth, as well as stable and sustainable economic performance. We use a value-driven management system to increase Company value in the long term based on the performance indicator Dräger Value Added (DVA). In addition to DVA, we also use net sales growth and the EBIT margin in particular as key performance indicators.

Dräger Value Added (DVA) is the central key management figure at Dräger. It is reported for the two segments (medical and safety divisions). We use DVA to measure the development of the Company's added value and that of its various units. Not only does Dräger base its strategic decision-making on the development of DVA, the management's variable remuneration is also aligned with DVA, among other things.

We want to achieve three key goals with the help of management via DVA:

– profitable growth,
– increasing operating efficiency, and
– increasing capital efficiency.

In mathematical terms, DVA is the difference between the operating result (earnings before interest and taxes – EBIT) over the preceding twelve months and calculated capital costs. Capital costs are determined using average capital employed in the past twelve months, based on the average cost of equity and borrowed capital before taxes. We define capital employed as follows: Total assets minus deferred tax assets, securities, cash and cash equivalents, non-interest bearing liabilities and other non-operating items. The weighted average cost of capital (WACC) in 2024 was 9.0% (2023: 7.0%).

↗ Please refer to note 40 for further information on capital employed.

Days working capital (DWC) is another important performance indicator. We use this metric to measure the average coverage of net current assets over 12 months. This is composed of days of sales outstanding (DSO), days of inventory on hand (DIH), days of payables outstanding (DPO), and days of prepayments received (DPR), which are each measured individually.

Days working capital

		Average balance in € million			Average coverage in days[1]	
		2024	2023		2024	2023
	Trade receivables, contract assets and notes receivables	709.5	686.7	DSO	76.8	74.3
+	Inventories	715.1	750.5	DIH	77.4	81.2
-	Trade payables and notes payables	201.5	221.4	DPO	21.8	24.0
-	Contract liabilities	224.3	210.4	DPR	24.3	22.8
	Net working capital	**998.8**	**1,005.4**	**DWC**	**108.2**	**108.8**

[1] Calculation of average coverage: average balance of fiscal year / net sales of fiscal year * 365

We also use DWC, gross margin, R&D expenses, net financial debt, investment volume and net interest income as further performance indicators for Group management. Thus, the Company is currently managed on the basis of financial performance indicators. In the year prior, the DWC figure was also a key performance indicator.

Further information on the definition of individual key figures (including what are known as alternative key performance indicators), insofar as no explanations are provided in the footnotes of this report, can also be found in the Investor Relations section on our website.

Financial forecast

The financial forecast provides an assessment of the development of net sales, the gross margin, and functional expenses up until the end of the current fiscal year. Current business performance is analyzed on this basis, and appropriate countermeasures are taken whenever performance deviates significantly from plan. We also prepare a detailed plan for the subsequent year in the fourth quarter.

Strategy and goals

We have been devoted to developing and producing “Technology for Life” for over 130 years now – it is a vital part of our corporate identity. Our products protect, support, and save lives. These are our foundations, which we will continue to build on in the future. In order to maintain and further strengthen our market position, in the future we will continue to do everything we can to optimally align the interests of our customers, suppliers, employees, shareholders, banks, and those in our direct vicinity with our own.

Our Company principles are and remain the guiding philosophy for all our actions. They determine a key part of our decision-making: We are an independent, self-determined, pioneering, value-creating, and attractive company and want to remain so.

Corporate aspirations

Our four corporate aspirations represent our vision of Dräger in the coming years.

We are first choice for our customers
Across all functions, we have a joint focus on our customers, who have a positive experience at all Dräger touchpoints. Customer satisfaction and loyalty is high.

We have a truly global footprint
Around the world, we offer a high level of service to our customers. We have the right structures and processes to serve our global markets, work with our suppliers, and support our sales channel partners. We encourage our people to bring out their talent wherever they are and in whatever function they operate. Our balanced global resources give us flexibility, allow us to respond quicker to opportunities, and make us resilient against crises. We think globally and act locally.

We are networking across borders as entrepreneurs
We see the big picture, share our knowledge and expertise, support and collaborate with each other, and learn from each other. We are all part of a professional and social network working across departmental, legal entity, and country borders. This goes beyond our Company and includes customers, suppliers, and sales channel partners. We manage the challenge to be connected. Our entrepreneurial spirit is based on our individual judgement and common sense.

We get things done
We get things done with an entrepreneurial culture in a lean organization. For our customers, we have offerings that no other supplier can match, whether these are innovative products, integrated systems, or engineered solutions. With our innovations, we are the first to fulfill customer needs. Dräger’s culture empowers our people to make decisions each and every day.

Medium-term company goals

Our medium-term company goals are based on our corporate aspirations and are aligned with financial and non-financial targets. While defining our current goals, we determined the following priorities:

Focus on profitability

Profitability is the prerequisite for our long-term survival because it enables us to finance our future investments from our own resources. Our aim is therefore to increase our profitability. In order to do so, we want to increase our EBIT margin by an average of one percentage point per year over the coming years. The environment for this is good because the global markets for medical and safety technology offer an excellent growth environment for our “Technology for Life”. In order to sustainably increase profitability, we will focus on supporting our margins through price enforcement and careful cost management, aligning our activities even more closely with our customers and consistently pushing ahead with our own initiatives. We will also restructure or discontinue unprofitable activities.

Innovation leadership

“Technology for Life” is our guiding philosophy. Technology stands for technological innovation and engineering excellence, which are deeply ingrained in our DNA. We have products that are held in high regard, considered particularly innovative, and market-leading in certain aspects. These innovative products are developed in close collaboration with customers all over the world, by a top-class research and development team. The team utilizes the latest technologies and methods and is always conscious of achieving continuous improvement.

At the same time, we invest in commercial innovations to develop business models that meet the requirements of our existing and future customers. We also support local innovation and added value in different countries, particularly in services, project business, and additional software, by offering engineered solutions where they are utilized.

Competency in the fields of system business and interoperability

To offer our customers even more value, we are strengthening our system business. This means that we understand customer requirements both from a technical and a business perspective. With this system approach, we can achieve a larger share of wallet and share of mind among our customers and are integrated deeply in their value chain. We are developing our business more toward an approach based on system solutions and cash-flow orientation. One of the reasons for doing this is to counteract a price war in which some of our traditional products are becoming a commodity.

Interoperability is the ability of machines, devices, sensors, and people to connect with each other and communicate. This approach supports our customers’ decision-making process through greater transparency, by linking up data and providing recommendations. In most cases, these systems run on an infrastructure that we do not develop ourselves and that is not owned by us or the customer. We deliver and procure the components and bear responsibility for system functionality.

Strategic goals in our markets

Strategic goals in the medical division

With our products, system solutions, and services, we are helping hospitals around the world to achieve the best possible treatment outcomes in acute care – despite rising challenges.

Improving acute care through therapy support and automation

Higher case numbers and growing medical complexity, coupled with an increasing shortage of skilled workers, are an ever-greater burden on hospital staff. Pandemics and chronic illnesses present major challenges to healthcare systems around the world, especially in intensive care units. To ensure that all patients can continue to be treated well, solutions are needed to reduce the workload on staff and to support clinical processes. Our aim is to improve acute care through therapy assistance systems and the automation of clinical and administrative processes.

Connected medical technology

With such a wide variety of equipment and sensors attached to patients in operating rooms and intensive care units, therapy assistance systems and automation require medical technology to be connected securely and in a standardized and manufacturer-independent manner. That is why we have been closely involved in the further development and implementation of international standards for device connectivity in medical technology over the past few years and will continue to do so in the future. At the same time, we are seizing the opportunities of connectivity in our own portfolio. To do so, we are focusing on the following areas.

Modernization of the product portfolio

We are continuously working on updating our product portfolio to make our medical devices fit for the requirements of digitalization in hospitals. In areas where we cannot bring our own developments to market maturity quickly enough, we enter into targeted development and sales partnerships. We offer OEM products in the areas of patient monitoring and transport ventilation, and will continue to do so in the future. In addition to interconnectivity, our target portfolio is also about reducing hardware variants and increasing scalability through software functionality.

Development of digital applications

We are developing a digital ecosystem based on the ISO/IEEE 11073-SDC communication standard that will allow secure interoperability of medical equipment and clinical information systems at workstations. By combining and analyzing data from different systems, we develop new digital applications to support clinical decisions, improve workflows, and automate therapeutic applications.

Strengthening offers along the product life cycle

Over the coming years, we will continue to expand our profitable range of accessories, consumables, and services.

When developing and producing our consumables, we place great importance on reducing our environmental impact. Seemingly small measures often have a major impact. For example, we save several tons of material every year by making the plastic housing of our new breathing gas filters just one gram lighter while maintaining the same product quality.

In terms of service, we are increasingly focusing on digital solutions that not only enable remote diagnosis and maintenance of our medical devices, but also provide new applications for analyzing device data. These applications include dashboards for monitoring the consumption of anesthetics in the operating room, evaluating the frequency of alarms in the intensive care unit, and analyzing the usage times of all the different devices. By connecting our device portfolio to “Dräger Connect”, we create the basis for the continuous expansion of our range of digital services and tools.

Strategic goals in the safety division

In the safety division, our portfolio of products and solutions includes stationary and mobile gas detection systems, personal protective equipment, alcohol and drug testing devices, and a varied range of training and services.

Our goal is to continuously improve the safety and productivity of industrial processes and employees through this portfolio of hardware, software, consulting, and services.

In our target markets

- fire and rescue services,
- raw material extraction,
- the chemical industry, and
- oil and gas,

we work with our customers to develop integrated safety approaches and solutions that are tailored to the individual situation based on our application understanding, outstanding service orientation, and global on-site presence.

We focus on the following strategic issues in order to develop the safety division's market position:

Focused expansion of rental and safety services
Our rental and safety services ensure occupational health and safety, and avert risk in relation to industrial plant shutdowns or inspections. Based on our strong market presence particularly in Germany, we will continue to expand our successful business offering to selected focus markets.

Strengthening of the light respiratory protection for the industrial sector
Today we are seen as a trusted advisor and supplier regarding safety issues for occupational safety. We wish to also hold this position for light respiratory protection in the industry sector in the future. We plan to continuously expand our respiratory protection portfolio and increasingly focus on the requirements resulting from the megatrends of an aging society and a more diverse workforce. We endeavor to systematically develop our dealer network specifically for respiratory protection applications in industry.

Further development of our position in the defense sector
In the defense sector, we supply NBC protective masks, diving equipment for soldiers and filter and gas protection systems for armored vehicles, among other things. We are going to systematically develop this market on the basis of our trusting relationships with important defense authorities and public sector customers and position ourselves as a partner and provider of solutions for strategic defense programs.

Actualization of growth ambitions in the cleantech sector
The topics of sustainability and the energy transition are becoming increasingly important in the industry. The introduction of clean technologies is also opening up new growth opportunities for our product portfolio, for example in the areas of electromobility and hydrogen infrastructure. We pursue our growth targets both in our established core markets such as oil and gas and chemicals, and by developing new customer and application areas, such as battery production. With our "Technology for Life", we provide support to our customers in achieving their ESG goals more efficiently.

Digitalization and data-supported services
The increasing digitalization and networking of operating procedures and technical devices is advancing the convergence of physical and digital worlds. Our products' connectivity and interoperability allow us to provide our customers with tailored solutions consisting of hardware, a combination of hardware and software, or a purely data-based software solution, all while paying particularly close attention to cybersecurity.

Research and development

We attach a great deal of importance to our research and development (R&D) activities. In fiscal year 2024, research and development expenditures rose by EUR 7.8 million year on year to EUR 333.1 million (2023: EUR 325.4 million). This equates to 9.9% of net sales (2023: 9.6%).

As at December 31, 2024, 1,827 employees worked in our development departments worldwide (December 31, 2023: 1,759). Over the course of the fiscal year, patent and trademark offices around the world issued 212 new patents to Dräger (2023: 278). We applied for another 94 patents at international patent and trademark offices (2023: 86). During the past year, our technology development experts analyzed 93 new technologies (2023: 92) in 24 fields (2023: 24) and evaluated their relevance to Dräger. In a number of projects, these new technologies laid the foundations for future product innovations.

Research and development

R&D expenses in € million	2024	2023	2022	2021	2020
Dräger Group	333.1	325.4	343.5	328.6	289.6
in % of net sales	9.9	9.6	11.3	9.9	8.5
Headcount	1,827	1,759	1,756	1,668	1,514

Medical division

In fiscal year 2024, we put nine (2023: seven) new and further developed medical technology products on the market. Our R&D focus remains the expansion of our product portfolio in the area of intensive care and in the operating room. Activities are centered on developing system solutions.

In the fiscal year of 2024, we launched a new scalable patient monitoring system for the hospital-wide flow of information. The main component of the system is the Dräger Vista 300 – a universal patient monitor for adults, children and newborns. The Vista 300 can display patient data, vital parameters and data from various therapy devices in one easy-to-configure user interface. Connected to medical devices such as ventilators or anesthesia machines, the patient monitor can also become part of an integrated clinical workstation. In combination with the Vista monitoring center and the Gateway software for efficient data exchange, this data is securely transmitted digitally to an existing hospital network. The Vista 300 can not only provide data from connected devices, but can also be extensively networked within the hospital. In this manner, the monitor supports workflows across departments.

Another innovation in the area of patient monitoring was our Vista Central Monitoring System (Vista CMS). The Vista CMS monitors up to 128 patients connected to our Vista monitors. Clinical personnel can access their patient data conveniently across departments within the network – from any location and at any time. Remote functions also support personnel in quickly evaluating vital data and making decisions. This allows personnel to keep an eye on their patients and optimize their workflow at the same time.

Our Dräger Access and Control Package (ACP) software-based product has been equipped with important new functions. Going forward, users will be able to monitor up to eight invasive pressures in addition to the previous functions. The ACP is now also compatible with the Microsoft Windows 11 operating system. The ACP not only increases flexibility and convenience when using our M540 patient monitor, but can also reduce patient discomfort and noise pollution by allowing both monitoring and device settings to be made from outside the patient room via the Core application on a medical-grade PC. Both the patient monitor and the PC are connected via the IEEE SDC standard, which will be used in more and more Dräger devices in the future and provides innovative, interoperable device interaction options.

We have also released important software updates for our monitoring solutions. Version VG5.0 for the Dräger Infinity CentralStation (ICS), for example, improves cybersecurity via secure authentication, integrity protection and encryption functions for data exchange in the Infinity network. The ICS is the central alarm and information unit in the Infinity monitoring system. It provides the option of combining hemodynamic vital signs from patient monitors with those from connected ventilation and anesthesia devices. The clear display of comprehensive clinical real-time and retrospective data helps users to make the right decisions quickly and on a sound basis.

Another relevant software update was version VG8.0 for the Dräger Infinity Acute Care System (IACS). Among other things, the update improves the user interface, the parameter algorithm for the electrocardiogram and cardiac output as well as cybersecurity. The IACS is an integrated combination of patient monitor and networked medical workstation for optimizing clinical workflows. It provides real-time display of vital signs and alarms in combination with a configurable portal for clinical IT systems and data management applications from Dräger and other manufacturers for comprehensive therapy information directly at the point of care.

We have also launched new products and further developments in the ventilation, anesthesia and heat therapy product ranges. With the introduction of our Dräger Evita V600 and Dräger Evita V800 intensive care ventilators in China, we have further added to our locally produced ventilation range for the important Chinese market. The Evita V600 and V800 series devices combine high-performance ventilation with an attractive design for quick and efficient operation – from initiating lung-protective ventilation to integration into a patient-oriented intensive care workstation. For the variants launched in China, we have developed an operating concept that further simplifies orientation and makes user guidance clearer. The simplified operation is intended to support users in making therapeutic decisions, shorten training times and thus make patient care even better and safer.

In addition, we published a completely revised version of our Dräger Gas Consumption Analytics (GCA) digital service during the reporting period. GCA provides important clinical, financial and environmental information about connected Dräger anesthesia machines. The relevant information is transferred to our Connect platform and displayed in the GCA dashboard. There, users can analyze their data at any time via a secure web browser connection. The range of functions includes the analysis of anesthetic agent consumption and incurred costs. In the new version, users can analyze the efficiency of anesthetic gas usage and the fresh gas flows used more easily by operating room and day as well as the case level. In addition, GCA calculates the CO2 equivalent of the anesthetic gases consumed. The GCA analysis functions are intended to help reduce costs and initiate optimization initiatives in the area of “Green Anesthesia”.

In the field of heat therapy, we have introduced a new Babyleo TN500 version. It supports hospital personnel with care for and now also with transport of premature babies within the hospital. Transport is critical along the entire patient journey. Our advanced Babyleo with optional battery allows active heat therapy and continuous monitoring when transporting the patient between different wards – keeping the baby in the same “bed” and therefore in a stable thermal environment. The integrated battery makes starting and completing a journey easy for personnel and safe for the patient, also in combination with our special Babylog neonatal ventilator. In addition, Babyleo has a modular repair approach with our Connectivity Package for faster on-site installation of the latest software, centrally managed via the network (Dräger Service Connect) for minimal disruption to clinical workflow. Connection to initial digital solutions such as the Device Utilization Dashboard or CC300 for data integration into a hospital network is now also possible with the latest version.

With Dräger VentStar Resus Heated (N) and Dräger VentStar AutoBreath Heated (N), we have also launched two new innovative products for the supply of warm and humidified breathing gas during neonatal resuscitation. The products are compatible with the resuscitation module of the Dräger BabyRoo and Dräger Resuscitaire open warming units, among others.

Safety division

In fiscal year 2024, we put 15 (2023: nine) new and further developed safety technology products on the market. The focus of innovation is on expanding our product portfolio and developing systems as complete customer solutions.

In fiscal year 2024, we launched the Dräger CBS 1000 cabin breathing protection system and the Dräger PAS Micro CFH breathing apparatus. The CBS 1000 is a compact solution for equipping existing vehicle cabins with short-term respiratory protection. With the stored clean breathing air, the respiratory protection is independent of the ambient atmosphere. The CBS 1000 is easy to install and operate and can be used for firefighting, tunnel rescue or mine rescue. The Dräger PAS Micro CFH is a lightweight self-contained breathing apparatus that provides respiratory protection for short, light work operations or escape scenarios from contaminated environments. The breathing air is supplied as a constant airflow to the hood, which is highly visible due to its signal color. The total operating time of the device is 17 minutes.

Another innovation in the field of respiratory protection were the Dräger X-plore 8000 Standard & Premium welding visors for the Dräger X-plore 8000 powered air purifying respirator. The visors provide effective protection against sparks and splashes as well as harmful light rays generated during welding. In combination with the powered air purifying respirator, the system provides additional respiratory protection against a wide range of harmful substances that can be released during welding work. The standard version of the visor has, among other things, a convenient option for switching the Automatic Darkening Filter module to Grinding mode using a button on the outside of the visor. The premium version offers an even longer battery life, among other features. We have also expanded the accessories for the Dräger X-plore 8000 portfolio.

We have also resumed production of the F2000 filter as part of a major order from the German Armed Forces. Delivery will take place in individual batches from 2024 to 2027. Dräger is the only approved supplier. Together with the M2000 mask, the F2000 filter forms a system that makes it possible to use equipment without impairing the field of vision, even with a centrally adapted filter.

In the field of gas detection technology, the Dräger X-am 2600 and Dräger X-pid 9500+ multi-gas detectors were among the relevant new products. The X-am 2600 measures combustible gases, oxygen, carbon monoxide and hydrogen sulfide. With the Dräger Gas Detection Connect software, it offers live data transmission and powerful fleet management. The device has been optimized for personal monitoring in diffusion mode and offers maximum safety at low operating costs.

The Dräger X-pid 9500+ has a Stationary mode that ensures continuous monitoring of a workspace over a self-defined period of time (time or concentration-controlled). Thanks to the improved calculation algorithm, carcinogenic hazardous substances such as benzene, 1,3-butadiene, carbonates and other volatile organic compounds (VOCs) can be measured at even lower detection limits. The optimized peak fitting enables even better differentiation of the substances. In addition, the X-pid 9500+ is equipped with a function for Bluetooth-based data export to other devices and a power-saving Start mode.

Sensors play an important role in our gas detectors. In fiscal year 2024, we introduced the DrägerSensor CatEx H2 100. It is based on the technology of our CatEx 125 PR sensor and is used in our portable Dräger X-am 8000 gas detector. The new sensor is optimized for measuring hydrogen, especially in the range up to 100 percent by volume. It also enables leak detection in the measuring range from 0 to 40,000 millionths of H2. This increases safety in production, processing and storage of hydrogen, which plays an important role as an energy carrier for the energy transition.

We have also launched the Dräger PID HC neo sensor (PID: photoionization detector). This sensor is used exclusively in the Dräger X-am 5800 multi-gas detector and completes the portfolio of Dräger sensors for the new Dräger PAM device series (PAM: Personal Air Monitor). The devices in this series are worn on the body and are used to monitor your personal surroundings. The new PID sensor can detect a wide range of volatile organic compounds (VOCs). More than 80 of the most commonly used industrial VOCs are already stored in the sensor data set. Measurement of VOCs is becoming increasingly important for our customers.

Sensors are also used in our new Dräger Flame 1350 flame detector. The device combines a UV and an IR sensor to safely and reliably detect hydrocarbon-based fires. With these two sensors, the Flame 1350 can detect electromagnetic radiation in the short-wave UV range and in the IR spectrum. The frequency, intensity and duration of the measurement signals are analyzed. An alarm is only triggered if the response criteria of both sensors are met. In this way, the Flame 1350 avoids false alarms. In addition, the sensitive detection system ensures that the detector does not falsely report fire from other zones. The housing is very resilient and weatherproof. The built-in Advanced Optical Verification (AOV) self-test automatically checks the electronics and optics of the Flame 1350.

As in medical technology, the networking of devices and the use of software-based solutions is also becoming increasingly important in safety technology. In the 2024 fiscal year, we launched the explosion-protected Dräger ConHub gateway. It automatically connects Dräger gas detectors with the Dräger Gas Detection Connect live monitoring solution, providing deeper analysis of hazardous areas. The ConHub sends measured values and alarms from a cable-connected Dräger X-zone 5X00 and up to 20 Dräger X-am 2800/5800 and Pac devices with Bluetooth to the cloud solution. The devices automatically log in to the ConHub when they are within a range of up to 100 meters. Users receive live data from all devices in the monitoring range and, thanks to GPS, also their locations. WLAN, LTE and LAN can be used for cloud forwarding. The portable devices not only serve as personal gas detectors, but also complement conventional area monitoring. The transmission of measured values and alarms to Gas Detection Connect increases safety at maintenance sites in the event of accidents or during a shutdown.

In addition to the integration of Dräger ConHub, we have added new functions to Dräger Gas Detection Connect (GDC). These include alarm tones for all gas alarms during live monitoring and a new role option for passive users. Multi-factor authentication (MFA) and single sign-on (SSO) are now also fully supported. In addition to these innovations, further improvements have been introduced on an ongoing basis and new functions have been added to the system to further optimize the user experience.

Additionally, we have published Dräger Gas Detection Assist (GDA). GDA is a modern software solution for configuring, calibrating and adjusting our gas detection technology. The application can be used on smartphones and tablets with the Android and iOS operating systems. The first version of GDA supports the Dräger Polytron 6100 EC wireless transmitter. With this, GDA enables quick and easy maintenance and configuration of the transmitters for monitoring toxic gases and oxygen.

Our innovations during the reporting period also included the Dräger Companion med digital health solution, an innovative combination of smartphone app and breathalyzer designed to support alcohol-dependent patients in their treatment. Companion med enables patients to test themselves several times a day and receive immediate feedback on their progress. Awards given by the app for alcohol-free days already achieved can provide additional motivation. The app also helps users to quickly reach saved emergency contacts such as family members, friends or therapists. This allows users to get support easily and directly in moments of uncertainty.

With Dräger RAM, we also introduced browser-based software to support the work processes of workshop technicians. This software makes digital management of a workshop's assets possible. Management includes localization of objects and the paperless, partially automated documentation of workshop processes (cleaning, tests, repairs, etc.) from commissioning to decommissioning. The software can interact with different Dräger test equipment.

We have also enlarged our product portfolio in the area of alcohol and drug measurement technology. With the Dräger DrugCheck 3000 3-Panel, a new version of our compact DrugCheck 3000 saliva-based rapid drug test was launched on the Australian market. The new DrugCheck provides users with reliable test results in an uncomplicated and cost-effective manner. The device requires no electricity and can be used anywhere. It tests for THC (cannabis), methamphetamines and cocaine. The unique selling point is the speed of the test: negative results are displayed within one minute. Compared to the previous solution, this means time savings of at least two minutes.

Employees

Our employees are a key factor in the success of our Company. Day in, day out, they put their hearts and souls into turning technology into “Technology for Life” and have been doing so for more than 130 years.

Human resources (HR) strategy

In the 2024 fiscal year, we worked on implementing our HR strategy with the following four areas of action:

- Attracting and retaining the right people:
  In order to find the right people, suitable candidates are sought both internally and externally. Strategic HR planning is used to identify needs that are critical to success in good time. Employees are offered relevant development opportunities.
- Creating attractive and healthy working conditions:
  Highly motivated employees are the key to success. To this end, Dräger offers flexible packages tailored to the different phases of life, attractive remuneration packages and a wide range of benefits. We also need healthy and resilient employees in a healthy working environment.
- Living effective leadership and collaboration:
  The “WeLead” mission statement is under continuous development. The focus is on diversity and the power of implementation. Equal opportunities and diversity are a central part of the strategy.
- Tackling change – taking people with us:
  The organization must constantly adapt to current market and customer needs. To this end, HR provides impetus and finds well thought-out, pragmatic solutions together with the specialist departments.

In accordance with our HR vision, we are guided by our corporate culture and values in everything we do. We see it as our mission to reinforce this culture and to support our organization in its ongoing development. We are proud that as an employer we can offer something that many others cannot: a deeply meaningful job. In this way, we inspire people to turn technology into “Technology for Life” every day.

Last year, we were once again able to make progress in the areas of action mentioned above. More than 300 employees took part in an internal ideas competition for a new employer image in Germany. Dräger has also started implementing its updated image as an employer internationally. We have also begun building a long-term HR social media presence for Dräger as an employer on the LinkedIn and Facebook platforms. Our presence on Instagram was increased. The main focus here is on the target groups of IT and software, technical specialists, students, school pupils and trainees in Germany. We have also continued implementation of our strategic personnel planning.

In the past year, we have further strengthened the performance and change capacity of teams and divisions with our internal consulting services provided by change managers, agile coaches and moderators. We also provide a comprehensive range of internal learning and development programs for employees. These measures are aimed at both improving their performance in their current position and encouraging internal employees to take on more senior roles. The introduction of new formats such as the “WeLEARN” campaign, which teaches digital skills and allows employees to learn from each other, was also particularly successful. Several thousand employees are taking part in this campaign. In addition, the “OrientierungsZEIT” career advice service and a personality analysis help our employees prepare for more advanced positions.

In addition, we are continuously evolving our occupational health and safety management system and intensifying the implementation of our international “Vision Zero – a world without work-related accidents and illnesses” program. As part of the program, for example, a network of experts and a regular management exchange have been organized.

Employee participation program

Our employee participation program, which we launched in 2013, gives employees at our German sites the opportunity to invest in the Company and thus directly participate in its success. In this way, we want to increase the interest of our workforce in the development of the business and ensure that everyone identifies even more strongly with the Company.

As part of the participation program that ran from the end of 2024 to the start of 2025, our employees once again had the opportunity to acquire up to 60 preferred shares and receive a bonus share for every three preferred shares purchased. The Executive Board did not take part due to the new regulations on share-based remuneration. The shares acquired by the members of the Executive Board in 2023 are therefore no longer included in the following analysis.

Altogether, our employees acquired 77,316 preferred shares from Drägerwerk AG & Co. KGaA (2023: 68,816 preferred shares). In the process, 1,543 employees (2023: 1,455 employees) purchased 57,987 preferred shares (2023: 51,612 preferred shares). On average, 38 shares were purchased per person (2023: 36 shares). Dräger additionally contributed 19,329 bonus shares (2023: 17,204 bonus shares). This increased the average number of shares per participant to 50 (2023: 47 shares).

To implement the participation program, Dräger bought back a total of 77,316 of its own preferred shares on the capital market. The buyback began on October 7, 2024 and had not yet been completed by the end of the year. The shares were transferred to the employees' respective securities accounts after the end of the buy-back phase, which was completed on January 20, 2025. Dräger reports 55,487 shares as treasury shares in the amount of EUR 2,535 thousand as at the balance sheet date of December 31, 2024.

↗ Please refer to note 30.

Employees in numbers

Workforce trend

		Headcount as at the balance sheet date		Headcount (average)	
		December 31, 2024	December 31, 2023	2024	2023
Germany		7,722	7,699	7,708	7,614
Abroad		8,876	8,630	8,779	8,659
Dräger Group total		**16,598**	**16,329**	**16,487**	**16,273**
Women		4,988	4,801	4,905	4,745
Men		11,606	11,528	11,582	11,528
Non-binary employees [1]		4	0	0	0
Dräger Group total		**16,598**	**16,329**	**16,487**	**16,273**
Personnel development costs	**€ million**	**16.1**	**14.5**		
thereof training expenses	€ million	7.3	5.3		

[1] This number of employees was recorded for the first time as at December 31, 2024.

As of December 31, 2024, the Dräger Group employed 16,598 people worldwide, 269 more than in the prior year (December 31, 2023: 16,329); this equates to a 1.6% rise in the workforce. The number of employees in Germany was 23 more than in the same period of the year prior (+0.3 %). Outside Germany, the number of employees rose by 246 (+2.9%). On December 31, 2024, 53.5% of our employees were working outside Germany.

In Germany, the number of employees increased primarily in General Administration (+40) and in Research and Development (+26). In sales-related functions, Dräger employed 13 more people than in the prior-year period. In Production, Quality Assurance, Logistics and Purchasing, we employed 56 persons less than in December 2023.

Outside Germany, the number of employees in Sales, Service and Marketing rose by 126 and in General Administration by 70. The number of employees in Research and Development rose by 42. In Production, Quality Assurance, Logistics and Purchasing, we employed eight persons more than in the prior-year period.

Of the 16,598 employees worldwide, 58.8% (December 31, 2023: 58.9%) worked in the Sales, Marketing and Service functions, 18.2% (December 31, 2023: 18.8%) in the Production, Quality Assurance, Logistics and Purchasing functions, 11.0% (December 31, 2023: 10.8%) in Research and Development and 12.0% (December 31, 2023: 11.5%) in General Administration.

Personnel expenses within the Group rose by 3.8% year-on-year (net of currency effects: 4.0%) to EUR 1,382.6 million. The rise in personnel expenses is due to both an increase in the number of employees and higher average costs per employee. Costs per employee rose by an average of 2.5% (net of currency effects: 2.7%). This was due, in particular, to the collective agreement pay rise in the metal and electrical industries in Germany and higher wage and salary expenses abroad. The personnel expenses ratio in the 2024 fiscal year was 41.0% (2023: 39.5%).

Key workforce trend figures

		Headcount as at the balance sheet date	
		December 31, 2024	December 31, 2023
Number of employees		16,598	16,329
Percentage of female employees	%	30.1	29.4
Part-time employees		1,141	1,158
Average years with Dräger in Germany	years	14	14
Average age of employees	years	44	43
Turnover of employees worldwide [1]	%	8.8	5.8
Turnover of employees in Germany [1]	%	3.4	3.4
Sick days of work days in Germany	%	6.2	6.6
Accidents in Germany (accidents at work and while commuting to work), Time off sick > 3 days		46	56

[1] For the 2024 fiscal year, employee turnover includes natural and voluntary departures. The comparative figure according to the 2023 definition was 8.1% as at December 31, 2024 (only voluntary departures).

Business performance

General economic conditions

Stable global economy – increased uncertainty

The economic environment remains difficult. According to the International Monetary Fund (IMF), the global economy remains stable, even if the degree of stability varies greatly from country to country. The global decline in inflation is continuing, but there are signs that progress has stalled in some countries and that increased inflation is persisting in a few cases. Economic policy uncertainty has increased significantly, which is due to unstable political conditions, geopolitical tensions and global trade conflicts, among other things.

Against this backdrop, the IMF forecast global economic growth of 3.2 and 3.3% for 2024 and 2025 (2023: 3.3%) in its January 2025 report.

Declining inflation – easing of monetary policy

With declining inflation, several major central banks have gradually eased their monetary policy over the course of 2024. The US Federal Reserve lowered its key interest rate range from 5.25 to 5.5% down to 4.25 to 4.5% in the period from September to December. The European Central Bank reduced its key interest rate from 4.0 to 3.0% in the period from June to December.

Inflation rates declining – unfavorable exchange rate development

Inflation rates continued to fall in 2024. The inflation rate in the eurozone amounted to 2.4% in December 2024. This was well below the December 2023 figure (2.9%). In Germany, the inflation rate was 2.6% in December 2024 (December 2023: 3.7%).

In 2024, as in the prior year, the euro appreciated against the majority of foreign currencies relevant to Dräger. This continued the unfavorable trend for us and once again had a negative impact on our consolidated earnings. However, the negative impact on earnings was lower than in the prior year. We recorded negative exchange rate effects for the Mexican peso and the Brazilian real, among others. The Chinese yuan and the Japanese yen had a positive effect on earnings despite negative exchange rate developments. This was due to income from hedging transactions.

↗ Please refer to the "Major currency changes and their impact on Dräger's earnings" table.

Major currency changes and their impact on Dräger's earnings

Average rates compared to the euro	Twelve months 2024	Twelve months 2023	Change in %	Impact on Dräger's earnings (EBIT) [1]
Chinese yuan	7.77	7.69	1.0	↑
Japanese yen	163.94	153.19	7.0	↑
Chilean peso	1,025.14	908.31	12.9	↓
Brazilian real	5.90	5.40	9.3	↓
Mexican peso	20.01	19.07	4.9	↓

[1] Please refer to the comments on the earnings of the Dräger Group and the segments for further details on the effects of changes in exchange rates on earnings.

Market and industry performance

Market positioning of the Dräger Group

Dräger is an international leader in the manufacture of medical and safety technology. In the medical division, we are one of the leading suppliers in the product areas of anesthesia, intensive care ventilation and thermoregulation, and in the safety division in the product ranges of gas detection, respiratory protection and alcohol and drug detection.

Medical technology

According to the German Medical Technology Association (BVMed), the German market for medical technology was under pressure in 2024. The main reasons for this were high energy prices and taxes, the heavy burden of bureaucracy and regulation and the sluggish pace of digitalization. The high costs of implementation of the EU Medical Device Regulation (MDR) and the unfavorable climate for innovation also weighed heavily on the market.

According to Germany Trade and Invest – Gesellschaft für Außenwirtschaft und Standortmarketing mbH (GTAI), the market for medical technology developed positively in the Europe, Middle East, and Africa (EMEA) region last year. In the Gulf States, technological progress and increasing digitalization were the main contributors to this development. In Africa, growth in the market for medical technology was determined by high accumulated demand due to the undersupply of the growing population.

According to GTAI, the American market for medical technology also developed positively. Sales of medical devices rose in the US, which is due in particular to the increased need for treatment and the resulting capacity expansion in the healthcare sector. Digital healthcare applications were also used more frequently. The Canadian market for medical technology also recorded rising demand. The market also developed positively in Latin America; demand increased in Mexico in particular, the region's most important sales market.

According to the GTAI, the Asia-Pacific (APAC) region showed stable development overall. In China, development was hampered by protectionist tendencies. This makes market conditions for imported medical technology products increasingly difficult, meaning that domestic manufacturers of medical technology products were able to further expand their market position. In India, demand for medical technology increased. The digital health sector also developed dynamically. However, increased regulatory measures are leading to disadvantages for foreign manufacturers. In Australia, demand for medical technology also developed positively. This development is due to an aging population and increasing healthcare expenditure. The market for telemedicine also grew.

Safety technology

The market for safety technology in Germany was characterized by uncertainty in 2024. 2024 was a difficult year for the German chemical industry. Sector sales in the chemicals and pharmaceuticals industry fell – both domestic and foreign sales declined. Many industrial customers cut back on production, which led to a decrease in demand for chemical products.

In the EMEA region, the safety technology market developed positively to a limited extent in 2024. According to the German Chemical Industry Association (VCI), production in Western Europe’s chemical industry has seen an upward trend. The unfavorable location factors with high production costs prevented a quicker recovery, however. After the difficult years of 2022 and 2023, Eastern Europe could look on 2024 more positively: Chemical production increased compared to the prior year. According to GTAI, the chemical industry is considered a key element in the diversification of important Gulf states; the aim is to reduce dependence on oil. Accordingly, investments in the chemical sector in Saudi Arabia and the United Arab Emirates increased last year. Nevertheless, the oil and gas sector remains the key economic driver of important Gulf states; state investment also rose here.

The American market for safety technology also developed positively to a limited extent. According to the GTAI, the North American chemical industry is returning to its growth trajectory. A gain in demand for chemical products was seen in key customer sectors such as manufacturing and the construction industry. According to the VCI, the chemical industry in Latin America developed moderately. The mining industry in the USA showed a slight positive trend. However, the industry put the brakes on costs in 2024.

In the APAC region, the market for safety technology recorded positive development. According to the VCI, the chemical industry in Asia increased its production compared to the prior year. However, chemical companies in the important Chinese market suffered from the weak economy according to GTAI. Excess capacities intensified price competition.

According to the International Technical Committee for the Prevention and Extinction of Fire (CTIF), the global firefighting market, which is strongly characterized by local structures, was overall stable in 2024.

Trends with an influence on our business performance

The megatrends of globalization and the increasing need for safety as well as health and connectivity play a particularly important role for Dräger's business.

Globalization and increasing need for safety

Globalization is all too often perceived to be a problem, seldom an opportunity. What results: In several industrialized and emerging countries, a rise in nationalist and protectionist tendencies is becoming apparent on the political and social scene. We believe that the growing global uncertainty, and how this uncertainty is dealt with, will remain a key issue in the coming years. The impression of experiencing one crisis after another – the COVID-19 pandemic, the impact of climate change, inflation, war, and energy crises – exacerbates this uncertainty. However, what is important is that the challenges associated with these crises and this complexity should not blind us to the positive effects of globalization, such as economic development and increasing prosperity in many emerging markets.

Health

As living standards rise in emerging markets and industrialized economies alike, health is increasingly becoming a key feature of a “good life”. Demand for high-quality medical care, whether at home or in hospitals, is increasing accordingly. At the same time, life expectancy also continues to rise. In addition, we are seeing a growing awareness of the importance of environmental and employee protection, also as a result of ESG efforts (Environmental, Social and Governance). As a result, companies are investing more in occupational health and safety. In view of these developments, we continue to see good prospects for Dräger and our business areas of medical and safety technology.

Connectivity

For years, the issues of digitalization and automation in trade and industry have been ubiquitous. The interplay between humans and machines, and the exploitation of new technical opportunities, offers enormous potential to boost efficiency and pave the way for brand-new business models. However, they also entail numerous challenges: Our Company must explore the potentials offered by new platform-oriented sales models, as well as changed innovation and production possibilities. Meanwhile, digital connectivity means that devices are collecting more and more data about our professional and private lives. We continue to intensively consider what happens to this data and how it can be used as safely as possible with the customer benefit in mind.

Overall assessment of the underlying conditions

Despite the stable growth of the global economy and the decline in inflation, the economic environment remains difficult. Uncertainty has increased due to unstable political conditions in some countries, geopolitical tensions and global trade conflicts.

The market for medical technology was under pressure in Germany, but proved robust overall thanks to growth in the EMEA and Americas regions and stable development in the APAC region. The market for safety technology developed positively overall. The difficulties in Germany were offset by good development in the EMEA, Americas and APAC regions.

Business performance of the Dräger Group

Overall management assessment of business performance

Overall, our business has developed positively in 2024. Although the increase in net sales (net of currency effects) was slightly below our forecast, at around EUR 3.37 billion we were able to match the high net sales level of the prior year. In 2023, we benefited from strong recovery effects as a result of the noticeable improvement in delivery capacity and the surge in demand for ventilators in China. As expected, these supporting effects were absent in 2024. We were also able to improve our profitability last year: The EBIT margin was above our expectations due to the operating business performance, but also due to some positive one-off effects amounting to around EUR 22 million. Details of the special effects are presented in note 40 (segment report). Dräger Value Added (DVA), which we use to measure the long-term performance of our Company, also exceeded the forecast.

Demand for our products and services remained high in 2024. Order intake increased by 3.4% (net of currency effects; nominal: 2.8%). Both segments contributed to this development.

Net sales increased by 0.5% (net of currency effects; nominal: -0.1%). This was slightly weaker than expected. We had originally forecast net sales growth of 1.0 to 5.0% (net of currency effects). From July 2024, we expected a figure in the lower half of this range due to the moderate development of demand in the Medical division.

Gross profit increased thanks to the improved gross margin and despite the slightly lower net sales. The gross margin increased to 44.9%, partly due to price effects and lower quality costs. It was therefore at the upper end of the target range (43.0% to 45.0%).

Earnings before interest and taxes (EBIT) increased considerably by 16.6% to reach EUR 194.0 million (2023: EUR 166.4 million). The EBIT margin increased to 5.8% (2023: 4.9%). Initially, we had expected a value within the range of 2.5 to 5.5 %. From July 2024, it became clear that this figure would be on the higher end of the scale thanks to the positive one-off effects.

DVA amounted to EUR 54.3 million (2023: EUR 55.8 million). The higher cost of capital resulting from the increased weighted average cost of capital (WACC) was more or less compensated for by the higher EBIT. In our original plans, we had estimated a DVA of EUR -60 to 40 million. After July 2024, we estimated this figure to be on the higher end of the scale thanks to the positive one-off effects.

Research and development expenses were at the lower end of the forecast range with a slight increase.

Our net financial debt decreased in 2024, although we had initially expected a figure on par with the prior year. From April onwards, we expected a slight improvement compared to the prior year. Since October, we have expected a figure below the prior-year-level.

At EUR 76.0 million, the investment volume in 2024 – excluding company acquisitions and the capitalization of right-of-use assets in accordance with IFRS 16 – was below the prior year's level (2023: EUR 86.3 million). We had originally forecast a volume of EUR 95 to 115 million. From October 2024, we expected the figure to be at the prior year's level.

The interest result developed better than expected. The reason for this was lower interest expenditure with higher interest income.

At around 108 days, the number of days working capital was at the lower end of the forecast range.

↗ Please refer to the tables on “Business performance of the Dräger Group” and “Comparison of forecast figures and actual figures” on the next pages.

Business performance of the Dräger Group

		Twelve months		
		2024	2023	Change in %
Order intake	**€ million**	**3,380.5**	**3,290.0**	**+2.8**
Net sales	**€ million**	**3,370.9**	**3,373.5**	**-0.1**
Gross profit	**€ million**	**1,512.5**	**1,459.7**	**+3.6**
Gross profit / net sales [1]	%	44.9	43.3	+1.6 pp
EBITDA [2]	**€ million**	**339.9**	**315.0**	**+7.9**
EBIT [3]	**€ million**	**194.0**	**166.4**	**+16.6**
EBIT [3] / net sales [1]	%	5.8	4.9	+0.8 pp
Net profit	**€ million**	**124.8**	**112.0**	**+11.4**
Earnings per share				
per preferred share	€	6.67	5.92	+12.7
per common share	€	6.61	5.86	+12.8
DVA [4, 5]	**€ million**	**54.3**	**55.8**	**-2.7**
R&D expenses	€ million	333.1	325.4	+2.4
Equity ratio [1, 6]	%	49.7	45.5	+4.1 pp
Cash flow from operating activities	€ million	167.3	189.7	-11.8
Net financial debt [6]	€ million	165.0	197.7	-16.5
Investments	€ million	126.2	141.5	-10.8
Capital employed [6, 7]	€ million	1,601.0	1,523.2	+5.1
Net working capital [6, 8]	€ million	741.2	658.5	+12.6
Days working capital (DWC) [9]	days	108.2	108.8	-0,6 days
EBIT [3, 4] / capital employed [6, 7] (ROCE) [1]	%	12.1	10.9	+1.2 pp
Net financial debt [6] / EBITDA [2, 4]	Factor	0.49	0.63	
Gearing [10]	Factor	0.11	0.14	
Headcount as at December 31		16,598	16,329	+1.6

[1] pp = percentage points
[2] EBITDA = Earnings before net interest result, income taxes, depreciation and amortization
[3] EBIT = Earnings before net interest result and income taxes
[4] Value of the last twelve months
[5] Dräger Value Added = EBIT less cost of capital of average capital employed
[6] Value as at reporting date
[7] Capital employed = Total assets less deferred tax assets, securities, cash and cash equivalents, non-interest-bearing liabilities and other non-operating items
[8] Net working capital = Trade receivables and inventories less trade payables, customer prepayments, short-term operating provisions and other short-term operating items
[9] DWC = average reach of net working capital of the last twelve months
[10] Gearing = Net financial debt / equity

Comparison of forecast figures and actual figures

	Forecast 2024 according to annual report 2023	Forecast 2024 last published	Results achieved in fiscal year 2024
Net sales (net of currency effects)	1.0 to 5.0%	lower half of range	0.5%
EBIT margin	2.5 to 5.5%	upper half of range	5.8%
DVA	EUR -60 to 40 million	upper half of range	EUR 54.3 million
Gross margin	43.0 to 45.0%	confirmed	44.9%
Research and development expenses	EUR 330 to 350 million	confirmed	EUR 333.1 million
Net financial debt	at prior-year level (2023: EUR 197.7 million)	below prior-year level	EUR 165.0 million
Investment volume [1]	EUR 95 to 115 million	at prior-year level (2023: EUR 86.3 million)	EUR 76.0 million
Interest result	EUR -20 to -26 million	confirmed	EUR -18.6 million
Days working capital (DWC)	108 to 113 days	confirmed	108.2 days

[1] Excluding acquisitions and the capitalization of right-of-use assets pursuant to IFRS 16

The following section covers Dräger's business performance in detail.

Order intake

Order intake [1]

				Twelve months
in € million	2024	2023	Change in %	Net of currency effects in %
Medical division	1,924.1	1,916.2	+0.4	+1.2
Safety division	1,456.4	1,373.8	+6.0	+6.4
Total	**3,380.5**	**3,290.0**	**+2.8**	**+3.4**
thereof Germany	811.8	745.2	+8.9	+8.9
thereof EMEA	1,299.9	1,276.2	+1.9	+1.7
thereof Americas	723.9	688.9	+5.1	+6.7
thereof APAC	544.9	579.8	-6.0	-4.2

[1] Due to the new regional structure, prior-year figures have been adjusted partially.

Our order intake increased by 3.4% (net of currency effects) during fiscal year 2024. Both divisions contributed to this positive development. Order volumes increased in the Germany, Americas and Europe, Middle East, and Africa (EMEA) regions. In the Asia-Pacific (APAC) region, however, demand declined due to the current difficult market conditions in China. In the fourth quarter, order intake increased by 8.6% (net of currency effects). Growth was driven by all regions, but particularly the Americas and Germany, which both recorded significant increases. Following a decline in the same quarter of the prior year, the APAC region recorded an increase again, which is primarily attributable to the positive development in India and Thailand.

In the medical division, order intake increased by 1.2% after a decline in the prior year (net of currency effects). The lower order volume in the APAC and EMEA regions was more than offset by an increase in the Americas and Germany. In the fourth quarter, order intake increased by more than 10% (net of currency effects) thanks to a positive trend in all regions. The largest growth driver was the Americas, where demand increased by more than 27% due to new product approvals, among other things.

In the safety division, order intake in the 2024 fiscal year rose by 6.4% (net of currency effects). This was due in particular to significant growth in Germany. The other regions also developed positively. In the fourth quarter, order intake increased by 6%, which is primarily attributable to the significant increase in Germany. Growth was also recorded for the Americas and EMEA regions. Order intake in the APAC region was around the prior-year level.

Net sales

Net sales[1]

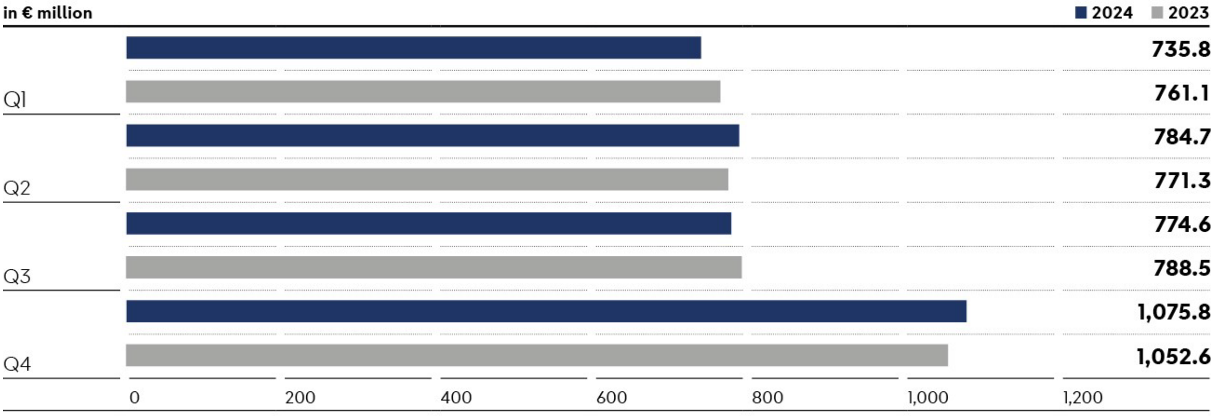
in € million	2024	2023	Change in %	Twelve months Net of currency effects in %
Medical division	1,899.7	1,966.2	-3.4	-2.7
Safety division	1,471.2	1,407.3	+4.5	+4.9
Total	**3,370.9**	**3,373.5**	**-0.1**	**+0.5**
thereof Germany	775.8	748.4	+3.7	+3.7
thereof EMEA	1,310.5	1,309.8	+0.1	-0.1
thereof Americas	736.8	700.7	+5.1	+6.8
thereof APAC	547.8	614.7	-10.9	-9.1

[1] Due to the new regional structure, prior-year figures have been adjusted partially.

Our net sales increased by 0.5% (net of currency effects) during the 2024 fiscal year. A minus of 2.7% in the medical division was countered with a plus of 4.9% in the safety division. The drop in the APAC region was more than compensated for by growth in the Americas and Germany regions. In the EMEA region, net sales were roughly on par with the prior year. In 2023, we benefited from strong recovery effects as a result of the noticeable improvement in delivery capacity and a surge in demand for ventilators in China. As expected, these two effects were absent in 2024.

In the fourth quarter, our net sales increased by 2.6% (net of currency effects). Growth was driven by the Americas region, but the Germany and APAC regions also developed positively. Net sales declined in the EMEA region.

Development of net sales by quarter



Earnings

In the 2024 fiscal year, our gross profit increased by 3.6% to EUR 1,512.5 million (2023: EUR 1,459.7 million) thanks to the improved gross margin and despite the slightly lower net sales. The gross margin increased to 44.9% (2023: 43.3%), partly due to price effects and lower quality costs. In the fourth quarter, gross profit of EUR 494.0 million was also significantly higher than in the prior year (Q4 2023: EUR 438.0 million). The gross margin increased by 4.3 percentage points to 45.9% as a result of the reasons mentioned above (Q4 2023: 41.6%). Both divisions contributed to the margin improvement in the fiscal year as a whole:

Functional expenses

in € million	2024	2023	Change in %
Research and development expenses	333.1	325.4	+2.4
in % of net sales	9.9	9.6	
Marketing and selling expenses	731.8	717.8	+2.0
in % of net sales	21.7	21.3	
General administrative expenses	275.9	237.9	+16.0
in % of net sales	8.2	7.1	
Selling and general administrative expenses	1,007.7	955.7	+5.4
in % of net sales	29.9	28.3	
Other operating result	-34.4	5.8	> -100
Total functional expenses	**1,306.4**	**1,286.9**	**+1.5**
in % of net sales	38.8	38.1	

Our functional expenses increased during the 2024 fiscal year (net of currency effects) by 1.8% (1.5% in nominal terms). This resulted, in particular, from the increase in personnel expenses owing to higher employee figures and remuneration. This was offset by mitigating one-off effects in other operating income. In the medical division, functional expenses were almost at the prior year's level, while they increased in the safety division. In the fourth quarter, functional expenses increased by 8.0% (net of currency effects; nominal: 8.1%). They increased slightly more in the safety division than in the medical division.

Research and Development (R&D) expenses increased by 2.2% (nominal: 2.4%) in the 2024 fiscal year (net of currency effects). At 9.9%, the R&D ratio was slightly above the prior year's level (2023: 9.6%).

The financial result (before interest result) amounted to EUR -12.0 million (2023: EUR -6.4 million). The main reason for the change was the valuation allowance on shares in associated companies.

Our Group earnings before interest and taxes (EBIT) increased considerably by 16.6% to reach EUR 194.0 million in the 2024 fiscal year (2023: EUR 166.4 million). The EBIT margin improved by 0.8 percentage points to 5.8% (2023: 4.9%). A decline in net sales and margins in the medical division was offset by a significant increase in both key performance indicators for the safety division. In the fourth quarter, the Group EBIT of EUR 113.9 million was also significantly higher than the prior year’s figure (Q4 2023: EUR 89.5 million). The EBIT margin rose by 2.1 percentage points to reach 10.6% (Q4 2023: 8.5%).

Several one-off effects totaling around EUR 22 million have positively influenced the EBIT. The value comprises positive one-off effects to a total of around EUR 37 million, minus the negative one-off effects of around EUR 15 million. The positive one-off effects largely included the sale of a local non-core division in the Netherlands and real estate in the US in the second quarter totaling around EUR 20 million, as well as the sale of a building in Spain in the third quarter for around EUR 10 million. Around EUR 32 million of the one-off effects are included in the functional expenses. The adverse effects include the depreciation in connection with the valuation of an associate in Q4. This depreciation is included in the financial result (before interest result).

The interest result improved during the 2024 fiscal year by EUR 6.5 million to reach EUR -18.6 million (2023: EUR -25.1 million). The reason for this was reduced interest expenditure at higher interest income.

At 28.9%, the tax rate was significantly higher than the prior year's figure (2023: 20.8%), which was mainly influenced by tax income for prior periods and the additional recognition of deferred taxes. Earnings after taxes amounted to EUR 124.8 million (2023: EUR 112.0 million).

Investments

Investments / depreciation and amortization

in € million	2024 Investments	2024 Depreciation/ amortization	2023 Investments	2023 Depreciation/ amortization
Intangible assets	4.1	-8.2	2.9	-7.4
Property, plant and equipment	71.9	-90.1	83.5	-95.2
Subtotal without right-of-use assets	**76.0**	**-98.3**	**86.3**	**-102.6**
Right-of-use assets	50.2	-47.5	55.2	-46.0
Total	**126.2**	**-145.8**	**141.5**	**-148.6**

At EUR 126.2 million, the investment volume in the 2024 fiscal year was 10.8% lower than in the prior year (2023: EUR 141.5 million). We invested EUR 71.9 million in property, plant and equipment (2023: EUR 83.5 million), EUR 4.1 million in intangible assets (2023: EUR 2.9 million) and EUR 50.2 million in capitalized right-of-use assets in accordance with IFRS 16 (2023: EUR 55.2 million). The depreciation and amortization amounted to EUR 145.8 million in the reporting year (2023: EUR 148.6 million). Total investment amounted to 86.5% of depreciation and amortization, resulting in a decrease in non-current assets of EUR 19.7 million.

Cash flow statement[1]

Financial position of the Dräger Group

in € million	2024	2023	2022	2021	2020
Cash flow from operating activities	167.3	189.7	-144.2	384.9	460.0
Cash flow from investing activities	-43.4	-67.3	36.8	-109.9	-263.1
Free cash flow	123.9	122.3	-107.4	275.0	196.9
Cash flow from financing activities	-161.4	-154.6	-29.4	-334.6	114.3
Change in liquidity (excluding exchange rate effects)	-37.5	-32.2	-136.8	-59.7	311.1

In fiscal year 2024, the Dräger Group's cash inflow from operating activities amounted to EUR 167.3 million (2023: cash inflow of EUR 189.7 million). Key reasons for the reduced cash inflow included, on the one hand, the increase of other assets by EUR 5.5 million (2023: drop of EUR 28.7 million) and the reduction of other liabilities by EUR 1.4 million (2023: increase of EUR 24.2 million); on the other hand, other non-cash expenses decreased by EUR 24.2 million compared to the prior year and the cash reduction in provisions increased by EUR 22.8 million. This was offset by positive effects such as the EUR 12.8 million improvement in earnings after taxes and the EUR 14.9 million increase in trade payables (2023: reduction of EUR 67.2 million).

Cash outflow from investment activities amounted to EUR 43.4 million in the 2024 fiscal year (2023: cash outflow of EUR 67.3 million). The reason for the reduced cash outflow was inflows from the sale of business areas to the amount of EUR 15.4 million and property, plant and equipment to the amount of EUR 11.2 million (in particular for real estate), as well as a reduction of EUR 5.2 million in investments in property, plant and equipment.

Free cash flow – the sum of the change in cash flow from operating and investing activities – amounted to EUR 123.9 million in fiscal year 2024 (2023: EUR 122.3 million).

The cash outflow from financing activities amounted to EUR 161.4 million (2023: cash outflow of EUR 154.6 million). Of this, EUR 33.2 million was attributable to the dividend payment (2023: EUR 3.7 million), EUR 78.4 million to net payments for bank loans and current account liabilities (2023: net payments received of EUR 105.4 million) and EUR 46.1 million to payments under leases (2023: EUR 46.4 million). In the prior year, the cash outflow was also influenced by the payment of EUR 208.8 million to the holders of profit participation certificates of the terminated Series D.

Cash and cash equivalents amounted to EUR 230.6 million as at the balance sheet date of December 31, 2024, down EUR 41.4 million on the prior year (December 31, 2023: EUR 272.0 million). Cash and cash equivalents contained only cash and cash equivalents; these were subject to restrictions on their use to the amount of EUR 7.1 million (December 31, 2023: EUR 12.0 million).

Unused credit lines amounted to EUR 601.5 million as at the balance sheet date (December 31, 2023: EUR 636.9 million). The credit lines are subject to standard market restrictions.

[1] Due to the elimination of exchange rate effects, the underlying changes recognized in the cash flow statement cannot be directly reconciled with the items of the published balance sheet.

Financial management

Borrowing

The Dräger Group uses a framework credit agreement for existing bilateral credit lines for the medium-term financing of working capital, which runs until November 2026. These credit lines were utilized as sureties in Germany and abroad and as cash facilities. Under this framework credit agreement, cash lines of EUR 250.0 million granted in 2022 were limited until September 2024. In the fourth quarter of 2024, the cash lines running until November 30, 2026 were increased by EUR 125.0 million to a total of EUR 375.0 million.

Bilateral credit lines under the master loan agreement

Type of credit	€ million	Intended use	Lender
Cash	375.0	Secure working capital requirements (limited until November 30, 2026)	BNP Paribas, Commerzbank, Deutsche Apotheker- und Ärztebank, Deutsche Bank, Helaba, HSBC, SEB, Sparkasse zu Lübeck
Sureties	165,0	Within the context of conducting business activities (limited until November 30, 2026)	BNP Paribas, Commerzbank, Deutsche Bank, Helaba, HSBC
Total	**540.0**		

Outside the framework credit agreement, there are further bilateral guarantee credit lines with DZ Bank for EUR 5.0 million and with Euler Hermes for EUR 20.0 million.

Internal Group cash pools exist in several different currencies through which liquidity is balanced within the Group. On December 31, 2024, the Dräger Group's short-term loans amounted to around EUR 67.4 million (December 31, 2023: EUR 92.6 million).

In addition to bilateral credit lines, we use promissory note loans totaling EUR 100.0 million with maturity dates in 2026 and 2028 for medium and long-term financing. The interest rates of the promissory note loans are linked to Dräger's ESG rating by EcoVadis, which is updated every two years. From an investment loan from the European Investment Bank (EIB) for ongoing research projects originally amounting to EUR 110.0 million, a loan amount of EUR 50.0 million maturing in October 2025 is still outstanding. A further EIB loan for EUR 100.0 million with a term of five years was paid out in January 2023 and is outstanding. In 2024, we sold receivables from German Dräger companies (factoring). There are no plans to sell further receivables in 2025. We currently do not have a rating from agencies such as Standard & Poor's, Moody's or Fitch.

↗ Please refer to note 24 for further information on factoring.

Liquidity forecast

The Dräger Group's liquidity came to EUR 230.6 million as at the end of 2024 (December 31, 2023: EUR 272.0 million). On the basis of its forecast business performance, Dräger expects a stable cash flow from operating activities in fiscal year 2025. The Dräger Group's short- and medium-term liquidity is secured by existing cash in hand and bank balances, as well as the existing credit lines with a term of more than one year.

Derivative financial instruments

We generally use derivative financial instruments for hedging purposes and not to optimize earnings, although the principles of economic efficiency are also applied to such decisions. Transactions of this type are selected and concluded in a uniform manner throughout the Group.

Net assets

Financial figures

in € million	December 31, 2024	December 31, 2023	Change in %
Total assets	3,093.4	3,094.5	-0.0
Equity	1,536.8	1,409.2	+9.1
Equity ratio	49,7 %	45,5 %	
Capital employed [1]	1,601.0	1,523.2	+5.1
Net financial debt	165.0	197.7	-16.5

[1] Capital employed = Total assets less deferred tax assets, securities, cash and cash equivalents, non-interest-bearing liabilities and other non-operative items

The Dräger Group's equity increased by EUR 127.6 million to EUR 1,536.8 million in fiscal year 2024. The equity ratio as at December 31, 2024 was 49.7%, up on the prior year (December 31, 2023: 45.5%).

The rise in equity is notably due to the increase in net profit. Furthermore, valuation effects from pension plans, as well as changes in adjustment items from the currency translation of foreign subsidiaries, have had a positive effect. The payout of dividends in the 2024 fiscal year with EUR 33.2 million had a mitigating effect.

Net assets of the Dräger Group

		2024	2023	2022	2021	2020
Non-current assets	€ million	1,208.7	1,222.8	1,203.9	1,186.6	1,159.0
Current assets	€ million	1,884.8	1,868.3	1,902.6	1,991.7	2,147.0
thereof cash and cach equivalents	€ million	230.6	272.0	311.6	445.7	497.3
Equity	€ million	1,536.8	1,409.2	1,319.4	1,260.5	1,033.8
Debt	€ million	1,556.6	1,685.3	1,787.1	1,917.8	2,272.2
thereof liabilities to banks	€ million	271.7	350.3	245.8	225.9	254.1
Total assets	€ million	3,093.4	3,094.5	3,106.6	3,178.3	3,306.0
Long-term equity-to-fixed assets ratio [1]	%	237.1	225.8	201.2	235.9	239.8

[1] Long-term equity-to-fixed assets ratio = Total equity and long-term debt divided by intangible assets and property, plant and equipment, and right-of-use assets

On the assets side, non-current assets decreased slightly by EUR 14.1 million. This largely involved reductions in property, plant and equipment, including rights of use, totaling EUR 22.3 million. The reason for the decline included higher depreciation and amortization than investment during the fiscal year. The shares in associates (EUR -10.8 million) fell, in particular due to impairments. The deferred tax assets (EUR -4.7 million) fell below the value of the balance sheet date of the prior year. In contrast, other non-current assets increased by EUR 15.1 million. This increase is mainly due to an economically usable surplus of plan assets for defined benefit pension plans. The other non-current financial assets increased by EUR 9.1 million. This was due, among other things, to the increase in receivables from finance leases as a result of expanding the rental business.

Current assets increased by EUR 16.5 million. This was primarily due to the increase in trade receivables (EUR +61.0 million), which can be largely attributed to higher net sales in December when compared to the same month of the prior year. Furthermore, the other current financial assets increased (EUR +24.7 million). This was due to a variety of effects, such as purchase price claims from the sale of the property in Spain. The inventories (EUR +7.8 million) were subject to fluctuations based on balance sheet results and recorded no significant changes. Conversely, there was a EUR 41.4 million drop in cash and cash equivalents. Regarding the change to cash and cash equivalents, please refer to the cash flow statement in the notes. The short-term income tax assets (EUR -37.3 million) – just like the short-term income tax liabilities – dropped, mainly as a result of a balancing effect.

The change on the liabilities side, in addition to the change in equity, resulted from the reduction in non-current liabilities by EUR 83.1 million and current liabilities by EUR 45.6 million.

The decrease in non-current liabilities is mainly due to two factors: On the one hand, a loan was reclassified from a long-term to short-term bank liability (EUR -50.0 million); on the other, provisions for pensions and similar obligations were largely reduced in terms of valuations with an effect of EUR 24.1 million.

The decrease in current liabilities is also due to various effects. Income tax liabilities in particular fell by EUR 34.9 million. The main reason for this is a netting effect, which led to a decrease in income tax refund claims. The short-term bank liabilities decreased by EUR 25.2 million. The reclassification of the loan from the non-current bank liabilities was accompanied by a return of short-term bank liabilities to the amount of EUR 75.2 million. It was possible to reduce other current financial liabilities by EUR 11.6 million. This was countered by an increase in other current liabilities (EUR +24.5 million), which is largely due to higher customer prepayments. By contrast, contract liabilities (EUR +24.1 million) and trade payables (EUR +14.8 million) increased.

Dräger Value Added

Our value-oriented key performance indicator Dräger Value Added fell slightly in the 2024 fiscal year by EUR 1.5 million to EUR 54.3 million (2023: EUR 55.8). The EBIT increased by EUR 27.6 million. A significant decline of the DVA and EBIT in the medical division was offset by a considerable increase in both key performance indicators for the safety division.

The Group’s average capital employed rose by EUR 28.0 million to EUR 1,553.0 million. Despite lower average capital employed, the cost of capital increased by EUR 29.1 million to EUR 139.8 million due to the higher cost of capital. For 2024, we have increased the weighted average cost of capital (WACC) from 7.0 to 9.0%, taking into account the changed interest rate environment, among other things.

Average current assets were reduced while net sales fell slightly. As a result, days working capital decreased by 0.6 days compared to the prior year to 108.2 days.

Business performance of the medical division

Business performance of the medical division

					Twelve months
		2024	**2023**	**Change in %**	**Net of currency effects in %**
Order intake	**€ million**	**1,924.1**	**1,916.2**	**+0.4**	**+1.2**
thereof Germany [1]	€ million	426.0	415.3	+2.6	+2.6
Net sales	**€ million**	**1,899.7**	**1,966.2**	**-3.4**	**-2.7**
thereof Germany [1]	€ million	406.8	402.7	+1.0	+1.0
EBITDA [2]	**€ million**	**96.3**	**102.7**	**-6.2**	
EBIT [3]	**€ million**	**28.3**	**37.1**	**-23.7**	
EBIT [3]/ net sales [4]	%	1.5	1.9	-0.4 pp	
Capital employed [5, 6]	€ million	899.9	867.2	+3.8	
EBIT [3, 7]/ capital employed [5, 6] (ROCE) [4]	%	3.1	4.3	-1.1 pp	
DVA [7, 8]	€ million	-50.1	-27.2	-84.1	

[1] Due to the new regional structure, prior-year figures have been adjusted partially.
[2] EBITDA = Earnings before net interest result, income taxes, depreciation and amortization
[3] EBIT = Earnings before net interest result and income taxes
[4] pp = Percentage points
[5] Capital employed = Total assets less deferred tax assets, securities, cash and cash equivalents, non-interest bearing liabilities and other non-operating items
[6] Value as at reporting date
[7] Value of the last twelve months
[8] Dräger Value Added = EBIT less cost of capital of average capital employed

Order intake

Order intake [1]

				Twelve months
in € million	**2024**	**2023**	**Change in %**	**Net of currency effects in %**
Germany	426.0	415.3	+2.6	+2.6
EMEA	674.2	678.4	-0.6	-0.7
Americas	481.1	446.2	+7.8	+9.5
APAC	342.8	376.3	-8.9	-6.9
Total	**1,924.1**	**1,916.2**	**+0.4**	**+1.2**

[1] Due to the new regional structure, prior-year figures have been adjusted partially.

Following a slight decline in the prior year, our order intake in the medical division rose by 1.2% (net of currency effects) in 2024. This was primarily due to higher demand for our warming therapy devices and services. This was offset by lower demand for hospital infrastructure and ventilators. The lower order volume in the APAC and EMEA regions was more than offset by an increase in the Americas and Germany.

In the fourth quarter, order intake in the medical division rose by around ten percent (net of currency effects), following a decline in the same quarter of the prior year. The main growth driver was our ventilators, with an increase of around one third. Demand for hospital infrastructure also increased disproportionately. All regions contributed to the positive order trend, with the Americas showing the strongest growth with an increase of more than 27% (net of currency effects).

Net sales

Net sales [1]

in € million	2024	2023	Change in %	Twelve months Net of currency effects in %
Germany	406.8	402.7	+1.0	+1.0
EMEA	678.6	699.8	-3.0	-3.2
Americas	474.1	454.2	+4.4	+6.1
APAC	340.2	409.4	-16.9	-15.0
Total	**1,899.7**	**1,966.2**	**-3.4**	**-2.7**

[1] Due to the new regional structure, prior-year figures have been adjusted partially.

Our net sales in the medical division fell by 2.7% in 2024 (net of currency effects). In the prior year, we had benefited from strong catch-up effects as a result of the noticeable improvement in delivery capacity and the surge in demand for ventilators in China. As expected, these two effects were absent in 2024. Net sales increased in the Americas and Germany regions. This was offset by lower net sales in EMEA and a significant decline in APAC, which was due in particular to the current difficult market conditions in China.

In the fourth quarter, net sales in the medical division rose by 1.8% (net of currency effects). The Americas region was the main contributor to this growth. In Germany, sales increased slightly. In the EMEA and APAC regions, it was slightly below the prior year's level.

Earnings

Our gross profit in the medical division fell by 0.8% in the 2024 fiscal year. The main reason for this was the decline in net sales in the APAC and EMEA regions. By contrast, the gross margin increased by 1.1 percentage points due to successful price enforcement and lower quality expenses. In the fourth quarter, gross profit increased by 13.8%, mainly as a result of significantly lower expenses for field campaigns. The gross margin improved by 5.0 percentage points.

The functional expenses increased in 2024 (net of currency effects) by 0.7% (0.3% in nominal terms), which can be largely attributed to personnel costs. Overall, the increase in functional expenses could be mitigated by income from one-off effects. In the fourth quarter, functional expenses increased (net of currency effects) by 8.1% (8.1% in nominal terms).

The EBIT of the medical division was EUR 28.3 million in 2024 (2023: EUR 37.1 million) and received positive one-off effects of around EUR 15 million. The EBIT margin was reduced by 0.4 percentage points to 1.5%. In the fourth quarter, the EBIT amounted to EUR 56.4 million (Q4 2023: EUR 39.4 million). The EBIT margin was 9.2% (Q4 2023: 6.5%).

Dräger Value Added decreased by EUR 22.9 million to EUR -50.1 million as at December 31, 2024 compared to the same period of the prior year (12 months ended December 31, 2023: EUR -27.2 million). Our EBIT decreased by EUR 8.8 million compared to the prior year. Capital costs climbed by EUR 14.1 million on account of the higher capital employed.

Business performance of the safety division

Business performance of the safety division

					Twelve months
		2024	2023	Change in %	Net of currency effects in %
Order intake	**€ million**	**1,456.4**	**1,373.8**	**+6.0**	**+6.4**
thereof Germany	€ million	385.8	329.9	+16.9	+16.9
Net sales	**€ million**	**1,471.2**	**1,407.3**	**+4.5**	**+4.9**
thereof Germany	€ million	369.0	345.6	+6.8	+6.8
EBITDA [1]	**€ million**	**243.5**	**212.3**	**+14.7**	
EBIT [2]	**€ million**	**165.7**	**129.4**	**+28.1**	
EBIT [2]/ net sales [3]	%	11.3	9.2	+2.1 pp	
Capital employed [4, 5]	€ million	701.0	656.0	6.9	
EBIT [2, 6] / capital employed [4, 5] (ROCE)[3]	%	23.6	19.7	+3.9 pp	
DVA [6, 7]	€ million	104.3	83.0	+25.8	

[1] Due to the new regional structure, prior-year figures have been adjusted partially.
[2] EBITDA = Earnings before net interest result, income taxes, depreciation and amortization
[3] EBIT = Earnings before net interest result and income taxes
[4] pp = Percentage points
[5] Capital employed = Total assets less deferred tax assets, securities, cash and cash equivalents, non-interest bearing liabilities and other non-operating items
[6] Value as at reporting date
[7] Value of the last twelve months
[8] Dräger Value Added = EBIT less cost of capital of average capital employed

Order intake

Order intake[1]

				Twelve months
in € million	2024	2023	Change in %	Net of currency effects in %
Germany	385.8	329.9	+16.9	+16.9
EMEA	625.7	597.8	+4.7	+4.5
Americas	242.8	242.6	+0.1	+1.5
APAC	202.1	203.5	-0.7	+0.7
Total	**1,456.4**	**1,373.8**	**+6.0**	**+6.4**

[1] Due to the new regional structure, prior-year figures have been adjusted partially.

The safety division continued its growth trajectory in the 2024 fiscal year. Order intake rose by 6.4% (net of currency effects). This was primarily due to significantly higher demand for respiratory and personal protection products, occupational health and safety equipment and services. In Germany, order intake increased significantly. The other regions also developed positively.

In the fourth quarter, order intake increased by six percent (net of currency effects). This was due in particular to the more than 30% increase in order volumes for respiratory and personal protection products, which more than compensated for the decline in other product areas. In Germany, order intake increased significantly. Growth was also recorded for the Americas and EMEA regions. Order intake in the APAC region was around the prior-year level.

Net sales

Net sales [1]

in € million	2024	2023	Change in %	Twelve months Net of currency effects in %
Germany	369.0	345.6	+6.8	+6.8
EMEA	631.9	609.9	+3.6	+3.5
Americas	262.7	246.6	+6.5	+8.0
APAC	207.6	205.2	+1.2	+2.5
Total	**1,471.2**	**1,407.3**	**+4.5**	**+4.9**

[1] Due to the new regional structure, prior-year figures have been adjusted partially.

Our net sales in the safety division increased by around five percent in fiscal year 2024 (net of currency effects). All regions contributed to this growth. In the fourth quarter, net sales increased by 3.7% (net of currency effects). Growth was driven by the Americas region with a significant increase. Revenue also increased in the Germany and APAC regions. They declined in the EMEA region.

Earnings

Gross profit in the safety division increased significantly by 9.3% during fiscal year 2024. This was due to net sales growth and the improved gross margin, which increased by 2.1 percentage points, in particular as a result of effective price enforcement. Gross profit increased by 11.5% during the fourth quarter. The gross margin increased by 3.3 percentage points.

Functional expenses in 2024 (net of currency effects) were 3.7% over the value of the prior year (3.5% in nominal terms). This was mainly due to higher expenses for research and development as well as higher sales costs in the regions. In the fourth quarter, functional expenses increased (net of currency effects) by 7.8% (8.0% in nominal terms).

The EBIT of the safety division increased considerably in 2024 by 28.1% to reach EUR 165.7 million (2023: EUR 129.4 million). In addition to the improved operational development, positive one-off effects of around EUR 7 million also contributed to this. The EBIT margin amounted to 11.3% (2023: 9.2%). In the fourth quarter, EBIT stood at EUR 57.5 million (Q4 2023: EUR 50.1 million). The EBIT margin was 12.5% (Q4 2023: 11.2%).

Dräger Value Added grew by EUR 21.4 million to EUR 104.3 million as at December 31, 2024 compared to the same period of the prior year (12 months ended December 31, 2023: EUR 83.0 million). Our EBIT increased by EUR 36.4 million compared to the prior year. Capital costs rose by EUR 15.0 million due to higher capital employed.

Potential

Risks and opportunities for the future development of the Dräger Group and of Drägerwerk AG & Co. KGaA

Our risk management system (RMS) pursues several objectives: To identify risks at an early stage, to counteract them with specific measures and to consistently exploit opportunities. With this approach, we aim to permanently increase the value of our Company.

We regularly update our risk assessments, especially with regard to developments that could threaten the existence of the Company. Our risk and opportunity management comprises both short-term and medium-term perspectives, as well as strategic long-term developments.

We take relevant opportunities and risks into consideration in our strategic corporate planning. Together with knowledge of our strengths and weaknesses, it is the basis for the development of products and their market positioning.

In the following, we discuss our RMS, our internal control system (ICS), the evaluation of risks, the material risks we face, and our opportunities and opportunity management. We will end the section with a SWOT analysis.

Recognizing, managing, and reporting risks

An essential element of Dräger's RMS is the early identification of strategic and operating risks, determining the scope and probability of occurrence of these risks, and assessing the potential effects on the achievement of Group targets. The basis of our risk assessment system is corporate planning: Our risk reporting process is integrated into the planning process and the financial forecast. In the planning stage, we specify potential uncertainties in our assumptions; the planning reviews of the respective business units report on both potential negative (risks) and positive (opportunities) deviations from the plan or from the financial forecast.

All operating areas of the Company report bottom-up at least twice a year on risks and opportunities using specified criteria; Group Controlling then summarizes the risks and opportunities at Group level and allocates them to a risk matrix. The Company uses risk management software to support the risk reporting process. Using it allows us to determine the key risks for the Group. The integrated Monte Carlo simulation makes it possible to draw up both correlating risks as well as an aggregated overall risk, which act as the basis for a reliable review of sufficient risk coverage. This risk reporting process is complemented by ad hoc reporting so that we can respond to significant risks as quickly as possible. Controlling and our Risk Management Board (RMB) support the responsible risk owners, usually the managers of the functional areas, in assessing and managing risks. Controlling in the respective functional areas mainly helps to quantify risks and opportunities and ensure that they are presented transparently in the system. In addition, the management teams from the divisions and regions discuss the respective risks and opportunities and ensure that they are correctly recorded and evaluated. The RMB is the final link between the Chief Risk Officer (CFO) and the divisions, regions, and corporate units. Its members – the department heads or financial experts from the functional areas – know the specialist areas and the risk situation of their areas of responsibility in the Company in detail. The RMB invites experts who discuss relevant individual risks and the resulting issues in detail. This information serves as a basis for subsequent discussions and presenting risks in the report.

The risk report produced as a result of the RMB meetings, which also includes information on the Company's risk-bearing capacity, is presented to the Executive Board by the Chief Risk Officer. It is also sent to the Supervisory Board and discussed in the Audit Committee. The regulations on this are also documented in a separate risk guideline.

Essentially, risks may not be entered into if they threaten the existence of Dräger, if they could result in significant damage to Dräger's reputation, or if the risk is greater than the associated opportunity. In terms of risk recording, EBIT risks are given priority, but significant cash flow risks and strategic or reputational risks, compliance risks, and legal risks that are difficult to quantify are also included.

Thanks to the continuous exchange of information on risks and opportunities between the respective responsible managers and the Executive Board and Supervisory Board, countermeasures can be taken at short notice when required if new risks occur or if risks become acute. On behalf of the Executive Board and in collaboration with the Audit Committee, the Internal Audit department reviews the appropriateness and effectiveness of risk management regularly as part of a multi-year audit plan. As our early risk identification system is an element of our accounting-related RMS, it is also subject to the annual audit by an external auditor.

Recognizing and taking advantage of opportunities

Dräger possesses great diversity. Diversity means that, as a rule, no single customer makes up more than one percent of net sales at Dräger, and that no single product accounts for more than three percent of the Company’s net sales. No more than five percent of purchasing volume should be attributed to a single supplier. This increases our resilience and can open the door to opportunities. It enables us to react quickly and flexibly to changing market requirements. In addition, Dräger could benefit from some countries making greater investments in intensive-care equipment for their healthcare systems in the future due to their experiences during the pandemic. Dräger's solid equity base also opens up opportunities and gives us the leeway to make decisions, including countercyclical investments: For example, we made a decision early on to build the “Factory of the Future”. During the coronavirus crisis, it was this “Factory of the Future” that allowed us to practically quadruple production of ventilators at short notice.

Internal control and risk management system

Definition and elements of the internal control system[1]

The German Corporate Governance Code (Deutsche Corporate Governance Kodex – DCGK) provides for disclosures on the internal control and risk management system that exceed the statutory requirements for management reports and are therefore excluded from the audit of the management report by the auditor of the financial statements (management report-atypical disclosures). These disclosures are separated from the information to be audited and are designated accordingly.

The internal control system (ICS) at the Dräger Group comprises controls and monitoring activities to guarantee the effectiveness and efficiency of business processes, correct accounting, and the compliance of our activities with laws and regulations. The ICS comprises all material business processes and also covers controls beyond the accounting process.

Our ICS is designed in line with the internationally recognized framework for internal control systems of the Committee of Sponsoring Organizations of the Treadway Commission (COSO) and is continuously being enhanced. It provides for both process-integrated and process-independent measures, which include automated and manual controls using methods such as:

- separating executive and authorization functions,
- consideration of four-eyes principle,
- controlling access to sites and departments,
- IT authorization concepts and workflows, and
- downstream controls by risk owners.

In addition, committees such as Internal Audit and the Corporate Compliance Committee ensure process-independent monitoring. In accordance with the three-line model, the aim is to manage risks as effectively as possible by connecting the ICS, RMS, and Compliance Management System (CMS).

Internal Audit prepares a risk-oriented audit plan each year. It performs random checks to determine whether the internal guidelines for the Group's entire control and risk management system are observed. This monitoring function also includes reviewing the functionality and effectiveness of the defined controls. Standardized risk-control matrices are used and continuously enhanced. With regard to Group-wide key controls, we also use a structured self-assessment that is specifically verified by Internal Audit. The auditing activities of Internal Audit form the basis for measuring the maturity of our control and risk management system.

The Executive Board and the Supervisory Board, and in particular the latter's Audit Committee, are involved in the regular audit of the ICS and the RMS by Internal Audit and receive regular reports on the current status of the audit findings. The same applies to reviews conducted by Internal Audit as part of compliance audits, taking into account the fact that a large number of checks performed during ICS audits also affect the CMS.

Internal Audit carried out audits at selected subsidiaries and Group functions in fiscal year 2024 on the basis of the risk-oriented audit plan. Specific measures for enhancing the control system were agreed with the audited areas. The implementation of these measures is continuously monitored by Internal Audit. In addition, the following steps and others contributed to strengthening the ICS in 2024 with:

- validation and update of existing risk-control matrices of subsidiaries and Group functions,
- expansion of the standardized auditing of key controls to other subsidiaries and Group functions.

To strengthen and further develop the RMS, future ESG report requirements were implemented early as part of a project after the last audit in addition to the regular risk reporting processes and the discussion of significant risks at RMB meetings.

[1] The disclosures in this section were not audited by the auditor.

The CMS helps the process of continuously enhancing the ICS with regard to its requirements and of adapting the control environment accordingly. The CMS comprises certain legal risk areas and is based on a comprehensive internal framework. Appropriate management and enhancement measures, as well as training concepts, are aimed at ensuring that compliance principles are known and upheld throughout the Group and that the CMS is aligned with the Company's current risk position. Regular reports are provided to the Executive Board on this subject.

The measures and concepts mentioned above include:

- compliance risk management as well as compliance audits and reviews,
- the Sales Channel Partner Integrity Assessment (SCPIA),
- the provision of consultation and training with regard to compliance for employees and
- the “Speak Up” initiative and our web-based Dräger Integrity Channel whistleblower platform available to all employees as well as third parties.

↗ For further information on the CMS, please refer to the “Compliance” section in the “Declaration of corporate governance” chapter.

For information on the appropriateness and effectiveness of the ICS and the RMS, including the CMS, please refer to the review and monitoring measures initiated by the Executive Board that are set out in the description of the respective systems and in the section below with regard to the ICS.

However, as a rule it should be considered that risk and control systems such as the ICS, the RMS, and the CMS – regardless of their structure – do not provide any absolute certainty that all risks that actually arise can be identified in advance or that all process violations can be prevented.

Accounting-related internal control and risk management system

The internal control system (ICS) with specific reference to accounting in the Dräger Group is intended to ensure that accounting is carried out properly, reliably and economically and that business transactions are recorded completely and punctually in accordance with the German Commercial Code (HGB) and the International Financial Reporting Standards (IFRS). It comprises both a control and a monitoring system. The Group Controlling and Accounting functions of Drägerwerk AG & Co. KGaA are responsible for the internal control system, along with the commercial managers of the subsidiaries.

The revision of the accounting-related ICS is carried out by Internal Audit as part of regular auditing procedures.

The ICS at the Dräger Group is supplemented by the RMS. It comprises both operational and strategic risk management and a systematic early-warning system for detecting relevant risks. In relation to the financial reporting process, risk management is also aimed at ensuring that the circumstances are presented correctly in the Group's accounts and in external reports.

Use of IT systems in accounting

At Dräger, the consolidated subsidiaries prepare individual financial statements on the basis of the information that is relevant to their accounting system. The consolidated subsidiaries mainly use standard software from SAP and Microsoft. Every month, the single entity financial statements and additional standardized reporting information are consolidated in the SAP SEM-BCS system. For financial reporting, we transfer data from SAP SEM-BCS to the SAP Business Warehouse. To do so, we use a Group-wide, standardized accounts structure that also stipulates which reconciliation methods are to be used for the financial statements. Accounting in accordance with local methods is adjusted either in the local accounting systems or by way of reporting adjustments to comply with IFRS. Once the data has been translated into the Group currency euro, we consolidate all internal business transactions. Dräger assesses the IT environment, identifies potential risks, and reports them at least two times a year to the Executive Board within the scope of the RMS. In addition, the auditors of the consolidated financial statements carry out an audit of the IT control environment, change management, IT operations, access to programs and data, and system development once a year, insofar as they relate to accounting and are relevant to the audit of the financial statements.

Essential regulatory measures and controls

With regard to the accounting process, the main emphasis is on ensuring the effectiveness, efficiency, and correctness of accounting, as well as on compliance with the relevant statutory provisions. Using our accounting-related ICS, and with the assistance of Internal Audit and the auditor of the group financial statements, we check whether the amounts reported in the balance sheet, income statement, and the comprehensive income statement are in the correct period and fully assigned, and whether the record contains reliable and traceable documentation regarding the business transactions. The consolidated financial statements that are prepared monthly always undergo comprehensive system checks. They are also checked by Controlling and compared with the plans and the latest financial forecast. The Dräger accounting policies are applied throughout the Group to ensure that all German and foreign subsidiaries included in the consolidated financial statements use the same standard.

Regular alignment meetings and institutionalized reporting requirements within the Finance function guarantee that Group-wide restructuring and changes are recorded promptly in our accounting system. When we acquire or found a new company, we train the new employees in the Accounting department on the preparation of the financial statements according to IFRS, which is the authoritative reporting standard at the Dräger Group, including both the reporting system and the reporting dates. Every year, we train the managers of the Accounting departments of all subsidiaries on the reporting processes, as well as on amendments to the Dräger accounting policies and all relevant IFRS, and thereby ensure the quality of our financial reporting.

The accounting processes are systematically structured in accordance with the principle of the separation of functions and include a system of checks and balances. In our accounting systems, for example, we ensure the separation of the administrative, executive, and authorization functions by issuing different access profiles. This allows us to reduce the potential for deliberately fraudulent acts against the Company by employees. Group accounting determines the scope of consolidation and the reporting packages that have to be prepared by Group companies, ensuring that the consolidated financial statements can be prepared in good time and in accordance with all applicable reporting standards and laws.

The Treasury department is responsible for treasury management, secures the Group’s liquidity, and monitors its interest risks. Together with Controlling, it monitors and hedges currency risks. The organizational structures and processes, and the Group’s internal treasury policy, ensure transparency and security. Responsibilities for trading and completing financial transactions are separated. For example, the Treasury back office reviews all financial transactions that were traded in the Treasury front office.

Risk assessment

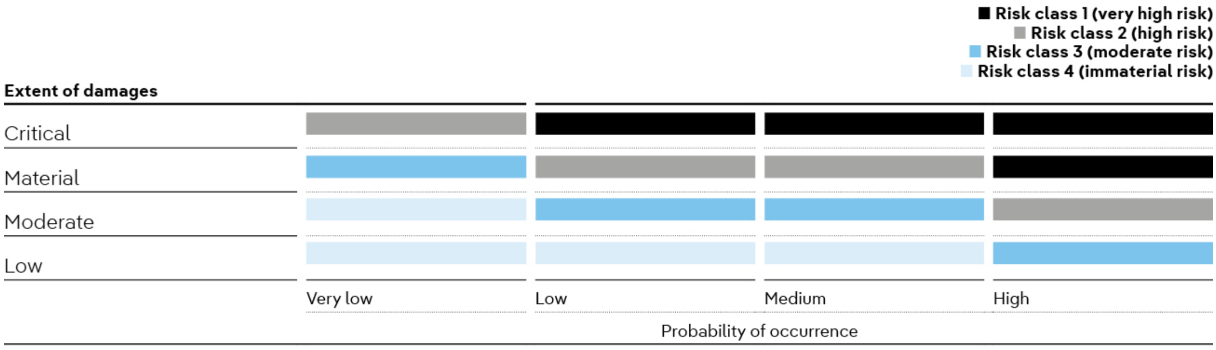
To provide a better overview, risks are defined as deviations from current planning and grouped into categories known as risk areas. Within the risk areas, risk classes provide information about the potential impact of the risks on our Company. With our risk management software, we can define an expected value for each risk area more systematically. In the following, risks in risk classes 1 and 2 are considered material risks.

The due date for reported risks is December 31, 2024; the risk assessment is based on the updated internal risk report, which presents the net risks. Although the forecast horizon for the Company's results is one year, we also examine long-term risk topics (such as risks related to research and development) as part of the risk assessment process. Accordingly, we also take the long-term impact of risks on our EBIT into consideration when classifying risk areas.

The risks described below and their potential impact on the Company are not necessarily the only risks to which Dräger is exposed. Risks that were not known or were considered immaterial at the time at which this report was prepared may also affect our business activities. The risks in classes 1 and 2 that are referred to here are the ones we believe to be material at the present time. Immaterial risks from financing instruments are reported in accordance with IFRS 7.

↗ Please refer to the “Risks from financial instruments” section in this chapter.

Risk matrix



Key to probability of occurrence

Probability of occurence		Risk occurrence
Very low	≤ 5%	No more frequently than once in 20 years
Low	> 5% to 25%	No more frequently than once in four years / more frequently than once in 20 years
Medium	> 25% bis 50%	No more frequently than once in two years / more frequently than once in four years
High	> 50%	More frequently than once in two years

Key to extent of damages

Extent of damages		Definition of extent of damages
Critical	≥ EUR 25 million	Significant negative impact on EBIT
Material	EUR 10 million to < EUR 25 million	Negative impact on EBIT
Moderate	EUR 5 million to < EUR 10 million	Limited negative impact on EBIT
Low	< EUR 5 million	Immaterial negative impact on EBIT

Risk categories

We have assigned each of our risk areas to a risk class. The year-on-year development of the risk classes is also shown (remained stable, declined, or increased). The “Strategy and corporate development” and “Climate and environmental risks” risk areas have been added as new material risk areas. “Currency risks” and “Default risks” are no longer considered material risk areas; our currency risks are taken into account in planning, however. The risk category of “procurement” has risen from 2 to 1 when compared with the previous year, as the probability of an occurrence of damage increased from “very low” to “low”.

Material risks

Risk category	Risk class	Development
Strategy and corporate development	1	
Political, economic, and social development	1	→
Organization and management	2	→
Information security and IT risks	1	→
Procurement	1	↗
Quality	2	→
Research and development	1	→
Compliance and legal	1	→
Risks from financial instruments[1]	4	→
Finance (financial market risks)	2	→
Climate and environmental risks	1	

[1] This risk is not material for Dräger, but is reported here in accordance with German Accounting Standards.

Strategy and corporate development

To participate in prospective markets, promising market developments and new technologies, Dräger has invested in various companies. These open up a range of opportunities to implement new sales channels, products and applications and to expand our product portfolio in a meaningful and profitable way. The opportunities arising from such start-up investments are, of course, always accompanied by risks that could lead to depreciation or, in extreme cases, a total loss of the respective investments. (Risk class 1)

Political, economic, and social development

The economic environment remains difficult. According to the International Monetary Fund (IMF), the global economy remains stable, even if the degree of stability varies greatly from country to country. The global decline in inflation is continuing, but there are signs that progress has stalled in some countries and that increased inflation is persisting in a few cases. Economic policy uncertainty has increased significantly, which is due to unstable political conditions, geopolitical tensions and global trade conflicts, among other things. Against this backdrop, the IMF forecast global economic growth of 3.2% and 3.3% for 2024 and 2025 (2023: 3.3%) in its January 2025 report.

A variety of geopolitical developments put us at risk of not achieving our planned net sales goals. In some countries, such as China and the USA, economic policies are gaining in importance that could lead to national markets being closed off in the form of import tariffs and local competitors being given preference.

The increasing share of votes being garnered by populist parties in a number of European countries is another source of geopolitical uncertainties. Political tensions and armed conflicts in the Middle East and Eastern Europe could also put the brakes on our growth. In addition, political developments on the Korean peninsula and the conflict between China and Taiwan could have a negative impact on our business. An escalation of the conflict regarding Taiwan would further exacerbate the global shortage of electronic components and lead to disruptions in the supply chain. Continued strong competition and potential new import tariffs could also have a negative effect on Dräger's net sales and margins.

Geopolitical developments could also lead severe limiting of IT system standardization, which is discussed further in the “Information security and IT risks” risk area.

A number of other factors, such as regional, political, religious, or cultural conflicts, could affect macroeconomic developments or international capital markets and therefore also influence demand for our products and services. In all segments worldwide, we depend on the investment budgets of public authorities, since a large proportion of our customer base is made up of public institutions such as public hospitals, fire services, police forces, and disaster management agencies. We are meeting this challenge head-on through customer orientation, innovation, the high quality and reliability of our products and services, and – where appropriate – through cooperation agreements and acquisitions. In doing so, we intend to reinforce and expand our market position.

We operate in future-oriented industries with strong growth in which we can expect further consolidation processes that are likely to affect the structure and intensity of competition: Hospitals and other relevant customer groups are being consolidated or forming purchasing cooperatives, thereby pooling purchasing volumes and gaining increased market power. The large, diversified conglomerates among our primary competitors have strong market positions in certain segments and regions on account of the wide range of products and services that they offer. New competitors, particularly from Asia, are also a factor. The quality of their products has increased significantly in recent years, meaning that they are now competing with us in the lower and middle performance and price segment. In order to remain successful in these market segments over the long term, we need to enhance our product portfolio, sales channels, and service offering, among other things. There is a certain risk that such developments could eat up net sales from products in higher performance and price segments. (Risk class 1)

Organization and management

The dynamic market environment makes it essential for us to constantly assess our competitiveness on sales and labor markets. Geopolitical changes, increasing digitalization, and high innovation pressure require change processes within our organization on an increasingly frequent basis. We consider strengthening our ability to adapt to change to be a critical success factor when it comes to long-term competitiveness. As part of this, we will focus in the future on viewing change as an opportunity and not just as a risk, among other things. Bolstering the willingness to accept change across all levels of the Company and ensuring clear and transparent communication are decisive in this context. (Risk class 2)

Information security and IT risks

Information and its processing play a pivotal role in Dräger's business. Strategic and operative functions and tasks are usually supported to a significant degree by information technology (IT). However, Dräger also processes information in other ways (paper, meetings). The loss, unavailability, or misuse of information could cause serious problems for Dräger. A breakdown of IT systems or a disruption from outside the Company (such as a hacker attack) could compromise critical business processes and lead to a temporary production shutdown due to overload, for instance. They also pose significant reputational risks. The reliability and security of our IT systems are therefore decisive.

To enable access to IT systems and system availability in its day-to-day business, Dräger requires a standardized infrastructure. Devices not managed centrally or subject to regular maintenance can cause security vulnerabilities. That is why Dräger uses measures such as network segmentations and uses standardized software, as well as a standard basic installation for notebooks and desktop PCs. The standardization of IT systems and their availability could be significantly restricted by geopolitical developments in the future. Today, we already face the challenge of fulfilling various different country-specific rules such as regulatory requirements in the fields of export controls and data security. This development is leading to the increasing localization of IT applications and their data on the basis of technologies, architectures, and contracts.

Database security is also important in mitigating IT risks. Read and write authorizations are essential for the security of data relating to customers, production, and suppliers. In addition, we have defined processes to safeguard central systems. When necessary, the safeguards are continuously improved through the use of electronic systems. These improvements are subject to defined standards and are gradually being rolled out at all of Dräger's sites. (Risk class 1)

Procurement

Procurement risks include supplier and material price risks in particular. We cooperate extensively with reliable and competent suppliers to minimize procurement risks for our current product portfolio and to continue relying on these suppliers for future products. As we have reduced the level of vertical integration to the necessary core technologies and the assembly of purchased parts and components, we integrate our suppliers into our internal processes. Strict quality standards apply to supplier selection and procurement processes. We have concluded binding price agreements with all strategic suppliers. The agreements usually apply for a period of one year each and thereby guarantee planning security for a certain period of time.

In the case of components and modules that are no longer produced by suppliers, we have purchased the estimated number of components or modules required for the remaining product life cycle and stored these components and modules either at Dräger or with the supplier. In the medical division, we analyze potential risks relating to purchased module components across multiple functions. In some cases, we purchase these module components from a single supplier. As these module components are used in a number of our products, supply bottlenecks can cause production to be interrupted for a certain period of time. Potential interruptions to supply, including disruptions to global trade routes, or the bankruptcy of suppliers could also lead to production outages and additional costs. (Risk class 1)

Quality

The highest quality standards apply to our business. Despite extensive quality management processes across the entire value chain, there is a risk that individual products will not meet the applicable quality requirements. Quality issues could be caused by us or by one of our suppliers, resulting in a loss of net sales and higher quality costs. (Risk class 2)

Research and development

It is important for our profitability that our product portfolio is kept up to date. Experience has shown that new products are more profitable than products in a later phase of the product life cycle. This is why we continuously invest in research and development in order to keep the proportion of new products as high as possible or increase it, particularly in the medical division. To achieve this, we must develop innovative technological solutions and also products that appeal to the requirements of a broad section of the market. Increasingly strict regulatory requirements in many markets are making it more difficult to obtain approvals for our products. The introduction of the new EU Medical Device Regulation (MDR), for example, means that clinical tests, material components, and documentation are now subject to significantly higher requirements. The increasing connectivity of our devices and the associated requirements regarding data protection are also leading to increased development expenses. Risks may arise from factors such as the high complexity of development projects, as well as delayed product launches as a result and changes in market requirements. In addition, stricter requirements by licensing authorities can lead to delays in product launches or the loss of existing product licenses. Within the framework of software development, reliance on individual service providers operating in politically unstable regions can also lead to delays in product development, resulting in net sales losses. We also develop and produce products that contain an increasingly large number of software components, which in turn increases the requirements in terms of license management. Risks can also arise from license terms being unintentionally violated, for example. With the increasing use of networked devices and the regular exchange of electronic information, additional requirements are needed for effective cybersecurity measures to ensure functionality, security and data protection for these devices. (Risk class 1)

Compliance and legal

In all countries in which they operate, Dräger companies are subject to various legal provisions that frequently change. Obligations can arise from public law, such as tax law, or from civil law. Laws to protect intellectual property and third-party concessions, various approval and licensing regulations for products, competition rules, regulations in connection with awarding of contracts, export control regulations, and many more are also relevant to business operations. Drägerwerk AG & Co. KGaA is additionally subject to legal regulations governing capital markets. The violation of legal requirements can result in significant penalties.

Dräger companies are currently involved in legal disputes and may be involved in legal disputes within the scope of their business activities in the future as well. In some regions, legal uncertainty could result from Dräger only having limited possibilities to assert its rights. These uncertainties continue to increase due to the geopolitical situation and different national reactions to it.

Our principles of business and conduct and the manuals and processes derived from these are designed to ensure that we conduct our business responsibly and in accordance with legal regulations. In addition, we have a company-wide compliance system for anti-corruption, antitrust law, handling conflicts of interest, fraud prevention, anti-money laundering, trade compliance and data protection. Subsidiaries are subject to Group-wide requirements, are responsible for compliance, and report on their compliance annually. Despite the control and prevention mechanisms in place in our compliance structure, there remains a risk that we could be in breach of certain regulations. In addition, due to the increasing connectivity of our devices, the risk of cyberattacks and importance of data protection are rising. The international transfer of data also carries a residual risk of infringement of data protection regulations, which can vary from country to country and are constantly changing. Sales partners may assert compensation or equalization claims pursuant to respective applicable laws if the cooperation is terminated. To the extent permitted by law, such claims are excluded in the sales agreements.
↗ Please refer to the “Compliance” section in the chapter “Declaration of corporate governance”.

Additional regulatory requirements and increasingly challenging local standards necessitate greater spending on product licensing. The issue of cybersecurity is also becoming increasingly important in this area. Further risks arise from the ongoing renewal of necessary, but time-limited licensing certificates and national adjustments to these certificates. Furthermore, there is also the possibility that, despite extensive quality management processes, licensing authorities auditing our products or processes do not consider the licensing requirements to have been met. In such cases, the licensing authorities could demand reworking and, in extreme cases, revoke the license, impose import bans on certain products or product areas, or order installed devices to be changed. Following publication of a warning letter by the FDA in the first quarter of 2020, we have been in regular contact with the agency to discuss the status of the countermeasures as well as current and upcoming submissions. The warning letter was processed in accordance with a risk mitigation plan that was developed with the FDA. One way in which Dräger counters the increasing risks associated with approval requirements is by adapting the relevant processes and the respective structural and procedural organization in the areas of product and quality management. During the first half of 2024, we completed all the activities described in our corrective actions and asked the FDA to lift the warning letter. An FDA inspection of the Andover site conducted in November 2024 did not reveal any formal deficiencies (i.e. no FDA Form 483 was issued). Whether and when the warning letter will be lifted is at the discretion of the FDA and had not yet been determined at the time this annual report was completed. (Risk class 1)

Risks from financial instruments

Our aim is to minimize liquidity risk and risk from financial instruments, particularly interest rate, currency, and credit risk. Except for a handful of exceptions, we hedge liquidity risks, currency risks, and interest rate risks centrally at Drägerwerk AG & Co. KGaA. We also limit default risks for financial investments centrally by exclusively using counterparties or investment instruments with an investment grade rating.

The only derivatives we use are marketable hedging instruments contracted with banks with high credit ratings. Dräger Group companies may only employ those derivatives that are covered by our treasury guidelines or have been approved by the Executive Board.

To secure its liquidity, the Dräger Group has concluded a framework credit agreement with a term until November 30, 2026. Under this agreement, cash credit lines of EUR 375.0 million and guarantee credit lines of EUR 165 million were in place as at December 31, 2024, each with a term until November 30, 2026. In the framework credit agreement, a target value has been determined for the bilateral credit lines with regard to a specific financial parameter (financial covenant for a net debt in relation to the result). Should Dräger not comply with this value, the banks are entitled to terminate the bilaterally agreed credit lines. This agreement was made for the existing loans at the European Investment Bank. For other loans, such as the issued note loan, there is no comparable financial covenant, however a cross-default clause does provide the right to terminate. The value has been specified so that we would only run the risk of being unable to comply with the agreed value threshold in the event of a significant deterioration in our results of operations and financial position. Adherence to this key figure is confirmed on a quarterly basis with the lending banks. The financial covenant was complied with on every reporting date in the 2024 fiscal year, as well as the prior year; it was well below this limit in each case. Our short and medium-term financial planning provides for continuous compliance with this financial covenant. To reduce our liquidity risk, at the Dräger Group we also use note loans of EUR 50 million with a residual term until January 5, 2026, and note loans of EUR 50 million with a residual term until January 4, 2028. We also have loans from the European Investment Bank (EIB) of EUR 50 million with a remaining term until October 2, 2025 and EUR 100 million with a remaining term until January 26, 2028. Both loans have a fixed five-year interest rate.

Dräger is exposed to interest rate risk, primarily in the eurozone. We combat these risks through a combination of fixed- and variable-rate financial liabilities. We also partially hedge against variable interest rates through standard interest rate hedging products. We invest cash and cash equivalents over the short term at commercial banks with high credit ratings and, if necessary, in euro-denominated money market funds with high credit ratings that are subject to European regulation.

We manage currency risks associated with currencies other than the euro through forward and swap hedging transactions with selected banking partners. Due to the limited and conservative use of financial instruments at Dräger, we class these risks as immaterial. Despite the low risk involved, we report risks from financial instruments in accordance with IFRS 7. (Risk class 4)

Finance (financial market risks)

Monetary policy decisions will continue to cause fluctuations on the markets and have an effect on the future development of capital cost parameters. Higher capital costs may lead to the impairment of our assets, especially goodwill. (Risk class 2)

Climate and environmental risks

The intensity and frequency of natural disasters and extreme weather situations are increasing as a result of climate change. Dräger has a monitoring and reporting system that includes natural hazards at locations and suppliers.

The Corporate Sustainability Reporting Directive (CSRD) requires companies to reassess their climate-related risks. Physical and transitory climate risks are assessed as part of this. The focus here is in particular put on the Company's impact on climate change due to greenhouse gas emissions, the climate-related physical risks and the climate-related transition risks and opportunities in the Company's own division and in the upstream and downstream value chain. These risks are discussed in detail in the Group sustainability statement under “E1 Climate change”. The analysis there shows that no physical climate risks were identified.
↗ Please refer to the section “E1 Climate change” in the Group sustainability statement.

One transitory risk concerns the European Union's planned ban on perfluorinated and polyfluorinated chemicals (PFAS). The majority of Dräger products contain components or coatings made from fluoropolymers such as polytetrafluorethlene (PTFE). These are, however, not harmful PFAS compounds often known as “forever chemicals”, but plastics used for components with special requirements due to their being resistant and harmless. Dräger is already in ongoing contact with key suppliers in their efforts to develop alternatives, and is continuously evaluating the market situation. In many cases, replacement of these materials is currently not possible due to the lack of technical alternatives. Even if alternatives were developed in the future, substitution would take many years due to long development and approval times. Prohibition could therefore have a considerable effect on the economic substance of the Company. The numerous objections are currently being evaluated in consultation procedures in the relevant committees of the European Chemicals Agency. A final decision by the Commission is expected in 2026. We currently assume that the intensive efforts of European commercial enterprises and associations in the ongoing consultation process will lead to a regulatory approach that will allow substance-specific exemptions, i.e. differentiate between short-chain and long-chain polymers and take appropriate account of the recovery of substances after use in a closed system. (Risk class 1)

Recognizing trends and taking advantage of opportunities

We observe opportunities within the scope of our strategic planning process, which involves identifying trends, determining strategic focuses for Dräger, and defining measures. We thereby make use of our established planning tools and our sales information and customer relationship management (CRM) systems. The potential use of these market opportunities also flows into our financial forecast.

↗ Please refer to the section “Management, planning, and reporting” in the chapter “Principles of the Group”.

We also report on our opportunities in parallel with the risks in our integrated risk reporting process. In addition, information on opportunities is integrated into the consolidated Group risk report. Our opportunities result primarily from the “Sales Market” opportunity area. As in the prior year, this is classified as opportunity class 2, as the anticipated opportunities are material (< EUR 25 million) and we assume a mid-range (>25–50%) probability of occurrence.

Activities in growth markets

The medical and safety markets in which Dräger operates are growth markets. The megatrends of globalization and an increasing need for safety, as well as health and digital connectivity foster this growth. Mobilization of our strengths creates numerous opportunities. For example, we use the basis of installed Dräger equipment in order to expand our service and accessories business. Thanks to our constant drive for innovation, we are able to continuously optimize our range of products.

Further developments currently result in opportunities for Dräger:

Global trends

Globalization vs. protectionism

Nationalist tendencies are appearing in politics and society in some industrialized nations and emerging countries. Country-specific developments such as the presidential elections in the USA and Mexico exacerbate protectionism. This development generates further uncertainty in the market and will remain a key issue in the years ahead. Despite the rising complexity, globalization continues to provide us with many opportunities.

Health

The increase in living standards in emerging markets and industrialized countries alike is resulting in higher standards of healthcare and workplace safety. Considering these developments, the outlook for Dräger and our medical and safety divisions continues to be positive.

Connectivity

The growing extent of digital connectivity is increasing the requirements that devices must fulfill in use. Our Company must explore the potentials offered by new platform-oriented sales models, as well as new innovation and production possibilities. The digital connectivity of devices and the availability of more and more data increases the importance of information security.

↗ Please refer to the section “Trends with an influence on our business performance” in the chapter on “Business performance”.

Digitalization is opening up new opportunities

Increasing digitalization and automation in industry and retail is offering potential to boost efficiency and is opening up new business models. In addition, platform-oriented sales models are also becoming increasingly important. At hospitals, connected equipment supports both medical and administrative processes. Holistic therapeutic processes and the associated focus on treatment results from both a clinical and economic perspective are important goals of our customers worldwide. Our therapeutic devices and solutions help hospitals to achieve these goals. In industrial markets, the real-time transfer of safety-related data to IT systems is becoming increasingly important. All in all, our aim is to quickly recognize the new opportunities and challenges that digitalization brings and to develop customer-centric solutions.

High barriers to market entry for competitors

There are still high barriers to entry in the markets for medical and safety technology: stricter approval requirements due to government regulations such as the MDR (Medical Device Regulation), complex and often proprietary technologies, and many customers who prefer to trust solutions tried and tested in practice. These barriers give Dräger as an established provider freedom to achieve stable customer relationships and sustainable business development.

Leading market positions

In our opinion, Dräger is a global market leader in many market segments and product groups. Comprehensive technological expertise, high product quality, competent and committed employees, and long-term customer relationships all put us in a strong position to further increase our market share. We are thereby focused on attractive market segments that, in our view, offer promising opportunities in terms of earnings and growth. We use our leading market position to situate new products and services in established markets and successfully defend the market positions of established products. At the same time, we are developing new products for new markets and specific skills in our sales organizations in order to sell non-traditional products and systems.

Expansion of the service and accessories business

We want to further expand the share of sales generated by our pioneering service and accessories business. To achieve that goal, we are improving customer service after the purchase of a device by offering additional services, as well as accessories and consumables. Here, we benefit from the large number of Dräger devices already in use around the world.

Project business

As a global player, we have a great number of opportunities in the industrial sector to become involved in major oil, gas, chemical, and mining projects and to contribute to sustained, positive business development. We see opportunities worldwide to acquire new projects for the construction of training systems for emergency responders.

Changes in the product portfolio

Changes in the product portfolio come with both risks and opportunities. We want to increase the number of new products and thereby increase our profitability with an eye to the future. At the same time, we are working on an optimized product portfolio that will allow us to better meet demand in emerging markets and also better respond to localization trends in individual countries.

Synergy effects and platform strategy

Synergy effects also result in opportunities. We can take particular advantage of synergies at our sales and service companies, for example through shared administrative units. In terms of procurement, we want to achieve more favorable purchasing conditions through Group-wide processes, for example with regard to fleet and travel management. Through our platform strategy, which refers to the use of common components in different models, we are striving to further reduce material costs.

The initiation and execution of customer orders at Dräger is supported by a customer relationship management system (CRM system), which allows us to strengthen the link between marketing, sales, and service to achieve comprehensive customer support. Through further measures, we are integrating customer and partner management via specialist retailers, giving the Company networked access to more information as a basis for successful customer acquisition and service.

Growing importance of health and safety departments at companies

In the medium to long term, there is a chance that health and safety departments at industrial companies will be given greater priority when it comes to investments. Products and services for such areas of business are among Dräger's core competencies, particularly in terms of safety products. Dräger is part of the international "Vision Zero" initiative with the aim of completely eradicating occupational accidents, promoting a healthy lifestyle as a preventative measure to avoid work-related illnesses, and encouraging individual well-being.

Overall assessment of risks and opportunities

From a strategic perspective, regulatory risks and resulting risks relating to research and development are of great importance in the Dräger risk portfolio. Possible future environmental requirements pertaining to the PFAS issue could have an effect on the Company. The issue of information security is also becoming increasingly important. At the same time, the general requirements for software solutions that we develop are also increasing. This can have a negative impact on the duration of projects.

Demand may decline in 2025 due to country-specific protectionist tendencies. General economic and geopolitical developments, as well as regulatory requirements, particularly with regard to the developing PFAS issue, could pose further risks. We reduce these risks by means of regional management and the diversification of our product and service offering.

Overall, we are able to appropriately address the risks facing the Dräger Group. Based on the information currently known, the continued existence of our Company is not at risk. We therefore believe that the opportunities for the Group outweigh the risks, particularly those arising from the growing need for healthcare, the economic development of emerging markets, and the future importance of the systems business. We are therefore optimistic about the future.
↗ Please refer to “SWOT analysis – Dräger Group” on the next page.

SWOT analysis – Dräger Group

Company-specific

Strenghts

- Wide range of product and services
- Strong brand and long-term customer relationships
- High degree of diversification in terms of regional positioning, markets, customers and products
- Detailed understanding of all relevant markets
- Strong direct sales model with close-knit sales network
- Established presence in important growth makets in Asia, Central America, and South America
- High installed device basis in many markets
- Wealth of experience with complex product and service offerings
- Stable ownership structure
- Long-term financing fragmework and good equity base

Weaknesses

- High complexity though broad product portfolio
- Partial dependence on sales partners
- Focus on the premium segment and low diversification of the portfolio
- Strong reliance on the European market, market-leading positions in markets where growth is slow
- Niche provider status in some segments
- Partial strong dependence on key suppliers
- High cost base in euros

Market/sector-specific

Opportunities

- Continual increase in safety requirements for employees at hazardous workplaces
- Progress in medical industry and aging society driving up spending on medical technology
- Growth potential in emerging markets through the expansion of healthcare systems and supply
- High market entry barriers for new competitors as a result of regulation, technologies, and patent protection
- Low impact of economic fluctuation thanks to the breadth of the product portfolio and the large number of markets served
- New business models made possible through digitalization

Risks

- Increasing complexity, requirements and expenditure for local licensing and the ongoing certification of products
- Pressure on margins from growing competition
- Central purchasing strategy on the customer side and increased purchasing power of companies operating worldwide
- Restrictions on government spendings and trend towards public companies forming purchasing cooperatives
- Economic risks due to general political uncertainties caused by factors such as increased protectionism
- Interruptions of supply chains due to material shortages, geopolitical crises or ban on certain chemicals (PFAS)
- Information secuity and IT risks
- New competitors entering established markets with digital business models

The aim of the SWOT analysis is to provide an overview of important aspects of Dräger's strategic environment. Not all risks and opportunities referred to in the report are taken into account in the SWOT analysis. The order in which the issues are liested does not reflect any kind of weighting; related issues are simply listed together.

Outlook

Future market environment

According to the International Monetary Fund (IMF), global growth is expected to remain stable in 2025 and 2026. However, with an expected increase of 3.3% in each year, the forecasts are 0.4 percentage points below the historical average for the years 2000 to 2019. The IMF also expects many economies to develop very differently.

New trade agreements and structural reforms could help to eliminate economic policy uncertainty, promote investment and boost growth. On the other hand, there are risks such as the escalation of trade tensions due to new tariffs, the raising of key interest rates in the event of rising inflationary pressure and the negative impact of geopolitical conflicts on trade routes and commodity, food and energy prices.

Against this backdrop, the IMF believes that political decision-makers have a duty to contain the risks and improve growth prospects. To this end, it is necessary to restore price stability, support employment and curb public debt. Targeted reforms in the areas of labor markets, competition, healthcare, education and digitalization could boost productivity growth again. Multilateral cooperation should also be strengthened.

↗ Please refer to figure “IMF January 2025 gross domestic product (GDP) growth forecast”.

IMF January 2025 gross domestic product (GDP) growth forecast

in %	2024	2025	2026
Global economy	3.2	3.3	3.3
U.S.	2.8	2.7	2.1
Eurozone	0.8	1.0	1.4
Germany	-0.2	0.3	1.1
China	4.8	4.6	4.5

Future market and segment situation

Medical division

According to the German Medical Technology Association (BVMed), medical technology will remain a growth market in Germany. The reasons for this development are medical-technical progress, demographic trends and the expanded concept of health in terms of a higher quality of life. The industry will continue to suffer from high costs and the unfavorable climate for innovation, however.

According to forecasts by the Gesellschaft für Außenwirtschaft und Standortmarketing (GTAI), the market for medical technology will develop positively in the EMEA region. Rising government investment contributes to this. The industry is also experiencing an upward trend in the Gulf States. Technological progress and increasing digitalization are positive for the industry's development. The African medical technology market will also grow, but at a comparatively low level.

According to GTAI, the outlook for the U.S. medical business market is positive. The US market will develop positively. Rising healthcare expenditures, the growing number of old people and the high volume of investment in hospital projects will ensure increased demand for equipment. Digital healthcare applications will continue to gain in importance there in the future. Latin America is an important but complex sales market for medical technology. An aging population, the increase in chronic diseases and the expansion of public healthcare provision will ensure rising demand for medical technology in the medium term. A small but progressive private healthcare sector promises good business prospects for high-quality medical technology products. In some countries, however, volatile currencies and unstable political conditions have a negative impact on the business environment.

The countries in the APAC region will develop differently. According to GTAI, the market share of imported products will continue to decline steadily in China, while domestically manufactured products will continue to expand their market position. India's market for medical technology will develop positively and grow. Rising government healthcare expenditures and population growth will provide a boost to demand. However, increasing regulatory efforts carry risks for the future. In Australia, demand for medical technology will increase despite the continuing weakness of the economy as a whole. Telemedicine and artificial intelligence will drive the technological transformation of the sector.

Safety division

The German market for safety technology will continue – due to the development of the chemical industry – to be characterized by uncertainty in 2025. According to the German Chemical Industry Association (VCI), the industry in Germany is still not seeing the anticipated recovery, meaning that overall sales will decline.

In the EMEA region, the market for safety technology will grow. According to the VCI, the chemical industry, one of the main consumers of the products on this market, will develop positively, albeit with different dynamics in the individual countries. In Europe, the chemical industry benefits from the global economic upturn. However, unfavorable location factors with high production costs prevent faster recovery. According to GTAI, the chemical industry in the Gulf States will develop positively; this is primarily due to high investments in capacity expansion in the oil and gas industry. In South Africa, the mining industry remains a mainstay of the economy. The country has extensive raw material deposits. The government wants to expand local processing and establish itself as a location for battery production.

The future prospects for the safety division in the Americas region are quite positive. According to GTAI, the US market for chemical products will see stable growth in the coming years. Emission reduction projects contribute to the high level of investment activity. The mining sector is investing in technologies to increase efficiency in order to reduce personnel costs. The recovery in the Latin American chemicals market will continue due to increased demand from domestic industries. According to GTAI, the mining sector there will provide opportunities, but will still suffer from weakening global demand. Automation and digitalization will remain important topics.

The APAC region will develop moderately. According to GTAI, the situation for the chemical industry in China will remain tense. The outlook for the Indian chemical industry is also moderate, with a lack of demand impetus from abroad. The Australian mining sector offers opportunities in the areas of sustainable and energy-efficient mining methods, despite the drop in prices for important raw materials.

According to SkyQuest, the global firefighting market for fire protection equipment will grow steadily.

Future situation of the Company

The table presents an overview of how we believe the various forecast figures will develop. The forecast period generally comprises one fiscal year.

↗ Please refer to the “Expectations for fiscal year 2025” table.

Expectations for fiscal year 2025

	Results achieved for fiscal year 2024	Forecast for fiscal year 2025
Net sales (net of currency effects)	0.5%	1.0 to 5.0%
EBIT margin	5.8%	3.5 to 6.5%
DVA	EUR 54.3 million	EUR -30 to 80 million
Gross margin	44.9%	44.0 to 46.0%
Research and development expenses	EUR 333.1 million	EUR 330 to 350 million
Net financial debt	EUR 165.0 million	EUR 180 to 210 million
Investment volume [1]	EUR 76.0 million	EUR 110 to 130 million
Interest result	EUR -18.6 million	EUR -17 to -23 million
Days working capital (DWC)	108.2 days	105 to 110 days

[1] Excluding acquisitions and the capitalization of right-of-use assets pursuant to IFRS 16

For the 2025 fiscal year, we expect an increase in net sales of 1.0 to 5.0% (net of currency effects) and an EBIT margin of 3.5 to 6.5%. Both divisions contributed to net sales growth and a positive EBIT. The Dräger Value Added (DVA) is expected to increase from EUR -30 to EUR 80 million. We assume a weighted average cost of capital of nine percent and a slightly higher capital employed.

The gross margin is expected to be in the range of 44.0% to 46.0%.

At EUR 330 to 350 million, our expenditure on research and development will tend to be higher than in the prior year because we also want to invest more in the future viability of our Company in 2025. In the medical division, we want to bring 15 new products or developments to market. In the safety division, we are planning 16 launches.

With regard to net financial debt, we expect a figure significantly above the prior year's level. The main reason for this is an increase in leasing liabilities.

Our investment volume – excluding company acquisitions and the capitalization of right-of-use assets in accordance with IFRS 16 – is expected to be significantly above the previous year's level at EUR 110 to 130 million, as we will invest more in our building infrastructure in Lübeck and abroad.

The interest result is expected to be in the range of EUR -17 million to EUR -23 million.

In terms of days working capital (DWC), we expect the increase in net sales to result in a figure of between 105 and 110 days.

Dräger management estimate

For the 2025 fiscal year, we anticipate stronger net sales growth (net of currency effects) than in the prior year. This assumption is based on the fact that we believe the opportunities outweigh the risks and that our markets continue to offer very good opportunities overall. Demand for our products and services is high. Our aim is to exploit this potential by implementing our strategic measures. Beyond this, we do not currently expect any significant adverse effects on our business. Our EBIT margin is expected to be in the range of 3.5 to 6.5%.

Group sustainability statement[1]

ESRS 2 General disclosures

Basis for the preparation of the Sustainability Statement

The Dräger Sustainability Statement (hereinafter also referred to as the "non-financial Group declaration", "sustainability declaration" or "sustainability report") was drawn up to meet the requirements of §§ 315b and 315c of the German Commercial Code for a non-financial Group declaration and §§ 289b to 289e of a non-financial declaration of the Company, as well as compliance with Article 8 of the EU Regulation 2020/852 (EU Taxonomy). The Dräger Sustainability Statement is based on the period from January 1 to December 31, 2024.

In accordance with Section 289b and Section 315b HGB, Drägerwerk AG & Co. KGaA is required to prepare a non-financial (Group) declaration for the Dräger Group and its parent company Drägerwerk AG & Co. KGaA in the (Group) management report. The following contents represent the summarized non-financial Group declaration for fiscal year 2024 for the Group and the parent company.

The non-financial Group declaration was prepared in reference to the framework of the European Sustainability Reporting Standards (ESRS). As all aspects described for Drägerwerk AG & Co. KGaA and the Group (hereinafter referred to as "Dräger") apply equally, no separate framework within the meaning of Section 289d HGB was applied for the parent company.

The contents of this Dräger Sustainability Statement are based on the findings from a Double Materiality Assessment (DMA) carried out in 2024 on the basis of the recommendations of the CSRD (Corporate Sustainability Reporting Directive) and the ESRS, and addresses topics that are relevant for our stakeholders or that Dräger is obligated to declare under national provisions. The Sustainability Statement therefore contains disclosures on environmental matters, employee matters, social matters, human rights, and combating corruption and bribery. We also comply with the disclosure requirements of the EU Taxonomy Regulation.

Although the information provided as part of ESRS E5 "Resource use and circular economy" is important, there are several metrics we have not reported on in relation to the in- and outflow of resources. These are marked as missing in the chapter. We will be taking actions to improve the data quality and report on the metrics for the year 2025.

The consolidated quantitative ESG (Environmental, Social and Governance) data corresponds to the scope of reporting for the sustainability reporting. This largely corresponds to the scope of consolidation for the financial reporting. However, a total of 13 non-operating companies are excluded from sustainability reporting (holding, management or property companies as well as former operating companies with discontinued operations).

For the Dräger Sustainability Statement (and the underlying materiality analysis), we also took into account the potential impacts, risks and opportunities relating to the upstream and downstream value chain. We have included statistics and experts in this assessment, but our analyses to date have not been able to create comprehensive transparency across the entire value chain. Information regarding estimates of the value chain, sources used and uncertainties in the metrics are reported in the respective sub-chapters.

In principle, we are guided by our financial time horizons, i.e. short-term means one to two years, medium-term up to 2030 and long-term anything over five years.

We have not made use of the option to omit specific pieces of information relating to intellectual property, know-how or innovation results, or specific pieces of information about upcoming developments or topics of discussion.

[1] The information in this chapter was not audited by the auditor.

Inclusion of information by reference

Incorporation of information by means of references

ESRS reference	Contents	Reference to
ESRS 2 SBM-3 48d	Financial effects - PFAS risk	Risk report in the “Potential” chapter, p. 63
ESRS 2 GOV-1 19	Overarching management structures	“Principles of the Group”, p. 22 ff.
ESRS 2 GOV-1 21c AR5	Level of expertise of the administrative, management and supervisory bodies	“Organization and control processes”, p. 22 ff. “The Company's Boards” in the annual financial statements, p. 285 ff. “Declaration/Group declaration of corporate governance”, p. 176 ff.
ESRS 2 GOV-5 34	Further information on risk management	Risk report in the chapter on “Potential”, p. 57 ff.
ESRS E5-1 14	Managing risks and opportunities - PFAS risk	Risk report in the chapter on “Potential”, p. 63
ESRS E5-4 30	Further information on additions to property, plant and equipment	Assets analysis annexed to the annual financial statements, p. 224 f.
ESRS S1 SBM-3 13	HR strategy	Principles of the Group, chapter “Employees”, p. 33
ESRS S1-9 66b	Average age	Principles of the Group, chapter “Employees”, p. 35

Adjustments to the prior year's reporting

Due to a more detailed analysis process, further economic activities are to be included in the calculation of metrics for the 2024 financial statements. As a result of the adjusted methodology, some changes were made to the preparation and presentation of the metrics for 2023 to achieve better comparability. This mainly resulted in new values for operating expenses (OpEx).

The role of the administrative, management and supervisory bodies

With regard to the members of the administrative, management and supervisory bodies and their industry, product and geographically relevant experience, please refer to the sections on “Organization and control processes”, “The Company's Boards” and "Declaration/Group declaration of corporate governance” in the management report and the further information on the members published on our website.

↗ Please refer to chapter “Organization and control processes” in chapter "Principles of the Group” and in chapter “Declaration / Group declaration of corporate governance” in the management report, as well as "The Company's Boards” in the annual financial statements.
Please refer to https://www.draeger.com/de_de/About-Draeger/Executive-Board.

The Executive Board is informed regularly on sustainability matters. The Supervisory Board has experience with the area of sustainability. The Audit Committee of the Supervisory Board is also informed on an annual basis on relevant matters relating to sustainability at Dräger.

The administrative, management and supervisory bodies are composed as follows:

Composition of the administrative, management and supervisory bodies

Body	Executive members	Non-executive members	Percentage of women	Worker representation	Percentage of independent members in the supervisory bodies
Executive Board	6	0	16.7%	0	
Supervisory Board	0	12	50%	6	67%
Audit Committee	0	5	0%	2	80%
Nomination Committee	0	3	25%	0	100%
Joint Committee	0	8	25%	2	88%

Several members of the Supervisory Board hold or have held high-ranking positions at other companies. In the view of the Supervisory Board, all of the shareholder representatives on the Supervisory Board are independent of the Company in the sense defined by the German Corporate Governance Code.

Integration of sustainability-related performance in incentive schemes

Dräger does not currently have any sustainability-related incentive schemes or sustainability-related remuneration policies for our members of the administrative, management and supervisory bodies.

Statement on due diligence

All identified material sustainability issues are taken into account in the sustainability strategy within Dräger's corporate strategy. The sustainability strategy encompasses the areas of environment/society, customers/products and company/employees with action areas and targets. Due diligence in the area of sustainability and risk management are integrated into Dräger's business processes via policies and procedures. These include the Declaration of Human Rights, our Principles of Business and Conduct and the Principles of Business and Conduct for Suppliers. This is supported by our environmental management, risk management and compliance management.

In the chapters on the topical standards, we provide an overview of the risk assessment and due diligence processes in relation to the respective sustainability topic as well as the assessment of the negative impacts we have identified, our actions to remedy the identified impacts and the results of these efforts.

Application of the key aspects and steps of the due diligence process in the Sustainability Statement:

Aspects and steps of the due diligence process in the sustainability declaration

Core elements of due diligence	Paragraphs in the sustainability declaration
Integration of due diligence into governance, strategy and business model	ESRS 2 GOV-2: “Interests and views of stakeholders and our commitment”, ESRS 2 GOV-3: “Integration of sustainability-related performance in incentive schemes”, ESRS 2 SBM-3: “Material impacts, risks and opportunities and their interaction with strategy and business model”
Involvement of affected stakeholders in all key due diligence steps	ESRS 2 GOV-2: “Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies”, ESRS SBM-2: “Interests and views of stakeholders and our engagement”, ESRS 2 IRO-1 “Materiality analysis”, ESRS 2 MDR-P in: ESRS E1, E2, E5, S1, S2, S4 and G1: “Concepts and policies related to ...”, ESRS S1: “Processes for engaging with own workforce and workers' representatives”, ESRS S2: “Engaging with workers in the value chain”, ESRS S4 “Processes for engaging with consumers and end users about impacts”
Identification and assessment of negative impacts	ESRS 2 IRO-1: “Materiality analysis” and ESRS 2 IRO-1 in ESRS E1, E2, E5, S1, S2, S4 and G1: “Impacts, risks and opportunities related to ...”, ESRS 2 SBM-3: “Materiality results”, “Impact on and interaction with business model and strategy”, “Financial effects”
Actions taken to address these negative impacts	ESRS E1, E2, E5, S1 and S2: “Actions and resources”
Tracking the effectiveness of these efforts and communication	ESRS E1, E2, E5, S1, S2: “Actions and resources”

Risk management and internal controls over sustainability reporting

As part of our internal control system (ICS), which is based on the Committee of Sponsoring Organizations of the Treadway Commission (COSO), the activities and internal controls relevant to sustainability reporting and integrated in our key business processes are also subject to structured and consistent monitoring by Internal Audit. Details on the general procedure can be found in particular under “Information on the internal control and risk management system” in the management report.

↗ Please refer to the risk reporting in the chapter on “Potential”.

Our standardized risk control matrices also continue to be developed with regard to sustainability reporting to ensure that actions such as the separation of executive and approval functions and compliance with the dual control principle, for example with regard to data collection, are also taken into account here. Any potential improvement to sustainability reporting identified by Internal Audit as part of risk-oriented spot checks are discussed and agreed with the management of the relevant subsidiaries and Group functions on the basis of an integrated approach together with other ICS-related actions. Implementation is followed up by Internal Audit. In addition, the Audit Committee is informed twice a year about the status of reporting. Particular attention is paid to potential risks in sustainability reporting.

Strategy, business model and value chain

Our business model

Dräger is an international leader in the fields of medical and safety technology. In fiscal year 2024, Group net sales amounted to EUR 3,370.9 million and 16,598 employees were employed at the end of the year. A more detailed list of employee figures can be found in the chapter on the S1 standard.

↗ Please refer to “Characteristics of the undertaking's employees” in the chapter on S1.

“Technology for Life” is Dräger's guiding principle. Dräger products protect, support, and save lives. To this end, we develop, produce and market medical technology systems, devices and services that are used in acute medicine. This includes perioperative care (especially in the operating room), intensive care and neonatal care, as well as emergency care. Our portfolio comprises products for therapy, monitoring, information management, and process support. We are one of the leading providers with our products for ventilation, anesthetics, and warming therapy, as well as related accessories and consumables. In recent years, we have strengthened our position as a system provider, for example through integrated IT solutions for the operating room, the intensive care unit and gas management systems.

Our customers for safety products can be found in various sectors and markets: oil and gas, industry, mining, fire services, as well as with authorities such as the police and others. Our portfolio includes stationary and mobile gas measurement devices, personal protective equipment, professional diving equipment, alcohol and drug testing devices, and an array of training and customer service offerings. In addition, there is the project business, for example with fire training systems or tunnel rescue trains.

Our markets are predominantly subject to regulation. A very small amount of our products are also classified as dual use or military equipment[2]. There were no significant changes to the portfolio or in our markets in the reporting year.

Our value chain

- We develop, produce and distribute devices: Here we essentially purchase preliminary products and components made of steel, aluminum, plastics and electronics, carry out final assembly and sell the products to our medical and safety division customers either via our own sales organization or indirectly via dealers.
- We develop and distribute software-based solutions: We offer these with our devices or as pure software products.
- We offer service and additional services: On the one hand, our service includes classic technical device management, i.e. calibration, maintenance and repair of our devices, including installation and delivery of spare parts. In addition, we offer comprehensive product and application training as well as our so-called shutdown and rental management, which represents a business model decoupled from raw materials with its rental models for technical equipment in plant safety.
- We purchase and distribute merchandise: The majority of these are disposable plastic items for hospitals.
- Hospitals can purchase the entire range of medical technology from us, including third-party products, and have them managed by us.

The most important players in our value chains are our upstream production-related suppliers with whom we usually have long-standing relationships. These include suppliers that are larger than us as well as numerous small specialist companies that manufacture special primary products for us. Downstream, the most important players are our customers, who use the devices and our service. In medical technology markets, we are one of the leading suppliers in anesthesia, intensive care ventilation and thermoregulation product areas. In the safety division, we lead in the product areas of gas detection technology, respiratory protection and alcohol and drug detection technology.

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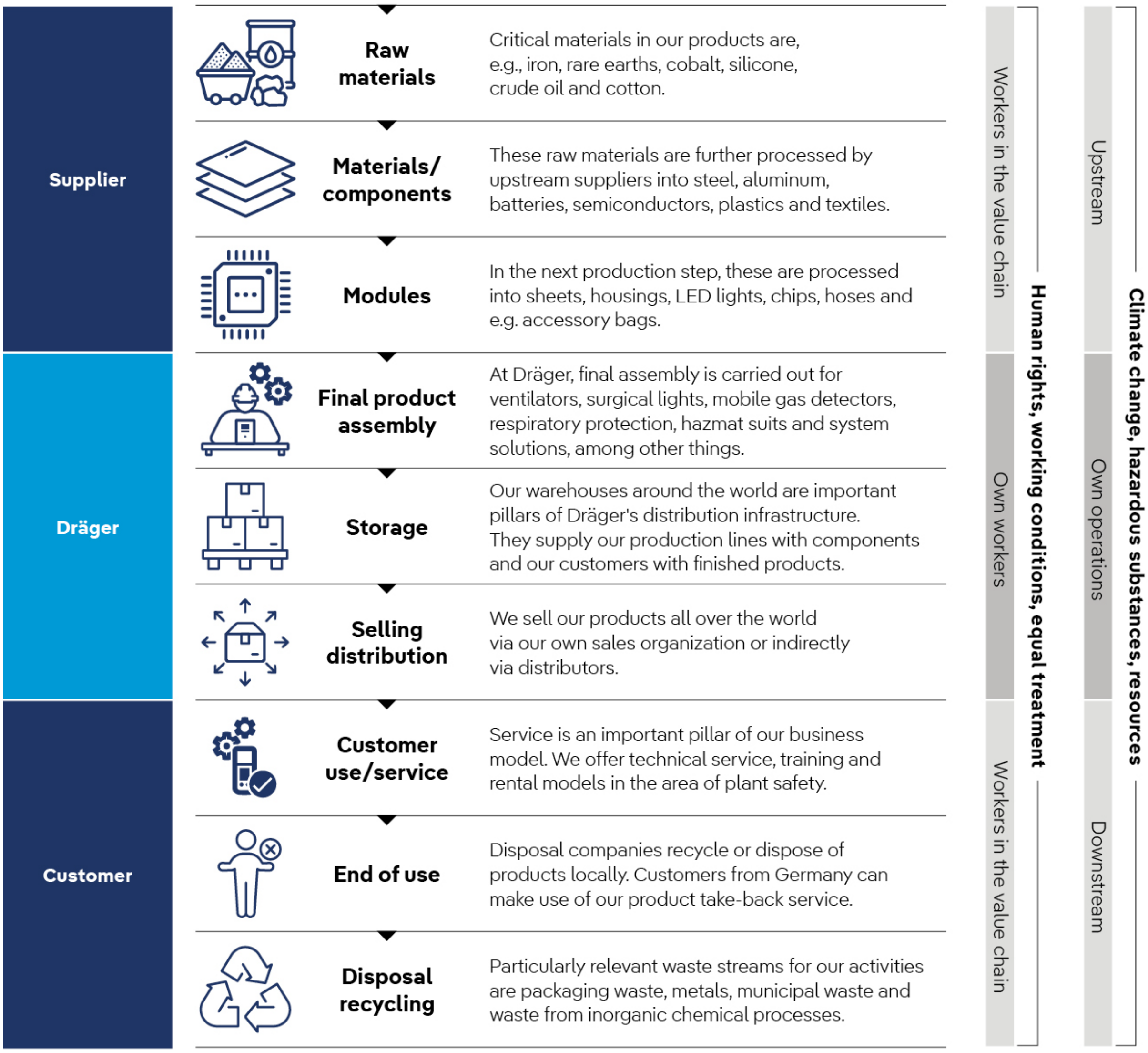
[2] This includes, for example, our rebreathers or filter technology for military vehicles. These products protect and support life, such as the lives of anti-terror units and UN peacekeepers, for example. We are also partly involved in covert security work on behalf of the German government. Total net sales with military customers and the public safety sector involving armaments account for less than 1% of the Group's net sales.

Main features of our value chain



Resource use

As a manufacturing company, we use raw materials that we purchase from third parties and therefore also have a negative impact on people and the environment – often via our supply chain. Dräger's production is predominantly characterized by a low to medium level of vertical integration. The majority of production materials are therefore not purchased in the form of raw materials, but as semi-finished products. Finished products are also purchased in the “Accessories & Consumables” business area and to supplement the portfolio. Our supply chain is characterized on the one hand by a large number of direct suppliers – most of them in Europe – and on the other hand by multi-level supply relationships.

Dräger products contain a large proportion of plastics (thermoplastics and elastomers) and metals (primarily aluminum, steel and brass). We also use electronics, batteries and rechargeable batteries in many of our products. The extraction and processing of these raw materials is sometimes associated with negative impacts, depending on the place of origin and processing country. However, these hotspots are hidden deep in the upstream tiers of the value chain; we have not been able to identify them in more detail on the basis of our analyses to date.

However, these analyses have provided us with more transparency regarding our raw materials, which we are examining for development opportunities with our materials experts and through projects on alternative materials. This is described in more detail in “Actions and resources” in the chapter on ESRS E5. We have also implemented processes as part of our supplier management in order to identify risks in relation to our supply chains at an early stage and avoid failures. We support this with dual-source solutions for particularly critical components, business reviews and audits of our suppliers, among other things.

↗ See “Actions and resources” in the chapter on E5.

Resource outflows and benefits for stakeholders

Our products are sold and serviced in many countries via Dräger subsidiaries. Part of the safety division product portfolio is not sold directly to end customers, but via specialist dealers. In countries where we do not have a direct sales organization, our products are sold to customers via external sales partners.

The main impact of our products during their use phase by our customers, such as hospitals, the oil and gas industry or the fire department, is energy consumption. At the end of the usage phase, the products are mainly disposed of locally. As we operate in highly regulated industries in which specific material properties are required, such as hygiene and safety regulations, circular economy models have only been established to a limited extent to date. Instead, our products focus on the eco-design criteria of reparability and durability. We are currently conducting studies to test the use of more ecological, alternative materials.

Qualified waste disposal companies recycle or dispose of all waste from Dräger companies locally. At our most important production site in Lübeck, this task is performed by Dräger Abfallwirtschaftsverband w.V., which is certified as a waste management company, together with our Waste Management department.

With our guiding principle “Technology for Life”, we focus on the benefits of our products:

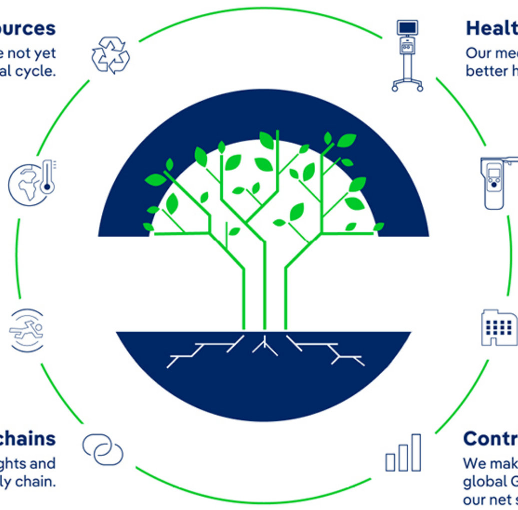
As a specialist in acute care, our goal is to optimize acute care. Our focus is not only on improving clinical outcomes and optimizing treatment costs, but also on the satisfaction of hospital staff and the well-being of patients. We create solutions that contribute to more sustainable and long-term treatment success and an improved quality of life for patients.

Every day, our safety division products and services protect hundreds of thousands of people at work and in their everyday lives. These include firefighters and workers in the chemical and oil and gas industries, who we warn of toxic environments with gas detectors. With this, we also contribute to environmental protection with these products, as we can detect environmentally harmful or explosive emissions with our gas detectors – and even prevent environmental disasters, on an oil rig for example.

Integration of sustainability in our corporate strategy

At Dräger, we see sustainability as being essential to our economic success. We must act responsibly at all of our international locations and throughout our supply chain if we want to survive. We believe that compliance with legal and regulatory requirements as well as free and fair competition must be the basis of all business activities – without corruption and with respect for human rights.

Dräger's impact on people and the environment



Our medical division contributes to better healthcare worldwide. The number and average age of intensive care patients will continue to rise in the coming decades. More and older patients with increasing rates of multi-morbidity lead to more complexity in medical care, and this will be most likely combined with a continued shortage of qualified specialist personnel. We have therefore set ourselves the goal of reducing the physical and mental strain on doctors and nurses in acute care by automating routine tasks and therapy processes and by providing support with clinical decisions. In addition, we support our hospital customers wherever possible in their environmental goals ("green hospital"), for example by reducing anesthetic gas emissions or helping to reduce waste in hospitals through less packaging.

With our safety technology, we are improving the occupational health and safety in the countries in which we are active. For example, "Smart Safety", i.e. the networking of our gas detection and respiratory protection devices and the data analysis based on this, will allow our customers to detect unsafe situations earlier and manage these more efficiently. That is precisely the reason why we are already working on the networked solutions of tomorrow today. We also support our customers in the oil and gas and chemical industries in their transformation with corresponding strategic adjustments to our product portfolio. For example, Dräger strives to play a role in environmental sustainability and cleantech safety in the industry. We focus on the green/blue hydrogen and ammonia eco-chain as well as carbon capture and storage and battery manufacturing applications for this.

With our target of becoming climate-neutral by 2045, decarbonization has become an integral part of our corporate strategy. At the same time, we want to continually improve the sustainability of our products with our advanced Eco Design Process across all product groups and also help our customers to be more sustainable in the process. Sustainable product features are therefore already part of some portfolio strategies. We approach the overarching principle of a closed circular economy through material reduction in the area of product and transport packaging, and through individual pilot studies and actions as part of product developments.

A central component of our corporate strategy is to strengthen the loyalty and engagement of our employees. We aim to achieve this through various actions: We promote diversity and equal opportunities, advocate respectful interaction and are striving to increase the proportion of women in management positions to 30% by 2035. The health and safety of our employees is a top priority for us. We are aiming to lower our accident rates (LTIR[3]) to less than 4 and to further develop our activities for the promotion of good health. The expansion of our training offers also represents a sound investment in skills and qualifications. Our strategy and targets are formulated on an

[3] The internationally used key figure LTIR (Lost Time Incident Rate) refers to the number of accidents at work with at least one day's absence from work in relation to one million hours worked.

overarching basis and do not pertain to individual product or customer groups, nor to specific geographical regions. We are working on gradually providing our targets with concrete time horizons where these are still missing today.

Fields of action and targets

Fields of action

Environment/Society
- Decrease CO_2 emissions scope 1, 2, 3
- Establish sustainable supply chains

Customer/Products
- Expand sustainable products and services
- Support the customer's sustainability and cost targets

Company/Employees
- Strengthen employee engagement
  - Further improve occupational safety
  - Further promote employee health
  - Further strengthen diversity
  - Expand future-proof qualifications and training

Targets*

Environment/Society
- Carbonneutral by 2045
- Sustainable procurement

Customer/Products
- Reduction of product carbon footprint
- New product development according to eco design criteria
- Reduction of product packaging
- Reduction of transport packaging

Company/Employees
- LTIR < 4.0/Vision Zero trainings
- Further development of activities for health-promoting measures
- 30% women in management positions by 2035
- Further development of training programs

* Where no concrete target values exist today, these are currently being developed or implemented.

Key challenges for the future and planned significant actions or projects

In addition to the numerous regulatory requirements, we currently consider achieving climate neutrality by 2045 to be our greatest sustainability challenge. We want to tackle decarbonization across the entire value chain with a transition plan for climate protection which is still being developed. We laid an important foundation for this in the reporting year by calculating a Corporate Carbon Footprint (CCF) for the first time, which takes all key categories into account. In addition, we have made concrete progress with the project to reduce CO2 emissions at our sites across the Group with detailed plans and initial actions for the Lübeck site.

In our view, another major challenge is the creation of transparency regarding the diverse social impacts and risks and their mitigation in the supply chain. With the implementation of the German Supply Chain Due Diligence Act (LkSG) and other regulations, we lay the foundations for risk assessment and due diligence processes for suppliers and, to some extent, for the deeper supply chain. We check and evaluate our direct suppliers for sustainability beyond the legal provisions under the LkSG. We also try to work with our suppliers to affect the deeper supply chain to prevent human rights violations.

Outlook

The constantly growing significance of sustainability and renewable energy suggests that some of our current core markets will become less important in the future. Customers from oil and gas and the chemical industry, and others too, are already transitioning toward cleaner energy sources, and we support them on this journey. At the same time, entirely new industrial ecosystems are emerging, including electromobility and hydrogen infrastructure. In these growth areas, we prepare for the new market players, value chains and business mechanisms: We adapt our portfolio of products and services wherever possible, and are also looking for and into new portfolio elements wherever necessary and promising.

Material topics

Materiality analysis

To determine the sustainability-related impacts, risks and opportunities (IROs) that are important for Dräger, we carried out a double materiality analysis in accordance with CSRD requirements in the first quarter of 2024. To this end, we held various workshops with experts and stakeholder representatives and methodically discussed, evaluated and documented all topics and sub-topics of the ESRS as described below. Following these workshops, the preliminary results of potential and actual impacts, risks and opportunities were assessed for materiality and prioritized in in-depth analyses. The results of this analysis were presented to and approved by the Executive Board and Supervisory Board on July 22, 2024 and September 11, 2024 respectively.

In order to determine the relevant stakeholders for conducting the CSRD materiality analysis, we had already identified our material stakeholders in 2020 as part of a GRI (Global Reporting Initiative) materiality analysis. These are both the persons or groups of persons affected by our business activities and the main users of our financial reporting and sustainability statement:

- Customers
- Shareholders and other investors
- Employees
- Suppliers, service providers
- Society

To assess materiality in accordance with the ESRS, we initially used the results of the 2020 materiality analysis[4]. We also took into account the results of an impact analysis conducted with an external partner in 2022. This involved calculating the impact of our own business activities and the upstream value chain using a socio-economic and ecological input-output analysis. The model is based on databases from statistical offices.[5]

The materiality assessment focused on the assessment of the sustainability aspects covered in the topical standards. We carried out this assessment from two perspectives:

- Identification and assessment of potentially relevant IROs per topic or sub-topic by representatives for our stakeholders.
- Assessment of materiality based on many years of professional experience at and knowledge of Dräger by senior managers from the medical and safety divisions and the Sustainability and Finance departments.

Input parameters for analysis and assessment of climate risks, impacts and risks on water and marine resources as well as on biodiversity were expert knowledge and external sources. With regard to matters relating to water and marine resources, we assessed consumption and examined our locations for their impacts and risks using publicly available tables on water stress areas. We determined the materiality of our impacts and risks on biodiversity using a tool for assessing biodiversity issues. This analysis was carried out for our locations worldwide and included physical, systemic and transition risks, pressures on biodiversity, reputational risks and a review of risks due to dependencies. The resulting overall score for each location revealed two potential risk areas. However, the direct analysis of these locations did not reveal any actual risks. In addition, various internal analyses were carried out and external sources were consulted to determine potential impacts and risks in the upstream value chain.[6]

All significant business activities and relationships were taken into account in the materiality analysis. Some of the IROs identified in this process are related to specific business activities, business partners or regions. For example, impacts and risks relating to corruption and human rights violations as well as occupational health and safety are

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[4] Please refer to Sustainability Report 2023, section 3-1.
[5] The analyses are largely based on statistical evaluations, which require both high data quality and sufficient accuracy in the allocation of business activities. Due to our diverse business areas, this is often not sufficiently possible, therefore resulting in inaccuracies. As a result, it was hardly possible to derive measures/control levers with regard to effects from the deep supply chain.
[6] A framework for a new generation of socioeconomic scenarios for climate change impact, adaptation, vulnerability, and mitigation research, Nigel Arnell, Tom Kram, u.A.; Definition "high water stress" per Annex 1 of (EU) 2022/1288 EUR-Lex - 32022R1288 - EN - EUR-Lex (europa.eu), Auswertung Wasserstress Aqueduct | World Resources Institute (wri.org), WWF Biodiversity Risk Filter WWF Risk Filter Suite - Home, Statista databases for raw materials and material production by country, databases of the US Geological Survey, environmental risks and impacts in global supply chains of German companies (umweltbundesamt.de); SME Compass - Risk analysis (wirtschaft-entwicklung.de), Environmental impact of oil production - Bioplastics tool, Environmental impact and negative social effects of extracting metal raw materials (umweltbundesamt.de)

more common in risk countries. At the same time, the positive impacts with regard to our corporate culture, our employees and the workforce in the value chains are linked to our Company's purpose and our value system.

Consideration of affected stakeholders

The various sustainability topics were identified and assessed by company-internal representative stakeholders and experts. The table below shows the corporate functions included in the assessment of the sustainability topics:

Corporate functions included in the assessment of sustainability topics

ESRS	Corporate functions as representatives for stakeholders
Environment	
E1 Climate change	Global Sustainability
E2 Pollution	Global Sustainability
E3 Water and marine resources	Global Sustainability
E4 Biodiversity and ecosystems	Global Sustainability
E5 Resource use and circular economy	Global Sustainability
Social	
S1 Own workforce	Human Resources (in coordination with the works council)
S2 Workers in the value chain	Global Sustainability / Human Rights Officer, Purchasing, Logistics
S3 Affected communities	Global Sustainability, Logistics, Corporate Communications
S4 Consumers and end-users	Quality and marketing (in coordination with sales)
Governance	
G1 Business conduct	Compliance, Purchasing, Governmental Relations
Overarching	
Overarching	Strategy & Business Development, Investor Relations, Controlling

Employees from the respective corporate functions representing stakeholders identified and assessed conceivable impacts, risks and opportunities for each sub-topic from the ESRS standards. All key business activities and relationships across the Group were taken into account.

Our analyses have not led to any concrete identification of relevant affected communities, which means that no consultations have taken place.

Impact assessment

Regarding the impact, we examined whether the impact relates to the short, medium and/or long-term period, and whether the impact is an existing or potential one. We also examined whether the impact results directly from our own business activities or from the upstream or downstream value chain and whether human rights are violated.
In accordance with ESRS 1, the assessment of the materiality of the actual negative impact was based on the following criteria:

- Scale
- Scope
- Remediability of the impact (only for negative impacts)
- Likelihood of occurrence of the impacts (only for potential impacts)

A six-step evaluation scheme was defined for each of the criteria. Four likelihood classes were defined for the likelihood and assigned factors. The evaluation scheme is shown below:

Severity

a) Scale		b) Scope		c) Remediability		d) Likelihood of occurrence		
5	Very high	5	Global/everywhere	5	Not revisable			
4	High	4	Widespread	4	Very difficult, long-term			
3	Medium	3	Medium	3	Difficult, medium-term	4	> 75%	1
2	Low	2	Concentrated	2	With resources (time, money)	3	> 50% u. < = 75%	0.85
1	Very low	1	Limited	1	Relatively easy/short term	2	> 25% u. < =50%	0.7
0	Not at all	0	Not at all	0	Very easy to change	1	< = 25%	0.65

We have calculated the evaluation result as follows:

- Actual impacts: a) + b) +c)
- Potential impacts: [a) + b) +c)] x d)

All impacts with a score of eight or higher were considered material for Dräger. In the case of a potential negative impact on human rights, the severity of the impact took precedence over its likelihood.

When identifying our material impacts, we generally examined the extent to which these could also result in risks or opportunities. In individual cases, interactions or dependencies between impacts and risks/opportunities were identified.

Assessment of risks and opportunities
With regard to financial materiality, an assessment was made as to whether the risk/opportunity is based on a short, medium and/or long-term period and whether the risk/opportunity is due to one of the identified impacts or due to resource dependencies. The assessment of financial materiality was carried out in accordance with ESRS 1 (3.5) using the criteria of scale and likelihood of occurrence of the risk/opportunity.

The same assessment schemes were used for the scale and likelihood of occurrence as for the impacts:

Assessment schemes for scale and likelihood of occurrence

a) Scale		b) Likelihood of occurrence		
				Faktor
5	Very high			
4	High			
3	Medium	4	> 75%	1
2	Low	3	> 50% and < = 75%	0.85
1	Very low	2	> 25% and < =50%	0.7
0	None	1	< = 25%	0.65

The evaluation result is calculated as follows: a) × b)

All risks/opportunities with a score of three or higher were considered material for Dräger. They are prioritized and tracked in the established risk management process. Sustainability risks were included in our risk management process for the first time in fall 2024; they are therefore part of the company's overall risk profile. The tool for recording and reporting opportunities and risks was adapted for this purpose and risk categories for sustainability matters were included.

Due to the rather long-term time horizon of sustainability risks, prioritization is not yet necessary. As with other risks/opportunities, prioritization would generally be based on the estimated impact and likelihood of occurrence.

Materiality results

As part of the materiality analysis, we identified a number of impacts, risks and opportunities related to the relevant listed sustainability topics and sub-topics:

Double materiality assessment

ESRS E1 – Climate change
1 Climate change adaption
2 Climate change mitigation
3 Energy

ESRS E2 – Pollution
4 Pollution of air
5 Pollution of water
6 Pollution of soil
7 Pollution of food resources
8 Substances of concern
9 Substances of very high concern
10 Microplastics

ESRS E3 – Water and marine resources
11 Water
12 Marine resources

ESRS E4 – Biodiversity and ecosystems
13 Direct impact driver of biodiversity loss
14 Impact on the state of species
15 Impact on the ecosystems
16 Impacts on ecosystem services

ESRS E5 – Resource use and circular economy
17 Resource inflows
18 Resource outflows
19 Waste

ESRS S1 – Own workforce
20 Working conditions
21 Equal treatment
22 Other work-related rights

ESRS S2 – Workers in the value chain
23 Working conditions
24 Equal treatment
25 Other workrelated rights

ESRS S3 – Affected communities
26 Economic and social rights
27 Civil rights
28 Rights of indigenous people

ESRS S4 – Consumer and end-users
29 Information-related impacts
30 Personal safety
31 Social inclusion

ESRS G1 – Business conduct
32 Corporate culture
33 Protection of whistle-blowers
34 Animal welfare
35 Political engagement
36 Supplier relationships
37 Corruption and bribery

Double Material					Non-material				
1	17	21	29	37	4	9	13	22	31
2	18	23	30		5	10	14	26	34
3	19	24	32		6	11	15	27	35
8	20	25	33		7	12	16	28	36

In the respective topical standards E1 to G1, we report on how we deal with them, the strategies and policies we apply, which targets we have set ourselves, which actions we have taken and which metrics we collect.

In summary, our most important impacts include our CO2 emissions in the supply chain and the CO2 emissions of our own operations, i.e. our locations and our vehicle fleet (Scope 1) as well as purchased energy (Scope 2). We contribute to resource scarcity and also to the generation of waste by the use of raw materials for our products. Switching to circular business models could provide an opportunity here in the long term.

We also employ more than 16,000 people, and we ensure their satisfaction, safety and health. We cannot always prevent accidents at work or discriminatory behavior. Like many other companies, we are also affected by the shortage of skilled workers.

We are also aware of our responsibility for employees in the value chain: that their health and safety may be at risk and that we cannot rule out the possibility of children and forced labor being used in the extraction and processing of the raw materials we need.

We must also deal with the risks of transformation and adapt to changes in customer behavior and in our markets.

With our Technology for Life, our values, our corporate culture, the high quality of our products, and our standards and processes, we can make a positive contribution internationally.

A complete overview of material IROs can be found in the appendix.
↗ Please refer to the “Appendix”.

Impact on and interaction with the business model and strategy
At present, the identified IROs only have a minor impact on our business model. For the most part, these were already taken into account in our strategy before the materiality analysis was carried out, which has included targets for CO2 reduction and occupational health and safety, for example, for many years. However, we pressed ahead with implementation in the reporting year, for example by integrating sustainability aspects of our strategy in relevant decision-making processes. This includes, for example, revision of the investment policies and the already initiated integration of ESG risks into the risk management system.

With regard to our value chains, there is currently no impact on the business model and the strategy. We assume, however, that this will change in the medium to long term. It is to be expected that future analyses will provide us with a greater understanding, also in the context of future regulations (such as CSDDD – Corporate Social Due Diligence Directive), and that the framework conditions for our business models will continue to change as part of the transformation. In this context, our customers may also demand even more sustainability aspects from us, for example, which could make it necessary to adjust our strategies and business models.

In the reporting year, the Executive Board and the Supervisory Board were informed extensively on ESG topics.
We have also developed a new governance model defining responsibility for sustainability in the Group at various levels. It will be introduced Group-wide in 2025.
↗ Please refer to “Sustainability organization” in the chapter on ESRS 2.

We can also identify dependencies and interactions between our business models and our impacts. As our business models essentially comprise the manufacture and distribution of products, we are dependent on the availability of raw materials. The use of raw materials has an impact on climate change and other environmental aspects for us and in the supply chain. We need well-qualified employees worldwide for our business operations – not only at our company, but also in our deeper supply chains.

Financial effects
For the 2024 fiscal year, we have not identified any financial effects of the material risks and opportunities on our financial position, results of operations or cash flows. In addition, no material risks and opportunities were identified where there is a risk of a material adjustment to the carrying amounts of the assets and liabilities recognized in the associated financial statements in the next reporting period. The only exception is the possible ban on perfluorinated and polyfluorinated chemicals (PFAS) that is currently being discussed at a political level,

which would have a significant impact on the economic substance of the Company. We currently assume that the intensive efforts of companies and associations will lead to a more nuanced regulatory approach, which will permit substance-specific exceptions.
↗ Please refer to the risk reporting in the chapter on “Potential”.

We carried out a qualitative and quantitative resilience analysis in the reporting year in relation to the financial impact of identified risks. This analysis was based, however, solely on the climate risk analysis and is thus initially restricted to just the effects, risks and opportunities in connection with topical standard E1. Further resilience analyses will be carried out in 2025.

ESG Governance

The overarching management structures are described in the management report in the chapter on “Principles of the Group”.
↗ Please refer to the chapter on “Principles of the Group”.

Since July 1, 2024, the topic of sustainability has been assigned directly to the Chief Sustainability & Quality Officer (CSQO) within the Executive Board. In the reporting year, we focused increasingly on expanding and adapting ESG governance to the company's development. This primarily concerns the allocation of responsibility for sustainability to relevant decision-makers, both regionally and functionally.

Sustainability organization

We further expanded the sustainability organization in the reporting year. It now also integrates the responsibilities of the central functions, divisions and Group companies: The central and divisional functions have Group-wide strategic responsibility for the areas of action assigned to them and the achievement of targets. The managing directors of each Group company are responsible for achieving the sub-targets for their company in future. This is to advance Group-wide implementation of our sustainability targets. The central sustainability organization includes the following functions:

Executive Management Board (EB)
The Executive Management Board deals with sustainability-related risks, and strategic and company-wide important opportunities. It also decides on Group-wide areas of action and targets.

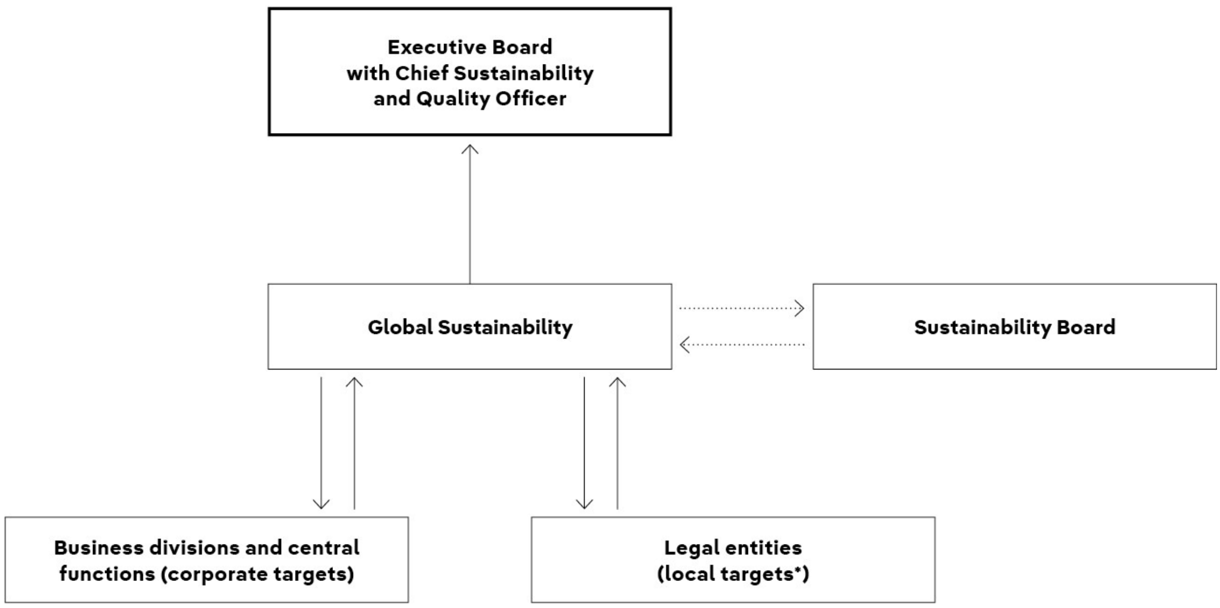
Chief Sustainability and Quality Officer (CSQO)
The CSQO is a member of the Executive Board and, together with the Group divisions, ensures the further development of the sustainability strategy based on the corporate strategy. The CSQO coordinates the Group-wide areas of action and targets derived from this with the Executive Board.

Global Sustainability Officer (GSO)
The GSO heads the Global Sustainability department and reports to the Chief Sustainability and Quality Officer. This person is responsible for implementing the Group-wide sustainability strategy and pursues this in collaboration with the Sustainability Board and the central functions, divisions and Group companies in accordance with their defined responsibilities for sustainability.

Sustainability Board (SusB)
The Sustainability Board consists of representatives from the divisions, Sales & Service and the central functions Finance, HR and IT. The SusB members support the GSO in implementing the sustainability strategy.

Global Sustainability (GS)
The GS department is the central point of contact for all sustainability issues and ensures the implementation of necessary central initiatives, principles and standards that require overarching coordination. The GS department is also responsible for monitoring human rights due diligence in our supply chain and in our own business area. The Environmental Management Officer is also part of the department.

Sustainability organization



* local targets have not yet been defined

Roles and experts for monitoring and control of IROs

The role of management in monitoring and control of the strategy is integrated in our governance model for sustainability. The assignment of responsibility and tasks relating to the IROs identified in the materiality analysis within the new sustainability organization will be reviewed and completed in 2025. The reporting channels correspond to the arrows in the sustainability organization chart.

Dräger has environmental and social experts who can also be consulted by decision-makers or committees if necessary. These are part of the Global Sustainability department, the Human Resources department and the Compliance department. These experts bring with them the expertise required for the material IROs and the IRO-relevant topics of climate protection, operational environmental protection, human rights and other HR topics. We are also constantly reviewing the areas in which the existing expertise can be expanded. The CSQO decides together with the GSO on the further necessary expansion of the sustainability organization and knowledge.

Addressing sustainability aspects in the administrative, management and supervisory bodies

As part of the implementation of the CSRD requirements for sustainability reporting, the Executive Board and Supervisory Board were informed for the first time about the results of the double materiality analysis and the identified impacts, risks and opportunities. We will develop the type and frequency of future information flows on actions, due diligence obligations, strategies and KPIs relating to IROs in 2025 as part of the implementation and further development of our sustainability organization and corresponding control processes.

The new Sustainability and Quality executive portfolio will ensure consideration is given to the relevant IROs regarding strategies, decisions and relevant transactions by the Executive and Supervisory Boards. It is yet to be determined which IROs will be regularly covered by these boards. In principle, the Sustainability Board is tasked with preparing and preparing strategic sustainability aspects for the Executive Board. Sustainability risks have already been fundamentally integrated in the risk management process. With regard to decisions to be made, both sustainability and profitability aspects are taken into account and weighed up.

Interests and views of stakeholders and our engagement
As we continue to develop the strategic direction of the Company, we want to incorporate the interests and views of relevant stakeholders and include them in the development of our business model. This exchange helps us to understand what they expect from us, what is important to them, what influence Dräger has on them and how we can solve common challenges. These interests are communicated to the Executive Board and, if necessary, to the Supervisory Board as part of the regular sustainability information as required. Further information on the engagement with our stakeholders can be found in the individual sections on the topical standards.
↗ Please refer to "Materiality analysis" for the list of our most important stakeholder groups in the chapter on ESRS 2.

Our most important stakeholders and the exchange with these is as follows:

Customers
"Customer intimacy" is one of our four corporate strengths, alongside "Employees", "Innovation" and "Quality". Regular contact with our customers is an integral part of our product development and our entire business model. It helps us to understand their needs and perspectives. One example of this regular contact is our customer process monitoring. This ensures that we visit customers regularly and in a targeted manner, observe them at work and thus identify and implement their needs in relation to our products.

Shareholders and other investors
Dräger is a listed company. We are in active contact with our shareholders, investors and financial analysts to understand and meet their information needs. Our Investor Relations department is responsible for this. They invite investors to analysts' meetings, conference calls and tours of the premises, for example. In addition, we visit our investors during the year as part of roadshows or conferences in their respective home countries to report on the current business development of the Dräger Group.

Employees
As a medical and safety technology company with some highly specialized products, our qualified employees are essential to us. Their expertise, commitment, ingenuity and customer focus contribute to our success.

We are in contact with our employees on various levels so we can take their interests and views into account. Their needs and concerns are represented by the works council and trade unions, among others. Every two years, we conduct an employee satisfaction survey.

For Dräger as an employer, working together in a spirit of trust with employee representatives is very important. Exchanges take place through ad hoc negotiations and in committees that meet regularly to discuss specific topics.

Suppliers
We have been working with many of our suppliers for years. Our suppliers have been chosen on the basis of making a valuable contribution to sustainable business. We attach particular importance to high quality standards when it comes to "Technology for Life". Our annual Supplier Day is one of the ways we exchange ideas with our suppliers.

Society
Compliance with legal and regulatory requirements forms the basis for all business activities. With the values set out in our Code of Conduct, we want to maintain trust and make our contribution to society. Through our memberships in various associations and initiatives and our local commitment, we are in dialog with various interest groups.

As part of the materiality analysis and based on the identified material IROs, we have not identified any previously unknown interests of relevant stakeholders that would have led to a change in our strategies and/or business models. However, we will review this regularly in future.

Information on the EU Taxonomy Regulation

In accordance with the Taxonomy Regulation (EU) 2020/852, Dräger is required to disclose the turnover, capital expenditure (CapEx) and operating expenditure (OpEx) from certain economic activities that are likely to contribute to the following environmental objectives:

- Climate change mitigation
- Climate change adaptation
- Transition to a circular economy
- Pollution prevention and control
- Protection and restoration of biodiversity and ecosystems
- Sustainable use and protection of water and marine resources

Economic activities which correspond to the description given in the regulation are designated Taxonomy-eligible. The proportion of Taxonomy-eligible activities that also fulfil all of the technical screening criteria listed in the regulation, as well as compliance with the minimum safeguards, is referred to as Taxonomy-aligned.

These assessment criteria include the following requirements:

- Substantial contribution to one of the six environmental objectives (substantial contribution, SC)
- Do no significant harm (DNSH) to the other five environmental objectives
- Compliance with minimum social and governance requirements (minimum safeguards, MS)

The Taxonomy Regulation has so far focused on a number of sectors and economic activities that have the greatest impact on the climate and environment. Medical technology and safety technology are not listed as areas of application. Although Dräger's business activities as a whole are geared towards protecting people and the environment, the review based on the criteria listed in the regulation showed that only some of the activities can be classified as Taxonomy-eligible. The review was carried out by a working group with representatives from the Accounting, CSRD Project and Environmental Management departments on the basis of the Delegated Regulations for environmental objectives 1 and 2 as well as 3 to 6 with the corresponding annexes, which contain the description of the activities and technical screening criteria. Multiple internal activities, such as maintenance work on buildings and facilities, also meet the taxonomy eligibility criteria. Turnover, capital expenditure and operating expenses for these activities are listed in the following tables if they exceed the defined materiality thresholds.

A prerequisite for recognizing our identified Taxonomy-eligible activities as Taxonomy-aligned is the fulfilment of the DNSH requirements. These include the performance and documentation of a robust climate risk and vulnerability analysis for the Taxonomy-eligible activities (Annex A of the Taxonomy Regulation). Dräger assesses the climate risks according to the requirements of the ESRS E1 standard, however not at a granular level or according to the comprehensive criteria, as is required in annex A. For this reason, Dräger does not meet the criteria from annex A. A detailed examination of the compliance with further technical screening criteria (DNSH and SC), as well as adherence to the minimum requirements, has therefore not been carried out. This is why Dräger is unable to show Taxonomy-aligned turnover, CapEx or OpEx.

For the turnover KPIs, consolidated net sales with third parties were included so that any previous group-internal turnover is excluded from the calculation. Furthermore, a double count is avoided in the allocation of revenue as any revenue is assigned to a definite product group and the evaluation is carried out on the basis of these product groups. CapEx and OpEx were also evaluated on the basis of the product groups. With the evaluation of the operating costs, the entire area of Research and Development is taken into consideration, minus the costs for the supervisory responsibilities. Also included in the calculation are the costs from the other areas for short-term leasing, as well as maintenance and repair. In the calculation of ratios, data from central evaluations and reports from all active subsidiaries was included.

Group-wide application of the Dräger IFRS accounting policies ensures that all items are either capitalized (CapEx) or expensed (OpEx), never both. This also prevents duplication of CapEx and OpEx.

Analysis of the Taxonomy-eligible and Taxonomy-aligned turnover, CapEx and OpEx

Scope of taxonomy eligibility and alignment

	Proportion of turnover/ Total turnover		Proportion of CapEx/ Total CapEx		Proportion of OpEx/ Total OpEx	
in %	aligned per objective	eligible per objective	aligned per objective	eligible per objective	aligned per objective	eligible per objective
Climate change mitigation (CCM)	0	0	0	23.3	0	0
Climate change adaptation (CCA)	0	0	0	0	0	0
Water and marine resources (WTR)	0	0	0	0	0	0
Circular economy (CE)	0	47.1	0	21.0	0	41.6
Pollution prevention and control (PPE)	0	0	0	0	0	0
Biodiversity and ecosystems (BIO)	0	0	0	0	0	0

Due to a more detailed analysis process, further economic activities are to be included in the calculation of key figures for the 2024 financial statements. As a result of the adjusted methodology, some changes were made to the preparation and presentation of the key figures for 2023 to achieve better comparability. This mainly resulted in new values for operating expenses (OpEx).

Turnover is defined as the net sales as per the International Financial Reporting Standards (IFRS) (IAS 1, § 82(a)) and correspond to the amount of EUR 3,370.9 million (2023: EUR 3,373.5 million) designated as Group turnover in the income statement of the Dräger Group for the 2024 fiscal year. The slight decrease in net sales in both the denominator and the numerator compared to the prior year (with adjusted numerator) is due, amongst other things, to strong demand in medical technology in the prior year. In the prior year, we benefited from strong catch-up effects generated by improved delivery capability and a surge in demand for ventilators in China. Both of these effects were absent from 2024. This saw the net sales denominator drop by EUR 76.7 million (sales share -2.2 percentage points) to EUR 1,589.1 million (47.1%). The manufacture of electrical and electronic equipment made the largest contribution of Taxonomy-eligible net sales to the total net sales with 41.2% (2023: 44.1%). This activity is assigned to the environmental target of transitioning to a circular economy. For the Taxonomy-eligible activity Product-as-a-service and other circular use- and result-oriented service models, there was a method adaptation, which is why the share of net sales for 2023 was also changed.

The capital expenditure (CapEx) – as defined in the EU Taxonomy Regulation – comprises the additions of property, plant and equipment and intangible assets for the applicable fiscal year, before depreciation and amortization and any new assessments, including those resulting from changes to the fair value (IAS 16, 38, 40, 41, IFRS 16). It also comprises additions to property, plant and equipment and intangible assets that result from corporate mergers (application of IFRS 3). The total investment spending by Dräger for the 2024 fiscal year amounted to EUR 126.2 million (2023: EUR 141.5 million) as per Investment in the section on Business performance of the Dräger Group in the consolidated management report 2024. The increase of Taxonomy-eligible investment spending compared to the adjusted prior year by EUR 9.1 million to EUR 55.9 million or 44.3% of total investments (+11.2 percentage points) can be attributed to increased investment spending for the activities Manufacture of electrical and electronic equipment and Product-as-a-service and other circular use- and result-oriented service models. These activities are also assigned to the environmental target of transitioning to a circular economy.

Operating expenses (OpEx) cover, as per the definition of the EU Taxonomy Regulation, the direct, non-capitalized costs in connection with Research and Development (R&D), short-term leasing, building renovation measures, as well as maintenance and repair costs. Research and development costs that have already been taken into consideration under investment expenditure are not operating expenses. According to the definition provided by the EU Taxonomy Regulation, the total operating expenses for the 2024 fiscal year are EUR 358.6 million (2023: EUR 345.5 million). The decrease of the Taxonomy-eligible operating expenses compared to the adjusted prior year by EUR 6.98 million to EUR 149.2 million or 41.6% of the OpEx share (-3.6 percentage points) can be attributed to a reduction in the research and development costs included. The activity Manufacture of electrical and electronic equipment made the biggest contribution to the target of transitioning to a circular economy with 39.3% (EUR 141.1 million). For the Taxonomy-eligable activities Manufacture of electrical and electronic equipment, Repair, refurbishment and remanufacturing and Sale of spare parts, there was a method adaptation, which is why the share of net sales for 2023 was also changed.

Evaluation on an economic activity level

Drägerwerk AG & Co. KGaA has prepared its Group financial statements for the 2024 fiscal year in accordance with the International Financial Reporting Standards (IFRS) as defined by the International Accounting Standards Board (IASB) and the interpretations of the IFRS Interpretations Committee (IFTS IC). These accounting rules also form the basis for the KPIs of the EU Taxonomy Regulation on turnover, investments and operating expenses.

The following categories of activities contributing to the transition to a circular economy in accordance with the Taxonomy Regulation have been identified as relevant to Dräger's business activities.

Turnover is recognized at product cluster level in the Dräger Group. To determine the relevant economic activities, the associated product groups were first determined for all relevant economic activities, and then the turnover per economic activity at product group level as at December 31, 2024 was determined.

The affected product clusters were also identified for investments and operating expenses or, if the information was not available at product cluster level, explanations were written for the individual economic activities. All operating Dräger companies received a survey in which they were asked to report investments and operating expenses according to these classifications. The evaluation, including a plausibility check and currency translation into euros, was carried out centrally in Lübeck.

On the basis of the associated turnover, investments and operating expenses, an assessment was made as to which of these activities exceed the defined materiality thresholds of one percent of total turnover, total investment or total operating expenses.

Economic activity - Circular economy

Category	Economic activities	Material
CE 1.2	Manufacture of electrical and electronic equipment	Yes
CE 5.1	Repair, refurbishment and remanufacturing	Yes
CE 5.2	Sale of spare parts	Yes
CE 5.3	Preparation for re-use of end-of-life products and product components	No
CE 5.5	Product-as-a-service and other circular use- and result-oriented service models	Yes

The activity category CE 1.2 Manufacture of electrical and electronic equipment represents the largest share of the Taxonomy-eligible economic activity. In the medical division, this includes the manufacture of devices for anesthesia, ventilation, patient monitoring and incubators for newborns, as well as supply units and lighting for the hospital infrastructure. The manufacture of electrical and electronic equipment in the Safety division largely comprises stationary and mobile gas detection technology, as well as analytical equipment for breath-alcohol levels and drugs. Almost half of the consolidated turnover is achieved with these products. Both investment and operating expenses are accordingly incurred for the manufacture of these products. With the operating expenses, spending on the research and development of these products is particularly high. We have therefore identified Taxonomy-eligible turnover, CapEx and OpEx for CE 1.2.

The economic activity CE 5.1 comprises factory repairs for our medical and safety products, while economic activity CE 5.2 refers to the sale of spare parts for these products. Despite immaterial net sales, we have determined Taxonomy-eligible CapEx and OpEx for CE 5.1 and Taxonomy-eligible net sales and OpEx for CE 5.2.

The re-use of end-of-life products (CE 5.3) has to date only been possible in individual cases and not to any significant extent.

CE 5.5, Product-as-a-service and other circular use- and results-oriented service models involves the leasing of several of our products. The provision of safety technology for the maintenance or standstill of large plants represents the largest share. Other products from the medical and safety divisions are leased on a short-term basis: for example, medical therapy equipment or devices for the measurement of breath alcohol. Overall, we have therefore identified 5.5 Taxonomy-eligible turnover and CapEx for the CE activity.

In addition, some internal activities still correspond to the description of the following activity categories with a contribution to climate protection in accordance with the Taxonomy Regulation. Here too, the corresponding capital and operating expenditures were used as the basis for assessing which of these activities exceed the defined materiality thresholds. There is no turnover for these activities.

Economic activity - Climate protection

Category	Economic activities	Material
CCM 4.1	Electricity generation using solar photovoltaic technology	No
CCM 5.5	Collection and transport of non-hazardous waste in source segregated fractions	No
CCM 6.5	Transport by motorbikes, passenger cars and light commercial vehicles	Yes
CCM 7.2	Renovation of existing buildings	No
CCM 7.3	Installation, maintenance and repair of energy efficiency equipment	Yes
CCM 7.4	Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)	No
CCM 7.5	Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings	No
CCM 7.6	Installation, maintenance and repair of renewable energy technologies	No
CCM 7.7	Acquisition and ownership of buildings	No

The activity category CCM 6.5, Transport by motorbikes, passenger cars and light commercial vehicles comprises the leasing of Dräger service vehicles. As these are capitalized as rights of use in non-current assets, the corresponding investments have been reported as CapEx. In order to avoid a double count, leasing costs for vehicles are therefore omitted from the reported OpEx. For this economic activity, we have therefore only been able to determine Taxonomy-eligible CapEx.

Activity category CCM 7.3, Installation, maintenance and repair of energy efficiency equipment largely involves the maintenance and renovation of Dräger ventilation systems, lighting and insulation. For this economic activity, we have identified Taxonomy-eligible CapEx.

The respective turnover, capital expenditures and operating expenditures are presented for the main activities in the following reporting forms.

Turnover I

		FY 2024		Substantial contribution criteria					
Economic activities	**Code**	**Turnover in Mio. EUR**	**Proportion of Turnover**	**CCM [1]**	**CCA [2]**	**WTR [3]**	**PPC [4]**	**CE [5]**	**BIO [6]**
A. Taxonomy eligible activities									
A.1 Environmentally sustainable activities (Taxonomy-aligned)									
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)		-	-	-	-	-	-	-	-
of which enabling		-	-	-	-	-	-	-	-
of which transitional		-	-	-	-	-	-	-	-
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)									
Manufacture of electrical and electronic equipment	CE 1.2	1,387.7	41.2%	N/EL	N/EL	N/EL	N/EL	EL	N/EL
Sale of spare parts	CE 5.2	139.8	4.1%	N/EL	N/EL	N/EL	N/EL	EL	N/EL
Product-as-a-service and other circular use- and result-oriented service models	CE 5.5	61.6	1.8%	N/EL	N/EL	N/EL	N/EL	EL	N/EL
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		1,589.1	47.1%					47.1%	
A. Turnover of Taxonomy eligible activities (A1+A2)		1,589.1	47.1%					47.1%	
B. Taxonomy-non-eligible activities									
Turnover of Taxonomy-non-eligible activities		1,781.8	52.9%						
Total		**3,370.9**	**100%**						

N/EL not eligible, Taxonomy non-eligible activity for the relevant environmental objective
EL Taxonomy eligible activity for the relevant environmental objective

[1] CCM Climate change mitigation
[2] CCA Climate change adaptation
[3] WTR Water and marine resources
[4] PPE Pollution prevention and control
[5] CE Circular economy
[6] BIO Biodiversity and ecosystems

Turnover II

Economic activities	CCM [1]	CCA [2]	WTR [3]	PPC [4]	CE [5]	BIO [6]	Minimum safe-guards	Proportion of Taxonomy aligned (A.1) or eligible (A.2) turnover, 2023	Category enabling activity	Category transitional activity
	DNSH criteria ("Do Not Significantly Harm")									
A. Taxonomy eligible activities										
A.1 Environmentally sustainable activities (Taxonomy-aligned)										
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)	-	-	-	-	-	-	-	-	-	-
of which enabling	-	-	-	-	-	-	-	-	-	-
of which transitional	-	-	-	-	-	-	-	-	-	-
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)										
Manufacture of electrical and electronic equipment								44.1%		
Sale of spare parts								3.7%		
Product-as-a-service and other circular use- and result-oriented service models								1.5%		
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)								49.4%		
A. Turnover of Taxonomy eligible activities (A1+A2)								49.4%		
B. Taxonomy-non-eligible activities										
Turnover of Taxonomy-non-eligible activities										
Total										

CapEx I

		FY 2024		Substantial contribution criteria					
Economic activities	**Code**	**CapEx in Mio. EUR**	**Proportion of CapEx**	**CCM [1]**	**CCA [2]**	**WTR [3]**	**PPC [4]**	**CE [5]**	**BIO [6]**
A. Taxonomy eligible activities									
A.1 Environmentally sustainable activities (Taxonomy-aligned)									
CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		-	-	-	-	-	-	-	-
of which enabling		-	-	-	-	-	-	-	-
of which transitional		-	-	-	-	-	-	-	-
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)									
Transport by motorbikes, passenger cars and light commercial vehicles	CCM 6.5	27.5	21.8%	EL	N/EL	N/EL	N/EL	N/EL	N/EL
Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking	CCM 7.3	1.9	1.5%	EL	N/EL	N/EL	N/EL	N/EL	N/EL
Manufacture of electrical and electronic equipment	CE 1.2	10.2	8.1%	N/EL	N/EL	N/EL	N/EL	EL	N/EL
Repair, refurbishment and remanufacturing	CE 5.1	1.2	1.0%	N/EL	N/EL	N/EL	N/EL	EL	N/EL
Sale of spare parts	CE 5.2	3.1	2.4%	N/EL	N/EL	N/EL	N/EL	EL	N/EL
Product-as-a-service and other circular use- and result-oriented service models	CE 5.5	12.0	9.5%	N/EL	N/EL	N/EL	N/EL	EL	N/EL
CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		55.9	44.3%	23.3%				21.0%	
A. CapEx of Taxonomy eligible activities (A1+A2)		55.9	44.3%	23.3%				21.0%	
B. Taxonomy-non-eligible activities									
CapEx of Taxonomy-non-eligible activities		70.3	55.7%						
Total		**126.2**	**100%**						

N/EL not eligible, Taxonomy non-eligible activity for the relevant environmental objective
EL Taxonomy eligible activity for the relevant environmental objective

[1] CCM Climate change mitigation
[2] CCA Climate change adaptation
[3] WTR Water and marine resources
[4] PPE Pollution prevention and control
[5] CE Circular economy
[6] BIO Biodiversity and ecosystems

CapEx II

Economic activities	CCM [1]	CCA [2]	WTR [3]	PPC [4]	CE [5]	BIO [6]	Minimum safe-guards	Proportion of Taxonomy aligned (A.1) or eligible (A.2) CapEx, 2023	Category transitional activity
	DNSH criteria ("Do Not Significantly Harm")								
A. Taxonomy eligible activities									
A.1 Environmentally sustainable activities (Taxonomy-aligned)									
CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)	-	-	-	-	-	-	-	-	-
of which enabling	-	-	-	-	-	-	-	-	-
of which transitional	-	-	-	-	-	-	-	-	-
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)									
Transport by motorbikes, passenger cars and light commercial vehicles								23.2%	
Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking									
Manufacture of electrical and electronic equipment								6.7%	
Repair, refurbishment and remanufacturing								0.6%	
Sale of spare parts								0.0%	
Product-as-a-service and other circular use- and result-oriented service models								2.5%	
CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)								33.0%	
A. CapEx of Taxonomy eligible activities (A1+A2)								33.0%	
B. Taxonomy-non-eligible activities									
CapEx of Taxonomy-non-eligible activities									
Total									

OpEx I

		FY 2024		Substantial contribution criteria					
Economic activities	**Code**	**OpEx in Mio. EUR**	**Proportion of OpEx**	**CCM [1]**	**CCA [2]**	**WTR [3]**	**PPC [4]**	**CE [5]**	**BIO [6]**
A. Taxonomy eligible activities									
A.1 Environmentally sustainable activities (Taxonomy-aligned)									
OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)									
of which enabling									
of which transitional									
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)									
Manufacture of electrical and electronic equipment	CE 1.2	141.1	39.3%	N/EL	N/EL	N/EL	N/EL	EL	N/EL
Repair, refurbishment and remanufacturing	CE 5.1	8.1	2.3%	N/EL	N/EL	N/EL	N/EL	EL	N/EL
OpEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		149.2	41.6%					41.6%	
A. OpEx of Taxonomy eligible activities (A1+A2)		149.2	41.6%					41.6%	
B. Taxonomy-non-eligible activities									
OpEx of Taxonomy-non-eligible activities		209.4	58.4%						
Total		**358.6**	**100%**						

N/EL not eligible, Taxonomy non-eligible activity for the relevant environmental objective
EL Taxonomy eligible activity for the relevant environmental objective

[1] CCM Climate change mitigation
[2] CCA Climate change adaptation
[3] WTR Water and marine resources
[4] PPE Pollution prevention and control
[5] CE Circular economy
[6] BIO Biodiversity and ecosystems

OpEx II

	DNSH criteria ("Do Not Significantly Harm")									
Economic activities	CCM [1]	CCA [2]	WTR [3]	PPC [4]	CE [5]	BIO [6]	Minimum safe-guards	Proportion of Taxonomy aligned (A.1) or eligible (A.2) OpEx, 2023	Category enabling activity	Category transitional activity
A. Taxonomy eligible activities										
A.1 Environmentally sustainable activities (Taxonomy-aligned)										
OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)										
of which enabling										
of which transitional										
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)										
Manufacture of electrical and electronic equipment								43.3%		
Repair, refurbishment and remanufacturing								1.9%		
OpEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)								45.2%		
A. OpEx of Taxonomy eligible activities (A1+A2)								45.2%		
B. Taxonomy-non-eligible activities										
OpEx of Taxonomy-non-eligible activities										
Total										

Concluding comment

In the list below, the disclosure requirements of supplementary Delegated Regulation 2022/1214 of March 9, 2022 are met with regard to nuclear and gas energy.

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

Environmental information

Dräger's environmental management is based on binding standards that apply to all Group companies worldwide. Our publication “We take responsibility” sets the direction and is the basis for the Group-wide integrated management system. It addresses the four areas of quality, environment, employees and society. It also sets out our long-term climate target for CO_2 neutrality.

For us, climate protection and energy are an integral part of the Group-wide environmental management system, which is certified in accordance with ISO 14001. Around the world, there are clear responsibilities and processes for environmental management. The same applies to planning targets and actions, including regular internal and external reviews. The policy on EHS (Environmental, Health and Safety) management requirements contains binding standards and serves as a guide for implementation for EHS managers worldwide.

ESRS E1 Climate change

Management of impacts, risks and opportunities

As Dräger is a manufacturing company and sells products and services, emissions are directly linked to our business model. They are generated in particular in the supply chain and during the use phase of products, but also in our own business operations, especially through purchased energy and our vehicle fleet.

The importance of the medical and safety technology sectors is not directly threatened by climate change; our business areas in industry and firefighting as well as the global healthcare sector will continue to be of great importance. Some of Dräger's key customers operate in changing industries, particularly in the fossil industry (oil and gas). We will also have to adapt our own business model to meet the changing demand of our customers.

Impacts, risks and opportunities in connection with climate change

Our corporate carbon footprint (CCF) forms the basis for analysis of our impact on climate change. Before we had defined our complete footprint for Dräger for the first time in 2024, a qualified estimate served as the basis for the materiality analysis. This estimate has essentially been confirmed.

As part of the materiality analysis, we identified the following IROs (impacts, risks and opportunities) as material:

Negative impacts – NI:

- Our business operations cause emissions in the upstream value chain, particularly through the goods and services that we procure (NI-1).
- Our anesthesia equipment requires gases, some of which have a very high global warming potential and are released into the atmosphere to a certain extent during production in our own operations and during the use phase at the customer (NI-2).
- Our business activities cause direct and indirect emissions at our locations through our vehicle fleet (Scope 1; NI-3) and purchased energy (Scope 2; NI-4).

Risks (R):

- The Demand in the field of inhalative anesthesia could potentially decline in the long term if less climate-damaging methods of anesthesia are developed (R-1).
- Our customers in the oil and gas industry may change their demand in the long term as a result of the green structural change, making us unattractive as a supplier of safety technology (R-2).

These IROs relate to our business model as follows:

Dräger has a direct impact on climate with a corporate carbon footprint of 744,606 t of CO_2e. In 2024, in relation to our own operations, Scope 1 emissions amounted to 33,499 t CO_2e and Scope 2 emissions to 25,637 t CO_2e (market-based). This occurs at our sites around the world via energy purchasing, particularly at our production sites (NI-4). Emissions are also generated by our vehicle fleet and process-related emissions (NI-3).

We also have an impact on the environment through our upstream and downstream value chain. As a manufacturing company, emissions from purchased goods and services (Scope 3.1) and emissions during the use phase of our products (Scope 3.11) have the greatest impact (NI-1).

Anesthesia machines are an important part of our Medical division portfolio. We specialize in volatile anesthesia, which uses anesthetic gases from other manufacturers that have a high global warming potential (GWP) and therefore contribute to global climate change. We reduce the loss of gases into the atmosphere through minimal and low-flow anesthesia; however, it cannot be completely prevented during use and testing on our company premises (NI-2). All material impacts are actual impacts.

Physical climate risks
As part of the risk management of our supply chain and our own sites, we use a tool from the Group insurance department. NATHAN (Natural Hazard Assessment Network) for the assessment of natural hazards is integrated into the tool. All Dräger sites as well as the sites of the most important suppliers have been checked for natural hazards. In addition, the tool provides ad hoc warnings to the responsible purchasers and risk management officers in the event of a risk from natural hazards. Locational risks are assessed in categories including earthquakes, flooding, storms, forest and wildfires and other natural disasters. These climate-related risks could lead to financial losses, particularly at our production sites. We carry out the risk analysis with the tool on an annual basis.

Based on this, we used two different scenarios to analyze the physical climate risks. In doing so, we followed the IPCC templates and selected the RCP 2.6 and 8.5 scenarios (Representative Concentration Pathways – RCPs). RCP 2.6 is the optimistic scenario, which assumes that it will be possible to limit the global temperature rise to below 2°C by 2100 compared to pre-industrial levels. In fact, a maximum temperature rise of around 1.5°C to 1.8°C is expected in this scenario. RCP 8.5 represents the most pessimistic scenario, in which no significant actions are taken to reduce greenhouse gas emissions. In this scenario, the global temperature increase by 2100 could be around 4°C to 5°C above pre-industrial levels. It is assumed that the inherent climate risks at our global locations will increase more strongly and more quickly as a result of more progressive climate change. We have not differentiated between different time horizons.

The upstream and downstream value chain is also part of the analysis. Dräger's products contain a large proportion of plastics (especially thermoplastics and elastomers) and metals (especially aluminum, steel and brass). The production of these materials and the associated global logistics lead to emissions and therefore contribute to climate change. For the analysis, however, we did not use geographical coordinates from the supply chain or the full extent and duration of the risks. Part of our medical technology product portfolio in particular is characterized by high energy requirements in the use phase. Our development areas can contribute to a reduction in emissions here; at the same time, a change in usage behavior is necessary, which we can only influence to a limited extent. An analysis of the end of the product life cycle can be found in the section on ESRS E5.
↗ Please refer to “Resource outflows” in the chapter on E5.

No physical climate risks were identified in the analysis. We therefore do not consider our assets and business activities to be at risk. With regard to our qualitative resilience analysis, we identified no need for action.

Climate-related transition risks
The results of the materiality analysis and in-depth discussions with internal experts from the strategy functions of both divisions were used to analyze climate-related risks and opportunities and their interaction with the strategy and business model. Based on the climate risks analyzed, the discussions had the goal of evaluating the resilience of our business model. Transition risks in our own business area as well as in upstream and downstream stages of

the value chain were considered. According to our internal experts and market observers, our Medical and Safety sectors are not directly at risk from climate change.

In both divisions, key areas of the business model that will change as a result of the green transformation of the economy have been identified. These developments are in particular defined by the global response to climate change, for example as defined in the Paris Climate Agreement. For this reason, only the 1.5 degree scenario was taken into account for the determination of the climate-related transition risks. All identified risks are medium and long-term.

Changing demand in the area of inhalative anesthesia (R-1)
According to a report by the British National Health Service, around 5% of hospital emissions are caused by volatile anesthetic gases, which have a high global warming potential (GWP). Dräger provides anesthesia machines that largely recirculate gases (minimal and low-flow anesthesia). Nevertheless, gases are released into the atmosphere during production and use of the devices. In the long term, customer behavior may change due to the massive intensity of emissions, and the demand for other, lower-emission technologies could increase. This could have a negative impact on demand for and therefore also on sales of Dräger anesthesia machines, which are an important part of our Medical division portfolio.

Changing demand from our customers in the oil and gas industry (R-2)
The business model of many of our customers in the safety technology sector is traditionally dependent on fossil resources. The general shift away from fossil resources leads to changes for our key customers in the Safety division. The transformation at our customers has already begun and will continue for decades. As a partner specializing in gas detection and occupational safety, for example in the cleantech sector, we wish to support this. However, this development also includes the risk that demand will change significantly and our products and services will become unattractive to customers, resulting in financial losses for us. Due to the rather long-term time horizon, neither of the two transition risks was included in the risk report in the reporting year. With regard to our qualitative analysis, we currently see no need for action.
↗ Please refer to the risk reporting in the chapter on “Potential”.

We have adapted our business model to the changing situation this year. Examples of this include the development of expertise and support for projects in the field of cleantech or the discontinuation of business activities of Dräger MSI GmbH in Hagen in 2024. Dräger MSI's product portfolio is designed for the analysis of exhaust gas from fossil fuels. Due to the impending energy transition and the changes in climate control conditioning technology, this business segment offers no prospect for Dräger. The Company has therefore exited the business.

No assets or business activities have been identified that are not compatible with the transition to a climate-neutral economy without significant effort.

Concepts and policies related to climate protection and adaptation to climate change

The Dräger Group has various policies and concepts that address the topic of climate protection.

Certified environmental management in accordance with ISO 14001

Our publication "We take responsibility" sets the direction for our environmental management and is part of the Group-wide integrated management system, which also includes the environmental management system. The environmental management system falls within the remit of the CSQO.

↗ Please refer to "Concepts and policies related to environmental pollution" in the chapter on E2.

The policy addresses the four areas of quality, environment, employees and society and thus the topics of climate protection and resource efficiency by including rules of conduct applicable to all employees, for example in the economical use of resources. Our long-term climate target of CO_2 neutrality is also integrated here (NI-1, NI-3, NI-4). The policy also addresses the topics of environmentally friendly design of products and processes, logistics and infrastructure as well as company premises at the various locations. Improvements are to be achieved here by optimizing energy consumption. The policy also stipulates that suppliers and service providers should also be selected on the basis of environmental aspects; this means that emissions in the supply chain are also taken into account (NI-1). Rules for cooperation with business partners are described in detail in the "Code of Conduct for Business Partners"; climate protection is also an issue here.

↗ Please refer to "Concepts for corporate governance and corporate culture" in the chapter on G1.

For us, climate protection and energy are integral parts of the Group-wide environmental management system, which is certified in accordance with ISO 14001. Around the world, there are clear responsibilities and processes for environmental management. The same applies to planning targets and actions, including regular internal and external reviews. The policy on EHS management requirements specifies binding standards and provides EHS managers worldwide with guidance on implementation.

In Germany, an energy audit is carried out every four years in accordance with DIN EN 16247-1, most recently in 2023. For Drägerwerk AG & Co. KGaA and Dräger Safety AG & Co. KGaA, we aim for certification of energy management in accordance with ISO 50001, which will be completed in 2025.

↗ Please refer to "Actions and resources" in the chapter on E1.

Another part of the environmental management system is the eco-design process, which is intended to act as leverage for the development of eco-efficient products. In the field of anesthesia, this also concerns the more efficient use of anesthetic gases (NI-2).

↗ Please refer to "Concepts and policies in connection with the use of resources and the circular economy" in the chapter on E5.

Management handbook

The "Dräger Management Handbook" (DMH) contains Group-wide rules and responsibilities on various topics so that everyone is aware of the rules and decisions can be based on these.

↗ Please refer to "Concepts for corporate governance and corporate culture" in the chapter on G1.

In terms of content, the handbook sets out requirements for sustainable energy management and efficiency in the areas of real estate (NI-4), business travel (NI-1) and company cars (NI-3). In the area of real estate, the main goal is to optimize the energy consumption of buildings by integrating specialists from the Real Estate department into major renovations and refurbishments. In the area of business travel, the focus is on reducing emissions: Employees are encouraged to review business trips for necessity and consider environmentally friendly alternatives. This addresses the issues of climate protection and energy efficiency.

The climate impact of anesthetic gases (NI-2) has been known to the development departments at Dräger for years. Research on resource-saving alternatives ("green anesthesia") is being conducted there. There is currently no separate policy on handling anesthetic gases. The topics of adaptation to climate change and the use of renewable energies have not yet been explicitly addressed in the policies.

Transition plan for climate change mitigation

Dräger has not yet adopted a transition plan for climate change mitigation. With the 2024 fiscal year, Dräger has defined a complete corporate carbon footprint in accordance with the methodology of the Greenhouse Gas (GHG) Protocol for the first time, thus creating the data basis for drawing up a transition plan. In parallel, there are various initiatives at Dräger dealing with decarbonization in Scope 1, 2 and 3, assigning responsibilities globally and developing actions. Decarbonization is a central area of our sustainability strategy.

↗ Please refer to "Integration of sustainability in our corporate strategy" in the chapter on ESRS 2.

Dräger intends to publish a transition plan for climate change mitigation.

Targets

Our decarbonization target is derived from the United Nations' climate target of limiting global warming to well below 2°C. In order to achieve this target, scientific findings indicate that net emissions of greenhouse gases worldwide must be reduced to zero by 2050. Dräger has adapted its own target in 2021 to the new German Climate Protection Act, which aims to achieve CO_2 neutrality for Germany by 2045. In 2021, Dräger adjusted its original climate target of halving emissions in Scope 1 and 2 between 2015 and 2030. As our methodology for recording the emissions has changed fundamentally since then, we are continuing this target with a new reference value, but on the same path toward decarbonization.

Dräger does not have any scientifically based targets in terms of the CSRD.

Dräger fundamentally defined and expanded its CO_2 reporting in the reporting year. This results in a new base year and a new reference value. There is no reporting on the prior years. We will provide a progress report from 2025.

When calculating emissions for Scope 1, 2, and 3, we follow the guidelines of the GHG Protocol. How the methodology is applied to Dräger can be found in more detail in the Metrics section.

↗ Please refer to "Gross GHG emissions of the Scope 1, 2 and 3 categories" in the chapter on E1.

The decarbonization targets were defined internally in cooperation with the Executive Board, the Global Sustainability department and those responsible for the reduction and.

There is no adopted target for reducing emissions generated from the use of anesthetic gases (NI-2). The use of anesthetic gases with less climate impact and extensive recycling can reduce, but not fully prevent the release of anesthetic gases. On the one hand, our leverage lies in training our customers in the use of the equipment and informing them about the amount of gas required. On the other hand, we can further optimize the amount of gas required when developing new devices.

30% reduction in emissions by 2030 in Scope 1 and 2

As an interim target, starting from the base year 2024, we are aiming to reduce our emissions in Scope 1 and 2 in a linear fashion by 2045 (NI-3 and NI-4). This results in a reduction of 30% by 2030. This is an absolute reduction target to be achieved across the entire GHG inventory included in E1-6. The reference value for measuring progress is also the year 2024 and therefore 59,136 t CO2e (in Scope 1 and 2; market-based). When it comes to achieving our targets, we are particularly focused on using renewable energies, sourced or generated ourselves, as well as on energy efficiency actions. Based on our modelings, this leverage has a reduction potential of up to 30%. This target should be possible to reach without the extraction of greenhouse gases and without compensatory actions such as financing projects for the reduction of greenhouse gases.

Commitment to net zero by 2025

Dräger aims for climate neutrality by 2045 in Scope 1 to 3 (NI-1, NI-3 and NI-4). This is an absolute reduction target to be achieved across the entire GHG inventory included in E1-6. The reference value for measuring progress is the year 2024 and therefore 744,606 t CO_2e. There are no concrete modellings yet for achieving this target. This target will be further developed in the coming years.

Actions and resources

Our actions to reduce emissions focus primarily on our own operations (direct and indirect emissions). Different leverage mechanisms are used with these actions. The actions relating to Scope 1 and 2 focus on the use of renewable energies and energy efficiency actions.

Generation of renewable energy on Dräger premises

At the two largest German sites, in Lübeck and Krefeld, we want to drive forward the expansion and use of our own generated electricity through photovoltaics by 2030. Self-generated energy is expected to save over 420 t CO_2 annually, reducing emissions from Scope 1 and Scope 2 (NI-3 and NI-4). With this action, we are contributing to the reduction target for Scope 2 by 2030. The associated investment amount does not represent a significant amount of money in terms of the ESRS.

Certification of energy management at German sites in accordance with ISO 50001

In 2024, Dräger started planning for the implementation of an energy management system in accordance with DIN EN ISO 50001:2018 for its German sites to reduce its emissions in its own operations (NI-3 and NI-4). The target of the project is achieving energy management certification in the year 2025 Systematic energy management helps meet cost targets and, by identifying potential savings, promotes both an increase in energy efficiency and a reduction in emissions. These two directives are also described in the “We take responsibility” policy and the environmental management system. As a future component of the integrated management system, energy management is linked to the environmental management system, among other things. An analysis of potential savings was carried out in the reporting year. The actions that proved to be particularly cost-effective were proposed for further development. We expect to save 3,352 t CO_2 with these actions. The investment sum involved is not considered a significant amount of money in terms of the ESRS.

Implementation of a software solution for carbon accounting

In preparation for reliable and comparable emissions analyses in accordance with the criteria of the GHG Protocol, a project was implemented during the reporting year. The aim was to identify software that we can use to calculate our Corporate Carbon Footprint (CCF) and Product Carbon Footprint (PCF) in the future and continuously expand and improve it. This action contributes to the climate targets defined in the strategy and is in line with our policies, as it allows us to make resource efficiency and savings visible.

The software works with our primary data and, where necessary, with statistical values to measure emissions in its own business operations as well as in the upstream and downstream value chain. The created transparency is relevant for CO_2 reporting and increasingly also for planning and control processes, and therefore affects all identified negative impacts with regard to emissions (NI-1, NI-3 and NI-4). The implementation of the software for calculating the CCF was completed in the first quarter of 2025, the PCF calculation is planned for the end of 2025. We want to assign a PCF to the most relevant products in each business area. Emissions transparency forms the basis to better monitor and manage negative impacts from direct or indirect emissions in the future. The investment amount for the annual license fees does not represent a significant amount of money in terms of the ESRS. The action is aimed at achieving transparency and does not lead directly to a reduction in emissions.

Energy consumption and energy mix

Method for determining energy consumption

The data for the key figures on energy consumption and energy mix are collected in our companies worldwide. This process involves collecting information from various sources, including invoices, meter readings and estimates in the event of data gaps. The majority of the calculations are based on information from invoices and meter readings. Estimates are particularly relevant if no invoicing has taken place for individual months at the time of reporting. The estimates are based on historical data, which is adjusted as necessary to take account of changes in production or consumption. Furthermore, there are smaller rental areas for which an extrapolation was applied on the basis of the rented space. The allocation of energy consumption to the individual components of the energy mix is based on contract data from our energy suppliers. Where such specific information is not available, we rely on the energy mix data from the regions from which the energy is sourced. Our activities are completely focused on the energy-intensive sectors, so that the data basis for energy intensity indicators is determined with the method described for the calculation of energy consumption.

The evaluation of metrics has not been validated by any external body.

Total energy consumption related to own operations / energy consumption and mix

	Unit	2024
Fuel consumption from coal products	MWh	-
Fuel consumption from crude oil and petroleum products	MWh	447
Fuel consumption from natural gas	MWh	29,947
Fuel consumption from other fossil sources	MWh	-
Consumption of purchased or acquired electricity, heat, steam, cooling from fossil sources	MWh	35,725
Total fossil energy consumption	**MWh**	**66,119**
Share of fossil sources in total energy consumption	%	67
Consumption from nuclear sources	**MWh**	**3,095**
Share of fossil nuclear sources in total energy consumption	%	3
Fuel consumption for renewable sources, including biomass (also comprising industrial and municipal waste of biologic origin, biogas, renewable hydrogen, etc.)	MWh	-
Consumption of purchased or acquired electricity, heat, steam, and cooling from renewable sources	MWh	28,985
The consumption of self-generated non-fuel renewable energy	MWh	250
Total renewable energy consumption	**MWh**	**29,235**
Share of renewable sources in total energy consumption	%	30
Total energy consumption	**MWh**	**98,449**

In the reporting period, energy production was divided into renewable energy production with 281 MWh and non-renewable energy production with 30,955 MWh.

The energy intensity from activities in high climate impact sectors was 0.0029% (total energy consumption per net sales). All of Dräger's activities were allocated to sector C28 – Manufacture of machinery and equipment. Net sales amounted to EUR 3,370,880 thousand, while total energy consumption from these activities amounted to 98,449 MWh.

Gross GHG emissions of the scope 1, 2 and 3 categories

Method for determining the corporate carbon footprint

Dräger's corporate carbon footprint (CCF) is calculated in accordance with the requirements of the GHG Protocol. Scope 1 and 2 as well as Scope 3 namely the categories 3.1, 3.2, 3.3, 3.4, 3.5, 3.6, 3.7, 3.9 and 3.11 are included in the reporting. The remaining six Scope 3 categories were excluded due to an estimated relevance of less than 1% to the overall footprint (categories 3.8, 3.12, 3.13 and 3.15) or due to lack of applicability within the Group (categories 3.10 and 3.14). For the estimation of categories 3.8, 3.12, 3.13 and 3.15, a conservative method was applied in order to include all relevant sources. The values determined using this method were multiplied by emission factors from the Defra database.

Dräger uses the operational and financial control approach, which means that the Company accounts for 100% of greenhouse gas emissions from operations over which it has financial and/or operational control. Emissions from operations in which Dräger has an interest but no operational control account for less than 1% of Dräger's estimated CCF and were therefore excluded. Overall, the CCF thus comprises the emissions of the companies from the scope of reporting[1].

We calculate the CCF using the Makersite tool. Wherever possible, activity-based/mass-based emissions from the ecoinvent database (version 3.10.1) or published values from the UK Department for Environment, Food & Rural Affairs (Defra, March 2024 status) are used. For expenditure-based emissions, we use Exiobase (November 2024 status), and in some cases we also use primary data on emission factors from transport service providers. For the calculation of CO_2 equivalents for non-CO_2 gases, the current values published by the IPCC for the Global Warming Potential (GWP) were used.

Procedure for estimates

We generally use primary data. We rely on estimates if this primary data is not available. This is the case for the following areas in particular:

- Category 3.1 and Category 3.2: Purchased goods and services and capital goods
- Category 3.4 and 3.9: Upstream and downstream transportation
- Category 3.7: Employee commuting
- Category 3.11: Use of sold products

Overall, only a small amount of the data comes from primary data, which we receive directly from our suppliers.

Scopes and categories of the Dräger Corporate Carbon Footprint

Scope 1: Direct emissions from fuels and mobility
- Primary data with mass-based calculation of fuel or gas consumption

Scope 2: Purchased energy
- Primary data with activity-based calculation of electricity and heat consumption.
- In individual cases, no provider-specific emission factor could be determined, so the regional grid average is also used as an approximate value when calculating the market-based result.

[1] The scope of reporting for sustainability reporting largely corresponds to the scope of consolidation for financial reporting. However, a total of 13 non-operating companies are excluded from sustainability reporting (holding, management or property companies as well as former operating companies with discontinued operations). One employee is employed in a dormant company with minimal energy consumption. The other twelve non-operating companies have no energy consumption due to the lack of their own real estate use and do not employ any employees.

Scope 3: Upstream and downstream activities

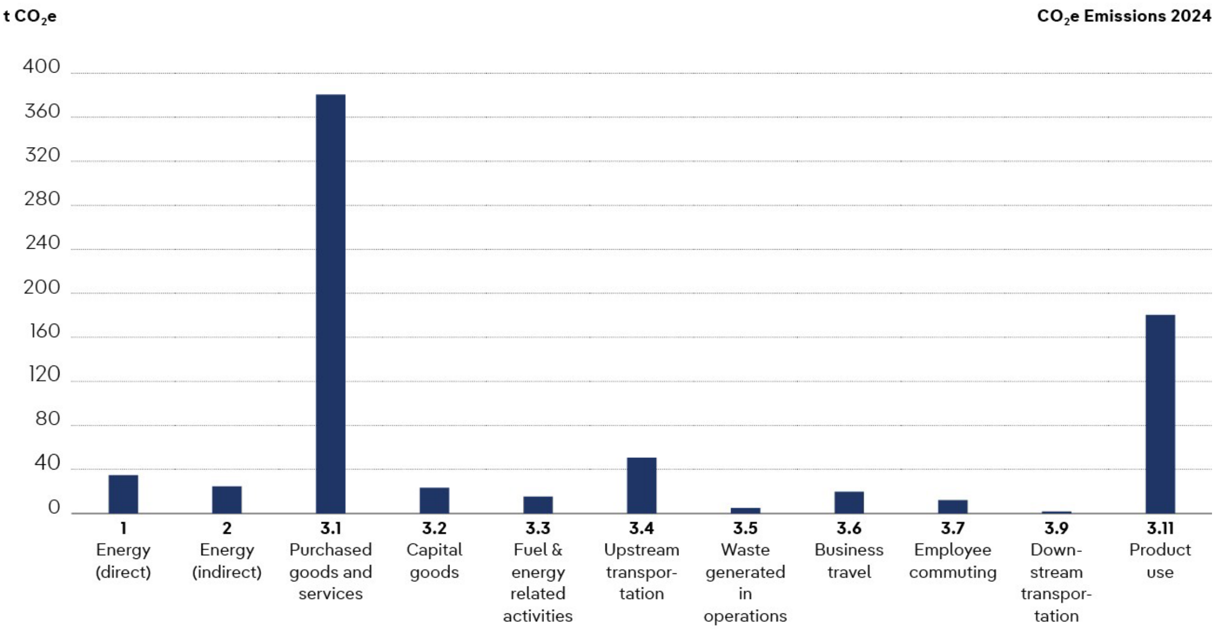
- Category 3.1 Purchased goods and services and Category 3.2 Capital goods:
  Mostly primary data with expenditure-based calculation (expenditure-based approach). For 15 smaller companies, the expenditure is estimated using the respective sales based on the expenditure of the companies recorded with primary data.
  Category allocation: As the data basis for the allocation of purchasing processes for 3.1 or 3.2 is not uniform world-wide, both categories are calculated together. The overall result is divided into the two categories based on the financial volume of the investment statement in property, plant and equipment. The use of this data basis reduces the accuracy of the allocation to the categories. However, the allocation to specific emission factors is more granular to optimize the accuracy of the overall result.
  Period deliniation: The calculation uses invoice data, as this allows the most accurate allocation to specific emission factors for each invoice item compared to other data sources. However, due to the time delay between the receipt of goods and the receipt of invoices, it is not possible to calculate an exact accrual for the calendar year. In some cases, invoices for goods received in the prior year are taken into account and goods received whose invoice was not recorded until the following year are not taken into account. As this procedure applies to all calculations, all goods or services are ultimately taken into account over several reporting years. This selection of the periods according to date of invoice receipt deviates from the approach of calendar year in the financing reporting.
- Category 3.3 Fuel and energy-related activities
  Primary data from Scope 1 and 2 with mass-based (Scope 1) and activity-based (Scope 2) calculation
- Category 3.4 Upstream transportation and distribution
  The following distinctions are made for data quality and the corresponding calculation method:
  (i) Inbound and Outbound – primary data with addresses, means of transportation and weight: Activity-based calculation
  (ii) Inbound and Outbound – primary data on costs and partly means of transportation: Expenditure-based calculation
  (iii) Inbound – delivery by the supplier without information on emissions: Estimate for such unknown deliveries based on the average of emissions from the known transports with data quality (i)
  In general, intercontinental transport with courier express services that are not specified in more detail is assumed to be by air and not by ship. If available, primary data on emissions from the service provider, for example DHL, is used as an alternative.
- Category 3.5 Waste generated in operations
  Primary data on waste quantities with mass-based calculation of emissions. Wastewater volumes are equated with fresh water consumption and emissions are also calculated on the basis of mass.
- Category 3.6 Business travel
  Primary data with activity-based calculation of air travel, hotel overnight stays (partly with regional information), fuel or energy consumption for rental cars, as well as expenditure-based calculation of costs for local public transport and taxi services. In individual cases, the fuel or energy consumption of rental cars could not be determined and instead the costs for an expenditure-based calculation were used.
- Category 3.7 Employee commuting
  Primary data from a survey based on 80% of commuting employees (without company car) with activity-based calculation. For simplification, all part-time employees are assumed to have a 50% attendance rate of a full-time employee. An average sickness rate is also included, based on an assessment of sick days in 2023. To estimate the commuting behavior of employees not covered by surveys, the behavior in one region is assumed to be identical. The average survey results of the three largest companies in each region are used as a basis for missing information on commuting behavior, average distance and means of transport.
- Category 3.9 Downstream transportation and distribution: Activity-based calculation using estimates determined as follows:
  Estimated values for deliveries not paid for by Dräger are derived from the total number of deliveries based on the emissions of known transportation (see Category 3.4 – Data quality (i)).
  Transportation for the last mile in Category 3.9 is set at 100 km for all safety products and all Medical division products from the “Hospital Consumables and Accessories” business unit. The value of 10 to 20 km, which is frequently used in practice, was multiplied by a safety factor, as Dräger products are available from specialist retailers, and a lower regional density of distribution centers is therefore assumed. All other Medical

technology products are delivered by Dräger to the installation location, so their transportation is included in Category 3.4.

– Category 3.11 Use of products sold
  Activity-based calculation based on energy consumption (electricity and partly gasoline) over the life cycle. Information on the sales region and number of units was available for 90 % of sales. The identical greenhouse gas intensity was assumed for the remaining 10 %.

The evaluation of metrics has not been validated by any external body.

Corporate Carbon Footprint



Total GHG emissions disaggregated by Scope 1 and 2 and significant 3

			Milestones and target years		
	Unit	Base year 2024	2025	2030	Annual % target / Base year
Scope 1 GHG Emissions					
Gross Scope 1 GHG emissions	tCO_2e	33,499		-30%	
Percentage of Scope 1 GHG emissions from regulated emission tradig schemes	%	0			
Scope 2 GHG emission					
Gross location-based Scope 2 GHG emissions	tCO_2e	24,558			
Gross market-based Scope 2 GHG emissions	**tCO_2e**	**25,637**		**-30%**	
Significat Scope 3 GHG emissions					
3.1 Purchased goods and services	tCO_2e	380,333			
3.2 Capital goods	tCO_2e	23,203			
3.3 Fuel and energy-related activities (not included in Scope 1 or Scope 2)	tCO_2e	15,640			
3.4 Upstream transportation and distribution	tCO_2e	48,058			
3.5 Waste generated in operations	tCO_2e	4,899			
3.6 Business travel	tCO_2e	19,384			
3.7 Employee commuting	tCO_2e	12,033			
3.9 Downstream transportation	tCO_2e	1,646			
3.11 Use of sold products	tCO_2e	180,274			
Total Gross indirect (Scope 3) GHG emissions	**tCO_2e**	**685,470**			
Total GHG emissions					
Total GHG emissions (location-based)	tCO_2e	743,527			
Total GHG emissions (market-based)	tCO_2e	744,606			

GHG intensity per net sales

tCO2e	2024
Total GHG emissions (location-based) per million euros net sales	221
Total GHG emissions (market-based) per million euros net sales	221

Net sales used to calculate GHG intensity

in Tsd. €	2024
Net sales used to calculate GHG intensity	3,370,880
Net sales (other)	0
Total net sales (in fiancial statements)	3,370,880

Our activities are completely assigned to on the energy-intensive sectors, so that the data basis for energy intensity indicators is determined with the method described for the calculation of energy consumption.

The emissions represented in Scope 1 and Scope 2 relate entirely to the scope of sustainability reporting. There are no other associate companies over which Dräger exercises operational control. Our net sales in the IFRS group financial statements are the basis for the emission intensity, as all sales-relevant activities are included in our total emissions. The emissions database for the GHG intensity parameters was determined with the method described for calculation of Scope 1, 2 and 3 gross emissions, and corresponds to the total GHG emissions from the Total GHG Emissions table. The evaluation of metrics has not been validated by any external body.

Other greenhouse gas emissions

HFE gases are not explicitly listed by the ESRS. Additional greenhouse gases may, however, be taken into account if significant. However, due to their high climate impact, emissions of anesthetic gases are significant for Dräger both in the context of product testing (Scope 1) and in the use phase of the products (Scope 3.11). We therefore disclose this emission data below. Product tests of our anesthesia machines with anesthetic gases are necessary for ensuring that the devices work safely and efficiently without causing unnecessary environmental pollution. During the use phase, emissions are generated when the devices are used on patients. Dräger optimizes anesthesia machines for low-flow and minimal-flow techniques in order to reduce emissions from anesthetic gases. These techniques minimize the flow of fresh gas during anesthesia, which provides both economic and environmental benefits. Dräger also provides training materials and policies to support medical personnel in the use of low and minimal flow techniques.

To determine the emissions of anesthetic gases during product tests, the type and amount of gases used in the fiscal year were defined and then multiplied by the respective emission factor for anesthetic gases. In 2024, 5,208 tons of CO_2e anaesthetic gases were emitted during product tests.

To estimate the anesthetic gas consumption of Dräger devices, the consumption values of 40 Perseus A500 devices in Germany, Thailand, South Africa, the USA and Colombia were recorded. This regional distribution corresponds to the typical sales distribution. In addition, low-flow anesthesia, which is used in many Dräger anesthesia workstations, is available in these devices. The annual consumption calculated from this is assumed as a realistic average value for all anesthesia workstations sold in 2024 and multiplied by the corresponding emission factors. In 2024, the anesthetic gas emissions from the use phase of our anesthesia machines made available on the market amounted to 2.447.775 tons of CO_2e. The evaluation of metrics has not been validated by any external body.

Removal of greenhouse gases

Dräger is not involved in projects that aim to reduce or store GHG emissions from its own business activities in the atmosphere. The handling of the last remaining greenhouse gas emissions to achieve our net-zero target is not yet defined.

There is currently no internal CO_2 pricing scheme at Dräger.

ESRS E2 Pollution

Management of impacts, risks and opportunities

Environmental pollution covers a wide range of aspects, including the release of pollutants into the air, water and soil, which can affect both human health and the environment. In principle, the area of environmental pollution is heavily regulated for emitters. Like all industrial companies, Dräger is subject to various legal regulations on emissions from the production and use of substances with hazardous properties, such as the Industrial Emissions Directive and the REACH Regulation. These also include the CLP (Classification, Labeling and Packaging) regulation, which governs the classification, labeling and packaging of chemical substances and mixtures. At our production site in Lübeck, the Hazardous Incident Ordinance also applies, which prescribes measures for prevention and limiting of incidents involving hazardous substances.

We assess the overall impact from air, water and soil pollution as not material, as no emissions above the quantity thresholds of the European Pollutant Release and Transfer Register Regulation (E-PRTR) occur at any site and no other material environmental impacts are known. We therefore focus our ESRS E2 reporting on the identification and management of substances classified as substances of concern (SoC) with the aim of minimizing their potential negative impact. In our reporting, we refer to processes and actions that cover the area of hazardous substances. Substances of concern form a subgroup of substances with specific hazard characteristics. In addition to SoC, hazardous substances also include other substances that are important for production at Dräger, such as soda lime.

Sustainable products are an important part of our sustainability strategy. In this context, we want to integrate environmental aspects into our product development and production, among other things. The area of environmental pollution is not strategically pursued beyond compliance with regulatory requirements. By proactively managing substances of concern, we aim to achieve the best possible protection for employees when handling hazardous substances, reduce risks, and at the same time make our contribution to environmental protection.

Impacts, risks and opportunities connected to environmental pollution

To identify Dräger's impacts, risks and opportunities (IROs) connected to pollution, we first analyzed our business activities and divided all locations into two groups: Production facilities and locations that only perform sales and service functions. Environmental impacts as defined by ESRS E2 are mainly caused by our production sites. At the same time, the legal requirements (e.g., 12th BImSchV, CLP regulation) and technical regulations (e.g., TRGS 510: Storage of hazardous substances) as well as our compliance with these were checked using our legal register. Based on the evaluation, we assessed the IROs in the area of environmental pollution In particular, we checked that all prescribed limits are observed, as this is in the particular interest of local communities.

The upstream value chain was analyzed by internal specialists from Global Sustainability. As the majority of our direct suppliers are based in Europe, we expect that they comply with European legislation. We have no direct influence on our suppliers' suppliers. As a manufacturing company, we utilize raw materials and therefore have a share in the pollution caused by their extraction and processing. For the materiality analysis, the interests of affected communities were taken into account exclusively by our internal representative stakeholders. The Global Sustainability department acted as stakeholder. As the department serves as contact partner for local incidents and is also in regular communication with local authorities, it has the necessary expertise.

↗ Please refer to “Materiality analysis” in the chapter on ESRS 2.

The downstream value chain was analyzed by specialists from Global Sustainability. Our products are sold and used all over the world and are mainly disposed of locally. If disposed of properly, we see no danger of negative impacts from the substances of concern in our products. We have no direct influence on disposal by our customers, although we do provide information on proper disposal to minimize the risks of incorrect disposal. Furthermore, a large number of our customers are themselves subject to regulations for professional disposal. We address potential negative impacts of the disposal of our products in the chapter on E5.

↗ See the information on Negative Impact 8 (NI-8) in the chapter on E5 Resource use and circular economy

As part of the IRO analysis, we identified the following IROs as material:

- Along the entire value chain, there is the potential for health impact on people due to the handling of hazardous substances (NI-5).
- There is potential for environmental damage along the entire value chain from the storage, use and transportation of hazardous substances (NI-6).

These relate to our business model as follows:

The activities at our production sites can have health effects on people through contact with hazardous substances; environmental damage can result from the storage, use and transportation of hazardous substances. Transparent communication with the public is necessary at the Lübeck production site, as hazardous substances are used there. A large part of production is subject to the Hazardous Incident Ordinance in accordance with the 12th BImSchV (NI-5 and NI-6). Dräger has further production sites in China (Beijing, Shanghai), South Africa (Pefferville), the UK (Blyth), India (Mumbai), the USA (Telford, Andover), Sweden (Svenljunga) and the Czech Republic (Klášterec). These also have a potential impact on the environment as defined by ESRS E2: Our research, development and production activities at these locations require the use of hazardous substances.

Concepts and policies related to environmental pollution

The certified environmental management system in accordance with ISO 14001

Our commitment to the environment is founded in various internal policies and work instructions. The aim of an environmental management system is the systematic reduction of environmental pollution, ensuring compliance with legal requirements and promoting continuous improvement of a company's environmental performance.

The risks to human health, for example due to improper exposure of employees to hazardous substances (NI-5), are assessed as part of local impact and risk analyses. Environmental damage such as groundwater contamination due to improper storage and risks associated with storage, use and transportation of hazardous substances (NI-6) are also analyzed. Actions for reducing the potential impact and damage as well as emergency plans are employed to reduce the associated risks.

Compliance with the requirements of ISO 14001 is reviewed in accordance with our internal processes through regular internal and external audits and annual EHS audits (environmental meetings). The policies and processes described are applicable to our sites worldwide and do not include any exceptions for specific locations, activities or substances. However, we also require our suppliers to sign our Code of Conduct for Business Partners, which covers environmental aspects among other things. This ensures that our commitment to the environment and society extends beyond our direct activities.
↗ Please refer to “Concepts for corporate governance and corporate culture” in the chapter on G1.

Our environmental management system has provisions for the safe handling, storage and disposal of all hazardous substances at our certified sites. Through our Group certification, 47 units are currently certified in accordance with ISO 14001. This includes all major production sites. Test gases for calibration, activated carbon for the production of filters and sulfuric acid as a component of gas detector tubes are particularly important for Dräger's production processes.
↗ Please refer to the complete list of the certified units that can be found on the website: https://www.draeger.com/de_de/Certificates.

A key element of our environmental management system is the continuous improvement process during which the processes are regularly checked and optimized. Internal audits are carried out to check whether our handling of hazardous substances complies with specifications and that the necessary precautionary measures are taken. In addition, the product development process requires hazardous substances to be avoided as much as possible. New introductions of hazardous substances in production are accompanied by a review of alternative substances.

The correct handling of hazardous substances is part of our annual safety training, which every manager conducts with their employees. Employees handling hazardous substances in their duties or who perform a function relevant to hazardous substances during storage and transportation receive additional mandatory annual training on handling and storing hazardous substances. This training is intended to ensure correct handling of hazardous substances and prevent incidents. At our main site in Lübeck, hazardous substances for production are stored in our restricted-access, state-of-the-art hazardous substances storage facility, with monthly inspections being carried out by Global Environmental Management as part of the Global Sustainability department.

The environmental management system provides regular risk assessment of the relevant areas and management of the identified risks. Scenarios that could lead to incidents or emergency situations are also analyzed. Emergency plans are developed and implemented on this basis to minimize the environmental impact in the event of an emergency situation. In general, these plans stipulate that affected areas are cordoned off, actions are introduced to avert danger to people and the environment and a subsequent analysis is carried out to derive actions. Other local features are integrated into the local emergency plan on a site-specific basis.

The environmental management system is the responsibility of the CSQO.

Targets

Dräger is aware of its impact on the environment. With our comprehensive management system, we focus on prevention in particular and want to ensure compliance with a common set of standards above and beyond local legal requirements. All relevant Dräger production sites are part of the certified environment management system. We have not set any targets in the area of environmental pollution.

Actions ans resources

In the reporting year, two key actions were implemented with the aim of strengthening our internal processes in the area of hazardous substances and incidents.

Update of the process for handling and managing hazardous substances

In 2024, our process for handling and managing hazardous substances was reviewed and revised. This process is used to limit our impact on human health through contact with hazardous substances (NI-5) and prevent environmental damage through storage, use and transportation of hazardous substances (NI-6). The revised process will be published and communicated internally in 2025. It describes the required steps in detail for including of a new hazardous substance and which tasks arise when a substance is phased out. It specifies how substitution tests, operating instructions and reassessments are to be carried out. Revision of the process is intended to increase safety in the handling of hazardous substances and to ensure compliance with legal regulations. The global expansion of the process is intended to ensure uniform handling and higher safety standards worldwide. In 2025, a local version of the process will be implemented for the German Dräger companies. The Global Sustainability department was responsible for this action.

Implementation of a new hazardous incident concept in production in Lübeck

In order to prevent and reduce environmental damage caused by storage, use and transportation of hazardous substances (NI-6), we have implemented a concept for the prevention of hazardous incidents at our production site in Lübeck Revalstraße in 2024 in accordance with Section 8 of the German Hazardous Incident Ordinance (12th BImSchV). This concept intends to increase safety at the site and the ability to respond to incidents. It includes annual meetings of the working group for plant safety where inspections and systematic hazard analyses are carried out. The working group includes production managers, representatives from Logistics, Real Estate and technical departments as well as the Head of Environmental Management. The annual update of the hazard analysis aims to ensure that current risks are taken into account and actions are adapted. Revision of the concept and approval by the Environmental Management Officer were completed in 2024. The first meeting of the working group for plant safety also took place in the reporting year.

The actions presented to manage our impact in the area of environmental pollution do not extend to our upstream and downstream value chain.

Metrics

Substances of concern

Hazardous substances and substances of concern are only present in our production facilities in quantities relevant to our operations. These substances are used in specific production and cleaning processes. Each production site maintains a register of hazardous substances to ensure transparency for the substances used or stored at each site. This register for hazardous substances is an integral part of the ISO 14001 audit, which is carried out regularly at our production sites.

For reporting purposes, the quantities (in kilograms) of substances of concern removed from storage and their use are recorded. In the evaluation in accordance with main hazard classes, a hazardous substance can be listed in several classes if the substance has been categorized in several hazard classes by our supplier. For this reason, the sum of all substances of concern used does not correspond to the sum of the substances of concern by main hazard class.

To determine the quantity of substances of concern leaving the Company as emissions, products or as part of products or services, the substances used were analyzed in accordance with their typical area of use and categorized according to this assessment. This approach is based on the assumption that hazardous substances used leave the Company in the same year. The evaluation of metrics has not been validated by any external body.

The substances of concern are presented in consolidated form below:

Hazardous substances

		Quantity of hazardous substances used in fiscal year 2024 which leave the operating facilities			
in t	Total used	as emissions	as products	as part of products	as services
Total	**367.75**	**4.14**	**0**	**203.46**	**0**
Sensitization of the skin Category 1	37.56	0.03	0	0.03	0
Respiratory sensitization Category 1	15.38	0.00	0	0.02	0
Germ cell mutagenicity Category 1 - 2	0.05	0.01	0	0.02	0
Carcinogenicity Category 1 - 2	63.93	0.02	0	44.36	0
Reproductive toxicity Category 1 - 2	18.78	0.07	0	0.02	0
Specific target organ toxicity (single exposure) Category 1 - 2	21.80	0.01	0	21.79	0
Specific target organ toxicity (repeated exposure) Category 1 - 2	86.29	0.06	0	43.53	0
Chronic aquatic hazard Category 1 - 4	230.30	4.03	0	101.13	0
Harmful to the ozone layer	0.00	0	0	0	0

ESRS E5 Resource use and circular economy

Management of impacts, risks and opportunities

Our business model in the Medical and Safety divisions is based on bringing products consisting of various materials and components into the market. The circular economy is therefore material for Dräger. As we operate in highly regulated industries in which specific material properties are required, such as for hygiene and safety regulations to protect lives, circular economy models have only been established to a limited extent to date. Dräger's portfolio is characterized by high-quality products with focus on the eco-design criteria of reparability and durability. In addition, disposal is a key issue for us. In this context, Dräger operates a certified waste management company in Germany that takes back used devices and consumables and supplies them for recycling.

At the same time, new, steadily growing business models are being established, such as our rental business for technical equipment, which can have a positive impact on the circular economy by increasing the service life and intensity of use of our products. These developments show that Dräger is increasingly integrating the principles of the circular economy into its business strategy and is actively working to implement them.

Impacts, risks and opportunities in connection with the use of resources and the circular economy

In an analysis, both the organizational structure of the Dräger Group and the product-related material flows, and thus also the upstream and downstream value chain, were examined qualitatively. With regard to the use of resources and the circular economy, areas within the Company such as Research & Development, Production, Logistics, Service, Waste Management, Rental & Safety Services and Purchasing were identified as significant. They play a role along the product life cycle and can improve the circular performance of Dräger products with their decisions. Affected communities were not consulted directly.

In addition, the product and value stream tools (ERP and PLM systems) were evaluated in terms of quantity and turnover and compared with the list of substances of concern. In practice, ERP (Enterprise Resource Planning) systems are used to optimize business processes such as production management. PLM (Product Lifecycle Management) systems support the management of the product life cycle from development to production to disposal by centralizing data and processes and enabling the flow of information between different departments. The results of this analysis are Dräger's most important product groups and materials.

To identify the material IROs, external communities, such as local communities near our sites and end users, were included via internal stakeholders, such as Global Sustainability, Waste Management and Supply Chain Management.
↗ Please refer to “Materiality analysis” in the chapter on ESRS 2.

As part of the IRO analysis, we identified the following IROs as material:

Negative impacts:
- The production of Dräger products contributes to the consumption of finite raw materials (NI-7).
- The disposal of our products by customers has an impact on the environment in the form of waste (NI-8).
- We generate waste in our manufacturing and sales processes (NI-9).

- Risk: The possible restriction of PFAS poses a risk, as many materials for Dräger products contain these substances and are difficult to replace (R-6)
- Opportunity: By establishing circular business models, such as the rental business, we can further develop our existing business model (O-1).

These relate to our business model as follows:

For Dräger as a manufacturer of physical products, the double materiality analysis results in three impacts with regard to resource use and the circular economy. As a manufacturing company, Dräger has a significant consumption of resources. Through the use of various materials, this contributes to the scarcity of finite resources (NI-7). The products also lead to waste on the customer side at the end of their life cycle. We can influence this through durability, service and product return strategies, among other things (NI-8). Dräger's business operations also generate non-hazardous and hazardous waste worldwide, the disposal of which is coordinated by the Dräger Waste Management Association at our headquarters in Germany, for example (NI-9). All impacts are actual impacts.

At the same time, we believe that the use of secondary materials and circular business models offers the opportunity to decouple resource use and economic growth in the future (O-1). One risk arises from the fact that the use of materials may be restricted. This applies, for example, to PFAS, which are found in many of our products and are difficult to replace due to their unique chemical properties. This includes, for example, lubricity, high temperature resistance, as well as exceptional resistance to oxygen and other aggressive media. If the use of PFAS is restricted, this could result in significant financial losses for Dräger. Details can be found in the risk report (R-6).
↗ Please refer to the risk reporting in the chapter “Potential”.

Concepts and policies related to the use of resources and circular economy

The certified environmental management system in accordance with ISO 14001

The ISO 14001 environmental management system plays a central role in our approach to managing our impact in the areas of resource consumption (NI-7), product disposal (NI-8) and waste (NI-9) as well as the opportunity in relation to circular business models (O-1).
↗ Please refer to “Concepts and policies related to environmental pollution” in the chapter on E2.

Our environmental management system is designed to minimize the impact of our activities on the environment while at the same time taking advantage of the opportunities that arise from a sustainable and circular economy. Our binding standards in Dräger Environmental Management apply to all Group companies worldwide. Our Group certification includes ISO 14001 certification for all major production sites relevant for the IROs determined in the area of resource use and circular economy. For our products, the use of secondary raw materials must be analyzed on a case-by-case basis due to strict safety requirements, so our policy does not specify any corresponding requirements. In principle, processes at Dräger are strongly oriented towards the waste hierarchy. The Environmental Management Officer reports to the CSQO.

Our environmental management system also includes the upstream value chain. Our “Code of Conduct for Business Partners”, which prescribes the responsible use of natural resources and calls for continuous reduction of negative impacts on the environment, is decisive in our cooperation with suppliers. Business partners are recommended to be certified in accordance with ISO 14001 or an equivalent certification.
↗ See “Concepts for corporate governance and corporate culture” in the chapter on G1.

Eco-design process

To reduce our impact from the disposal of our products on the customer side (NI-8), we have implemented the eco-design process as a fundamental component of new product development. It aims to integrate environmental aspects into product development and design and reduce negative environmental impacts over the entire product life cycle. The eco-design process is also an important part of our strategy in the area of sustainable products. We wish to achieve continuous improvement across all product groups and thus also help our customers to become more sustainable.

For this, we have expanded product design decisions to include the criteria of durability, recyclability and waste avoidance. We use the eco-design criteria of international standard IEC 62430:2019 for this purpose. Our web-based training courses on the requirements of the eco-design process are mandatory for employees with relevant role profiles. Experts on sustainability also support our product development projects by moderating workshops on the topic of optimizing the product life cycle at the start of the process. The eco-design process is part of our environmental management system. As the process owner, the Sustainability department is responsible for implementing the eco-design criteria.

"We take responsibility"
Our publication entitled "We take responsibility" is particularly relevant with regard to the two identified impacts of resource scarcity (NI-7) and waste generation (NI-9). In accordance with this overarching policy, we want to continuously optimize the resource consumption of our products. It also includes criteria for circular product design, such as the durability of our products. Especially when selecting suppliers and service providers, we take into account environmental aspects. In this manner, we can not only reduce our impact on the environment, but also achieve competitive advantages. To minimize our impact when generating waste, the policy requires that waste be reduced and recycled to the highest possible quality. The policy applies to all Group companies worldwide and has been approved by the CEO.

Handling risks and opportunities
Our policies do not directly address the identified risks and opportunities. In the reporting year, we created a new function in the Executive Board for sustainability and quality. As part of the annual strategy reviews, the Executive Board discusses the extent to which we want to exploit the opportunities presented by circular business models (O-1) by adopting new policies, actions and targets. Our Dräger Rental & Safety Services business area in the Safety division has been utilizing the advantages of a circular business model for years: By renting out gas detection systems as well as breathing air supply and fall protection systems, we can offer our customers flexible support when their needs fluctuate. At the same time, we help to ensure that fewer products are needed on the market overall, as these are only rented when needed. We have not currently implemented any additional strategies to further decouple product or service sales from raw material extraction.

The CSQO is also responsible for the coordination of a working group that analyzes the extent to which we wish to implement new policies, actions and targets, and plans the corresponding actions in order to reduce the risk posed by PFAS restrictions (R-6). In order to continue to meet the increasing global requirements for product components in the future, we introduced systematic monitoring for substances for which restrictions are foreseeable or under discussion back in 2015. This "early warning system" is already part of product development today.

Our current approach to the risk of using PFAS can be found in the risk report.
↗ Please refer to the risk reporting in the chapter "Potential".

Targets

We want to support our customers' environmental targets, for example by taking eco-design criteria into account for new products or reducing packaging waste. Our monitoring process includes regular reports and audits to check compliance with our standards and processes and to promote continuous improvement. So far, we have not adopted any targets in line with the ESRS in the area of resource use and circular economy.

Actions and resources

In 2024, we initiated and implemented various actions in connection with the circular economy. These are mainly pilot projects on possible uses of environmentally friendly material alternatives and recycled materials. This gives us an overview of how we can align our strategy towards the circular economy and set targets in the coming years.

In principle, processes at Dräger are strongly oriented towards the waste hierarchy: In the concept phase, for example, resources are saved by minimizing variants and use of modularity, material consumption is reduced in the development process and both small components and larger devices are recycled in the Company's own product take-back system. By taking back products, disassembling them and recycling the materials at our German headquarters, we wish to make a contribution to our customers' environmental footprint and to the infrastructure of the circular economy.

Studies and pilot projects in the area of circular economy

We carried out two internal studies in 2024. Both studies cover optimization in development, and therefore pertain to our own operations. In these studies, life cycle analyses were prepared for selected products. We plan to use the results to reduce the impact of our business activities with regard to resource scarcity (NI-7). The studies relate to individual product groups to identify specific leverage mechanisms for optimizing environmental performance. The approach to manufacturing environmentally friendly products is integrated in our sustainability strategy and set out in our policy, “We take responsibility”.

One of the two studies focuses on recyclability and the use of recycled materials in FFP masks. A status quo analysis was carried out in order to subsequently identify optimization potential. The other study aimed to use the example of a mobile gas detector to identify leverage mechanisms for improving environmental friendliness and, in particular, feasibility and effectiveness, as well as to identify possible solutions for future product developments and the need for further research. To this end, a product carbon footprint was first determined. In further work packages, ideas for solutions were examined and presented. The studies resulted in recommendations for action in Research & Development aimed at improving the environmental footprint of the products. The studies were completed in 2024.

We launched further study on the impacts of disposing of our products (NI-8) in fall 2024. It serves to analyze the sustainable product design of our powered air purifying devices in the field of safety technology. We are working together with a university to develop the models and ideas for optimization of the reparability and recyclability of the products. One focus of the study is on analyzing the impacts depending on the material selected. In addition, new product concepts are discussed in order to reduce the use of resources and replace disposable components, among other things. The study is due to be completed in spring 2025.

Actions in the area of packaging

We are currently carrying out various projects in our Product Development and Logistics departments to optimize product and transport packaging. With these projects, we are reducing our impact on waste generation (NI-9) by contributing to the reduction of packaging material. We also aim to increase the proportion of recycled materials used. The implementation of reusable systems is also being examined in collaboration with internal and external stakeholders. The projects are due to be completed in 2025.

Metrics

Resource inflows

With regard to the entire value chain, Dräger processes metals in its devices, in particular iron, copper, brass and aluminum. We also use various plastics in both large devices and small components. Thermoplastics such as PA, PP, PE, PC and ABS as well as elastomers such as EPDM and silicones make an essential contribution to the required properties and functionalities of our products. Certain chemicals (including "Substances of Concern", SoC) are used in the products and also in production, for example in one of our core products, the Dräger gas detector tubes, or in the production of soda lime. With the manufacture of our products, we are contributing to the scarcity of these finite resources (NI-7).

↗ Please refer to “Concepts and policies related to environmental pollution” and “Actions and resources” in the chapter on E2.

Another focus of our own production is on activated carbon and filter paper. We also use electronics, batteries and rechargeable batteries in many of our products. In terms of packaging, we mainly use cardboard, plastic film and wood. In addition to the individual materials, we purchase semi-finished products, mainly in the form of electronic assemblies, hospital accessories and consumables, batteries and even finished products. These purchased components contain only small amounts of critical raw materials, such as gold, copper or lithium.

In the reporting year, we also recorded additions to technical equipment and machinery (production machinery and machinery for service) as well as other equipment, operating equipment and our office equipment, such as office machinery and furniture. For further information on the additions to property, plant and equipment, please refer to the explanations in the notes to the annual financial statements. Water is not one of the main resource inflows.

↗ Please refer to the section on the “Consolidated statement of changes in equity of the Dräger Group” in the notes to the annual financial statements.

We will report on some metrics relating to resource inflows for the first time in 2025, as we wish to implement actions to improve data quality.

Resource outflows

Circular principles are an integral part of our strategy for providing sustainable products to our customers and are defined, for example, in the “We take responsibility” policy. Our consumables are always designed in accordance with the criteria of durability as well as disassembly and reparability.

In the Medical division, we base our anesthesia and respiratory equipment, hospital infrastructure products, patient monitoring technology and devices for thermoregulation and jaundice management (neonatal jaundice) on these criteria. Other Medical division products include consumables and accessories, most of which are sold as disposable products for reasons of hygiene.

In the Safety division, the designs for the product groups gas detection system, breath alcohol tests, head protection, protective suits, escape equipment, diving equipment, respiratory protection workshops, training systems, heavy respiratory protection and our powered air purifying basic devices for light respiratory protection are based on the criteria of durability, disassembly and reparability. Other safety technology products, such as drug tests, are designed for single use due to their mode of operation. Masks and filters in light respiratory protection have a limited service life to ensure proper function. In both segments, we want to reduce the amount for disposal by our customers at the end of the product lifecycle through our design choices for durability and reparability (NI-8).

Expected durability

Our product managers determine the expected durability based on instructions for use and technical product requirements. Depending on the product group, our customers' product requirements, that is the targets set in the development project itself, and field experience gained by our service employees at customers' premises are also used to determine the expected durability. We also identify the durability of the products from a representative competitor. For this, we are using external information from instruction manuals and data sheets, if publicly available, along with product tests carried out by our development team as part of product testing, as no generally recognized industry average exists. We then calculate the metrics by dividing the durability of our products by that of our competitors.

Durability of products

in %	Dräger vs. representative competitor
Medical	
Anesthesia workstations	100
Ventilators and lung monitoring	100
Medical gas management systems	100
Medical supply units	100
Medical lights and video systems	117
Patient monitoring	133
Thermoregulation and jaundice management	143
Consumables and accessories for hospitals [1]	-
Safety	
Drug tests [2]	-
Breath alcohol tests	160
Light respiratory protection: FFP [2]	-
Light respiratory protection: Half masks	104
Light respiratory protection: Filters	100
Light respiratory protection: Blower filter basic devices	125
Head protection	100
Training systems for safety technology	125
Heavy respiratory protection	100
Escape equipment	143
Respiratory protection workshop	111
Protective suits	143
Diving equipment	100
Portable gas detection equipment	170
Gas warning systems - Controllers	133
Gas warning systems - Transmitters	140
Gas warning systems - Electrochemical sensors	125
Gas warning systems - Catalytic sensors	250

[1] Ther Indicator is not applicable, as the products in question are essentially single-use products.
[2] The indicator is not applicable as the products are for single use.

Reparability

To ensure a long service life, we focus on reparability right from the product development process. Product-specific recycling passports for electronic and electrical devices with disassembly instructions and the comprehensive “Dräger Service Connect” service database make device repair processes efficient and simple.

Criteria that contribute to reparability include the use of detachable, standardized connections, the availability and prices of spare parts, standardized tools, the ability to replace wear parts and the availability of information and access to instructions. Some of this information is integrated in the product design and some is available in the service database. To ensure that our customers benefit from a long service life for their Dräger devices, we offer professional maintenance and repairs worldwide. In addition, Dräger Service ensures a long-term supply of replacement parts and software updates. There are no established rating systems that we can apply for the reparability of our Medical and Safety division products.

We will report on the metrics for the recyclable proportion in products and their packaging for the first time in 2025, as we wish to first implement actions to improve data quality.

Waste

Particularly relevant waste streams for our activities are packaging waste, metals, municipal waste and waste from inorganic chemical processes. These consist largely of cardboard/paper, wood, mixed packaging, aluminum, iron and steel, mixed municipal waste and lime waste. Waste from inorganic chemical processes can sometimes include hazardous materials.

Depending on local availability, waste statistics from our disposal companies, invoices and weighing slips are used as the basis for determining our waste data. In individual cases, we use estimated values. Where possible, historical data forms the basis for estimated values. If necessary, these are adjusted to take account of changes in production or consumption. In cases where no historical data is available, we use industry standards and average values to estimate waste volumes. These standards are based on typical waste volumes generated in similar internal and external operations or processes. The quantities determined have not been externally validated.
The waste data for all Dräger companies is consolidated below:

Resource outflows in the form of waste

in t	Hazardous	Non-hazardous	Total
Diverted from disposal			
Reuse	0	143	143
Recycling	103	2,224	2,327
Other	268	1,356	1,623
Total diverted from disposal	**371**	**3,722**	**4,093**
Directed to disposal			
Incineration	209	794	1,003
Landfill	343	642	985
Other	115	239	354
Total directed to disposal	**667**	**1,675**	**2,342**
Total	**1,038**	**5,398**	**6,435**

Dräger does not carry out any activities that generate radioactive waste. Accordingly, the total amount of radioactive waste in 2024 was 0 tons.

Information on the recycling rate

	2024
Total amount of non-recycled waste in t	4,108
Percentage of non-recycled waste in %	64

Social information

We take the protection of our employees very seriously. In particular, we are absolutely committed to the topic of occupational health and safety – also due to the industries in which we operate. Good working conditions and development opportunities allow our employees to perform at their best. This includes creating an environment in which they can carry out their activities free from discrimination and in compliance with human rights. We also want to transfer these values to all employees in our value chain, which we address with our Code of Conduct for Business Partners, among other things. We also feel responsible for the safety of consumers and end users of our products. These must be able to rely on the quality of our products and services at all times.

ESRS S1 Own workforce

Management of impacts, risks and opportunities

As a medical and safety technology company with some highly specialized products, Dräger lives through its employees. Their expertise, commitment, inventiveness, and customer focus contribute significantly to the company's success.

Dräger produces Technology for Life – this requires well-trained specialists. In order to attract and retain these, we must provide good working conditions and opportunities for further development. This also includes ensuring that they can carry out their work free from discrimination and with respect for human rights. We are committed to equal opportunities, regardless of ethnicity, gender, age, religion or ideology, disability or sexual identity. Back in 2008, Dräger signed the Diversity Charter to promote the acceptance, appreciation and inclusion of diversity in the working world. We see compliance with human rights as an essential part of our social responsibility.

We also have a responsibility to offer all employees a safe working environment and to promote their health. This also applies to our temporary employees. As a provider of medical and safety technology, these issues are of central importance to us.

We are in contact with our employees on various levels so we can take their interests and views into account. Among other things, their needs and concerns are communicated and represented via employee representatives. Every two years, we conduct an employee satisfaction survey.

Impacts, risks and opportunities

To determine significant impacts, risks and opportunities (IROs), we involved internal, representative stakeholders in the areas of Human Resources (HR) and Health & Safety. The results were also shared and discussed with the works council. The identified impacts and the identified risk affect all employees directly employed by Dräger (own workforce) equally. They are characterized by the fact that they have an employment contract directly with Dräger.

↗ Please refer to “Materiality analysis” in the chapter on ESRS 2.

The following IROs have been identified as part of the materiality assessment with regard to our own workforce:

- Dräger provides over 16,000 employees worldwide with secure employment (PI-4).
- Our products save, protect and support lives. This meaningful activity leads to a high level of employee commitment and motivation (PI-5).
- With over 16,000 employees, we cannot rule out the possibility of discriminatory behavior, threats or violence in individual cases (NI-13).
- Occupational accidents and work-related illnesses may occur. These have a negative impact on the health of employees (NI-12).
- We offer employees qualification and further training actions. This helps to improve and maintain the employability of employees (PI-6).
- The limited availability of qualified workers can lead to a decline in the quality of Dräger's products and services and jeopardize existing or future certifications. This can result in financial losses for Dräger (R-5).

These relate to our business model as follows:

Dräger's product portfolio will continue to be systemically relevant in the future and make a contribution to society (PI-5), so that Dräger can offer its employees reliable employment (PI-4).

The Company's top priority is to be competitive and profitable. This is anchored in the Company Principles, among other things, and is referred to as “successful longevity”. The Company must be:

- independent
- self-determined
- trend-setting
- attractive
- value-creating

The company's processes and initiatives are geared towards these key points and thus ensure the company's continued existence.

To lead the way and create value, we need qualified employees. With our qualification matrix, we ensure that all employees undergo the necessary training. Furthermore, the annual performance review provides an opportunity to identify activity requirements, possible developments and any resulting training needs.

Dräger also offers positions to temporary employees. These are leased to Dräger by a temporary employment agency for a specific period of time. During this period, Dräger is authorized to issue instructions to these employees. However, they do not have a direct employment contract with Dräger. The significant adverse effects also affect the temporary employees, who count as Dräger employees as defined by the ESRS. Temporary workers also play a role when considering the risk of not having enough qualified employees available.

HR strategy

In addition to the HR vision and mission, the HR strategy describes areas of action and is therefore the strategic basis for HR work worldwide. The implementation of the HR strategy affects all departments of the Company. The Chief Human Resources Officer (CHRO) is responsible for its implementation. The strategy also provides the framework for the regional HR managers. However, the definition of specific actions is the responsibility of the respective regional management as each region has to address individual challenges.

The HR strategy comprises four areas of action:

- Attracting and retaining the right people
- Creating attractive and healthy working conditions
- Living effective leadership and collaboration
- Tackling change – taking people with us

↗ Please refer to “Employees” in the chapter on “Principles of the Group”.

With its fields of action, the HR strategy also partially addresses and manages the identified key IROs:

Healthy working conditions are needed to prevent occupational accidents at work and work-related illnesses (NI-12).

In order to have the right employees with the right qualifications on board, strategic recruitment initiatives are required as well as appealing working conditions that make Dräger an attractive employer. This also includes further training programs with which we continuously qualify employees so that they can meet the current job requirements (PI-4, PI-6, R-5).

To prevent discrimination, threats and violence in the workplace, diversity and equal opportunities must be practiced. An open approach to these issues and a ban on discrimination against those who disclose grievances are essential (NI-13).

In our sustainability strategy, which was revised in 2024, we have also defined the action field “Company and employees” in the section of social affairs. This also contributes to the improvement of working conditions and is therefore relevant to the IROs identified in the S1 standard. Improving occupational safety is intended to reduce occupational accidents and work-related illnesses (NI-12). Furthermore, increasing the number of women in management positions to 30% by 2035 signals our support for equal opportunities and curbing discrimination. Further development of the training offered for employees is another important step towards comprehensive qualification (R-5, PI-6).

↗ Please refer to “Integration of sustainability in our corporate strategy” in the chapter on ESRS 2.

Risks and opportunities in the context of strategy and business model

Fluctuation, demographic change, a shortage of skilled workers for selected positions, employee absences or new requirement profiles make it difficult to recruit and retain enough employees with the correct qualifications. Without appropriate actions, product and service quality may decline or existing certifications may be jeopardized. This would result in significant financial damage for Dräger. (R-5)

Occupational accidents and work-related diseases (NI-12) as well as discriminatory behavior, threats and violence (NI-13) in the workplace may have a potentially negative impact on the risk identified as material, as affected employees could leave the Company.

The meaningful work at Dräger – the development and production of life-saving products – has a positive impact on employee motivation and retention (PI-5). The focus on further training with the aim of maintaining the employability of employees (PI-6) also reduces the risk of a skills shortage.

Due to existing policies, such as the Employee Handbook and reporting channels, there is no structural risk of discrimination, threats or violence at Dräger. However, due to the size of the Company and its international spread, the possibility of individual incidents cannot be ruled out. This is also confirmed by the number of reported incidents, as reported in “Metrics” in this chapter.

With regard to child or forced labor, the materiality analysis did not identify any increased risk for the company's own employees due to the activities or in the countries in which the Company operates. This was also based on the results of the risk analysis as part of the Supply Chain Due Diligence Act (LkSG).

↗ Please refer to “Metrics” in the chapter on S1.

Concepts and policies related to own workforce

Dräger has developed strategies and actions to reduce negative impacts and minimize risks in relation to its own employees. Particularly noteworthy are “Vision Zero” from the area of occupational safety and the previously described further developed HR strategy, which deals with the identified material impacts. At the end of 2024, an expanded sustainability strategy was developed, which addresses key IROs of the ESRS S1 with its “Company/Employees” section.

↗ Please refer to “Integration of sustainability in our corporate strategy” in the chapter on ESRS 2.

The foundations of our corporate culture and values are set out in our international business and conduct principles. This overarching framework is linked to all material impacts, risks and opportunities from ESRS S1.

The principles of business and conduct prescribe the importance of compliance of all managers, employees and business partners worldwide with the applicable laws and standards. These include human rights in particular, but also laws on working hours and pay standards (PI-4). The business and conduct principles explicitly state that discrimination based on ethnic or national origin, gender, religion, ideology, age, disability or sexual identity is not tolerated. Nor is child or forced labor, modern slavery or labor facilitated by human trafficking tolerated (NI-13). Dräger is also committed to providing healthy and safe workplaces (NI-12).

↗ Please refer to “Concepts for corporate governance and corporate culture” in the chapter on G1.

The “Dräger Employee Handbook” and the “Dräger Management Handbook” contain further key principles for the workforce. With regard to the material impacts, opportunities and risks identified, the “We act responsibly” section in the Employee Handbook is particularly noteworthy. It sets out our aspirations with regard to important issues for the workforce. This includes seeing diversity as an opportunity and not tolerating discrimination, threats or other violence (NI-13). Our employees create added value for our customers (PI-5). To this end, we ensure that they can take advantage of the proper training opportunities (PI-6, R-5).

A chapter of the Management Handbook specifies the practical implementation of the Principles of Business and Conduct as they relate to human rights. It describes, for example, the prohibition of child and forced labor and Dräger's obligation to pay employees a fair wage. Reference is also made to the equal treatment of all employees (NI-13).

↗ Please refer to “Concepts for corporate governance and corporate culture” in the chapter on G1.

Global occupational safety management

The chapters “Occupational safety, health and environmental protection” and “Social compliance” from the Management Handbook are linked to the main IROs. The former sets out the minimum requirements for an occupational safety system if individual national companies do not have official certification. The Vision Zero mission statement is also explained in this chapter. This overarching information forms the basis for the prevention of occupational accidents and work-related illnesses.

↗ Please refer to “Concepts for corporate governance and corporate culture” in the chapter on G1.

Occupational safety is part of our integrated management system, which is also certified in accordance with ISO 45001 and 14001. One component of the integrated management system is the “Dräger EHS Management Requirements Guideline”; it describes the basic requirements for the introduction and maintenance of a management system in Dräger organizations.

↗ Please refer to “Concepts and policies related to environmental pollution” in the chapter on E2.

The guideline is intended to support our subsidiaries without a certified system in meeting the Dräger requirements for environmentally friendly behavior and the provision of safe and healthy working conditions for all employees.

These basic principles for our occupational safety management are mandatory throughout Dräger via occupational safety trainings and instructions. The guideline applies to all Dräger subsidiaries and their employees and is to be classified as a minimum standard. Companies that are certified beyond this standard must comply with the certification standards in addition to these basic requirements.

Currently, 45 companies have implemented an occupational health and safety management system and are certified in accordance with ISO 45001. In addition, one business area is certified in accordance with SCC (Safety Certificate Contractors – international standard for safety, health and environmental protection management). This means that over 80% of employees work in certified units. They are therefore subject to both an internal audit system and the annual external audits by TÜV Nord GmbH.

The central Occupational Safety department at headquarters in Lübeck has the task of ensuring that those responsible for occupational safety (EHS – Environmental, Health and Safety) in the individual national entities are aware of this guideline. It can be viewed by all employees on the intranet. The local EHS managers are responsible for implementing the content and provide information about it, for example as part of occupational safety briefings.

We also support the “Vision Zero” campaign of the International Social Security Association (ISSA) through an internal program of the same name, with which we aim to reduce the number of occupational accidents and work-related illnesses (NI-12). Vision Zero has three dimensions: Safety, health and well-being. The aim is to establish a comprehensive preventative safety culture at Dräger at all levels and activities and to actually live it in everyday working life. In the long term, this should completely prevent accidents at work and work-related illnesses. Since most incidents at Dräger are also behavior-related, we are focused on the cultural factor.

We pursue the overarching goal of a world without occupational accidents and work-related illnesses at all our sites. As part of our Vision Zero program, all employees are encouraged to contribute to a safe and healthy working environment. Vision Zero is integrated into the internationally applicable Dräger Employee and Dräger Management Handbooks.

Commitments in the area of human rights policy

Dräger attaches great importance to respecting human rights and, in particular, to creating good working conditions, both within the Company and with business partners. To this end, we published a human rights declaration in 2024 in which we describe in detail our approaches to identifying and prioritizing risks relating to human rights violations and their risk management in our own business operations and in the supply chain.

↗ Please refer to “Concepts and policies in connection with the workforce in the value chain” in the chapter on S2

The Declaration of Human Rights is essential for addressing the negative impact of discrimination, threats and violence (NI-13). However, it can also make a positive contribution to reducing the impact of occupational accidents and work-related illnesses (NI-12).

At Dräger in Germany and at some European locations, the rights of employees are safeguarded by employee representatives. At locations where there is employee representation, these representatives are involved in decisions affecting employee rights on a proxy basis. In addition, or if there is no employee representation, HR management forms the link between employees and the Company.

Dräger promotes a “Speak Up” culture to receive reports of human rights violations. We follow up on reported incidents with vigor. If this results in a need for change, we review the adaptation of our strategies and processes to counteract any structural abuses.

All employees are obliged to familiarize themselves with the contents of the relevant policies when they join the Company and to confirm that they have been notified of these. For Drägerwerk AG & Co. KGaA, the Human Rights Officer is responsible for monitoring the human rights risk management system. Various indicators are considered for this purpose, which are described in the Declaration of Principles on Respect for Human Rights.

Please refer to “Declaration of Principles on Respect for Human Rights” at www.draeger.com/Compliance.

The Human Rights Officer is part of the Global Sustainability department and is therefore integrated into Dräger's sustainability organization. If a human rights violation is suspected, it can be reported directly to the manager, to Compliance or to the HRO. If a personal meeting does not seem appropriate, there is the option of anonymous reporting via the Dräger Integrity Channel.

↗ Please refer to “Investigation of incidents” in the chapter on G1.

Reported incidents are dealt with individually and on a case-by-case basis. Accordingly, there are no standardized actions; instead, a suitable solution is developed for the specific case. However, Dräger does not pursue a specific strategy that deals exclusively with the elimination of discrimination and the promotion of equal opportunities, diversity and inclusion. These topics are rather incorporated into the aforementioned policies and strategies as sub-aspects.

Human rights issues are addressed preventively through mandatory training on relevant policies. Due to Dräger's decentralized organization, responsibility for implementation lies with the regions.

Processes for engaging with own workforce and workers' representatives

In accordance with the applicable legal framework, directly elected employee representatives protect the interests of our employees. This applies to 99% of employees in Germany. They are represented by a works council. The remaining 1% are senior employees who are represented by a committee of executive employees. In Germany, more than 400 company agreements govern a wide range of topics related to working hours, pay, IT, and more. They ensure a balance between employer and employee interests.

On the European level, a separate works council, the “Dräger European Forum” (DEF), supports cooperation between employees and central management. The DEF communicates and represents the interests of all European employees to the Group's management. It is responsible for all matters that concern at least two member states of the European Union. The council complements the existing representation bodies at the plant, company, and national level without limiting their rights. The DEF currently represents employees from Germany, the Netherlands, France, Spain, Belgium, Austria and the Czech Republic.

↗ Please refer to “Collective bargaining coverage and social dialog” in the section on “Metrics”.

In order to protect the interests of special employment groups, a representative for severely disabled employees and a youth and trainee representative are elected in Germany (NI-13). In addition, there are so-called ASA committees (Occupational Safety Committee) or Health & Safety Committee Boards, which deal with occupational safety issues with the involvement of employee representatives where necessary. Reported safety-related incidents are discussed and evaluated there (NI-12).

The results of the global employee survey, which takes place every two years, show us how satisfied our employees are with the working atmosphere at Dräger. We also ask specific questions about diversity, discrimination and the working environment. This gives us indications of structural anomalies that may require action (NI-13).

As part of the annual performance review, employees and their respective managers have the opportunity to address personal problem areas and, for example, agree on additional training requirements. This is an example of how the views of employees are incorporated in order to ensure the level of qualifications (PI-6, R-5).

In principle, the CHRO (Chief Human Resources Officer), as the person responsible for HR, is responsible for considering the views of employees worldwide. The actual implementation is carried out in the regional structures. Responsibility may vary depending on the topic. The CEO or the managing directors of the national entities must also ensure that the works council is involved in issues relevant to occupational safety.

The effectiveness of employee involvement is primarily measured by employee satisfaction, which is surveyed in the employee survey. It is also reflected in the low staff turnover rate at Dräger.

As part of occupational safety, regular internal and external inspections are also carried out to check whether safety standards are adhered to and whether the requirements of the Safety Committee Boards and ASA committees have been implemented.

In the area of health, surveys on mental stress are carried out at Dräger's German locations in relation to separately selected areas of the Company in accordance with the requirements of the Federal Institute for Occupational Safety and Health (NI-12).

In general, we continuously inform our employees on sustainability matters, for example via our intranet and our employee magazine, and provide opportunities for discussion.

No separate financial or personnel resources are allocated to the engagement with our own employees; we deal with the issues as part of the general works council activities. We comply with the legal requirements in this regard. There are also elected representative bodies in other national entities; participation there is governed by the relevant national law.

Targets

Working conditions

Our long-term goal for occupational health and safety is clear: “Vision Zero” – zero accidents, because every accident is one too many. The Vision Zero program aims to sustainably incorporate the safety culture at Dräger to reduce the accident rates. No one should come to harm as a result of their work. The strategy therefore focuses on establishing a culture of prevention so that critical incidents do not occur in the first place.

In order to measure our progress in this area, we use the LTIR key indicator[1]. We want to reduce this accident rate to a minimum worldwide. A rate of less than 4.0 has been set as a concrete interim target for 2025. Once this target has been achieved, we will define new interim targets. All employees who are directly employed at Dräger are included in the calculation.

[1] The internationally used key figure LTIR (Lost Time Incident Rate) refers to the number of accidents at work with at least one day's absence from work in relation to one million hours worked.

To determine the target value, the values of the previous five years were examined and the framework conditions evaluated. Benchmark data from the employers' liability insurance association was also used. The target value was initially agreed with the Works Council and the ASA Control Board, consisting of the Chairman of the Executive Board, representatives of top management and specialists from the field of occupational safety, and finally with the Executive Board.

We determine the LTIR annually and discuss it in the relevant committees. The global LTIR in 2024 was 3.1. Dräger is well on track to achieve its target of reducing the LTIR to below 4 by 2025.

Equal treatment and opportunities

With the announcement of the revised sustainability strategy, we have set ourselves the target of increasing the proportion of women in management positions to 30% by 2035.[2] We have thus defined a measurable target for equal treatment and equal opportunities, the actions and progress of which will be featured in future reports.

The overarching global target that Dräger wants to achieve is a working environment free of threats, violence and discrimination; this also describes a cornerstone of the corporate culture. We do not currently use any KPIs for this sustainability aspect, as the various results of the actions and the content of the incident reports must be evaluated in the overall context. The annual risk analysis carried out as part of the LkSG will also be used to verify whether the reporting options provided are sufficient and effective.

We measure progress through the effectiveness of the actions. The combination of the results of the actions leads to an overall statement as to whether Dräger has come closer to its target of providing a working environment free of discrimination, threats and violence.

Beyond this, there are no targets as defined by the ESRS.

Actions and resources

The following actions have been defined or implemented to reduce the number of occupational accidents and work-related illnesses in the future and to achieve a preventive safety culture at Dräger (NI-12):

- We are establishing a global Health & Safety network (H&S network). International networking should make it possible to clearly identify contact persons, make coordination quicker and easier and drive forward the implementation of the vision of a world without occupational accidents and work-related illnesses in a more focused manner. The first online meeting of network members took place in January 2025. This exchange will continue in the long term.
- Vision Zero is gradually being introduced as a continuous program in all branches worldwide. All subsidiaries were provided with information on this. In 2024, discussions were held with H&S contacts from over 30 subsidiaries and the program management as well as production and branch visits in France, Great Britain, the Czech Republic and Germany.
- Since 2024, the “Safety Coin Program” has been gradually introduced throughout Germany. Unsafe situations in the working environment are to be reported and rectified. We issue Safety Coins as a reward: Anyone who has collected three Safety Coins receives an extra day of vacation. This incentive system already exists in the German Sales & Service companies, where it has proven its worth. By introducing it, we want to further increase our risk competence.
- Dräger has taken health-promoting actions for its employees worldwide and offers them benefits that go beyond the statutory requirements.

Further actions are not prescribed centrally, but are implemented at the national level. Raising employees' awareness of occupational safety is an ongoing process. This includes occupational safety training and the expansion of health-promoting actions.

The ASA Control Board meets regularly to define overarching actions that serve as the basis for global work to reduce the number of accidents and work-related illnesses. In addition to members of senior management, this committee also includes the Chairman of the Executive Board, who approves these actions. The design and further

[2] Employees in management positions include all managers with disciplinary responsibility.

differentiation of the actions is the responsibility of the national companies, which also define individual actions as required.

Incident analyses on reported incidents and the key figures determined serve as a guide for evaluating actions. We carry out these analyses on a quarterly basis and share the results and key figures in the ASA meetings or Safety Committee Boards (annually for the ASA Control Board Meeting). We involve employee representatives where necessary. Based on the results, benchmark comparisons are made with the relevant market and the existing actions are evaluated.

To achieve a working environment free of threats, violence and discrimination, we implemented the following actions in the reporting year, most of which are of a continuous nature:

Measures for a working environment without threats, violence and discrimination

Measure	Expected result	Effectiveness
The mandatory training on the business and conduct principles for new employees should be completed within a reasonable period of time after the start of employment. To this end, all relevant employees are assigned the corresponding qualification in the training system (excluding industrial employees).	As a result, employees are aware of Dräger's corporate culture and can comply with these principles. The aim is for the qualification matrix for this training to be "fulfilled" by the end of the year.	For the 2024 fiscal year, 98% of all allocated training courses were carried out. The missing 2% can be explained by the fact that new employees only joined the Company at the end of the year or that the previous working hours were not sufficient to complete the training. Passing the final test is a prerequisite for successfully completing a training course.
All reported incidents were dealt with promptly and brought to an appropriate conclusion, regardless of the channel through which they were reported.	The measures derived from the incident handling process are intended to contribute to a further improvement in the culture and compliance with the duty of care.	Two incidents were reported relating to threats, violence or discrimination. These have already been dealt with conclusively. The number of reported incidents is classified as low. In addition, the content was extremely diverse, meaning that no structural fields of action can be identified.
A risk assessment was carried out in accordance with the LkSG.	Compliance with human rights in the supply chain, but also in the Company itself, is examined and evaluated.	The risk analysis did not identify any increased risk in our own business area.

Uniform global standards apply to the actions. The national companies are free to define their own specific actions as necessary.

The departments responsible for the content develop actions and coordinate them with the decision-makers in the Company. Possible negative effects were also weighed up when developing the actions. All actions must be tracked continuously. No separate actions were defined for the 2024 reporting year.

Actions regarding the risk of limited availability of qualified employees were implemented as part of the HR strategy. The "Attracting and retaining the right people" area of action focuses on addressing the aforementioned risk (R-5). Globally standardized actions, measurable targets or metrics have not been defined. The Company has made a conscious decision not to do so and has instead decided to focus on the general implementation of the identified areas of action. The reason for this is that, from a global perspective, it does not appear to make sense to define specific actions, targets and metrics in this area. A uniform global approach is not expedient due to differing regional needs.

Metrics

We obtain a large proportion of the data on the employees from our central systems. Information that is only available locally is requested from the subsidiaries together with the other sustainability metrics. An integral part of the query is an approval process in which the data is approved by a second person once it has been entered.

No external validation was carried out for any of the metrics reported below.

Characteristics of the employees

The employee figures are reported on monthly basis by all subsidiaries worldwide via the financial reporting system, which the finance department manages and is responsible for.

When we refer to employees, this includes:

- Temporary employees as well as permanent employees
- Employees regardless of their working hours

Not included are trainees and working students, drivers or security guards if they do not have an employment contract with Dräger, inactive employees (e.g. employees on maternity leave, parental leave, leave of absence) and temporary employees.

The metrics on employee characteristics provide an overview of the employment relationships of the company's own workforce.

Headcount by gender

	Number of employees as of December 31, 2024
Male	11,606
Female	4,988
Other	4
Not reported	0
Total	**16,598**

Headcount by country

Country	Number of employees as of December 31, 2024
Germany	7,722
USA	1,093
People's Republic of China	924
Great Britain	767
Total	**10,506**

Headcount by gender and contract type

December 31, 2024	Male	Female	Other gender	Not disclosed	Total
Permanent employees	11,176	4,772	4	0	15,952
Temporary employees	430	216		0	646
Total	**11,606**	**4,988**	**4**	**0**	**16,598**
Full-time employees	11,318	4,123	3	0	15,444
Part-time employees	283	857	1	0	1,141
Non-guaranteed hours employees	5	8	0	0	13
Total	**11,606**	**4,988**	**4**	**0**	**16,598**

96.1% of employees at Dräger have a permanent employment contract. This demonstrates the secure employment conditions (PI-4) and the reliability of Dräger as employer. 3.9% of the temporary contracts serve to compensate for the various pressures in capacity requirements. Part-time employees make up 6.9% of the total workforce.

Headcount by region and contract type

December 31, 2024	Germany	EMEA	APAC	Americas	Total
Permanent employees	7,535	4,180	2,023	2,214	15,952
Temporary employees	187	118	311	30	646
Total	**7,722**	**4,298**	**2,334**	**2,244**	**16,598**
Full-time employees	6,854	4,050	2,310	2,230	15,444
Part-time employees	868	248	11	14	1,141
Non-guaranteed hours employees	0	0	13	0	13
Total	**7,722**	**4,298**	**2,334**	**2,244**	**16,598**

Globally, just under 47% of the workforce is located in Germany. EMEA (Europe, Middle East, Africa) is the second largest region, followed by APAC (Asia, Pacific) and the Americas as the smallest region.

Employees leaving the Company
We break down the number of departures into so-called natural fluctuation, for example when employees retire or their contract expires, and external fluctuation, for example, due to resignation or termination. To calculate the fluctuation rate, the number of all recorded departures is divided by the annual average of the total number of employees and then multiplied by 100.

Departures are calculated cumulatively over the entire year; the annual average of the total number of employees is calculated from the twelve-monthly employee figures reported by all subsidiaries.

In 2024, the global employee turnover rate at Dräger was 8.8.

Departures are calculated cumulatively over the entire year; the annual average number of employees is calculated from the monthly reported employee figures.

Collective bargaining coverage and social dialog
The information on the coverage of employees by collective agreements was determined via the subsidiaries' reporting. The percentage coverage is provided as the ratio between the number of covered employees and the total number of employees.

Dräger generally concludes collective bargaining agreements and negotiates with trade unions where these exist. The structure and validity of collective agreements is a matter for the individual countries and is organized on a decentralized basis. In the reporting year, around 89% of our employees in the European Economic Community were covered by a collective agreement.

At Dräger, “social dialog” means establishing employee interest groups. The number of employees in branches with employee representation was surveyed. Here too, the percentage coverage is calculated as a quotient of the number of employees covered and the total number of employees.

In Germany, these are the Group Works Council, the General Works Council and the works councils of the individual business operations. The works councils are responsible for the interests of all employees except senior executives. In accordance with Section 5 (3) of the Works Constitution Act, senior executives are represented by the Senior Executives' Committee. This means that 100% of employees in Germany are represented.

On the European level, a separate works council, the “Dräger European Forum”, supports cooperation between employees and central management. To this end, a company agreement was concluded in the relevant countries in 2009. Employees from Germany, the Netherlands, France, Spain, Belgium, Austria and the Czech Republic are currently represented by the DEF. The representation of employee interests in other countries is subject to the respective local regulations; there are no central policies in this regard.

Collective bargaining coverage and social dialogue

	Collective Bargaining Coverage		Social dilogue
Coverage Rate	Employees – EEA[1,2]	Employees – Non-EEA	Workplace representation (EEA only)
0-19%		Americas APAC EMEA (excluding EEA)	
20-39%			
40-59%			
60-79%			
80-100%	Germany France Spain Netherlands Austria		Germany France Spain Netherlands Austria

[1] EEA - European Economic Area
[2] Top 5 largest EEA countries in terms of number of employees

Diversity

In Germany, top management only includes senior executives and employed managing directors. Internationally, top management corresponds to the country managing directors. In individual cases, there are some regional positions that are also assigned to top management. Basically, all the positions mentioned are found on the first two levels below the Executive Board.

Gender distribution at the top management level

	Headcount	Share in %
Women	15	12.4
Men	106	87.6
Total	**121**	

The age composition of employees worldwide is surveyed annually at the end of the year. The average age is reported in the section on “Employees”.
↗ Please refer to the “Employees” section in the Principles of the Group.

Age structure of employees

	2024
Age groups in %	
under 30 years	11
30 to 50 years	59
over 50 years	30

Adequate wages

To review the appropriate remuneration, the payment of the employees was determined via the reporting of the subsidiaries. For verification purposes, it was defined that the remuneration to be considered should consist of the basic income and fixed additional payments. The fixed, guaranteed salary components must be taken into account.

The annual guaranteed remuneration is then divided by the contractually agreed annual working hours to calculate the hourly wage. We subsequently used this as a benchmark for appropriate remuneration. The subsidiaries also indicate the number of employees whose remuneration is below the statutory minimum wage or below the corresponding values indicated on the “Trading Economics” website (outside of the EEA, no statutory minimum wage) or below the minimum wage of a comparable neighboring country (EEA, no statutory minimum wage).

As a result, all employees at Dräger were paid appropriately in the reporting year in accordance with the applicable reference values.

Health protection and safety

Dräger's occupational health and safety management is based on binding standards that apply to all companies worldwide. This includes the systematic identification of work-related risks and their minimization according to the hierarchy of “preventive actions before technical and personal protective actions”. The ratio of employees covered by our ISO 45001-certified management system in 2024 amounts to more than 80%.

Dräger uses a separate report from the subsidiaries to the Occupational Safety department to report accidents. Accidents that occur in connection with work are reported. This also includes accidents in connection with travel activities for Dräger and accidents during mobile work, for example from home.

For Germany, accidents on the way to and from work directly from home or back home are also reported.

In 2024, Dräger employees were not involved in any accidents at work that resulted in death.

The internationally used key figure LTIR (Lost Time Incident Rate) refers to the number of accidents at work with at least one day's absence from work in relation to one million hours worked. The Lost Time Incident Rate 2024 for Dräger worldwide was 3.1. The working hours in subsidiaries without time-recording systems were estimated here on the basis of contractually agreed hours, minus the average sum of absences, such as for holidays.

Remuneration metrics

In order to determine the average hourly wage and the median of the total remuneration, we collect salary information for every employee via the subsidiary reports. This takes into account all employees who correspond to the definition above and who worked for Dräger in the reporting year, including those who joined or left the Company during the year. The subsidiaries record all payments made and non-cash benefits per employee.

The salary information is divided into three categories:

- Guaranteed total remuneration (basic salary) in cash
- Non-cash benefits
- Actual annual incentives

This results in the following calculation schema:

Calculation schema for salary information

Salary category (in local currency)	May be included in addition to the basic salary:
(1) Guaranteed total remuneration	Vacation allowance, length of service allowance, coronavirus allowance, location allowance, meal allowance paid directly to the employee, travel allowance, home office allowance, health insurance, pension insurance, other social protection, other fixed cash benefits
(2) Non-cash benefits	Accident insurance, meal subsidy via the provider, car (subsidy, leasing, purchase)
(3) Actual annual incentives	Short-term incentives (STI)

The actual total remuneration comprises: (1) + (2)
The actual direct total remuneration comprises: (1) + (2) + (3)

Gender pay gap

To determine the gender pay gap, we first calculate the hourly wage per employee based on the salary information determined in the reports. First, the values given in the respective currencies need to be converted to Euro. We then divide the actual direct total remuneration by the contractually agreed annual working hours.

This gives us a gender pay gap at Dräger of 12.3% at the end of the reporting year.

Annual total remuneration ratio

In order to determine the annual total remuneration ratio of the highest paid person in the Company to the median of the annual total remuneration for all other employees, the data collected must be sequenced. This is the basis on which the median of the actual direct total remuneration is calculated. The values were not adjusted for purchasing power. It should also be noted that, in the total remuneration for the highest paid person of 2024, consideration is given to a long-term bonus for the last five years, the amount of which is not paid out on an annual basis. This, in turn, disproportionately increases the gap between the highest paid individual and the median of all staff for the year 2024.

Based on the calculation described, there is a ratio of 94.5:1.

Incidents, grievances and serious impacts on human rights

Through its Dräger Integrity Channel, Dräger provides employees with an opportunity to report harassment, discrimination or human rights violations. Information on reported cases is requested from the subsidiaries and supplemented and validated with other internal sources (reporting channels).

↗ Please refer to “Corporate culture and concepts for corporate management” in the chapter on G1.

With more than 16,500 employees, inappropriate employee behavior may occur in individual cases worldwide. This includes discrimination, threats and violence (NI-13).

Incidents of discrimination

	2024
Total number of incidents of discrimination, including harassment, recorded during the reporting period.	2
Number of complaints received from own employees through Dräger internal complaint channels (including grievance mechanisms) and complaints to external contact points (excluding those already included in the total number of reported cases of discrimination).	26
Total amount of fines, penalties and compensation payments resulting from cases and allegations.	0
Number of serious human rights violations related to own workforce (employees and non-employees).	0
Thereof serious cases that violate the United Nations Guiding Principles on Business and Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work or the OECD Guidelines for Multinational Enterprises.	0
Total amount of fines, penalties and compensation payments for forced labor, human trafficking and child labor.	0

ESRS S2 Workers in the value chain

Management of impacts, risks and opportunities

We are aware of our responsibility to respect human rights in our value chain. Our goal is to provide Technology for Life that protects human lives. We therefore also expect our business partners to adhere to our human rights and labor standards. This applies throughout the entire cycle of cooperation with our suppliers.

Impacts, risks and opportunities

As part of the analysis of our impacts, risks and opportunities, we have identified the following IROs as material:

Negative impacts:

- Negative impacts on workers' health are possible in our supply chain due to risks in the area of occupational safety (NI-15).
- We cannot rule out the possibility of child or forced labor in the extraction of some of the raw materials we require (e.g. cobalt) (NI-16).

Positive impacts:

- We contribute to improving the working conditions of our suppliers' employees (PI-9).
- Qualified education and further training of our suppliers can have a positive impact on the working and living conditions of all employees (PI-10).

These relate to our business model as follows:

As a medical and safety technology company, the requirements in the respective industries with regard to compliance with production standards are particularly high. Dräger is actively involved in enforcing these high standards throughout the industry and the associated value chains. This has a positive effect on the working situation of many employees at the various levels of the value chain (PI-9). Nevertheless, we are aware that there is always a residual risk for this systemic negative impact in the area of occupational safety, which we try to keep as low as possible with various actions (NI-15).

Our business model enables us to exert an indirect influence on the workforce in the value chain through our approval and process audits for our suppliers. By also paying attention to the qualifications of our suppliers' employees, we can influence their training and development and ultimately have a positive impact on the working and living conditions of all employees.

With regard to child labor and forced labor, we see systemic risks along the deeper supply chains, especially in the extraction of critical raw materials and minerals. Due to their severity, we consider these issues to be material for Dräger. Other human rights violations can also occur along the deeper supply chains, but we have not classified them as material. The resilience of the supply chains is crucial for Dräger. This depends to a large extent on the availability of qualified workers (NI-16).

Risk analysis

When analyzing risks in the value chain, we focus on the employees of our direct suppliers. This explicitly includes the employees who work on our premises. Other groups of workers in the value chain that could be significantly affected by our company's activities include the employees of our freight forwarders and those who work in the extraction and processing facilities for the raw materials we use. It also affects the employees of our customers – for example in hospitals, the police, the fire department or in oil and gas plants.

We process the deeper supply chain in accordance with the LkSG as soon as we become aware of risks. We have not differentiated between individual groups with increased risk among our direct suppliers, as the vertical integration of our suppliers does not reveal any areas with a particular risk disposition. The results of the risk analysis have confirmed this.

The downstream value chain is not currently included in our risk assessment with regard to the employee situation. We do not currently see any increased risk with regard to working conditions in the area of our investments. These are part of the risk analysis in accordance with the LkSG in our own business area. No risks were identified in the first stage of the risk analysis.

We are aware of our impact on vulnerable groups in the deeper supply chain – particularly in the extraction of raw materials – but are currently unable to localize these beyond statistical values. On this basis, we have addressed the situation of employees there.Further actions are planned in the coming years, also in order to meet the requirements of customers and the CSDDD (Corporate Sustainability Due Diligence Directive – European Supply Chain Directive).

Most of our direct suppliers are based in Europe and are therefore subject to comparable regulations themselves. In other regions, our analyses of direct suppliers have not yet revealed any specific risks at sub-topic level.

However, as conflict minerals and other high-risk raw materials are only contained in our products in small quantities and are highly processed, we are currently unable to draw any specific links to our business activities beyond the statistical risk.

Our suppliers and the products we purchase are subject to complex approval processes. Changing or replacing materials and suppliers is therefore only possible with time and financial effort. At the same time, we have long-standing business relationships with our suppliers, which means that negative changes are easier to identify and we can therefore address problems at an early stage. We therefore see more opportunities than risks for employees: Long business relationships promote financial stability, high safety standards and qualifications for employees. This can contribute to increased competitiveness and resilience for both Dräger and our suppliers and ultimately also strengthen the situation of employees.

Activities with a positive impact

Some of our customers are also our suppliers. Together, we try to continuously improve the health and safety of all employees in the value chain with our products, but also with our policies. These improvements can help to make our supply chains sustainable.

Our system of controls for direct strategic suppliers, particularly with regard to occupational safety, health protection and employee qualifications, is essential as part of our long-term business relationships and ultimately also helps the employees of our business partners.

The implementation of industry standards worldwide, in which a dedicated team at Dräger is involved, means that good qualifications and occupational safety standards must also be met by other market participants beyond our immediate sphere of influence. Overall, this has a positive effect on the situation of employees in our industry, our markets and the associated value chains.

Concepts and policies in connection with the workforce in the value chain

Our standards with regard to workers in the value chain are governed by our Code of Conduct for Suppliers and our Human Rights Declaration.

The “Code of Conduct for Business Partners” (CoC BP) explicitly prohibits all forms of forced labor, modern slavery and child labor (NI-16). The Code of Conduct also addresses the issues of fair working conditions, non-discrimination, health and safety in the workplace (NI-15), freedom of association and the appropriate deployment of security forces. These topics are directly related to employees in the supply chain.

↗ Please refer to “Concepts for corporate governance and corporate culture” in the chapter on G1.

The heads of Purchasing are responsible for implementing the requirements formulated in the policies for direct suppliers, and the sales organization for sales channel partners.

In 2023, we reviewed the Dräger CoC BP to ensure that it is up to date and made changes with regard to compliance with the LkSG. Among other things, topics such as the appropriate use of security forces, the prohibition of land grabbing and the responsible use of resources were added.

The CoC BP can be viewed on our website and is therefore available to all interested parties. All new quality-relevant suppliers sign the Dräger CoC BP or an equivalent document and are therefore responsible for its implementation within their sphere of influence. The document is regularly discussed with suppliers with potential risks in particular and signed by these. No significant changes were made to the CoC BP in the reporting year.
Please refer to www.draeger.com/compliance.

In accordance with the LkSG, the risks for all employees in the supply chain and in our own business area are considered in the “Declaration of Principles on Respect for Human Rights”. The policy statement describes in detail our approach to identifying and prioritizing risks in the supply chain. The aim is to communicate our expectations to all potential stakeholders and to clarify our approach where necessary. It is updated annually in accordance with the LkSG.

The Executive Board, in particular the CHRO, is responsible for implementing the company's internal standards.
Dräger expects all stakeholders to comply with human rights. We carry out regular business reviews, insist on an assessment by Ecovadis (a provider of sustainability assessments of companies) for strategically important and high-risk suppliers and check these suppliers at irregular intervals in on-site audits. The audits also focus on the topics of qualification and occupational safety standards. In the event of questionable situations on site, other human rights issues are addressed as required (for example by checking the age of workers). Dräger is guided by the “United Nations Guiding Principles on Business and Human Rights”, the “International Labor Organization (ILO) Declaration on Fundamental Principles and Rights at Work and its Follow-up” and the “Guidelines for Multinational Enterprises of the Organization for Economic Co-operation and Development” (OECD).

Dräger has published its human rights declaration on the Company website in German and English.
Please refer to www.draeger.com/compliance.

The policies described above explicitly address human trafficking, modern slavery, forced labor and child labor and address all legal positions of the LkSG. Beyond this, we have no policies that focus exclusively on human rights issues.

Management approach for human rights and workers' rights in the value chain

We have implemented a human rights-related risk management system in order to identify and prevent the negative impacts of our business activities. This system monitors compliance with human rights and environmental standards in our own business area and at our suppliers. At its core is the annual risk analysis, which we use to review and further develop the effectiveness of our various preventive and remedial actions.

We also assess potential human rights risks on an ad hoc basis, both in our own business area and at our suppliers. Our risk management system is supplemented by a freely accessible grievance channel. In order to effectively develop the various instruments for implementing our human rights strategy, we have appointed a human rights officer to monitor the risk management system. This person provides regular and ad hoc information to management and coordinates the documentation and reporting on human rights issues.

We were unable to identify any systemic risks within our own sphere of influence. As far as we are aware, these lie in the deeper supply chains. Due to our broad product portfolio, our supply chains are very diverse. We therefore only have limited access to the results of industry-specific working groups on supply chain transparency. In anticipation of the CSDDD, we are currently developing methodological approaches to prioritize sustainability risks appropriately. In addition, we only observe individual cases of violations of the legal positions of the LkSG in the areas of discrimination and occupational health and safety. These are dealt with individually and solutions are found.

To our knowledge, there have been no substantiated cases in our value chain.

In the area of international standards management, we have a central coordination office within the Group that manages employees to establish industry standards worldwide and, in turn, implement these in our business unit and, derived from this, in the value chains. Most of the standards that affect Dräger contribute to achieving the UN's Sustainable Development Goals (SDGs).

We promote the topic of occupational safety at an overarching level through our involvement in the "Vision Zero" campaign of the International Social Security Association (ISSA). This not only has an impact on our own business operations, but also on the initiative's entire target group.
↗ Please refer to "Global occupational safety management" in the chapter on S1.

Engaging with workers in the value chain

We communicate our expectations to all stakeholders with the "Declaration of Principles on Respect for Human Rights". In addition, our approach focuses on supplier audits that include employees in the value chain. During the audits, Dräger employees are on site at the supplier's premises and come into contact not only with management but also with employees from various departments.

In addition, due to the regional focus of our suppliers in Europe in highly specialized industries with a lower risk of human rights violations, we assume that a large number of the employees of our direct suppliers can use our grievance channels – either directly or via trade union representatives.

There is currently no active engagement with employees or their legal/trustworthy representatives, as no risks have been identified in Dräger's direct sphere of influence. Therefore, there is also no responsible function. If issues come to our attention, this is a case-by-case decision – responsible functions from the operating business are involved on a "need-to-know" basis.

Reports and grievances are processed in close coordination between Purchasing and the Human Rights Officer in Global Sustainability. If Dräger receives information via these channels, we develop systematic preventive actions to contact the potentially affected groups and the accused directly and take remedial action.

Targets

The basis for long-term successful partnerships with our business partners is a common set of values and compliance with the applicable laws. In the reporting year, we therefore set ourselves the target of increasing the coverage rate for signing the CoC BP with our strategically important suppliers in the production materials sector to over 90%. With this high level of coverage with our CoC BP or comparable codes, suppliers commit to implementing our values in their business area and with their suppliers.

In 2024, we were able to cover 91% of our purchasing volume with our strategically important suppliers for production materials via the CoC BP[1].

The target is annually reviewed when determining the coverage rate. When setting targets, we focus on our direct sphere of influence (direct suppliers) in order to make the best possible use of the leverage we have as a company.

Employees in the value chain or their representatives were not included in the target setting. Instead, we are guided by the usual standards in the economy and in our sphere of influence.

Actions and resources

Due to the many years of close cooperation and ties with our strategically important suppliers, we see considerable opportunities to exert influence here and are convinced that the form of cooperation can have a positive impact on the employees of our direct suppliers. Like Dräger itself, our suppliers are often highly industrialized and have a low vertical range of manufacture.

At the production sites, every new quality-relevant supplier to Dräger undergoes a comprehensive, globally standardized supplier approval process. This includes automated partner screening; potential business partners

[1] Measured by purchasing volume

are checked for sanctions or criminal activities, for example. The next steps in the supplier approval process (PI-9) only follow if the screening is successful.

As most of our supplier relationships at Dräger are very long-standing, we audit our strategically important suppliers on a regular basis. In addition to product quality, occupational health and safety issues, qualifications with regard to key functions and selected CoC BP issues (e.g., child labor) are audited to varying degrees or on an ad hoc basis (PI-9).

In addition to the actions mentioned above in relation to our suppliers, we prepare abstract risk analyses of our suppliers once a year or on an ad hoc basis in accordance with the requirements of the LkSG. Risks are assessed on the basis of country and industry indices. The 2024 risk analysis did not reveal any serious human rights risks or violations. All actions that we implemented in 2024 were preventive (NI-16).

By monitoring workplace safety and qualifications during our supplier audits, we identify risks at an early stage and develop remedial actions together with the respective supplier. Our risk analysis has shown that audits of suppliers with potential risks have uncovered real hazardous situations that could then be remedied. We see this as evidence of an improvement in the situation of the supplier's employees and as confirmation of the effectiveness of our actions. No systemic risks in relation to immediate suppliers were derived from the previous audit results, it is more a matter of individual incidents.

Regarding actions that have a positive impact on employees in the supply chain, Dräger is actively involved in establishing global product standards in medical and safety technology. In order for a supplier to achieve these standards, intensive training of employees and high safety standards in production are necessary at numerous stages of the supply chain. At the same time, we strive to avoid negative impacts through trusting and dialog-oriented cooperation. If we receive indications of violations of employee rights, we examine the situation and take individual remedial actions.

We use business reviews, audits and continuous media screening to check the effectiveness of the actions taken by our direct suppliers. We are aware of the considerable demands placed on everyone involved. At the same time, we are convinced that this will help us achieve greater awareness and a higher standard with regard to the sustainable actions of our suppliers and their suppliers. These analyses and actions can not only have a positive impact on the working conditions of our suppliers' employees, but also on the resilience of our supply chains.

We have no substantiated knowledge of human rights violations in our supply chains that are related to our business activities.

Key actions to implement our policies and their impact

In 2024, we carried out a risk analysis of direct suppliers in accordance with the LkSG and to implement the contents of the Human Rights Declaration. The requirements of the LkSG are implemented for all direct suppliers of Drägerwerk AG & Co. KGaA and Dräger Safety AG & Co. KGaA. Further actions concern suppliers that fall under the upcoming regulations, particularly those from the EU Green Deal. We carry out dedicated risk analyses for this purpose. These usually take place annually and on an ad hoc basis.

With regard to the CSDDD, we have carried out an initial analysis of the supply chains based on numerous studies, internal data and expert knowledge. In addition, we have selected a new tool to improve due diligence for conflict minerals, which we will implement in full in 2025.

Important remedial and support actions for injured parties due to negative impacts

No actual negative impacts have been identified to date. Therefore, there is currently no prioritization of our actions beyond the RMI (Responsible Minerals Initiative). Indications for individual cases (e.g., from audits) were examined and, if necessary, remedial actions were initiated in cooperation with the business partner.

Financing of actions

In 2023 and 2024, we have allocated additional human and financial resources for the implementation of sustainability criteria in Purchasing. Purchasing works in close coordination with the Global Sustainability department created in 2023 and Dräger's Human Rights Officer to adapt processes and thus indirectly achieve improvement for employees in the supply chain.

External tools were used to assess direct suppliers and for due diligence checks on conflict minerals.

Remediation and grievance mechanism

All persons, including employees of business partners, representatives of employees in the supply chain and others, can use the Dräger Integrity Channel to report grievances or complaints, also anonymously.

↗ Please refer to “Investigation of incidents” in the chapter on G1.

Another tool is risk monitoring in the form of media screening of individual suppliers via an external provider. If indications of violations of employee rights in the value chain become known through this or other channels, we respond on a case-by-case basis.

Any anomalies in supplier audits are reported to the supplier; a plan is then drawn up jointly to rectify the defects. Implementation is monitored by our Supplier Quality department.

All the channels described above are managed by Dräger itself. We are not currently involved in a corresponding multi-stakeholder initiative or other complaint channels.

Employees in the value chain can find the Dräger Integrity Channel via search engines or our website. It is also communicated via our CoC BP. As the majority of Dräger's suppliers are based in Europe and employ highly qualified employees, we consider this channel to be sufficiently communicated.

ESRS S4 Consumers and end users

Management of impacts, risks and opportunities

For our customers, including those in fire departments, the police, the oil and gas industry and hospitals, the reliability and application safety of our products is a top priority. Every solution we develop aims to make our customers' work safer, more productive and easier. This also includes providing customers with comprehensive information about our products (including product descriptions, intended uses and applications) and informing them quickly and reliably about important issues. Internal policies and processes help us to comply with legal requirements as well as cultural and ethical standards. Our approval process for the external use of marketing materials regulates in detail which departments at Dräger approve the materials and how the approvals must be documented.

However, our criteria for customer satisfaction not only cover these basic rights, but also go well beyond them. “Customer intimacy” is one of the four strengths defined in our brand. The sub-topics of information rights and security as well as customer security are therefore essential for us.

Our customers' interests and their impact on our business model

The interests, views and rights, including respect for the human rights of Dräger's end users, play an important role in the strategic direction and business activities of Dräger. Our goal is to protect human lives with our Technology for Life.

Our customers and users across all of our markets and business models have a legitimate interest in ensuring that our products offer the highest quality and reliability. In the field of medical technology, we also operate in a highly regulated environment. We therefore attach great importance to quality assurance and the associated exchange with our customers within our business models and processes. In addition, a new Executive Board function for sustainability and quality was established in the reporting year.

Impacts, risks and opportunities

As part of the analysis of our impacts, risks and opportunities in the area of our end users, we have not identified any significant actual or potential negative impacts or risks. We see a positive impact in the provision of reliable products worldwide. A positive impact is also associated with the way in which we provide information about our products and inform customers quickly and reliably about important issues (e.g., in the event of product recalls).
↗ See “Materiality analysis” in the chapter on ESRS 2.

We have identified the following positive effects:

- We create trust through recall information (PI-11).
- Our “Technology for Life” products ensure the safety of our customers and protect lives (PI-12).

These relate to our business model as follows:

Product stewardship is an essential part of our corporate strategy and business models in every respect. Without the trust of our customers and users in our products and services, our business models are unsustainable. At the same time, our business models make a positive contribution to healthcare and occupational safety. In this respect, there is no need to adapt our business models and strategies. Due to the industries in which Dräger operates, there are no inherently harmful products or services in our portfolio.
↗ Please refer to “Our business model” in the chapter on ESRS 2.

Management approach

Our integrated quality management system forms the basis for the management of all quality-related issues. Among other things, it complies with international standards ISO 9001 and ISO 13485. Not only does this aid us in ensuring compliance with the prescribed quality standards and country-specific requirements, but it also enables us to set our own ambitious quality targets. This applies to our processes, products, and services. Our production, sales and service locations are subject to both an internal audit system and regular external audits.

We manage product and information security issues by monitoring our products on the market, processing information and complaints from our customers and, if necessary, informing them about incidents and recalls (PI-11). In doing this, we aim to ensure the safety and reliability of our products through regulated, secure processes in accordance with specifications, policies and standards (PI-12). This covers customers and end users across all our markets worldwide. Proper compliance with these processes is monitored and confirmed by a large number of independent internal and external audits. In addition, our products must undergo numerous country-specific approvals before being launched on the market.

Concepts related to consumers and end users

The highest level in the Company responsible for implementing the quality strategy and the corresponding processes is the Chief Sustainability and Quality Officer (CSQO). Among other things, this Executive Board function is responsible for all overarching quality issues relating to the medical and safety divisions as well as Sales & Service and all central departments. The aim is to ensure that all processes at Dräger meet internal and external requirements at all times while striving for continuous improvement and increased efficiency.

Our publication “We take responsibility” provides information on our quality and environmental policy, our approach to occupational health and safety, some of our ethical principles and the principles of our social commitment. The chapter on quality covers topics such as “Safe and durable products” and “Reliable processes” (PI-12).
↗ Please refer to “Concepts and policies related to climate protection and adaptation to climate change” in the chapter on E1.

Among other things, we apply processes that identify and manage defective materials and the associated quality information (PI-12). The information is analyzed, evaluated and reported in corresponding control loops; if necessary, actions to improve products are initiated and implemented. At the same time, potential risks are assessed and, if necessary, production or delivery stops and field actions (recalls) are initiated.

These processes are used to collect quality information in the field in the event of a defect. The purpose of this documented procedure is to collect information on warranty claims worldwide and, if necessary, to make defective material and information available for further investigations. Secondly, the processes regulate the correction or replacement of a faulty delivery, the analysis of the faulty material and the documentation of the results. This is followed by a root cause analysis and the initiation of actions. This can include labeling, blocking and processing faulty material. These processes are accompanied and monitored by Control Review Committees and Product Quality Boards (PQBs).

There is a separate standard (PI-12) for product improvement actions (product corrective and preventive actions). These actions can be triggered by product defects or potential risks, which are identified by means of a risk assessment process. A risk assessment is always carried out by companies with development responsibility if a product, software or process deviates from the accepted limits to such an extent that a user could potentially come to harm. If the risk assessment indicates a possible threat or danger to the user, the Competence Board must be convened to decide on the implementation of a so-called field safety corrective action (PI-11). Other findings, such as potential reputational damage to the Company, may lead to a quality improvement action. Field Action Managers are responsible for tracking these two types of field actions.

We have also established processes to ensure the accuracy of the content of our marketing materials (PI-12). These apply both to the creation of the original materials and to the translation process. Our internal “Approving Marketing Communication Materials for External Use” process is designed to ensure that product-related statements are correct and verifiable and that all relevant stakeholders for these materials confirm this with their signature. We are guided by the principle of avoiding dishonest advertising. According to this approval process, statements must be true, correct and objectively verifiable. We must not make false statements and should refrain from exaggeration, for example by avoiding superlatives. In addition, the rights of other persons or competitors must not be infringed. We pay particular attention to trademark rights and copyrights. We provide important product information in the form of instructions for use, product labels and websites in accordance with the relevant legal requirements.

Human rights aspects do not play a significant role in our quality processes beyond the company-wide regulation of human rights issues. Accordingly, we have not currently formulated any commitments in the area of human rights policy regarding end users and consumers and therefore do not have processes and mechanisms in place to monitor compliance with the UN Guiding Principles on Business and Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work or the OECD Guidelines for Multinational Enterprises for end users. To our knowledge, there are no particularly sensitive or marginalized groups among Dräger's customers.

Processes for engaging with consumers and end users about impacts

In order to continuously improve our products, we focus on customer intimacy and accompany users in their working environment (CPM – Customer Process Monitoring), for example. This enables us to learn more about the actual requirements in practice. In selected countries, we also calculate a Net Promoter Score (NPS). This indicates the extent to which consumers would recommend a product or service to others. The NPS is determined through interviews at various customer contact points (touchpoints). With the help of the NPS, customers can be segmented according to brand loyalty, dissatisfied customers can be identified and products and services can be improved along the entire customer journey. The results of these processes are incorporated into the development of new products and the improvement of products and services.

In addition, we test all products extensively in our own and external test laboratories prior to market launch and test user-friendliness with internal usability experts and with selected customers around the world. Every Dräger device must function perfectly, even under extreme conditions, before it receives market approval.

As part of field activities, affected customers will be contacted in writing, many of these incidents must be additionally reported the authorities responsible.

CSQO is responsible for the complaints from consumers and end users.

Actions and resources

We have an established quality management system that we review and improve continuously. In this context, minor actions are implemented every year and internal metrics are collected to help ensure their effectiveness. As we have not identified any significant negative IROs, we do not consider it necessary to set measurable targets beyond our guiding principle of “continuous improvement”.

The “Channel One” project was launched in 2022 (PI-11) to future-proof our processes in relation to field issues in light of increasing regulatory requirements and a growing installed base of Dräger devices. The Board Member for Sustainability and Quality is the main person responsible for this project, which is due to be completed in mid-2026. The project will work out how to focus even more on efficiently solving customer problems, simplify the communication of problems to the relevant areas within Dräger, improve the exchange of information and transparency for all parties involved and standardize and increase the data quality for field information.

The effectiveness of our concepts and actions can be verified using existing procedures and metrics. For example, reports based on suitable indicators are used for this purpose. These are analyzed on an ongoing basis; actions are then defined where necessary. Internal indicators are, for example, processing times for complaints or quotas in the processing of field actions. Field actions are only completed when the effectiveness of the actions can be proven. All information from the quality input channels (e.g. claims, complaints, hot sites) is evaluated in PQBs by the product specialists. Actions are then developed to respond to specific actual negative effects on end users or to prevent potential effects. Criteria such as frequency of errors, severity and detectability are used for this purpose.

The respective PQB also takes actions in relation to specific negative impacts on end users. In addition, it controls the lessons learned in relation to product design, marketing or sales, if applicable, and decides whether further actions are required in addition to those already implemented.

We aim to ensure the availability of procedures to take remedial action in the event of negative impacts as follows: We provide resources for all Product Steering Boards (PSBs) and PQBs, whose meetings are documented and whose proper implementation is regularly reviewed through internal audits. The same applies to the teams that carry out the risk assessment and any competent groups that decide on field actions. The expenses for quality management are recorded in quality cost reporting. In addition to personnel costs, they also include material costs.

With our quality management system, we want to fully prevent the occurrence of any possible adverse effects. The protection and safety of our customers is our top priority; economic objectives take a back seat in the event of conflicting objectives in connection with danger to life and limb.

Serious problems and incidents relating to human rights in connection with our end users were not reported.
↗ Please refer to “Metrics” in the chapter on S1.

Remediation and grievance mechanism

In addition to the possibility of contacting the responsible Dräger branches or distributors at any time, customers can contact us via our websites.

If customers wish to submit a complaint, for example, they can contact us directly as part of our complaints management. If they wish to communicate concerns or needs, they can contact us in the usual industry way. Our end users are familiar with these procedures. If necessary, they can contact their contact person in Sales at any time to ask for support.

Some channels are also available on our website for product-related complaints. For example, customers can submit information about a serious quality problem, possible personal injury or cybersecurity deficiencies. In the case of medical or in-vitro products in particular, any information that indicates deficiencies in terms of quality, durability, reliability, user-friendliness, cybersecurity, safety or performance can be reported. Customers receive feedback from Dräger via quality reports, if necessary also via direct contact.
Please refer to “Dräger complaints management” at www.draeger.com/de_de/Complaint.

The availability of the reporting channels is ensured by the aforementioned processes. Their effectiveness is evaluated in internal and external audits, among other things. Dealing responsibly with whistleblowers and protecting them from any negative consequences is important to us. This also includes a ban on discrimination and protection against retaliation.
↗ Please refer to “Investigation of incidents” in the chapter on G1.

Governance information

Dräger attaches great importance to corporate governance. In an effort to emphasize this, we apply the German Corporate Governance Code (Deutscher Corporate Governance Kodex – DCGK), which is aimed at stock corporations, to Drägerwerk AG & Co. KGaA. Deviations from the DCGK's recommendations are published and justified in accordance with the "comply-or-explain" principle. The significant deviation is based on the grounds that, in terms of the exclusively shareholder value-based recommendations of the DCGK, the Supervisory Board considers a balanced increase of the Company value preferable for all stakeholders.The latest declaration of conformity pursuant to Section 161 of the German Stock Corporation Act (Aktiengesetz – AktG) was published on our website in December 2024; it is based on the German Corporate Governance Code as amended on April 28, 2022. Dräger complies with all recommendations of the Code with the exception of two justified deviations in the area of Executive Board remuneration. Our corporate governance report in the declaration of corporate governance describes the features of the management and control structure of Drägerwerk AG & Co. KGaA, as well as the significant rights of our shareholders, and explains the special features compared to a stock corporation. The full text of our declaration of conformity is also printed in the report.

Please refer to the declaration of conformity at www.draeger.com/de_de/Investor-Relations/Corporate-Governance.
↗ Please refer to the corporate governance report in the "Corporate Governance Statement/Corporate Governance Declaration" chapter.

The description of ESG governance – i.e. how we manage cross-divisional sustainability issues, which committees are involved and how responsibilities are assigned – can be found in the chapter on ESRS 2. The following chapter deals with topics relating to corporate policy and corporate culture.

↗ Please refer to "Sustainability organization" in the chapter on ESRS 2.

ESRS G1 Business conduct

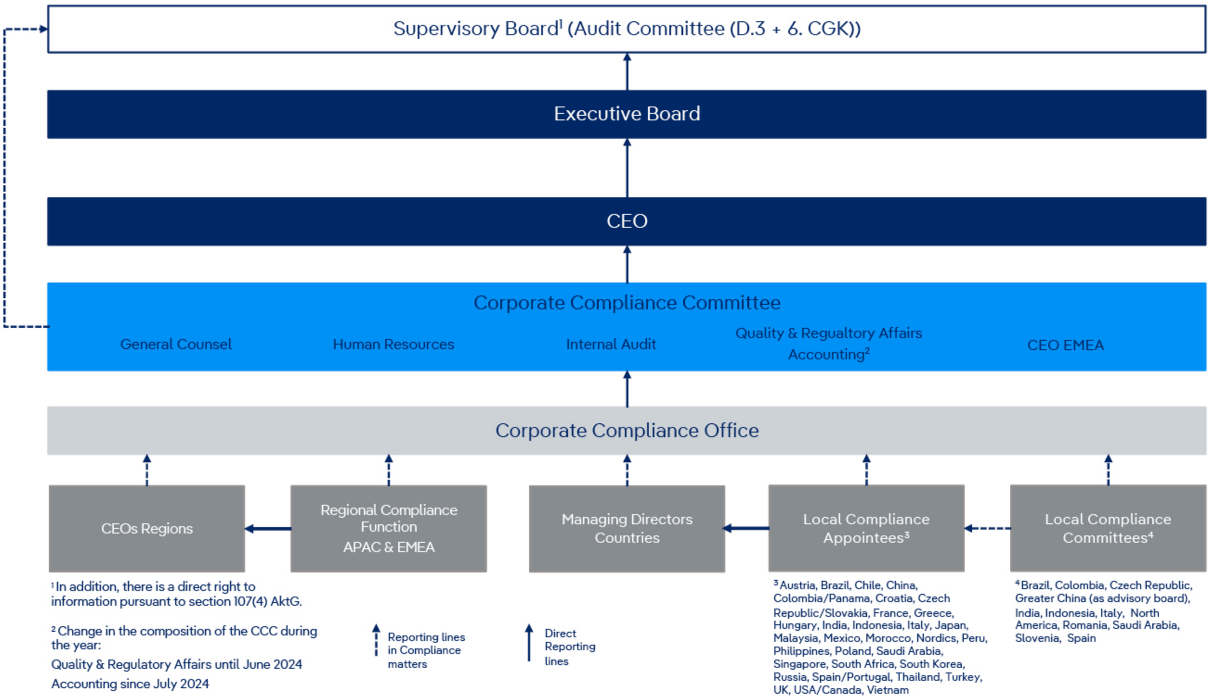
With all of our entrepreneurial activity, compliance with legal and regulatory requirements, as well as the safeguarding of a free and fair competition, is the basis of our long-term success. We therefore comply with the applicable laws in every country in which we operate as a matter of course. It is the responsibility of each and every employee, including management and the Executive Board, regardless of location or business area, to comply with all locally applicable laws, our Principles of Business and Conduct and all other Dräger rules.

Role of the administrative, management and supervisory bodies in relation to corporate governance

The responsibilities of the Executive Board include instituting and monitoring the Group-wide compliance management system (CMS). The responsible member of the Executive Board is the Chairman. The area of responsibility of the corporate compliance function at Dräger comprises the compliance components of anti-corruption, anti-trust law, prevention of fraud and dealing with conflicts of interest ("components"). Other compliance risk areas such as data protection & information security, customs & export control, anti-money laundering and tax compliance are handled by other relevant departments at Dräger.

The Executive Board has established the Corporate Compliance Committee (CCC) and delegated the following tasks: The CCC develops and implements actions to maintain and further develop the CMS for the aforementioned components. The CCC's rules of procedure adopted by the Executive Board specify in detail, among other things, the cases in which the CCC is to inform the Supervisory Board of Drägerwerk Verwaltungs AG and the Audit Committee of Drägerwerk AG & Co. KGaA on behalf of the Executive Board on a regular and ad hoc basis. At the foreign subsidiaries, the respective managing directors are responsible for compliance; in some cases, they are supported by local compliance appointees. The rules of procedure of our Supervisory Board stipulate that the Audit Committee of the Supervisory Board monitors actions to ensure compliance with statutory provisions and internal company policies (compliance) and receives reports on compliance within the Company.

Compliance organization



Expertise in the administration, management and supervisory bodies in relation to corporate management

The managing directors of the companies are required to attend training courses on topics such as anti-corruption and bribery as well as other internal requirements from the Code of Conduct (CoC). The Executive Board deals with the aforementioned components of the Compliance Management System (CMS) at least on a quarterly basis, with the development of the system and relevant aspects being presented by the Head of the Corporate Compliance Office and an annual report being sent to the Executive Board and the Chair of the Audit Committee. In addition, a report on the CMS of the abovementioned components is presented once a year at the meeting of the Audit Committee.

Suitable candidates for the election of shareholder representatives to the Supervisory Board are assessed and selected by the Nomination Committee. This committee ensures that the Supervisory Board always includes members who have the knowledge, skills and professional experience required to properly perform their duties on the Supervisory Board.

Impacts, risks and opportunities

As part of our materiality assessment, we have identified various effects, risks and opportunities in relation to the ESRS G1 Business Conduct. One source for the evaluation of impacts and risks is the Compliance Risk Assessment, which takes into account both the risk assessment of the countries and external indicators (such as the Corruption Perception Index of Transparency International) in a standardized form.
↗ Please refer to “Materiality analysis” in the chapter on ESRS 2.

Negative impacts:

- Dräger operates in countries with an increased risk of corruption and/or uses business partners for local sales whose behavior can only be controlled to a limited extent (NI-10).
- Dräger procures materials either directly from suppliers or indirectly via upstream suppliers – including from countries with an increased risk of corruption (NI-11).

Positive impacts:

- With a corporate culture of integrity, Dräger contributes to value-oriented behavior on the part of employees, external partners and customers (PI-1).
- Our reporting channel enables anonymous reporting in compliance with whistleblower protection (PI-2).
- With our prevention and detection actions, we contribute to the global containment of corruption and bribery (PI-3).

Risks:

- Despite preventive actions, cases of corruption may occur which, if uncovered, could lead to financial damage due to fines and loss of reputation (R-3).
- Cases of corruption uncovered in Dräger's deeper supply chain can also lead to financial damage through fines and reputational damage (R-4).

These relate to our business model as follows:

Dräger is represented worldwide with its products and services and operates development and production sites in various countries. Our subsidiaries or sales channel partners are responsible for the sales and service of our portfolio. We are aware that there is an increased underlying risk of corruption and bribery in certain regions and countries where we provide solutions for our customers. We are also aware that our actions and the actions of our sales channel partners can have a significant impact on social development and a negative impact on the community. We use external sources of information, such as the annual Corruption Perceptions Index published by Transparency International, to assess these risks in the individual countries and markets and derive actions (NI-10, NI-11, R-3, R-4).

Dräger has established a corporate culture of integrity. This is based on the Principles of Business and Conduct, which set out binding values and responsibilities for every employee and the Executive Board. These values have been implemented in the form of rules and behavioral requirements in handbooks for employees and managers. We are aware of our responsibility to establish this value system in our globally active subsidiaries (PI-1). The corporate culture described promotes sustainable and long-term business relationships. Mutual trust is the basis for successful cooperation. The Executive Board and managers promote a “Speak Up” culture: Employees are encouraged to ask questions and openly communicate weaknesses and potential problems. Among other things, Dräger provides an anonymous reporting channel (Integrity Channel) for this purpose (PI-1). Through these actions, Dräger contributes to value-oriented behavior on the part of employees, external partners and customers.

We offer our employees and external stakeholders the opportunity to submit reports anonymously to counteract fears of discrimination and reduce the inhibition threshold that many people feel when it comes to pointing out potential problems or grievances. The Dräger Group has a ban on discrimination that is embedded in the Principles of Business and Conduct as well as in the Management and Employee Handbooks. It protects employees who point out possible misconduct in good faith, provide information or help with an internal investigation (PI-2).

Concepts for corporate governance and corporate culture

Principles of Business and Conduct (Code of Conduct – CoC)

The binding framework for our daily responsibility towards our employees and business partners is provided by our Principles of Business and Conduct, which were introduced by the Executive Board at the highest level and which the management and all managers and employees are obliged to comply with. These principles apply throughout the Company. These describe our value system on which our corporate culture is based (PI-1). The Principles of Business and Conduct are complemented by the handbooks for employees and managers, which contain the rules pertaining to how these values are to be reflected in our everyday work. When starting their job at Dräger, employees must familiarize themselves with the Principles of Business and Conduct and commit to following them. We supplement the Principles of Business and Conduct in a risk-related and target group-oriented manner with specialist and company-wide regulations regarding anti-corruption, antitrust law, dealing with potential conflicts of interest and avoiding fraud (PI-3).

Please refer to www.draeger.com/Compliance

All employees at Dräger must be familiar with our Principles of Business and Conduct and act accordingly in order to make appropriate decisions. During the performance review, employees and managers discuss the qualifications required for the respective position from the training catalog. The manager can then track whether all qualifications have been met, as the qualification check is documented in the HR system. In addition, the system automatically sends reminders when qualifications are outstanding.

The Principles of Business and Conduct address our corporate values and aspects from international standards for a responsible corporate management, such as the ILO Core Labor Standards, the UN guiding principles on the economy and human rights, and the OECD handbook for multinational companies, as well as various environmental agreements (PI-3). Relevant departments at Dräger are consulted to decide whether content should be included in the CoC for employees. The Code of Conduct including updates is approved by the Executive Board. They apply to all Group companies worldwide, whereby the respective managing directors are responsible for ensuring that the rules are observed and followed. The effectiveness is reviewed by means of audits.

Availability of the Principles of Business and Conduct

Our Principles of Business and Conduct are accessible to all employees on the Intranet and are also part of the work or employment contract. The document is currently available in 15 languages. Furthermore, our CoC is also available on our website. All Dräger managers have a duty to ensure that their employees know and understand the Principles of Business and Conduct and that they are complied with. For this purpose, management will assign corresponding training to every relevant employee[1] in the form of a mandatory course of self-study (CoC reading material) in the training portal.

Code of Conduct for Business Partners – CoC BP

The Code of Conduct for Business Partners shall integrate our values, set forth in the principles of business and conduct (PI-1), into the relationship with our business partners. The CoC BP is intended for all business partners and the entire supply chain. Relevant departments at Dräger are consulted to decide whether content should be included in the CoC BP.

Please refer to www.draeger.com/Compliance

We expect our business partners to fully comply with our Code of Conduct for Business Partners in addition to their economic value contribution. Business partners include all third parties who act for, on behalf of or together with Dräger, for example suppliers, consultants, service providers, sales channel partners, commercial agents, and subcontractors. The Code of Conduct for Business Partners including its updates is approved by the Executive Board. Application of the CoC BP is promoted by the managing directors, who are responsible for communicating it to members of the management team and all employees, especially those involved in the processes with business partners. In Procurement in particular, the Code of Conduct for Business Partners is a mandatory part of the approval process for quality-related suppliers. In the event of a violation of the principles of this document, Dräger will act appropriately and take actions to limit the damage. The effectiveness of the Code of Conduct is reviewed by means of audits.

Availability for potentially affected stakeholders

The Code of Conduct for Business Partners is publicly available on the website in currently 15 languages.

All Dräger managers have a duty to ensure that their business partners are aware of and have understood the CoC BP. To this end, strategic business partners are contractually obliged to comply with our Code of Conduct for Business Partners.

Dräger handbooks for employees and managers

Our anti-corruption rules and our rules on correct handling of gifts and other benefits define, among other things, which benefits may and may not be promised, offered, accepted and granted in relation to business partners (PI-3). These rules are described in the Dräger Employee Handbook and the Dräger Management Handbook.

[1] Without industrial employees

The governance of the handbooks is regulated Group-wide as follows: Both handbooks apply for all group companies around the world with a majority stake held by Dräger, whereby the respective management is responsible for the localization of and compliance with the rules.

Rules of conduct from the Employee Handbook
The Employee Handbook provides all employees worldwide with guidance on how to conduct themselves, make decisions and act in their work for Dräger. It contains rules applicable to all employees, regardless of function or country.

The daily actions of an employee must always be in accordance with rules and values**,** because a corporate culture characterized by integrity and compliance with rules is crucial for our long-term and sustainable success. This also includes taking responsibility for product quality, for employees, for the environment and for society. The four most important compliance principles must be observed in order to meet expectations with regard to integrity and compliance:

- Documentation principle (comprehensive documentation of all business transactions)
- Equivalence principle (appropriate ratio of contractual relationships, payments or services)
- Separation principle (separation of the acceptance or granting of benefits from business transactions)
- Transparency and approval principle (transparency in the business activities of all employees, including managers)

The Employee Handbook also contains information on various compliance topics such as combating corruption (NI-10), the correct handling of gifts and other benefits and dealing with potential conflicts of interest.

The Employee Handbook also includes regulations on the “Speak Up” culture (PI-1) and information on the prohibition of retaliation (PI-2). In the corresponding chapter, we encourage our employees to report suspected violations or merely concerns without concrete evidence.

Rules of conduct from the Management Handbook
In the Management Handbook, selected topics from the Employee Handbook are further explored, and it contains provisions that are relevant for all group companies with a majority stake held by Dräger; depending on the chapter, for certain departments or groups of managers and employees from the respective company. At the same time, all requirements from the Employee Handbook are also binding for managers. The Management Handbook defines that the management is responsible for the introduction, maintenance, further development, evaluation and improvement of an adequate and effective CMS with regard to anti-corruption, antitrust law, conflicts of interest and prevention of fraud within a Dräger company (NI-10). For a compliance management system to be effective, the Executive Board must act as a role model by initiating and supporting compliance actions. The Management Handbook also contains details of the responsibilities and competencies of the Executive Board.

Raising concerns and dealing with them in confidence is of particular importance for managers (PI-2). Management must ensure that all employees can contact their respective manager or the local compliance appointee at any time if they have doubts or uncertainties regarding the permissibility of certain procedures or actions. The experts from the Corporate Compliance Office are available for consultation as necessary.

Engagement with stakeholders, release and availability of handbooks
Our handbooks govern conduct towards customers, employees, business partners, suppliers and sales channel partners. To decide whether content should be included in the Employee or Management Handbook, the Internal Audit Global Policies & ICS Monitoring department consults with those responsible for the rules and with selected users on the basis of predefined criteria. Furthermore, neither the deeper upstream value chain nor more distant potential stakeholder groups are directly or indirectly involved in the design. The handbooks are updated once a year and, if necessary, on an ad hoc basis. The authors responsible for the various chapters of the manuals are responsible for their content and for updating them on a regular basis.

The Employee Handbook is published internally in German and English and additionally in the following languages:

Mandarin, French, Spanish, Dutch, Italian, Arabic, Portuguese, Czech, Hindi, Japanese, Polish, Turkish and Russian. The handbooks are maintained in accordance with good documentation practice with regard to document identification, revision control, approval and archiving.

The effectiveness of the handbooks is monitored as part of ongoing internal audits and through other actions. The annual update cycle ensures that feedback from the various functions or organizations is incorporated into the handbooks.

Establishing, developing and promoting the corporate culture

For a compliance management system to be effective, the management must act as a role model by adhering to and actively supporting compliance actions. Our management is therefore obliged to strengthen the compliance culture through actions and training that raise awareness of compliance issues (PI-1, PI-3). In addition, the members of the Executive Board emphasize the importance of our corporate culture when communicating with employees. For example, they use video messages to provide direction for the culture in our company and explain the associated objectives. The Executive Board participates in communication campaigns on an ad hoc basis and addresses compliance aspects in various formats. Every two years, employees must complete online training courses on compliance-relevant topics such as anti-corruption, antitrust law, dealing with potential conflicts of interest and avoiding fraud. In addition, there is special training on topics in the Management Handbook from the chapters on these aforementioned subject areas, which managers assign to the employees concerned. A non-compliance-specific evaluation/assessment of the corporate culture takes place as part of the employee survey, which is conducted every two years. The compliance function also carries out a local evaluation in some cases, for example as part of reviews or surveys.

Investigation of incidents

Secure and reliable communication channels for employees and business partners, as well as every other stakeholder, are a prerequisite for effective compliance. The employees in the Corporate Compliance Office (CCO), as well as the respective compliance appointees, advise and support employees in the implementation of applicable compliance rules for the four compliance components described above.

Questions from external stakeholders that we receive, for example during the course of supplier audits or that concern issues for which the compliance function at Dräger is not originally responsible, are answered cross-departmentally.

Dräger encourages employees who wish to raise concerns to discuss these with their managers. If this does not resolve the issue or if clarification with the manager seems inappropriate, it is possible to raise concerns directly with the CCO. The Compliance Helpline compliance@draeger.com is also available by email for internal and external advice requests. The requests for consultation and the exchange of information serve as an important source of potential improvements in the compliance management system or for deriving internal training requirements. Whistleblowers can also use the Dräger Integrity Channel to report possible compliance and legal violations of any kind.

Please refer to www.draeger.com/Compliance

The Dräger Integrity Channel is a web-based whistleblower channel that is available around the clock and from any location, not only to employees but also to our business partners and anyone else. The channel can be used to provide information about potential breaches of Dräger's Principles of Business and Conduct, internal company rules, or applicable laws, or obtain advice about such matters. It is important to Dräger that whistleblowers who report, responsibly and in good faith, possible compliance violations via the Integrity Channel are protected against any reprisals or disadvantages. On our compliance intranet page, we provide our employees with information on the use of the internal reporting procedure and on external reporting offices as defined by the German Whistleblower Protection Act. We provide employees with a training video in German and English, which focuses in particular on anonymous reporting to protect whistleblowers. Employees can also find out more in interactive learning sessions. Information on the use of the Integrity Channel for external parties is also available on the compliance website.

Other mechanisms for identifying violations of our Principles of Business and Conduct and the handbooks are compliance audits and business standard audits.

Reported and detected violations are dealt with in the following processes, depending on responsibility:

- Allegation Management Process for violations of compliance requirements and in the event of a suspected violation of the non-retaliation principle
- Procedure description in accordance with the German Supply Chain Act (LkSG) for violations relating to human rights or environmental protection

The processes for handling allegations of violations are intended to ensure a prompt, independent and objective investigation.

Training on corporate culture

The responsibility for creating a training plan for compliance-relevant qualifications is described in the rules of procedure of the Corporate Compliance Committee (CCC). We want to use continuous improvement actions to ensure that the training actions are appropriate for the targets and the defined target groups. Depending on the target group, different actions may be necessary to train compliance with our values and rules.

In order to implement the internal requirements with regard to the documentation and tracking of training actions carried out and to ensure that the training is assigned to the relevant employees, Dräger manages the training data of employees worldwide using an IT system.

Functions that are exposed to a particular risk with regard to corruption and bribery due to their activities, provide advice or are responsible for control activities include Sales & Service, Finance and Legal as well as Product Management, Academy, HR and Purchasing.

Prevention and detection of corruption and bribery

Dräger has implemented a compliance management system (CMS) and is continuously developing it further. The aim of the CMS is to avoid risks of material violations of laws and regulations as far as possible or to identify them in good time. The CMS is intended to help eliminate these risks and support Dräger employees in this endeavor in their daily work, as well as to promote the integrity of the Company and strengthen its competitiveness.

Combating corruption in our business segments is one of the objectives of the CMS, as are compliance with antitrust regulations, the avoidance of potential conflicts of interest and the prevention of offenses in the area of commercial criminal law.

The system we use at Dräger to prevent, detect and respond to cases of corruption and bribery, among other things, is based on the following elements:

Elements of the CMS

Dräger continuously records compliance risks. In 2023, we fundamentally developed the system for identifying and assessing risks in connection with corruption and bribery, competition law and fraud.

The process takes into account the country-specific risk factors via the Corruption Perception Index (CPI) as well as the customer groups, sales channels and risk scenarios. The individual companies regularly assess the likelihood of occurrence and severity of the identified risks. The appropriateness and effectiveness of the available mitigation actions are taken into account when considering the net risks. This process provides Dräger with a comprehensive global overview of the risks that can arise in connection with corruption and bribery and enables it to work preventively to reduce the risks.

In addition to the compliance risk assessment, and the resulting actions and controls, Dräger conducts interview-based compliance reviews at selected locations to determine the compliance maturity of the respective national companies and identify optimization potential.

The design and effectiveness of the internal control system is also analyzed and evaluated as part of internal audits. Recommendations for improvement and further development are derived from this. Compliance with legal requirements and internal Group policies and processes is checked. This takes place at company or country level as well as at regional or Group level.

The “Letter of Assurance and Request for Improvement” is sent annually to the managing directors with a focus on the sales and service companies as well as the production sites abroad and the subsidiaries in Germany. This allows managing directors to report potential improvements, for example in the handling of processes, requirements for supporting tools or risk areas that have been identified but not yet sufficiently addressed At the same time, they also confirm compliance with their duties.

We have established appropriate processes and reporting structures to ensure the independence of investigations based on information and to guarantee that the supervisory bodies are informed appropriately. The Compliance function then keeps the Executive Board and the Supervisory Board regularly up-to-date or as appropriate and whenever necessary. In addition, the allegation management process contains criteria for the evaluation of incoming reports, guidelines for the protection of whistleblowers and sensitive data as well as clear guidelines for the processing and documentation of investigations and for the involvement of the Corporate Compliance Committee. Dräger's compliance organization has separate reporting lines from the line organization to ensure independent investigation and reporting.

Corruption and bribery cases

We determine the number of convictions for violations of anti-corruption and anti-bribery laws and the amount of fines on a decentralized basis by contacting our subsidiaries. The data is available centrally for the German companies. We use the ECRIS definition (ECRIS – European Criminal Records Information System) as the basis for the term “conviction”. This includes all convictions relating to corruption, bribery and money laundering. The total fines include all amounts paid by the Company as a result of a final conviction for corruption, money laundering or bribery in the reporting period.

The number of convictions for violations of anti-corruption and anti-bribery laws amounted to zero EUR in the fiscal year. Accordingly, we have paid a total of zero fines in the past year. The data points have not been externally validated.

Training programs to combat corruption and bribery

The training program is divided into general training on policies and further target group-specific training on individual special topics.

As the requirements of the Employee Handbook are mandatory for all employees, the relevant training courses are mandatory for the target groups listed below. A training interval of 24 months has been set for Employee Handbook training. This interval can be shortened if there are significant changes to the requirements listed in the Employee Handbook.

On the basis of a risk assessment, the CCO determines the target groups for the training on compliance-relevant topics from the Management Handbook. The target groups are provided in the form of a matrix as supplementary information to the respective DMH chapters and serve as a basis for management to assign the training sessions. They take place during the same interval as those for the Employee Handbook.

The managers of the respective employees are responsible for the assignment of the aforementioned trainings.

The training courses are designed as web-based training (WBT), i.e. they can be completed online from any location and at any time. They contain content-related test questions, more than 80% of which must be answered correctly for the training to be considered complete. They are available in 10 to 14 different languages.

The qualification of the administration, management and supervisory bodies is described in “Expertise in the administration, management and supervisory bodies in relation to corporate management”.

Targeted training is offered for employees working in a specific context or function (e.g., tenders, association work). The need for this is reported to the CCO by the management or may result, for example, from internal audits, investigations and findings from requests for consultation.

Context and target group-oriented training courses are planned as one-off events, but can be repeated as required. They are generally designed as (virtual) classroom training sessions; they are conducted, for example, by the CCO's local compliance appointees or compliance managers.

For internal and external advice on compliance issues, the Compliance Helpline (compliance@draeger.com) is available by email in addition to the employees in the CCO and the respective compliance appointees. The requests for advice and the exchange of information serve us as an important source for identifying possible potential for improvement in the CMS or a possible need for internal training.

Core compliance rules and how to prevent corruption

Target groups	All managers and employees (except production employees)
Contents	Raising awareness of key compliance rules, countering and minimizing the risk of corruption
Type of training	Web-based training
Duration	5-15 minutes
Regular repetition	Every two years (refresher)

Correct Handling of Gifts and other Benefits

Target groups	All managers and employees (except production employees)
Contents	Employee Handbook content: Dealing with gifts, invitations and other benefits to and from business partners
Type of training	Web-based training
Duration	5-30 minutes
Regular repetition	Every two years (refresher)

How do we prevent fraud?

Target groups	All managers and employees (except production employees)
Contents	Raising awareness of key compliance rules to counter and minimize the risk of economic crime
Type of training	Web-based training
Duration	5-10 minutes
Regular repetition	Every two years (refresher)

Anti-Corruption - Rules Business Partner Due Diligence

Target groups	Sales & Service, Academy, Finance, Health & Safety, Administration, Legal, Purchasing
Contents	Rules for auditing business partners. Goal: Ensuring the integrity of all Dräger business partners
Type of training	Web-based training
Duration	5-10 minutes
Regular repetition	Every two years (refresher)

Anti-Corruption – Sponsoring

Target groups	Sales & Service, Academy, Finance, Legal
Contents	Overview of the special rules in sponsoring (form of cooperation with business partners) to reduce corruption risks
Type of training	Web-based training
Duration	5-10 minutes
Regular repetition	Every two years (refresher)

Anti-Corruption – Certain forms of Cooperation

Target groups	Sales & Service, Product & Applications Management, Academy, R&D, Finance, HR, Health & Safety, Administration, Legal, Quality, Purchasing, Operations
Contents	Contractual cooperation with employees of business partners, government agencies, planners, consultants
Type of training	Web-based training
Duration	5-10 minutes
Regular repetition	Every two years (refresher)

Anti-Corruption – Grants

Target groups	Sales & Service, Academy, Finance, Legal
Contents	Overview of the special regulations on financial support for research, science and education (“grants”) in the area of anti-corruption
Type of training	Web-based training
Duration	5-10 minutes
Regular repetition	Every two years (refresher)

Anti-Corruption – Invitations to Dräger product and advanced training courses

Target groups	Sales & Service, Produkt & Applications Management, Academy, Finance, HR, Legal, Purchasing
Contents	Overview of the special rules for reducing corruption risks in connection with invitations to Dräger product and training events
Type of training	Web-based training
Duration	5-10 minutes
Regular repetition	Every two years (refresher)

Training for risk functions coverage rate

The training is assigned to the employees using what are referred to as (global) qualification profiles or as a separate qualification. This assignment is the responsibility of the respective manager and based on the globally valid process for employee qualification at Dräger, as well as the guidelines provided in the Dräger Management Handbook. The assignment of training and its successful completion is documented in our IT system set up specifically for this purpose. A reporting tool can be used to determine the corresponding fulfillment rate shown below. It represents the percentage ratio between the assigned and the successfully completed training. The data points have not been externally validated.

Training coverage rate for risk functions

Training program	Percentage of risk functions covered
Dräger Employee Handbook – Overview	97%
Core compliance rules and how to prevent corruption	90%
Correct Handling of Gifts and other Benefits	88%
How do we prevent fraud?	89%
Anti-Corruption – Rules Business Partner Due Diligence	91%
Anti-Corruption – Sponsoring	91%
Anti-Corruption – Certain forms of Cooperation	92%
Anti-Corruption – Grants	92%
Anti-Corruption – Invitations to Dräger product and advanced training courses	92%

Appendix

List of material IROs

ESRS Sub-Topic	IRO-Nr.	IRO category	IRO description Report	VC allocation	Potential/ actual	Time horizon
E1.2 – Climate change mitigation	NI-1	Negative impact	Our business operations cause emissions in the upstream supply chain, in particular through the goods and services we purchase.	upstream	actual	short, medium and long term
E1.2 – Climate change mitigation	NI-2	Negative impact	Our anesthesia machines require gases, some of which have a very high global warming potential and are released into the atmosphere to a certain extent during production in our own operation and during the use phase at the customer's premises.	own operation/ downstream	actual	short, medium and long term
E1.2 – Climate change mitigation	NI-3	Negative impact	Our business activities cause direct and indirect emissions at our locations through our fleet.	own operation	actual	short, medium and long term
E1.2 – Climate change mitigation	NI-4	Negative impact	Our business activities cause direct and indirect emissions at our locations through purchased energy.	own operation	actual	short, medium and long term
E1.2 – Climate change mitigation	R-1	Risk	The demand for inhaled anesthesia could potentially decline in the long term if less climate-damaging methods of anesthesia are developed.	downstream	-	long term
E1.2 – Climate change mitigation	R-2	Risk	Our customers in the oil and gas industry may change their demand in the long term as part of the green structural change, making us unattractive as a supplier of security technology.	downstream	-	long term
E2.5 – Substances of concern	NI-5	Negative impact	Along the entire value chain, the handling of hazardous substances can potentially have an impact on human health.	entire value chain	potential	short, medium and long term
E2.5 – Substances of concern	NI-6	Negative impact	The storage, use and transportation of hazardous substances can potentially cause environmental damage along the entire value chain.	entire value chain	potential	short, medium and long term
E5.1 – Resource inflows, including resource use	NI-7	Negative impact	By manufacturing Dräger products, we contribute to the consumption of finite raw materials.	upstream/ own operation	actual	short, medium and long term
E5.1 – Resource inflows, including resource use	R-6	Risk	The possible restriction of PFAS poses a risk, as many materials for Dräger products contain these substances and are difficult to replace.	upstream/ own operation	-	short, medium and long term
E5.2 – Resource outflows related to products and services	NI-8	Negative impact	The disposal of our products on the customer side has an impact on the environment in the form of waste.	downstream	actual	short, medium and long term
E5.2 – Resource outflows related to products and services	O-1	Opportunity	By establishing circular business models, such as the rental business, we can further develop our existing business model.	own operation	-	medium and long term
E5.3 – Waste	NI-9	Negative impact	We generate waste in our manufacturing and distribution processes.	entire value chain	actual	short, medium and long term

List of material IROs

ESRS Sub-Topic	IRO-Nr.	IRO category	IRO description Report	VC allocation	Potential/ actual	Time horizon
S1.1 – Working conditions	NI-12	Negative impact	Accidents at work and work-related illnesses can occur. These have a negative impact on the health of employees.	own operation	actual	short, medium and long term
S1.1 – Working conditions	PI-4	Positive impact	Dräger offers secure employment to over 16,000 employees worldwide.	own operation	actual	short, medium and long term
S1.1 – Working conditions	PI-5	Positive impact	Our products save, protect and support lives. This purpose leads to a high level of commitment and motivation among our employees.	own operation	actual	short, medium and long term
S1.1 – Working conditions	PI-6	Positive impact	We offer employees qualification and further training measures. This helps to improve and maintain the employability of our employees.	own operation	actual	short, medium and long term
S1.2 – Equal treatment and opportunities for all	NI-13	Negative impact	With over 16,000 employees, we cannot rule out the possibility of discriminatory behavior, threats or violence in individual cases.	own operation	actual	short, medium and long term
S1.2 – Equal treatment and opportunities for all	R-5	Risk	The limited availability of qualified employees can lead to a decline in the quality of Dräger's products and services and jeopardize existing or future certifications. This could result in financial losses for Dräger.	own operation	-	short, medium and long term
S2.1 – Working conditions	NI-15	Negative impact	In our supply chain, negative effects on the health of employees are possible due to risks in the area of occupational safety.	upstream/ downstream	potential	short, medium and long term
S2.1 – Working conditions	PI-9	Positive impact	We contribute to improving the working conditions of our suppliers' employees.	upstream	actual	short, medium and long term
S2.2 – Equal treatment and opportunities	PI-10	Positive impact	Qualified training and further training for our suppliers can have a positive impact on the working and living conditions of all employees.	upstream	actual	short, medium and long term
S2.3 – Other work-related rights	NI-16	Negative impact	We cannot rule out the possibility that child or forced labor is used in the extraction of some of the raw materials we need (e.g. cobalt).	upstream	potential	short, medium and long term
S4.1 – Information-related impacts	PI-11	Positive impact	We create trust through recall information.	downstream	potential	short, medium and long term
S4.2 – Personal safety of consumers and/or end-users	PI-12	Positive impact	Our “Technology for Life” products ensure the safety of our customers and protect lives.	downstream	actual	short, medium and long term

List of material IROs

ESRS Sub-Topic	IRO-Nr.	IRO category	IRO description Report	VC allocation	Potential/ actual	Time horizon
G1.1 – Corporate culture	PI-1	Positive impact	With a corporate culture of integrity, Dräger contributes to the value-oriented behavior of employees, external partners and customers.	entire value chain	actual	short, medium and long term
G1.2 – Protection of whistleblowers	PI-2	Positive impact	Our reporting channel enables anonymous reporting in compliance with whistleblower protection.	entire value chain	actual	short, medium and long term
G1.6 – Corruption and bribery	NI-10	Negative impact	Dräger operates in countries with an increased risk of corruption and/or uses business partners for local sales whose behavior can only be controlled to a limited extent.	downstream	actual	short, medium and long term
G1.6 – Corruption and bribery	NI-11	Negative impact	Dräger procures materials either directly from suppliers or indirectly via upstream suppliers - including from countries with an increased risk of corruption.	entire value chain	potential	short, medium and long term
G1.6 – Corruption and bribery	PI-3	Positive impact	With our prevention and detection measures, we contributie to curbing corruption and bribery worldwide.	own operation/ downstream	actual	short, medium and long term
G1.6 – Corruption and bribery	R-3	Risk	Despite preventive measures, cases of corruption can occur which, if uncovered, can lead to financial damage through fines and loss of reputation.	own operation/ downstream	-	short, medium and long term
G1.6 – Corruption and bribery	R-4	Risk	Corruption cases uncovered in Dräger's deeper supply chain can also lead to financial damage through fines and loss of reputation.	upstream	-	short, medium and long term

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SBM-1	Strategy, business model and value chain	74-78
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SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	82-84
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ESRS 2 IRO-1	Description of the processes to identify and assess material climate-related impacts, risks and opportunities	98-100
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ESRS 2 GOV-1 Board's gender diversity paragraph 21 (d)	Indicator number 13 of Table #1 of Annex 1		Commission Delegated Regulation (EU) 2020/1816, Annex II		material	72
ESRS 2 GOV-1 Percentage of board members who are independent paragraph 21 (e)			Delegated Regulation (EU) 2020/1816, Annex II		material	72
ESRS 2 GOV-4 Statement on due diligence paragraph 30	Indicator number 10 Table #3 of Annex 1				material	73
ESRS 2 SBM-1 Involvement in activities related to fossil fuel activities paragraph 40 (d) i	Indicators number 4 Table #1 of Annex 1	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 of the Commission 28 Table 1: Qualitative information on Environmental risk and Table 2: Qualitative information on social risk	Delegated Regulation (EU) 2020/1816, Annex II		not material	
ESRS 2 SBM-1 Involvement in activities related to chemical production paragraph 40 (d) ii	Indicator number 9 Table #2 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II		not material	
ESRS 2 SBM-1 Involvement in activities related to controversial weapons paragraph 40 (d) iii	Indicator number 14 Table #1 of Annex 1		Delegated Regulation (EU) 2020/1818, Article 12(1) Delegated Regulation (EU) 2020/1816, Annex II		not material	
ESRS 2 SBM-1 Involvement in activities related to cultivation and production of tobacco paragraph 40 (d) iv			Delegated Regulation (EU) 2020/1818, Article 12(1) Delegated Regulation (EU) 2020/1816, Annex II		not material	
ESRS E1-1 Transition plan to reach climate neutrality by 2050 paragraph 14				Regulation (EU) 2021/1119, Article 2(1)	material	102

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ESRS E1-1 Undertakings excluded from Paris-aligned Benchmarks paragraph 16 (g)		Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 1: Banking book – Climate Change transition risk: Credit quality of exposures by sector, emissions, and residual maturity	Delegated Regulation (EU) 2020/1818, Article 12.1 (d) to (g), and Article 12(2)		not material	
ESRS E1-4 GHG emission reduction targets paragraph 34	Indicator number 4 Table #2 of Annex 1	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 3: Banking book – Climate change transition risk: alignment metrics	Delegated Regulation (EU) 2020/1818, Article 6		material	102-103
ESRS E1-5 Energy consumption from fossil sources disaggregated by sources (only high climate impact sectors) paragraph 38	Indicator number 5 Table #1 and Indicator number 5 Table #2 of Annex 1				material	104
ESRS E1-5 Energy consumption and mix paragraph 37	Indicator number 5 Table #1 of Annex 1				material	104
ESRS E1-5 Energy intensity associated with activities in high climate impact sectors paragraphs 40 to 43	Indicator number 6 Table #1 of Annex 1				material	104
ESRS E1-6 Gross Scope 1, 2, 3 and Total GHG emissions paragraph 44	Indicators number 1 and 2 Table #1 of Annex 1	Article 449a; Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 1: Banking book – Climate change transition risk: Credit quality of exposures by sector, emissions, and residual maturity	Delegated Regulation (EU) 2020/1818, Article 5(1), 6 and 8(1)		material	108
ESRS E1-6 Gross GHG emissions intensity paragraphs 53 to 55	Indicators number 3 Table #1 of Annex 1	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 3: Banking book – Climate change transition risk: alignment metrics	Delegated Regulation (EU) 2020/1818, Article 8(1)		material	108

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ESRS E1-7 GHG removals and carbon credits paragraph 56				Regulation (EU) 2021/1119, Article 2(1)	not material	
ESRS E1-9 Exposure of the benchmark portfolio to climate-related physical risks paragraph 66			Delegated Regulation (EU) 2020/1818, Annex II Delegated Regulation (EU) 2020/1816, Annex II		not material	
ESRS E1-9 Disaggregation of monetary amounts by acute and chronic physical risk paragraph 66 (a) ESRS E1-9 Location of significant assets at material physical risk paragraph 66 (c)		Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 paragraphs 46 and 47; Template 5: Banking book - Climate change physical risk: Exposures subject to physical risk.			not material	
ESRS E1-9 Breakdown of the carrying value of its real estate assets by energy efficiency classes paragraph 67 (c)		Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 paragraph 34; Template 2: Banking book – Climate change transition risk: Loans collateralised by immovable property - Energy efficiency of the collateral			not material	
ESRS E1-9 Degree of exposure of the portfolio to climate related opportunities paragraph 69			Delegated Regulation (EU) 2020/1818, Annex II		not material	
ESRS E2-4 Amount of each pollutant listed in Annex II of the EPRTR Regulation (European Pollutant Release and Transfer Register) emitted to air, water and soil, paragraph 28	Indicator number 8 Table #1 of Annex 1 Indicator number 2 Table #2 of Annex 1 Indicator number 1 Table #2 of Annex 1 Indicator number 3 Table #2 of Annex 1				not material	
ESRS E3-1 Water and marine resources paragraph 9	Indicator number 7 Table #2 of Annex 1				not material	
ESRS E3-1 Dedicated policy paragraph 13	Indicator number 8 Table #2 of Annex 1				not material	

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ESRS E3-4 Total water recycled and reused paragraph 28 (c)	Indicator number 6.2 Table #2 of Annex 1				not material	
ESRS E3-4 Total water consumption in m^3 per net revenue on own operations paragraph 29	Indicator number 6.1 Table #2 of Annex 1				not material	
ESRS 2- IRO 1 - E4 paragraph 16 (a) i	Indicator number 7 Table #1 of Annex 1				not material	
ESRS 2- IRO 1 - E4 paragraph 16 (b)	Indicator number 10 Table #2 of Annex 1				not material	
ESRS 2- IRO 1 - E4 paragraph 16 (c)	Indicator number 14 Table #2 of Annex 1				not material	
ESRS E4-2 Sustainable land/agriculture practices or policies paragraph 24 (b)	Indicator number 11 Table #2 of Annex 1				not material	
ESRS E4-2 Sustainable oceans/seas practices or policies paragraph 24 (c)	Indicator number 12 Table #2 of Annex 1				not material	
ESRS E4-2 Policies to address deforestation paragraph 24 (d)	Indicator number 15 Table #2 of Annex 1				not material	
ESRS E5-5 Non-recycled waste paragraph 37 (d)	Indicator number 13 Table #2 of Annex 1				material	120
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ESRS 2 SBM-3 - S1 Risk of incidents of forced labour paragraph 14 (f)	Indicator number 13 Table #3 of Annex I				not material	
ESRS 2 SBM-3 - S1 Risk of incidents of child labour paragraph 14 (g)	Indicator number 12 Table #3 of Annex I				not material	
ESRS S1-1 Human rights policy commitments paragraph 20	Indicator number 9 Table #3 and Indicator number 11 Table #1 of Annex I				material	125

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ESRS S1-1 Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8, paragraph 21			Delegated Regulation (EU) 2020/1816, Annex II		material	125
ESRS S1-1 processes and measures for preventing trafficking in human beings paragraph 22	Indicator number 11 Table #3 of Annex I				not material	
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ESRS S1-3 grievance/ complaints handling mechanisms paragraph 32 (c)	Indicator number 5 Table #3 of Annex I				material	125
ESRS S1-14 Number of fatalities and number and rate of work-related accidents paragraph 88 (b) and (c)	Indicator number 2 Table #3 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II		not material	
ESRS S1-14 Number of days lost to injuries, accidents, fatalities or illness paragraph 88 (e)	Indicator number 3 Table #3 of Annex I				material	133
ESRS S1-16 Unadjusted gender pay gap paragraph 97 (a)	Indicator number 12 Table #1 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II		material	134
ESRS S1-16 Excessive CEO pay ratio paragraph 97 (b)	Indicator number 8 Table #3 of Annex I				material	134
ESRS S1-17 Incidents of discrimination paragraph 103 (a)	Indicator number 7 Table #3 of Annex I				material	135
ESRS S1-17 Non- respect of UNGPs on Business and Human Rights and OECD paragraph 104 (a)	Indicator number 10 Table #1 and Indicator number 14 Table #3 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818 Art 12(1)		not material	
ESRS 2 SBM-3 – S2 Significant risk of child labour or forced labour in the value chain paragraph 11 (b)	Indicators number 12 and number 13 Table #3 of Annex I				material	136-137

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ESRS S2-1 Policies related to value chain workers paragraph 18	Indicator number 11 and number 4 Table #3 of Annex 1				material	137-139
ESRS S2-1 Nonrespect of UNGPs on Business and Human Rights principles and OECD guidelines paragraph 19	Indicator number 10 Table #1 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Art 12(1)		material	139
ESRS S2-1 Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8, paragraph 19			Delegated Regulation (EU) 2020/1816, Annex II		material	139
ESRS S2-4 Human rights issues and incidents connected to its upstream and downstream value chain paragraph 36	Indicator number 14 Table #3 of Annex 1				material	139
ESRS S3-1 Human rights policy commitments paragraph 16	Indicator number 9 Table #3 of Annex 1 and Indicator number 11 Table #1 of Annex 1				not material	
ESRS S3-1 Non- respect of UNGPs on Business and Human Rights, ILO principles or and OECD guidelines paragraph 17	Indicator number 10 Table #1 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Art 12(1)		not material	
ESRS S3-4 Human rights issues and incidents paragraph 36	Indicator number 14 Table #3 of Annex 1				not material	

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ESRS S4-1 Policies related to consumers and end- users paragraph 16	Indicator number 9 Table #3 and Indicator number 11 Table #1 of Annex 1				not material	
ESRS S4-1 Non-respect of UNGPs on Business and Human Rights and OECD guidelines paragraph 17	Indicator number 10 Table #1 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Art 12(1)		not material	
ESRS S4-4 Human rights issues and incidents paragraph 35	Indicator number 14 Table #3 of Annex 1				not material	
ESRS G1-1 United Nations Convention against Corruption paragraph 10 (b)	Indicator number 15 Table #3 of Annex 1				not material	
ESRS G1-1 Protection of whistle- blowers paragraph 10 (d)	Indicator number 6 Table #3 of Annex 1				not material	
ESRS G1-4 fines for violation of anti-corruption and anti-bribery laws paragraph 24 (a)	Indicator number 17 Table #3 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II		material	154
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Disclosures pursuant to Secs. 289a and 315a of the German Commercial Code [HGB] and explanations of the general partner

The following disclosures reflect the circumstances on the balance sheet date.

Composition of subscribed capital stock

The subscribed capital stock of Drägerwerk AG & Co. KGaA amounts to EUR 48,025,600. It consists of 10,160,000 voting bearer common shares and 8,600,000 non-voting bearer preferred shares, each with a EUR 2.56 share in capital stock. Shares of the same type carry the same rights and obligations. The rights and obligations of the shareholders are laid down in the German Stock Corporation Act (AktG), in particular in Secs. 12, 53a et seq., 118 et seq., and 186 AktG, as well as in the articles of association of the Company. As compensation for the lack of voting rights, an advance dividend of EUR 0.13 per preferred share is distributed from net earnings. If sufficient net earnings are available, a dividend of EUR 0.13 per common share is then paid. Any profit exceeding this amount, if distributed, is allocated so that preferred shareholders receive EUR 0.06 more than common shareholders. If the net earnings are not sufficient for an advance dividend for preferred shares in one or more years, the amounts are paid from the net earnings of subsequent fiscal years before a dividend is paid on common shares. If amounts in arrears are not paid in the next year along with the full preferred dividend for that year, the preferred shareholders have voting rights until the arrears have been paid. In the event of liquidation, the preferred shareholders receive 25% of net liquidation proceeds in advance. The remaining liquidation proceeds are distributed evenly among all shares.

Restrictions related to voting rights or the transfer of shares

The legal structures of Dr. Heinrich Dräger GmbH mean that neither Stefan Dräger nor Stefan Dräger GmbH, which he controls, have any influence on the exercise of the voting rights of those common shares held by Dr. Heinrich Dräger GmbH in terms of the annual shareholders' meeting of Drägerwerk AG & Co. KGaA passing resolutions on agenda items within the meaning of Sec. 285 (1) Sentence 2 AktG. There are no further restrictions that relate to voting rights or the transfer of shares, even though they could arise from agreements between shareholders.

Direct or indirect shareholdings exceeding 10%

A total of 68.67% of the common shares of Drägerwerk AG & Co. KGaA, equivalent to 37.19% of the total capital stock, belong to Dr. Heinrich Dräger GmbH, Lübeck. Its shares are mainly owned by members and companies of the Dräger family, so that the voting rights associated with the common shares are held by the Dräger family. A total of 59.72% of Dr. Heinrich Dräger GmbH, Lübeck, is held by Stefan Dräger GmbH. Stefan Dräger GmbH is wholly owned by Stefan Dräger, Lübeck. The voting rights of Stefan Dräger GmbH are to be allocated to its partner, Stefan Dräger, pursuant to Sec. 22 of the German Securities Trading Act (WpHG). Through Stefan Dräger GmbH, Stefan Dräger also holds all shares in Drägerwerk Verwaltungs AG, Lübeck, the general partner of Drägerwerk AG & Co. KGaA. This means that Stefan Dräger is a shareholder in the general partner as well as a common shareholder of Drägerwerk AG & Co. KGaA. In cases covered by Sec. 285 (1) Sentence 2 AktG, he would therefore not be entitled to vote. The corporate structure at the level of Dr. Heinrich Dräger GmbH ensures that Stefan Dräger cannot influence the exercise of voting rights of the common shares held by Dr. Heinrich Dräger GmbH with regard to these resolutions.

Shares with special rights conferring control

There are no shares with special rights conferring control or special controls over voting rights.

Nature of control over voting rights by employee shareholders who do not directly exercise their control rights

Employees of the Company or the Dräger Group can purchase common shares in the Company with voting rights on the stock exchange. They can directly exercise the control rights to which they are entitled through the ownership of common shares with voting rights like other shareholders, subject to the applicable legal regulations and the provisions of the articles of association.

Appointment and removal of management and amendments to the articles of association

In the legal form of a partnership limited by shares (KGaA), the general partner is authorized to manage and represent the Company, a regulation derived from partnership law. Drägerwerk Verwaltungs AG is the general partner of Drägerwerk AG & Co. KGaA and acts through its Executive Board. The Supervisory Board of Drägerwerk AG & Co. KGaA, which has half of its members elected by employees, is not authorized to appoint or remove the general partner or its Executive Board. The general partner joined the Company with a corresponding declaration; it withdraws from the Company in the cases defined under Sec. 14 (1) of the articles of association.

The general partner's Executive Board, which is authorized to manage and represent Drägerwerk AG & Co. KGaA, is appointed and removed pursuant to Secs. 84 and 85 AktG and Sec. 8 of the articles of association of Drägerwerk Verwaltungs AG. The Executive Board of the general partner comprises at least two persons; the Supervisory Board of the general partner determines how many other members there are. The Supervisory Board of the general partner, elected by its annual shareholders' meeting, is responsible for appointing and removing members of the Executive Board. It appoints the members of the Executive Board for a maximum of five years. Repeat appointments or extensions of the term of office are permissible.

The Supervisory Board of Drägerwerk AG & Co. KGaA is not authorized to adopt rules of procedure for management or to define a catalog of management transactions requiring its approval. The Joint Committee – comprising four members of each of the Supervisory Boards of the Company and its general partner – and not the annual shareholders' meeting, decides on the management transactions that require approval as set out in Sec. 23 (2) of the articles of association of Drägerwerk AG & Co. KGaA. The Supervisory Board of Drägerwerk AG & Co. KGaA represents the Company in dealings with the general partner.

Pursuant to Secs. 133 and 179 AktG, amendments to the articles of association must be approved by the annual shareholders' meeting. Such a resolution requires a majority of at least three-quarters of the capital stock represented at the time of the vote. The articles of association may stipulate a different majority of capital stock, but for changes in the purpose of the Company this can only be a majority of more than three-quarters of capital (Sec. 179 [2] Sentence 2 AktG). At Drägerwerk AG & Co. KGaA, pursuant to Sec. 30 (3) of the articles of association, resolutions by the annual shareholders' meeting are adopted by a simple majority of votes cast (simple voting majority) if this does not conflict with any legal provisions and, if the law additionally requires a majority of capital, by a simple majority of the capital stock represented upon adoption of the resolution (simple capital majority). The Company has not made use of the possibility pursuant to Sec. 179 (2) Sentence 3 AktG to set further requirements in the articles of association for amendments to the same agreement. In addition to the relevant majority of limited shareholders, amendments to the articles of association also require the approval of the general partner (Sec. 285 [2] AktG). Pursuant to Sec. 20 (7) of the articles of association of the Company, the Supervisory Board is authorized to make amendments and additions to the articles of association which relate only to its wording.

Power of the general partner to issue or buy back shares

In accordance with the resolution agreed upon at the annual shareholders' meeting on May 7, 2021, the general partner is entitled to increase the Company's capital until May 6, 2026, with the approval of the Supervisory Board, by up to EUR 12,006,400.00 (approved capital) by issuing new bearer common and/or preferred shares (no-par value shares) in return for cash and/or contributions in kind, in either one or several tranches. The authorization includes the approval to issue new common shares and/or non-voting preferred shares, which carry the same status as the previously issued non-voting preferred shares with regard to the distribution of profits and/or company assets. The statutory maximum capital as stipulated in Sec. 139 (2) AktG is to be taken into account: No more than half of the capital stock may be issued as non-voting preferred shares. Shareholders are principally given a subscription right in the case of a capital increase – unless the Company excludes subscription rights with the approval of the Supervisory Board. In the case of common and preferred shares being issued together, the right of holders of one share type to subscribe to the other type of shares (crossed exclusion of subscription rights) can be excluded.

In accordance with the resolution agreed upon at the annual shareholders' meeting on May 7, 2021, the general partner is entitled to issue option and/or convertible bonds with or without maturity limitations with a total nominal value of up to EUR 650,000,000.00 on one or several occasions until May 6, 2026, and to grant the holders and/or creditors option rights or conversion rights on up to 4,690,000 no-par bearer shares. This authorization includes the right to grant and/or enforce conversion or option rights and/or obligations that alternatively provide for the purchase of new common shares and/or new preferred shares without voting rights that are equivalent to the previously issued preferred shares without voting rights in the event of a distribution of profits and/or of the Company's assets. The statutory maximum capital as stipulated in Sec. 139 (2) AktG is to be taken into account: No more than half of the capital stock may be issued as non-voting preferred shares.

Shareholders are principally given a subscription right to the bonds – unless the Company excludes subscription rights with the approval of the Supervisory Board. The right of holders of shares of one class to subscribe to the bonds that grant option or conversion rights to shares of the other class may be excluded (crossed exclusion of subscription rights) if bonds with option or conversion rights and/or obligations on common and preferred shares are issued at the same time.

The share capital has been increased conditionally by up to EUR 12,006,400.00 by issuing up to 4,690,000 new bearer common shares and/or preferred shares without voting rights (conditional capital 2021) in order to grant and/or enforce option and/or conversion rights and/or obligations in relation to the holders or creditors of option and/or convertible bonds issued or guaranteed by virtue of this authorization.

In accordance with the resolution agreed upon at the annual shareholders' meeting on May 7, 2021, the general partner is entitled, until May 6, 2026, and with the approval of the Supervisory Board, to acquire own shares of up to 10% of capital stock, regardless of type (common and/or preferred shares) and to use them for all legally permissible purposes.

Material arrangements made by the Company subject to a change of control in the wake of a takeover bid

As borrowers, the Company and six subsidiaries have entered into an agreement on the conditions for the granting of credit lines totaling EUR 540 million. Under the agreement, the lender has the right to terminate the agreement and/or any individual loan agreement entered into under the agreement, and/or to request repayment of the credit lines drawn down under the individual loan agreement, in the event that a third party either (i) holds or can exercise at least 50% of the voting rights of the general partner, (ii) can at least partially provide or replace members of the management of the general partner, or (iii) can issue instructions on operational or financial matters to the management of the general partner.

Compensation agreements made by the Company with members of the Executive Board of the general partner or employees in the event of a takeover bid

There are no compensation agreements in place within the Dräger Group with members of the Executive Board of the general partner or employees in the event of a takeover bid.

Business development of Drägerwerk AG & Co. KGaA

Drägerwerk AG & Co. KGaA is the parent company of the Dräger Group. The following comments relate to this company's financial statements, prepared in accordance with the German Commercial Code (HGB). The net profit for the year and the equity ratio are the key performance indicators relevant to management. The financial standing of the Company is characterized by its function as production and group parent company. In addition to inventories and a high investment in property, plant and equipment, this implies considerable financial assets, as well as extensive receivables from and liabilities toward group companies. The business activities of the Company are largely determined by the medical technology business and the role of group parent company. The annual result is primarily influenced by domestic and foreign turnover generated by medical technology products, service revenue, investment income and profit/loss transfers. Net sales are largely attributable to affiliated companies within the Group.
↗ Please refer to the “Principles of the Group” chapter.

In fiscal year 2024, Drägerwerk AG & Co. KGaA recorded net income for the year of EUR 82.7 million (2023: EUR 52.7 million). The Company had an annual average of 3,181 employees (2023: 3,156 employees), 592 of whom worked in production (2023: 663 employees) and 2,589 in other areas (2023: 2,493 employees).

Earnings effects from operating activities

Drägerwerk AG & Co. KGaA generated a loss of EUR 92.6 million from operating activities in the 2024 fiscal year (2023: loss of EUR 105.9 million), excluding income from investments, net interest income and taxes.

Net sales from the medical technology business fell to EUR 1,113.3 million (2023: EUR 1,159.5 million). This was due in particular to the significantly lower demand for medical technology devices in China.

The cost of materials fell to EUR 601.4 million in the 2024 fiscal year (2023: EUR 629.4 million). Personnel expenses rose slightly year-on-year from EUR 318.1 million to EUR 327.6 million. Other operating expenses amounted to EUR 341.0 million (2023: EUR 381.4 million). Exchange rate gains and losses and expenses from financial assets had a negative impact on the Company's operating result.

The decline in other operating expenses is mainly due to a decrease in selling expenses and other external services.

Since January 1, 2021, the members of the Executive Board of Drägerwerk Verwaltungs AG have received their remuneration and their new pension benefits directly from Drägerwerk Verwaltungs AG. Drägerwerk AG & Co. KGaA continues to be responsible for the Executive Board members' vested rights in pension obligations granted up to December 31, 2020.

Earnings contributions of the subsidiaries

The income generated from profit and loss transfer agreements is largely attributed to the higher profit transfer of Dräger Medical International GmbH (EUR +29.9 million), Dräger ANSY GmbH (EUR +4.7 million) and Dräger Safety AG & Co. KGaA (EUR +2.6 million). This was offset by a decline at Dräger Medical Deutschland GmbH (EUR -4.4 million) and Dräger Holding International GmbH (EUR -2.1 million). Furthermore, write-downs on financial assets to the lower fair value have cost an additional EUR 21.7 million when compared to the prior year.

Income taxes

The net profit for the Company includes a tax income of EUR 45.1 million (2023: EUR 43.8 million) for the 2024 fiscal year, which resulted from the capitalization of deferred tax assets on tax loss carryforwards. A positive planning calculation for the next five years, leads to the assessment that the tax losses can be utilized.

Investments

In the 2024 fiscal year, the Company invested EUR 1.7 million (2023: EUR 1.6 million) in software and other intangible assets. The investments in property, plant and equipment amounted to EUR 16.2 million (2023: EUR 49.6 million). Key areas included investments in connection with the conversion of buildings, the construction of production facilities and the manufacture of various tools.

Net assets and financial position

After deducting cash and cash equivalents, net financial debt to banks amounted to EUR 197.4 million (2023: EUR 248.2 million) as at December 31, 2024. Group financing of affiliated companies came to EUR 77.2 million. The equity of Drägerwerk AG & Co. KGaA stood at EUR 1,011.5 million, increasing by a total of EUR 47.6 million year on year. The net profit for the year of EUR 82.7 million had a significant impact on the equity ratio. The decline in total assets and the increase in equity gave Drägerwerk AG & Co. KGaA an equity ratio of 52% as at the balance sheet date (2023: 48.7%).

Risks and opportunities for the future development of the Company

The statements in the section “Risks and opportunities for the future development of the Dräger Group” of this management report also apply to Drägerwerk AG & Co. KGaA. This is due to the profit and loss transfer agreements in place at the German subsidiaries and the dividend resolution options at the foreign subsidiaries and the resulting close link between Drägerwerk AG & Co. KGaA to the development of the net assets, financial position and results of operations of the other operating companies and thus of the Dräger Group.

Comparison of forecast figures and actual figures

Drägerwerk AG & Co. KGaA’s earnings developed better than originally expected in the 2024 fiscal year, despite a decline in net sales. Net profit amounted to EUR 82.7 million (Forecast for 2024: Earnings at prior-year level). EUR 33.2 million was distributed on common and preferred shares for fiscal year 2023. Net financial debt in fiscal year 2024 came to EUR 197.4 million. The equity ratio of 52.0% was slightly above the prior-year figure and thus in keeping with our expectations.

Forecast for fiscal year 2025

We anticipate profitable growth for the 2025 fiscal year. This assumption is based on the fact that we believe the opportunities outweigh the risks and that our markets continue to offer very good opportunities overall. Demand for our products and services is high. Our aim is to exploit this potential by implementing our strategic measures. Beyond this, we do not currently expect any significant adverse effects on our business.

In the 2024 fiscal year, we generated net profit for the year of EUR 82.7 million. This had a significant impact on the equity ratio in the reporting year (December 31, 2024: 52.0%). For 2025, we expect net profit to remain at the prior year’s level, without the positive effect from capitalization of deferred tax assets, and a slight increase of the equity ratio.

Declaration/Group declaration of corporate governance (Secs. 289f and 315d of the German Commercial Code [HGB])[1]

The Company management prepared the single entity financial statements and combined management report of Drägerwerk AG & Co. KGaA and is responsible for the contents of both documents and the objectivity of the information provided therein. The same applies to the combined management report associated with the single entity financial statements.

The financial statements were prepared in accordance with the German Commercial Code.

Report on corporate governance

Dräger attaches great importance to corporate governance, which stands for a responsible and transparent management and control process that focuses on a long-term increase in the value of the Company. It fosters the trust of investors, customers, employees, and the public. To underline this, the German Corporate Governance Code, which is actually oriented toward stock corporations, is applied at Drägerwerk AG & Co. KGaA. The features of the management and control structure of Drägerwerk AG & Co. KGaA, as well as the significant rights of our shareholders, are explained below, along with the special features compared to a stock corporation.

Partnership limited by shares

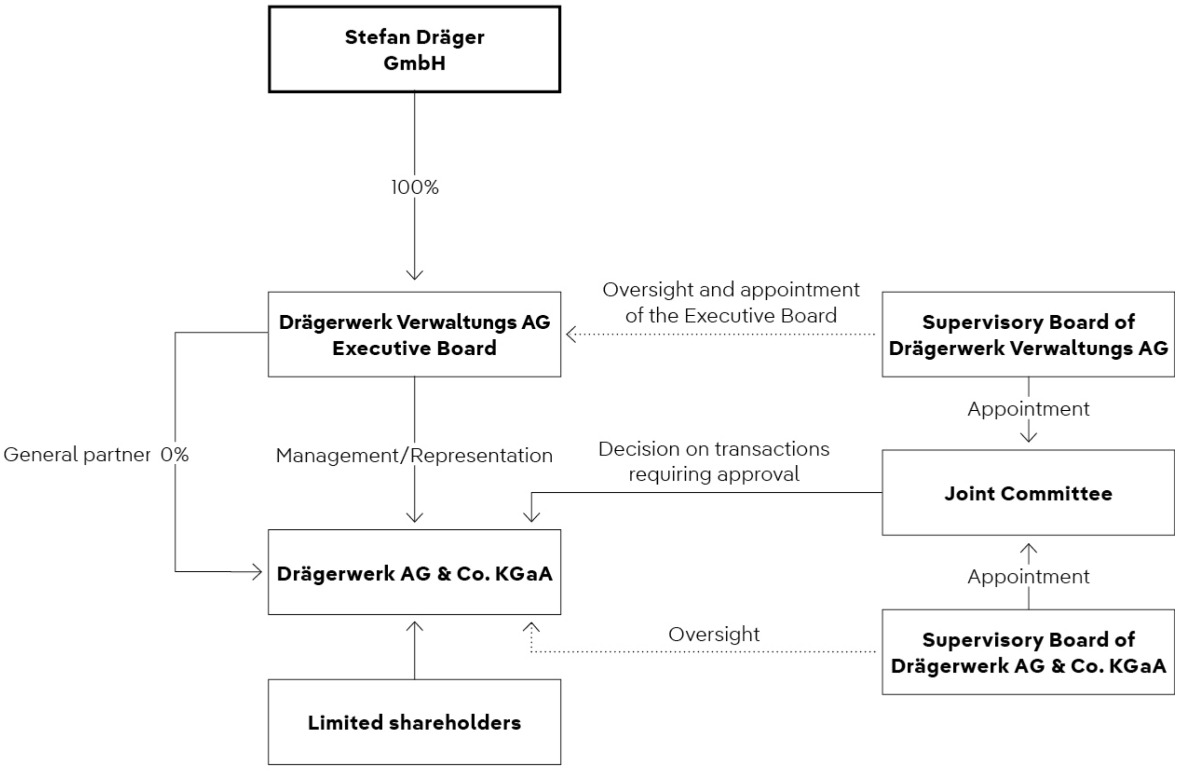
According to Sec. 278 (1) AktG, "The public partly limited partnership is a company having a legal personality of its own in which at least one shareholder is liable to the creditors of the Company without limitation (general partner) and the remaining shareholders, without being personally liable for the obligations of the Company, have an ownership interest in the share capital divided up into shares of stock (limited liability shareholders of a public partly limited partnership)". Hence, a partnership limited by shares is a hybrid between a stock corporation and a limited partnership, with the character of a stock corporation predominating. As is the case at a stock corporation, a partnership limited by shares is also required by law to have a two-tier management and oversight structure. The general partner manages the Company and its operations, while the Supervisory Board oversees the Company's management. The primary difference from a stock corporation is that rather than an executive board, a KGaA has general partners represented by their executive board (who also generally manage its business). In addition, the rights and responsibilities of the supervisory board are limited.

At a stock corporation, the executive board is appointed by the supervisory board. At a KGaA, however, it does not appoint the general partners (or their management bodies) and does not determine their contractual conditions. It is also not authorized to adopt rules of procedure for management or to define a catalog of management transactions requiring approval. There are also differences relating to the annual shareholders' meeting: Certain resolutions must be approved by the general partner (Sec. 285 [2] AktG), in particular the resolution to approve the financial statements (Sec. 286 [1] AktG). Many of the recommendations of the German Corporate Governance Code (hereinafter also referred to as the "Code"), which is designed for stock corporations, can therefore only be applied to a limited extent to a partnership limited by shares.

The sole general partner of Drägerwerk AG & Co. KGaA is Drägerwerk Verwaltungs AG, which is a wholly owned company of Stefan Dräger GmbH. Drägerwerk Verwaltungs AG manages the operations of Drägerwerk AG & Co. KGaA and represents it, acting through its Executive Board. Drägerwerk Verwaltungs AG does not hold an equity interest in Drägerwerk AG & Co. KGaA.
↗ Please refer to the "Drägerwerk AG & Co. KGaA" chart on the next page.

[1] This section also refers to the Group sustainability statement in this combined management report. The disclosures in this section were not audited by the auditor.

Drägerwerk AG & Co. KGaA



Declaration of conformity

The joint declaration of conformity by the general partner and the Supervisory Board of Drägerwerk AG & Co. KGaA was discussed and approved at the meeting of the Supervisory Board on December 11, 2024. It states that the Company applied the recommendations of the Government Commission of the German Corporate Governance Code in most areas.

This declaration was published by the Company on December 20, 2024 with the following wording:

“The recommendations of the Government Commission on the German Corporate Governance Code are tailored to the circumstances of a stock corporation. Insofar as these recommendations functionally affect the general partner and bodies of the AG & Co. KGaA due to special features of its legal form, Dräger applies these recommendations to Drägerwerk Verwaltungs AG.

The general partner, represented by its Executive Board, and the Supervisory Board declare that Drägerwerk AG & Co. KGaA has complied and will comply with the recommendations of the Government Commission on the German Corporate Governance Code as amended on April 28, 2022 since issuing its last declaration of conformity on December 20, 2023 with the following exceptions:

Recommendation G.10 is partly not complied with. According to this recommendation, the variable remuneration amounts granted to the member of the Executive Board, taking into account the long-term tax burden, shall be invested primarily in shares of the Company or granted accordingly on a share basis. The Executive Board member shall only be able to dispose of these after four years. In the current remuneration system, the majority of the variable remuneration component is based on the development of the Company-specific Dräger Value Added (DVA) key figure in a three-year and a five-year period. In the opinion of the Supervisory Board, this alignment of remuneration is the best possible way to achieve a balanced increase in company value for all stakeholders. In addition, part of the payment of the annual bonus is invested in virtual shares with a holding period of five years. As a result, remuneration will also be linked to Dräger's performance on the capital market, thus creating a specific incentive to achieve a sustainable increase in value in the interests of our shareholders.

Recommendation G.11 is partly not complied with. According to this recommendation, the Supervisory Board shall have the possibility to take extraordinary developments into account within an appropriate framework. In justified cases, it shall be possible to retain or reclaim variable remuneration. With regard to possible retention or repayment claims of variable remuneration components, the Supervisory Board considers the statutory liability regime to be sufficient."

Oversight bodies

The Supervisory Board of Drägerwerk AG Co. KGaA has twelve members, half of whom are elected by shareholders and half by employees in accordance with the German Co-determination Act (MitbestG). The chief purpose of the Supervisory Board is to oversee the management by the general partner. It cannot appoint or remove the general partner or its Executive Board, nor is it authorized to define a catalog of management transactions. The Company's annual shareholders' meeting, not the Supervisory Board, is responsible for approving the financial statements of Drägerwerk AG & Co. KGaA. Several members of the Supervisory Board hold or held high-ranking positions at other companies. However, all of the shareholder representatives on the Supervisory Board are independent of the Company in the sense defined by the Corporate Governance Code. Where business relationships with Supervisory Board members exist, transactions are conducted on an arm's length basis as between unrelated parties and do not affect the independence of the members. The Supervisory Board of Drägerwerk Verwaltungs AG, which exists in parallel, has six members who are elected by Stefan Dräger GmbH and are also currently the shareholder representatives on the Supervisory Board of Drägerwerk AG & Co. KGaA. The Supervisory Board of Drägerwerk Verwaltungs AG therefore does not have any employee representatives. It appoints the Executive Board of Drägerwerk Verwaltungs AG.

Pursuant to Sec. 22 of the Company's articles of association, Drägerwerk AG & Co. KGaA has set up a Joint Committee as a voluntary, additional body. It comprises eight members: four members each from the Supervisory Boards of Drägerwerk Verwaltungs AG and Drägerwerk AG & Co. KGaA, which must include two shareholder representatives and two employee representatives from the Supervisory Board of Drägerwerk AG & Co. KGaA. The Joint Committee decides on the extraordinary management transactions by the general partner that require approval as set out in Sec. 23 (2) of the articles of association of Drägerwerk AG & Co. KGaA.

The Supervisory Board of Drägerwerk AG & Co. KGaA has resolved that, when selecting its members pursuant to recommendation C.1 of the Code, it will be guided by the following requirement profile, including the following competencies and goals that take into account diversity:

- professional and personal qualifications,
- business management experience at German and foreign companies with a worldwide presence in various cultural regions,
- experience as a representative of family-owned as well as listed companies,
- a proven track record in finance and accounting as well as in financing and capital market communication,
- experience in marketing and sales in diversified technology companies,
- intellectually and financially independent persons with a high degree of personal integrity who do not have a conflict of interest with the Company,
- expertise in sustainability issues that are significant to the Company,
- the majority of shareholder representatives are independent members, and
- must be under 72 years of age for new election or re-election.

The most recent elections for shareholder representatives took place at the annual shareholders' meeting on May 5, 2023. The criteria described above were taken into account and fulfilled without exception. It was ensured that a high proportion of Supervisory Board members have experience in representing family-run companies and listed companies, as well as in marketing and sales at technology-led companies. It is the view of the Supervisory Board that, in its current composition, it possesses the requirements included in the competency profile:

Qualification matrix

	Intellectually and financially independent personality of high personal integrity	International management experience with presence in various cultural regions	Experience in family-owned and/or listed companies	Proven track record in finance and accounting as well as in financing and capital market communication
Members	12	8	10	7

Qualification matrix

	Experience in marketing and sales at diversified technology companies	Expertise in sustainability issues and organisation of ESG concerns	Independent of the Company and free of conflicts of interest	Not older than 71 years for new election or re-election
Members	9	10	8	12

According to the assessment of the Supervisory Board, the shareholder representatives Stefan Lauer, Maria Dietz, Professor Dr. Thorsten Grenz, Astrid Hamker, Frank Riemensperger, and Dr. Reinhard Zinkann are independent as defined by recommendation C.6 of the German Corporate Governance Code. The indicators to be taken into consideration under recommendation C.7 of the Code when assessing independence have been fulfilled without exception for all of the aforementioned Supervisory Board members, with the exception of the indicator relating to the duration of Supervisory Board membership, in the cases of Professor Dr. Thorsten Grenz and Dr. Reinhard Zinkann. Both of these members have served on the Supervisory Board since 2008 and have since then continued discharging their duties with outstanding commitment and tremendous care. As a result, the Supervisory Board believes their independence is not impaired. Frank Riemensperger has been a member of the Supervisory Board since 2023, Stefan Lauer since 2013. Maria Dietz and Astrid Hamker have been members since 2018. On the employee side, Bettina van Almsick has been a member of the Supervisory Board since 2016, and Christian Fischer since 2022. Andrea Görndt, Henning Groskreutz, and Laura Pooth were elected to the Supervisory Board in 2023. Eckard Gesell has been a member of the Supervisory Board since July 1, 2024. He succeeds Stefanie Hirsch, who stepped down from the Supervisory Board at the end of June 30, 2024 due to taking up her position on the Executive Board.

The Supervisory Board of Drägerwerk AG Co. KGaA monitors and advises the Executive Board of the general partner in the management of the partnership limited by shares. The Supervisory Board regularly discusses business performance and plans as well as the implementation of the business strategy based on written and oral reports by the Executive Board of the general partner. It reviews the financial statements of Drägerwerk AG & Co. KGaA and the Dräger Group. In doing so, it takes into account the audit reports of the auditor of the consolidated financial statements and the results of the review by the Audit Committee. The Supervisory Board makes its recommendation to the annual shareholders' meeting for a resolution to adopt the financial statements and to approve the Group financial statements.

Appointing and removing members of the Executive Board of Drägerwerk Verwaltungs AG, which manages the operations of Drägerwerk AG & Co. KGaA as the legal representative of the general partner, is the task of the Supervisory Board of Drägerwerk Verwaltungs AG.

In an effort to improve its effectiveness and efficiency, the Supervisory Board of Drägerwerk AG & Co. KGaA has established an audit committee pursuant to Section 107 (4) Sentence 1 in conjunction with Section 107 (3) Sentence 2 of the German Stock Corporation Act (AktG) and a nomination committee in accordance with recommendation D.4 of the Code. The Audit Committee has five members, three of whom are shareholder representatives (Professor Dr. Thorsten Grenz, who is Chairman of the Audit Committee, Stefan Lauer and Frank Riemensperger) and two of whom are employee representatives (Henning Groskreutz and Christian Fischer). The Supervisory Board ensures that the Committee members are independent and places great emphasis on their particular knowledge and experience in applying accounting standards and internal control processes. The Audit Committee monitors the adequacy and functional integrity of the Company's external and internal financial reporting system. Together with the auditor of the consolidated financial statements, the Audit Committee discusses the reports drawn up by the Executive Board during the year, the Company's financial statements, and the audit reports. On this basis, the Audit Committee draws up recommendations for the approval of the financial statements by the annual shareholders' meeting. It deals with the Company's internal control system and with the procedure for recording risks, for risk control, and risk management as well as with the compliance management system. The Internal Audit department reports regularly to the Audit Committee and is assigned by this Committee to carry out audits as is deemed necessary. Please refer to the report of the Supervisory Board for more.

The majority of the audit committee members possess the knowledge and skills necessary for this position and fulfill the requirements to be considered “financial experts”. Due to his years of service as CFO of companies listed on the stock exchange, his role as an active and former member and financial expert in multiple supervisory boards, his leading position at a professional association of financial experts and honorary professor of business administration, Prof. Dr. Thorsten Grenz is considered to have particularly expert knowledge in the area of accounting as the Chair of the Audit Committee. Due to his long-standing position as Chair of the Executive Board of the German subsidiary of a leading global consulting firm and as Chair and member of supervisory boards, where he supervised multiple audits of annual financial statements including various audits and analyses of the economic, tax, and legal circumstances in takeover situations (due diligence), Frank Riemensperger is considered to have particularly expert knowledge in the area of auditing financial statements as a member of the Audit Committee.

The Nomination Committee consists of three shareholder representatives: Maria Dietz, Stefan Lauer and Dr. Reinhard Zinkann. Mr. Stefan Lauer was Chairman of the Nomination Committee until December 31, 2024. Maria Dietz took over as Chairwoman on January 1, 2025. This committee is charged with proposing suitable candidates for election to the Supervisory Board. On this basis, the Supervisory Board compiles appropriate suggestions for the annual shareholders' meeting.

The Supervisory Board regularly deals with the application and enhancement of corporate governance principles within the Dräger Group. The Supervisory Board evaluates its activities and conducts an internal efficiency audit at regular intervals, most recently in 2023 for the period 2022/2023.

Management

Drägerwerk Verwaltungs AG manages the business of Drägerwerk AG & Co. KGaA as general partner.

It acts through its Executive Board, which makes decisions on corporate policy in its role as the managing body of Drägerwerk AG & Co. KGaA and the Dräger Group. The Executive Board determines the Company’s strategic focus, plans and sets budgets, is responsible for resource allocation, and monitors business performance. It also compiles the quarterly reports and the financial statements of Drägerwerk AG & Co. KGaA and the Group. It works closely with the oversight bodies. The Chairman of the Executive Board works closely with the Chairman of both Supervisory Boards – of the Company and of the general partner. He regularly provides the Supervisory Board with up-to-date and comprehensive information on all issues relevant to the Company: strategy and its implementation, planning, business performance, financial position, and results of operations, as well as business risk. The Chairman of the two Supervisory Boards speaks regularly with the Chairman of the Executive Board and the other Executive Board members, including about their personal plans and prospects as Executive Board members, as well as the existing opportunities in their area of responsibility.

The Supervisory Board of Drägerwerk Verwaltungs AG approved the rules of procedure and its allocation of responsibilities for the Executive Board at its meeting on May 8, 2024. As an age limit within the meaning of recommendation B.5 of the German Corporate Governance Code, the Supervisory Board of Drägerwerk Verwaltungs AG has stipulated that the age of an Executive Board member should, as a rule, not exceed 67 during the member’s term in office.

Relationship to shareholders

The annual shareholders' meeting is held annually within the first eight months of the fiscal year. Among other things, it approves the financial statements of Drägerwerk AG & Co. KGaA and votes on profit appropriation, the approval of the actions of the general partner and of the Supervisory Board, and the election of the auditor of the consolidated financial statements. Furthermore, it elects the shareholder representatives to the Supervisory Board and approves amendments to the articles of association and changes in capital, which the general partner implements. The shareholders exercise their rights at the annual shareholders' meeting in accordance with the legal requirements and the Company's articles of association. Insofar as the resolutions of the annual shareholders' meeting relate to extraordinary transactions and core business, they additionally require the approval of the general partner.

In addition, Dräger reports to its shareholders on business performance, net assets, financial position, and results of operations in two quarterly reports, in its half-yearly financial report, and in the annual report.

Compliance

The internal control system (ICS) and the risk management system (RMS) are supplemented by the compliance management system (CMS), which is oriented in line with the Company's risk position. For more than 130 years, Dräger has stood for "Technology for Life". The highest degree of professionalism and reliability and acting according to the principles of honorable business determine our conduct. "Lever Schaden as Schimp" – better a loss than a disgrace – was the Dräger family motto even before the founding of the Company and underscores the fact that Dräger stands for honest business only. We would rather lose money than risk the Company's good reputation and the trust of customers and employees alike. Our CMS makes sure that we meet this standard.

The CMS presented here is based on three pillars: prevent, identify, and respond, it encompasses the legal risk areas of anti-corruption, antitrust law, conflicts of interest, and preventing fraud (known as "compliance aspects"). The system is based on a comprehensive internal framework – our Principles of Business and Conduct – that describe our system of values. They are a compass that every one of us can use as guidance for their own actions. These principles are completed by business-specific rules in the handbook for employees and managers, which determine how these values are to be reflected in our everyday work.
www.draeger.com/en-us_us/About-Draeger/Company-Principles

Appropriate management and further development measures, as well as training concepts, aim to ensure that compliance principles are known and upheld throughout the Group and that the CMS is always aligned with the Company's risk position.

Our "Speak Up" initiative, compliance risk management and compliance audits and reviews as elements of the CMS are all aimed at identifying compliance risks at an early stage and taking appropriate, effective measures to avoid or minimize risks. As part of the "Letter of Assurance" and "Request for Improvement" reports, we obtain dedicated feedback from the foreign subsidiaries as to whether and, if so, in which area there is a need for support to counter the locally identified risks.

Another measure for managing identified sales-related risks – the process for assessing sales and distribution partners (Sales Channel Partner Integrity Assessment – SCPIA) – is gradually being rolled out. The application, which has been developed in-house, provides guidance through all phases of the assessment process and ensures that, when assessing sales and distribution partners, we meet our requirements concerning transparency and documentation.

We encourage our employees to engage in discussions with their managers and colleagues on the subject of compliance and integrity, and to voice any concerns they might have with regard to a business transaction. Employees also have the opportunity to discuss their concerns with Dräger's compliance experts in special advisory meetings. Moreover, the Dräger Integrity Channel, a web-based whistleblower channel, is available to all employees and to third parties worldwide. As a result, it also meets the requirements of the German Corporate Governance Code (DCGK) and the German Supply Chain Due Diligence Act (LkSG).

The activities of the compliance function in fiscal year 2024 included providing counsel and guidance on the aforementioned aspects of compliance, focusing above all on the following subjects:

- Development of resources in the Corporate Compliance Office (CCO) (headquarters), appointment of additional local compliance appointees, establishment of additional local compliance bodies and compliance ambassador programs (also as a local personnel development program),
- several compliance communication measures in internal and external media by the CCO, Regional and Local Compliance,
- redesign of online compliance training, refresher training and implementation of various virtual training sessions for employees and sales partners; initiation of an ethical leadership program in a regional management team,
- improvement of the target group-specific allocation of compliance training and training reporting,
- continuation of the digitalization of compliance reporting processes,
- monitoring of the further development of compliance issues in the Group, in particular the LkSG and CSRD requirements and the requirements under whistleblower protection legislation,
- revision of the compliance risk assessment and its digitalization,
- increased monitoring measures of the process for reviewing sales partners in coordination with the process owner from Sales & Service Excellence as well as
- conducting incident-based investigations based on whistleblower reports and evaluating compliance audits that are independent of specific incidents.

The Head of the Corporate Compliance Office (CCO) reports to the Executive Board once per quarter in an ordinary Executive Board meeting and, if required, also on an ad hoc basis. Within this reporting cycle, the designated Executive Board member is informed on material topics relating to the compliance function in regular feedback meetings with the General Counsel (Chair of the Corporate Compliance Committee (CCC)).

The Executive Board receives a comprehensive compliance report once per year. In this annual report, the Executive Board receives an overview of the Company-wide compliance risk situation and the development of the compliance aspects in relation to the three basic compliance functions (prevent, identify, and respond).

In the final meeting of each year, the compliance function reports to the Audit Committee of the Drägerwerk AG & Co. KGaA Supervisory Board on behalf of the Executive Board.

The entire CMS is continuously adjusted in line with business-specific risks and various local regulatory requirements. As part of this process, the results of internal consultations and investigations, dialog with the global compliance organization, and the compliance and business standard audits are used, among other things, to determine measures to develop the CMS further.

Declaration pursuant to Sec. 161 AktG

Our declaration of conformity is available to the public at www.draeger.com in the “Investor Relations/Corporate Governance” section
↗ and additionally in this chapter.

Remuneration report and remuneration system

The remuneration report for the past fiscal year and the auditor’s report pursuant to Sec. 162 AktG, the applicable remuneration system pursuant to Sec. 87a (1) and (2) Sentence 1 AktG, and the most recent remuneration resolution pursuant to Sec. 113 (3) AktG are available to the public on the Company website.

Our remuneration report is available to the public on the Company website www.draeger.com in the “Investor Relations/Calendar and publications” section.
Our remuneration system is also available to the public at www.draeger.com in the “About Dräger/Executive Board” section.

Disclosure on corporate governance practices

The Executive Board has implemented effective internal control systems and relevant employee training measures to ensure that the Group’s financial reporting system is correct and complies with legal requirements. The Company’s principles and their application are based on integrity and social responsibility in areas such as environmental protection, quality, product and process safety, and compliance with local laws and regulations. The Internal Audit department continuously monitors the implementation of these principles as well as the reliability and functionality of the control systems. The Executive Board of Drägerwerk Verwaltungs AG governs the Group in the interest of its shareholders and is aware of its responsibility to employees, society, and the environment. We have made it our goal to use the resources entrusted to us in a manner that increases the value of the Dräger Group. According to the resolution passed by the annual shareholders' meeting on May 8, 2024, the Supervisory Board appointed KPMG AG Wirtschaftsprüfungsgesellschaft as the independent auditor of the single entity financial statements of Drägerwerk AG & Co. KGaA for fiscal year 2024.

The auditing firm also examined the existing risk management system with regard to the Control and Transparency in Business Act (Gesetz zur Kontrolle und Transparenz im Unternehmensbereich—KonTraG). Representatives of the statutory auditor attend the Audit Committee's meeting as well as the Supervisory Board's meeting to discuss the financial statements, during which the management report and auditor's report are deliberated on. The Supervisory Board has issued a separate report on this subject in the report of the Supervisory Board in the annual report 2024.

Working methods of the Executive and Supervisory Boards

Drägerwerk Verwaltungs AG manages the operations of Drägerwerk AG & Co. KGaA.

In its role as the managing body of Drägerwerk AG & Co. KGaA and of the Dräger Group, the Executive Board of Drägerwerk Verwaltungs AG makes decisions on corporate policy. It determines the Company's strategic focus, plans and sets budgets, is responsible for resource allocation, and monitors business performance. It also compiles the quarterly reports and the financial statements of Drägerwerk AG & Co. KGaA and the Group. It works closely with the oversight bodies. The Chairman of the Supervisory Boards of the Company and of the general partner works closely with the Chairman of the Executive Board of the general partner. The latter provides regular, up-to-date and comprehensive information on all issues relevant to the Company: Strategy and strategy implementation, planning, business development, the financial and earnings situation and entrepreneurial risks.

Target indicators pursuant to Secs. 76 (4) and 111 (5) AktG

At its meeting on July 4, 2022, the Executive Board of the general partner defined a target of 20% in relation to female participation in the first level of management below the Executive Board and a target of 23% for the second level of management below the Executive Board. The deadline for the achievement of these two targets was set at June 30, 2027. The quotas, targets, and reasons provided above fulfill the legal reporting requirements.

↗ For further information on the topic of "Women in management positions", please refer to the Group sustainability statement.

Minimum quotas for the composition of the Supervisory Board

The Company follows the regulations under Sec. 96 (2) AktG regarding the minimum quotas for women and men for the composition of the Supervisory Board.

Diversity concept regarding the composition of the Executive Board of the general partner and the Supervisory Board

In its goals, the Supervisory Board has established a number of criteria for its composition that take diversity into account. These can be found in the report on corporate governance in this section. In the view of the Supervisory Board its current composition fully meets all goals. The composition of the Supervisory Board continues to meet the minimum quotas set by Sec. 96 (2) AktG. No diversity concept beyond these criteria has been determined for the Supervisory Board.

The composition of the general partner's Executive Board is based on the regulations of Sec. 76 AktG for large stock corporations and the recommendations of the German Corporate Governance Code. The Executive Board is made up of six individuals selected for their responsibilities only by the respective necessary qualifications. No diversity concept beyond these criteria has been determined for the Executive Board. The Company does not comply with the minimum requirements concerning the Executive Board of the general partner as the provisions of Sec. 76 (3a) AktG do not apply to the general partner.

Forward-looking statements

This combined management report contains forward-looking statements. These statements are based on the current expectations, presumptions, and forecasts of the Executive Board of Drägerwerk Verwaltungs AG, as well as the information available to it to date. The forward-looking statements do not provide any guarantee of the future developments and results contained therein. Rather, the future developments and results are dependent on a number of factors; they entail various risks and uncertainties and are additionally based on assumptions that could prove to be incorrect. We do not assume any responsibility for updating the forward-looking statements made in this report.

Lübeck, March 11, 2025

The general partner
Drägerwerk Verwaltungs AG
represented by its Executive Board

Stefan Dräger
Stefanie Hirsch
Rainer Klug
Gert-Hartwig Lescow
Dr. Reiner Piske
Anton Schrofner

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Annual Financial Statements Dräger Group

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Annual Financial Statements 2024 of the Dräger Group

Consolidated income statement of the Dräger Group January 1 to December 31

in € thousand	Notes	2024	2023
Net sales	9	3,370,880	3,373,504
Cost of sales	10	-1,858,423	-1,913,810
Gross profit		**1,512,457**	**1,459,694**
Research and development costs	11	-333,066	-325,362
Marketing and selling expenses	12	-731,836	-717,765
General administrative costs	13	-275,876	-237,919
Impairment losses and gains on financial assets and contract assets	14	-2,657	-8,194
Other operating income	15	41,457	9,283
Other operating expenses	15	-4,449	-6,921
Functional expenses		**-1,306,427**	**-1,286,878**
Result from net exposure from monetary items	7	453	1,466
Result from associates accounted for using the equity method		898	-3,231
Other expenses from investments in associates		-7,720	-987
Result from other investments		-1,592	-1,022
Other financial result		-4,048	-2,612
Financial result (before interest result)	**16**	**-12,010**	**-6,385**
EBIT		**194,020**	**166,431**
Interest and similar income		8,433	5,987
Interest and similar expenses		-27,060	-31,098
Interest result	**16**	**-18,626**	**-25,111**
Earnings before income taxes		**175,393**	**141,320**
Income taxes	17	-50,632	-29,327
Net profit		**124,762**	**111,994**
Net profit		**124,762**	**111,994**
Earnings to non-controlling interests		354	1,561
Earnings attributable to shareholders	20	124,408	110,433
Undiluted earnings per share	**20**		
per preferred share (in €)		6.67	5.92
per common share (in €)		6.61	5.86
Diluted earnings per share	**20**		
per preferred share (in €)		6.67	5.92
per common share (in €)		6.61	5.86

Consolidated statement of the comprehensive income of the Dräger Group

in € thousand	Notes	2024	2023
Net profit		**124,762**	**111,994**
Items that cannot be reclassified into the income statement			
Remeasurements of defined benefit pension plans	32	27,192	-21,441
Deferred taxes on remeasurements of defined benefit pension plans		-5,411	10,659
Items that may be reclassified into the income statement in the future			
Currency translation adjustment for foreign subsidiaries		16,817	-14,292
Changes in the fair value of the cash flow hedge reserve recognized directly in equity		144	1,153
Deferred taxes on changes in the fair value of the cash flow hedge reserve recognized directly in equity		-15	-394
Other comprehensive income (after taxes)		**38,728**	**-24,315**
Total comprehensive income		**163,489**	**87,679**
of which attributable to non-controlling interests		344	1,213
thereof earnings attributable to shareholders		163,146	86,466

Consolidated balance sheet of the Dräger Group

in € thousand	Notes	December 31, 2024	December 31, 2023
Assets			
Intangible assets	21	342,848	345,640
Property, plant and equipment	22	433,145	456,172
Right-of-use assets	38	115,836	115,104
Investments in associates	23	801	11,552
Non-current trade receivables	24	4,936	2,658
Other non-current financial assets	25	29,398	20,343
Deferred tax assets	17	258,301	262,989
Other non-current assets	28	23,405	8,342
Non-current assets		**1,208,669**	**1,222,800**
Inventories	26	662,585	654,740
Trade receivables	24	788,446	727,494
Contract assets	24	52,886	55,111
Other current financial assets	25	51,770	27,041
Cash and cash equivalents	27	230,599	271,956
Current income tax refund claims		31,013	68,294
Other current assets	28	67,465	63,669
Current assets		**1,884,765**	**1,868,305**
Non-current assets classified as held for sale	**29**	**-**	**3,445**
Total assets		**3,093,435**	**3,094,549**
Equity and liabilities			
Capital stock		48,026	48,026
Capital reserves		307,890	307,035
Reserves retained from earnings, including group result		1,184,379	1,071,284
Treasury shares		-2,535	0
Other comprehensive income		-2,609	-19,566
Total equity of shareholders of Drägerwerk AG & Co. KGaA		**1,535,150**	**1,406,778**
Non-controlling interests	31	1,646	2,457
Equity	**30**	**1,536,796**	**1,409,235**
Provisions for pensions and similar obligations	32	180,419	204,562
Non-current personnel provisions	33	36,566	35,412
Other non-current provisions	33	15,673	15,335
Non-current note loans	34	100,000	100,000
Non-current liabilities to banks	34	104,354	157,711
Other non-current financial liabilities	35	87,382	92,950
Non-current income tax liabilities		2,257	2,780
Deferred tax liabilities	17	1,637	1,671
Other non-current liabilities	36	49,869	50,788
Non-current liabilities		**578,157**	**661,210**
Current personnel provisions	33	121,310	127,191
Other current provisions	33	145,189	148,870
Current liabilities to banks	34	67,394	92,630
Trade payables	35	230,648	215,864
Other current financial liabilities	35	103,966	115,587
Current income tax liabilities		45,144	80,076
Other current liabilities	36	264,831	240,304
Current liabilities		**978,481**	**1,020,522**
Liabilities from non-current assets classified as held for sale	**29**	**-**	**3,582**
Total equity and liabilities		**3,093,435**	**3,094,549**

Consolidated cash flow statement of the Dräger Group

	in € thousand	Notes	2024	2023
Operating activities				
	Earnings after income taxes		124,762	111,994
+	Write-down/write-up of non-current assets		146,997	151,316
+	Interest result		18,626	25,111
+	Income taxes		50,632	29,327
-	Decrease in provisions		-27,698	-4,898
+	Other non-cash expenses		4,156	28,311
+/-	Loss/gain from the disposal of non-current assets		-11,920	6,557
+/-	Decrease/increase in inventories		-6,170	12,968
-	Increase in leased equipment		-11,457	-12,049
-	Increase in trade receivables		-67,865	-68,495
+/-	Decrease/increase in other assets		-5,531	28,719
+/-	Increase/decrease in trade payables		14,928	-67,217
+/-	Increase/decrease in other liabilities		-1,420	24,212
+	Dividends received		672	396
-	Cash outflow for income taxes		-50,408	-61,462
-	Cash outflow for interest		-19,430	-20,929
+	Cash inflow from interest		8,433	5,815
	Cash inflow from operating activities		**167,308**	**189,677**
Investing activities				
-	Cash outflow for investments in intangible assets		-3,890	-3,143
+	Cash inflow from disposals of intangible assets		8	102
-	Cash outflow for investments in property, plant and equipment		-59,895	-65,068
+	Cash inflow from disposals of property, plant and equipment		11,237	1,113
-	Cash outflow for investments in financial assets		-6,325	-922
+	Cash inflow from disposals of financial assets		129	14
+	Cash inflow from disposals of business areas and subsidiaries	29	15,350	561
	Cash outflow from investing activities		**-43,386**	**-67,341**
Financing activities				
-	Distribution of dividends (including payments to participation certificates holders in 2023)	30	-33,158	-3,681
-	Cash outflow from the repurchase of participation certificates		-	-208,806
-	Cash outflow from the acquisition of treasury shares for the employee share program	30	-2,535	-3,962
+	Cash inflow from the transfer of treasury shares from the employee share program	30	-	3,066
+	Cash provided by raising loans		6,022	168,620
-	Cash used to redeem loans		-13,084	-91,737
+/-	Net balance of other liabilities to banks		-71,373	28,487
-	Repayment of lease liabilities		-46,102	-46,407
-	Profit distributed to non-controlling interests		-1,155	-140
	Cash outflow from financing activities		**-161,385**	**-154,561**
Change in cash and cash equivalents in the fiscal year			**-37,463**	**-32,225**
-	Effect of exchange rates on cash and cash equivalents		-3,894	-7,373
+	Cash and cash equivalents at the beginning of the fiscal year		271,956	311,554
	Cash and cash equivalents at the end of the fiscal year		**230,599**	**271,956**

Consolidated statement of changes in equity of the Dräger Group

in € thousand	Capital stock	Capital reserves	Reserves retained from earnings incl. group result	Treasury shares	Other comprehensive income	Total equity of shareholders of Drägerwerk AG & Co. KGaA	Non-controlling interests	Equity
January 1, 2023	**48,026**	**307,035**	**969,303**	**0**	**-6,317**	**1,318,047**	**1,384**	**1,319,430**
Net profit	-	-	110,433	-	-	110,433	1,561	111,994
Other comprehensive income	-	-	-10,782	-	-13,185	-23,967	-348	-24,315
Total comprehensive income	**0**	**0**	**99,651**	**0**	**-13,185**	**86,466**	**1,213**	**87,679**
Distributions	-	-	-3,681	-	-	-3,681	-140	-3,821
Acquisition of treasury shares	-	-	-	-3,962	-	-3,962	-	-3,962
Employee share program	-	-	-	3,962	-	3,962	-	3,962
Change in scope of consolidation	-	-	-38	-	-64	-102	-	-102
Miscellaneous [1]	-	-	6,049	-	-	6,049	-	6,049
December 31, 2023 / January 1, 2024	**48,026**	**307,035**	**1,071,284**	**0**	**-19,566**	**1,406,778**	**2,457**	**1,409,235**
Net profit	-	-	124,408	-	-	124,408	354	124,762
Other comprehensive income	-	-	21,781	-	16,956	38,738	-10	38,728
Total comprehensive income	**0**	**0**	**146,189**	**0**	**16,956**	**163,146**	**344**	**163,489**
Distributions	-	-	-33,158	-	-	-33,158	-1,155	-34,313
Acquisition of treasury shares	-	-	-	-2,535	-	-2,535	-	-2,535
Employee share program	-	856	-	-	-	856	-	856
Miscellaneous	-	-	64	-	-	64	-	64
December 31, 2024	**48,026**	**307,890**	**1,184,379**	**-2,535**	**-2,609**	**1,535,150**	**1,646**	**1,536,796**

[1] This item includes the subsequent recognition of deferred tax assets in connection with the termination of the participation certificates (see also note 30).

Notes of the Dräger Group for 2024

1 General information

Drägerwerk AG & Co. KGaA, with its headquarters in 23542 Lübeck/Germany, (Moislinger Allee 53 - 55) draws up, as a market-oriented company, the Group financial statements for the smallest group of entities. Drägerwerk AG & Co. KGaA is registered in the commercial register of the Local Court of Lübeck, Germany under HR B 7903 HL.

General partner of Drägerwerk AG & Co. KGaA is Drägerwerk Verwaltungs AG (Lübeck), which is exempted from presenting consolidated financial statements, as it is entered as the ultimate parent company in the Group financial statements of the sole shareholder, Stefan Dräger GmbH, Lübeck, whose Group financial statements are published in the Company register. Stefan Dräger is the sole shareholder of Stefan Dräger GmbH.

On March 11, 2025, the Executive Board will approve publication of the Group financial statements of Drägerwerk AG & Co. KGaA for fiscal year 2024. The Group financial statements are published in the Company register.

The Group's business activities and structure are described in the segment reporting, as well as in the combined management report.

2 Basis of preparation of the Group financial statements

Drägerwerk AG & Co. KGaA has prepared its Group financial statements for fiscal year 2024 in accordance with the International Financial Reporting Standards (IFRS) as defined by the International Accounting Standards Board (IASB) and the interpretations of the IFRS Interpretations Committee (IFRS IC). Drägerwerk AG & Co. KGaA has applied all IFRS adopted by the IASB as at December 31, 2024 to its 2024 Group financial statements, provided that these standards have been endorsed by the European Commission and published in the Official Journal of the European Union by the date of publication of the Group financial statements and that application of such standards is mandatory for fiscal year 2024.

Dräger has in particular applied the following revised standards issued by the IASB for the first time in fiscal year 2024 on their effective dates:

- The amendments to IAS 1, “Amendments to IAS 1, Presentation of Financial Statements: Classification of Liabilities as Current or Non-current (issued January 2020)” and “Amendments to IAS 1, Presentation of Financial Statements: Non-current Liabilities with Covenants (issued October 2022)”, clarify that the classification of liabilities as current or non-current must be based on the rights existing at the reporting date. These amendments additionally stipulate that a liability is classified as non-current if the reporting company has a substantive right at the reporting date to defer settlement of this liability for at least twelve months. Any conditions only affect the disclosure of the maturity if the Company must fulfill these conditions on or before the reporting date. In the case of liabilities classified as non-current that are subject to certain conditions, an entity must provide disclosures in the notes that enable users of the financial statements to assess the risk that non-current liabilities with conditions could become repayable within twelve months. This has no significant impact on Dräger’s Group financial statements.
- The release of “Amendments to IFRS 16: Lease Liability in a Sale and Leaseback” clarifies how a seller-lessee subsequently measures sale and leaseback transactions that are recognized as a sale in accordance with IFRS 15. The amendment is to ensure that the retained right-of-use asset does not affect profit or loss as part of the subsequent assessment of the lease liability. This does not materially impact Dräger's Group financial statements.
- The amendments to “Amendments to IAS 7, Statement of Cash Flows and IFRS 7, Financial Instruments: Disclosures: Supplier Finance Arrangements (issued May 2023)” govern additional disclosure requirements on qualitative and quantitative information about the financial agreements with suppliers. This does not materially impact Dräger's Group financial statements.

The following accounting requirements are obligatory for fiscal years beginning on or after January 1, 2025, and have in some cases already been adopted into European law by the EU. Dräger did not voluntarily apply these requirements prematurely.

- The “Amendments to IFRS 10 and IAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (issued September 2014)” address a conflict between the regulations of IAS 28 “Shares in Associated Companies and Joint Ventures” and IFRS 10 “Group Financial Statements”. These clarify that for transactions with an associate or joint venture, the extent to which profit or loss is recognized depends on whether the assets sold or contributed constitute a business. This does not materially impact Dräger's Group financial statements.
- In “Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability (issued August 2023)”, the IASB adapts IAS 21 in the event of a long-term lack of exchangeability of a currency. The amendments include rules for determining the exchangeability of currencies and how a company determines the exchange rate to be applied when a currency is not exchangeable. The information to be disclosed is also specified. This does not materially impact Dräger's Group financial statements.
- The “Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7) (issued May 2024)” provide companies with additional application guidelines for the classification and evaluation of financial instruments. These primarily serve to clarify how ESG (environmental, social and governance) conditions affect the cash flow condition (solely payments of principal and interest) for financial assets. In addition, the time at which a financial asset or a financial liability is recognized or derecognized is determined more precisely. This does not materially impact Dräger's Group financial statements.
- The new IFRS 18, “Presentation and Disclosure in Financial Statements (issued April 2024)” replaces the current IAS 1 Presentation of Financial Statements. IFRS 18 also makes some minor amendments to other standards, such as IAS 7, Statement of Cash Flows. The amendments are intended to provide investors with better information on the financial performance of companies and increase the comparability of company financial statements. To this end, the income statement has been restructured and corresponding subtotals have been introduced. In addition, companies must provide information on company-specific performance indicators that are used in public communication. The aggregation of items in the financial statements and the specification of whether items are to be included in the main financial statements or in the notes are also regulated. Dräger is already planning the organizational and technical changes resulting from the implementation of IFRS 18. An evaluation of the impact is not possible at this time.
- The new IFRS 19 “Subsidiaries without Public Accountability: Disclosures (issued May 2024)” should provide certain companies with the opportunity to apply the IFRSs with a reduced number of disclosure requirements in their single entity or sub-group financial statements. This has no impact Dräger's Group financial statements.

The requirements of Art. 4 EC Regulation No. 1606/2002 of the European Parliament in conjunction with Sec. 315e (1) German Commercial Code (Handelsgesetzbuch - HGB) governing a company’s exemption from its obligation to prepare group financial statements in accordance with German commercial law have been met.

To ensure that the Group financial statements are equivalent to consolidated financial statements prepared in accordance with the German Commercial Code, all disclosures and explanations required by German commercial law above and beyond the provisions of the IFRSs have been provided in accordance with Sec. 315e (1) HGB.

The Group financial statements have been prepared with the Euro as the functional Group currency. Unless stated otherwise, all figures were disclosed in thousands of euros (EUR thousand); rounding differences may arise as a result. The balance sheet is classified according to the current/non-current distinction; the income statement was prepared according to the cost of sales method. Where certain items of the financial statements have been grouped with a view to enhancing the transparency of presentation, they are disclosed separately in the notes. With the exception of three subsidiaries whose fiscal year ends on March 31, the annual financial statements of the companies included in the consolidated financial statements have been prepared as at the reporting date of the consolidated financial statements and are based on uniform accounting and valuation principles.

3 Effects of external factors on financial reporting

The global economy continues to be exposed to numerous and constantly changing macroeconomic challenges, which also influence the economic environment of the Dräger Group. They have a global impact on both prices and the predictable availability of production factors. They can also cause unforeseeable risks against which a manufacturing company such as the Dräger Group must protect itself.

The Dräger Group continues to view the challenges of climate change and the transition to a low-carbon economy from two perspectives and to analyze their impact on the Group's financial reporting. Firstly, with regard to the identification of aspects that are material for the reporting company from a financial perspective in terms of business performance, business results, and the general company situation. Secondly, with regard to the identification of sustainability aspects in relation to the impact of the Company's own business activities and its own value chain. On this basis, the management of the Dräger Group has analyzed the effects of climate change on the preparation of Dräger's consolidated financial statements. As a result, management continues to see no significant impact on the value or change in the useful life of intangible assets and property, plant and equipment. There is also still no significant impact on the planning of future cash flows and thus on the measurement of assets and liabilities or on the calculation of impairment losses on assets. The Dräger Group continues to protect itself against the known extraordinary weather events and their impact on buildings, people, and operations. The Dräger Group is not currently aware of any further obligations arising from climate change.

A transitory risk concerns the European Union's planned ban on perfluorinated and polyfluorinated chemicals (PFAS). The majority of Dräger products contain components or coatings made from fluoropolymers such as polytetrafluorethlene (PTFE). These are, however, not harmful PFAS compounds often known as “forever chemicals”, but plastics used for components with special requirements due to their being resistant and harmless. Dräger is already in ongoing contact with key suppliers in their efforts to develop alternatives, and is continuously evaluating the market situation. In many cases, replacement of these materials is currently not possible due to the lack of technical alternatives. Even if alternatives were developed in the future, substitution would take many years due to long development and approval times. Blanket prohibition could therefore have a considerable effect on the economic substance of the Company. The numerous objections are currently being evaluated in consultation procedures in the relevant committees of the European Chemicals Agency. A final decision by the Commission is expected in 2026. We currently assume that the intensive efforts of companies and associations will lead to a more differentiated regulatory approach. Application-specific exemptions, for example for medical devices, are being discussed, but would not completely eliminate the risk, as our production facilities also contain fluoropolymer materials, for example. Whether there will be a substance-specific exemption for fluoropolymers cannot yet be assessed.

The production process in the Dräger Group is not particularly energy-intensive. In this respect, geopolitical developments with an impact on energy prices, such as the embargoes against Russia as a result of the war in Ukraine, only have an indirect impact on the Dräger Group's financial reporting. In contrast, economic policies that may lead to national markets being sealed off and local competitors being given preference are becoming increasingly important in some countries. In addition, political developments on the Korean peninsula and the conflict between China and Taiwan could have a negative impact on our business. An escalation of the conflict regarding Taiwan would further exacerbate the global shortage of electronic components and lead to disruptions in the supply chain. Continued strong competition and potential new import tariffs could also have a negative effect on Dräger's net sales and margins.

Monetary policy decisions will continue to cause fluctuations on the markets and have an effect on the future development of capital cost parameters. Higher capital costs could lead to an impairment of our assets, particularly goodwill.

4 Scope of consolidation

The scope of consolidation of Drägerwerk AG & Co. KGaA consists of 101 fully consolidated companies as at December 31, 2024 (2023: 102 companies) and three associated companies (2023: four associated companies).

Besides Drägerwerk AG & Co. KGaA, the fully consolidated companies include all subsidiaries controlled by Drägerwerk AG & Co. KGaA within the meaning of IFRS 10 (including structured companies). Drägerwerk AG & Co. KGaA controls a company when it has power over the Company, exposure to variable returns from its involvement with the Company, and the ability to use its power over the Company in such a way as to affect the amount of said company's returns. Those of the Company's activities that significantly influence the Company's returns are classified as relevant activities.

Control can also exist without a majority of voting rights if Drägerwerk AG & Co. KGaA has other practical means of controlling a company's relevant activities. These practical means can result, for example, from other contractual agreements, potential voting rights, or the size of its voting rights relative to the size and dispersion of holdings of the other voting rights.

The scope of consolidation continues to include two property management companies and a further special purpose entity as structured entities. The activities of these companies are limited because they were each only founded for a specific purpose. Dräger controls these structured companies not exclusively through voting rights or comparable rights, but partially only through other contractual agreements (please refer to our comments on the use of assumptions and estimates in ↗ note 8). Dräger does not provide these companies with any financing or guarantees, nor does it intend to do so in the future.

Controlled companies are included in the Group financial statements as subsidiaries from the date on which Dräger obtains control and are removed from the Group financial statements as subsidiaries from the date on which Dräger no longer has control.

Joint arrangements in which Dräger has joint control together with one or more parties are accounted for in accordance with IFRS 11. As a result, a distinction is made between joint operations and joint ventures.

A joint operation occurs when the parties that have joint control of the arrangement have rights to the assets and obligations for the liabilities. In the case of investments in joint operations, only a proportionate share of the assets, liabilities, income, and expenses are recognized. Dräger is involved in four (2023: three) joint operations.

Joint ventures, on the other hand, occur when the parties that have joint control of the arrangement have rights to the net assets of the arrangement. Dräger does not have a contractual interest in any joint ventures.

Drägerwerk AG & Co. KGaA directly and indirectly exerts a significant influence on associates. In compliance with IAS 28, the associates are accounted for according to the equity method.

The consolidated and associated companies of the Dräger Group as at December 31, 2024 are listed under ↗ note 46.

5 Effects of the changes in the scope of consolidation

The scope of consolidation of Drägerwerk AG & Co. KGaA developed as follows in fiscal year 2024:

Scope of consolidation

	Germany	Abroad	Total
Drägerwerk AG & Co. KGaA and fully consolidated companies			
January 1, 2024	19	83	102
Mergers	1	-	1
December 31, 2024	**18**	**83**	**101**
Associates			
January 1, 2024	2	2	4
Disposals	1	-	1
December 31, 2024	**1**	**2**	**3**
Total	**19**	**85**	**104**

Between April and September 2024, the shares held by Dräger in GWA Hygiene GmbH, Stralsund, (now Hypros GmbH), fell from 24.01 % to 14.57 %, as Dräger did not participate in several capital increases of the company. Dräger no longer exercises significant influence over GWA Hygiene GmbH, meaning that the company is no longer included in the Group financial statements as an associated company using the equity method. It is now recognized as other investments at fair value.

In August 2024, bentekk GmbH, Lübeck, was merged into Dräger Safety AG & Co. KGaA Lübeck.

In April 2024, Dräger sold the Dutch Fire & Gas business (part of the gas measurement technology division) (see ↗ notes 29 and 41).

6 Consolidation principles

Capital consolidation is carried out using the acquisition method. In the case of acquired subsidiaries, the identifiable assets and liabilities (including contingent liabilities) are measured at their fair value at the date on which control over the subsidiary was obtained. Goodwill is recognized if the cost of the investment exceeds the acquirer's interest in the net fair value of the identifiable assets and liabilities. Incidental purchase costs relating to the acquired company, with the exception of the costs of issuing debt instruments or shares, are recognized as expenses at the time they are incurred. Adjustments to components of the contingent purchase price are recognized in profit or loss, provided that they are recognized as a liability at the time of acquisition. Non-controlling interests are measured at the proportionate fair value of the acquired assets and assumed liabilities. The impairment of goodwill takes place unscheduled in accordance with IAS 36 on the basis of an impairment test, which must be carried out at least once a year (“impairment-only approach”). Any excess of the Group's share in equity over the cost of the investment is recognized in profit or loss at the date of acquisition.

Successive acquisitions of shares without change of control are recorded as transactions between equity providers (“entity concept”). The carrying amounts of assets and liabilities remain unchanged. The value shift between Dräger and the non-controlling interests is recorded directly in equity. Any non-controlling interests in equity are shown in the consolidated balance sheet (see also ↗ note 31).

When swapping or exchanging shares or engaging in similar transactions, the fair value of the shares given is attributed to the shares received.

Associates and joint ventures are accounted for using the equity method at cost on the date of acquisition. The cost of investments is adjusted to reflect their share in net profit or loss for the period and dividend distributions. The goodwill is included in the carrying amount of the investments. Impairments are accounted for separately. At each balance sheet date, Dräger determines whether there are indications that the shares in the associates are not recoverable If this is the case, the difference between the carrying value and the recoverable amount is calculated as the impairment loss, recognized in profit or loss, and reported in a separate item alongside “result from investments in associates”.

Intercompany receivables and liabilities of consolidated companies are netted against each other (“elimination of intercompany balances”). The carrying values of assets from intercompany goods and services are adjusted for unrealized intercompany profits and losses (“elimination of intercompany profits and losses”). These assets are therefore valued at Group acquisition or manufacturing cost. Intercompany profits are not eliminated for associated companies due to their immateriality. Internal net sales are eliminated. All other intercompany income and expenses are offset against each other (“consolidation of income and expenses”). Deferred taxes are recognized on consolidation transactions that affect profit or loss to the extent that different tax expenses or income are expected to offset each other in subsequent fiscal years.

7 Currency translation

In the single entity financial statements of Drägerwerk AG & Co. KGaA and its subsidiaries, foreign currency transactions are translated at the average exchange rate at the date of the transaction.

Exchange differences from the settlement of monetary items in foreign currencies during the year and from the measurement of open foreign currency positions at the rate on the balance sheet date are recognized in profit or loss.

The consolidated foreign subsidiaries each prepare their financial statements in the local currency in which they mainly operate (functional currency). These financial statements are translated into the Group reporting currency, the euro, at the mean exchange rate on the balance sheet date (closing rate) for assets and liabilities and at the annual average exchange rate for income statement positions. All resulting translation differences are recognized directly in equity under “other components of equity”.

The financial statements and comparative figures of economically independent foreign entities operating in a hyperinflationary environment and reporting in a currency of a hyperinflationary economy are to be remeasured. The remeasurement must take place at the measuring unit applying on the balance sheet date by indexing these financial statements using a general price index for the respective country. Since fiscal year 2018, Argentina has been considered a hyperinflationary economy, meaning that the subsidiary in Argentina is affected by remeasurement. The applied price index of La Federación Argentina de Consejos Profesionales de Ciencias Económicas (FACPCE) was 7,708.68 as at December 31, 2024 (December 31, 2023: 3,533.19). Türkiye exceeded the criteria required for a hyperinflationary economy for the first time in fiscal year 2022, and so the two sales and service companies operating in the country are affected by remeasurement. The applied price index of the Türkiye iStatistik Kurumu (TÜiK) was 2,684.55 as at December 31, 2024 (December 31, 2023: 1,859.38). The effect of inflation totaled EUR 5,835 thousand (2023: EUR -1,025 thousand) and was recognized in changes from currency translation, increasing equity (2023: decreasing equity). The result from the net position of monetary items remains immaterial and amounts to EUR 453 thousand (2023: EUR 1,466 thousand). The result from the net exposure of monetary items essentially affects the gross profit on net sales and general administrative expenses in the consolidated income statement. In the cash flow statement, the result from the net exposure of monetary items in the earnings after income taxes is adjusted in the operating cash flows from assets. The exchange rate-related changes in the value of cash and cash equivalents, which are attributable to the effects of hyperinflation, are insignificantly low. Previously presented comparative amounts denominated in stable currency have not been adjusted. The financial statements of these subsidiaries are based on the concept of historical cost.

The cost of sales includes exchange rate gains on operating foreign currency items of EUR 63,809 thousand (2023: EUR 79,854 thousand) and corresponding exchange rate losses of EUR -64,239 thousand (2023: EUR -101,367 thousand).

The financial result includes exchange rate gains on foreign currency financial items of EUR 26,227 thousand (2023: EUR 24,343 thousand) and corresponding exchange rate losses of EUR -27,608 thousand (2023: EUR -24,614 thousand).

Currency translation for foreign subsidiaries resulted in an increase in other comprehensive income of EUR 16,827 thousand (2023: increase of EUR –13,944 thousand).

The major Group currencies by third-party net sales and their exchange rates developed as follows:

Currencies / exchange rates

		Closing rate		Average rate	
	1 € =	December 31, 2024	December 31, 2023	2024	2023
U.S.	USD	1.04	1.11	1.08	1.08
People's Republic of China	CNY	7.59	7.85	7.77	7.69
United Kingdom	GBP	0.83	0.87	0.84	0.87
Saudi Arabia	SAR	3.90	4.14	4.05	4.06
Australia	AUD	1.68	1.63	1.64	1.63

8 Accounting policies

The single entity financial statements of Drägerwerk AG & Co. KGaA and its consolidated German and foreign subsidiaries as at December 31 of the fiscal year are prepared on the basis of uniform accounting and valuation policies and included in the Group financial statements. The following accounting and valuation policies are applied:

General

As a matter of principle, the Group financial statements are prepared on a historical cost basis. Dräger does not utilize the option of remeasuring intangible assets and property, plant and equipment. The historical cost basis does not apply to any financial instrument acquired for the purpose of also generating cash flows through its sale or any financial instrument that is exclusively held for sale. These financial instruments are measured at fair value.

The historical costs are determined on the basis of the fair value of the consideration transferred on the date of acquisition. Fair value is the price that would be received to sell an asset or transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions regardless of whether that price is directly observable or estimated using another valuation technique. These methods of calculating fair value do not apply at Dräger for leasing transactions in the IFRS 16 area of application.

Net sales recognition (including contract assets and contract liabilities)

In accordance with the provisions of IFRS 15, net sales should be realized at the time of and in an amount that reflects the contractual performance obligations to the customer.

Any claims resulting from the recognition of net sales before the requirements for invoicing have been met or the customer has made a payment following the fulfillment of a contractual performance obligation will be recognized as a contractual asset.

If payments are made by customers or if there is an unconditional right to a specific consideration before a contractual performance obligation has been fulfilled and revenue has therefore been recognized, the future revenue is recognized as contract liabilities. The contractual liabilities are then allocated to net sales in line with the fulfillment of the contractual performance obligations.

The amount of the net sales is calculated on the basis of the transaction price of the relevant customer contract - in other words, on the basis of the expected consideration to which the Company is entitled in exchange for goods or services provided to the customer. At Dräger, this consideration mostly comprises fixed prices. Variable consideration components are only negotiated infrequently and then only included in the transaction price if there is no uncertainty regarding the consideration. Payment periods are mostly set at 30 days. Payment periods greater than one year are only contractually agreed to a limited extent. In the event that the agreed payment period is longer than one year, financing components are also included in the calculation of the transaction price.

In the event that several performance obligations are provided to the same customer at the same time or in the near future and are included in a single civil law contract with a single transaction price (“multi-component contracts”) and the respective performance dates differ, the agreed transaction price is allocated to the individual performance obligations on the basis of the individual stand-alone selling prices, which are usually observable.

Net sales are reduced by sales deductions, if any arise. Anticipated obligations for discounts on sales volumes are measured using empirical values and reduce net sales. Dräger only issues manufacturer warranties to customers in a handful of exceptional cases. Warranties to protect from faulty deliveries are generally issued for up to a period of twelve months and are recognized as part of warranty provisions. As a rule, Dräger does not enter into buyback and reimbursement obligations beyond these warranties.

With regard to the point in time at which performance obligations are fulfilled, IFRS 15 is based on the “control concept”, i.e. the concept of recognizing revenue when control is transferred to the customer. Under IFRS 15, a distinction is accordingly drawn between the fulfillment of performance obligations at one point in time, which is usually the case, and the fulfillment of performance obligations over time, provided that the criteria set for this are met.

Net sales from the sale of products are recognized at the point in time at which control is passed to the buyer and there is therefore a claim to the receipt of the agreed payment, on the condition that the Company is likely to receive the agreed transaction price. This is primarily the time of delivery of the products to the customer. In the case of products that need to be installed at customers' locations, control is passed to the buyer at the time the product is delivered and installed.

Net sales from the provision of services are recognized over the period of time in which the services are rendered if the customer receives the benefits from the provision of the service while the service is being rendered. Services are provided either at certain points in time (service/maintenance intervals) or over a certain period (functional warranty). In the case of services performed over a certain period, the performance of the service is measured on a pro-rata basis over the period for which Dräger guarantees the functionality of the device.

Net sales from construction contracts (project business) are recognized as an asset over the period of time in which the service is rendered, provided the customer acquires control of the created asset while the services are rendered or there is a customer-specific order (the created asset does not have any alternative benefit) and Dräger has a legal entitlement to corresponding payment, including a profit margin, at any point during the provision of the service. The stage of completion required for fixed-price contracts is determined using the cost-to-cost method (input-based method). The stage of completion is determined by the ratio of the cumulative costs incurred up to the reporting date to the estimated total costs. Due to the extended performance period, installment payment plans are generally agreed for construction contracts for the production period.

Costs of initiating and fulfilling the contract would be recognized as expenses as they arise if the useful life is no greater than one year; however, such costs are extremely rare.

Functional expenses

In the income statement of the Dräger Group, the cost of sales is not included in the total functional expenses. The functional expenses comprise research and development costs (see ↗ note 11), marketing and sales expenses (see ↗ note 12), general administrative expenses (see ↗ note 13), impairment losses and loss reversals on financial assets and contractual assets (see ↗ note 14), other operating income and other operating expenses (see ↗ note 15).

Intangible assets

Group-controlled intangible assets from which future economic benefits are expected to flow to the Group and which can be reliably measured are recognized at cost, provided that these are clearly identifiable and are therefore to be distinguished from goodwill.

In the event of the acquisition of intangible assets as part of a business combination, the acquisition costs correspond to their fair value at the time of acquisition.

The intangible assets are amortized on a straight-line basis over their expected useful lives. Borrowing costs are capitalized as part of the cost of a qualifying asset in accordance with IAS 23 if it takes more than one year to get it ready for its intended use or sale. This is the case if they are material and can be directly allocated to the acquisition, construction or production of this asset.

Purchased software for internal use is capitalized as a separate asset unless it is an integral part of the related hardware. Installation and implementation costs incurred in connection with purchased software are recognized as incidental purchase costs of the same.

Expenses for maintaining the original use of the software (functionality) and updating using “hot packages” are recognized as current expenses.

Dräger’s research costs include direct research costs as well as the directly attributable overheads and are charged as an expense in the period in which they are incurred.

Internal development costs for products, including their software as well as software for internal use, are capitalized if the following conditions are met:

- The completion of the product is technically feasible.
- Management intends to complete the product and to use or sell it.
- The ability to use or sell the product exists.
- It can be proven that the product will likely generate future economic benefits.
- Adequate technical, financial, and other resources are available to complete the development and use or sell the product.
- The development costs attributable to the product can be measured reliably.

However, due to strict legal and safety requirements for Dräger Group products, this means that the product must have already been approved for sale in the major markets. If the necessary criteria for capitalization have not been met, internal development costs for products, including their software, are expensed as incurred (as in the case of research costs).

Intangible assets are generally assumed to have a useful life of four years. Patents and trademarks are amortized over their term (11 years on average) using the straight-line method.

Goodwill reported as an intangible asset is recognized at cost minus accumulated impairment losses in accordance with IAS 36 (also see our comments below under “Impairment of intangible assets and property, plant and equipment”).

Property, plant and equipment
Items of property, plant, and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

The cost of purchase of an item of property, plant and equipment includes its purchase price and any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended. Production costs comprise attributable direct and overhead costs, as well as depreciation attributable to the production process. Borrowing costs are capitalized as part of the cost of a qualifying asset in accordance with IAS 23 if it takes more than one year to get it ready for its intended use or sale. This is the case if they are material and can be directly allocated to the acquisition, construction or production of this asset. Subsequent expenditure incurred after the assets have been put into operation, such as ongoing repairs and maintenance and overhaul costs, is charged as expense in the period in which the costs are incurred.

Whenever it is probable that the expenditure will result in additional future economic benefits in excess of the originally assessed standard of performance of the existing asset flowing to the Company, the expenditure is recognized as an additional cost of property, plant and equipment.

Depreciation is computed on a straight-line basis over the following estimated useful lives:

– Office and factory buildings	20 to 40 years
– Other buildings	15 to 20 years
– Production plant and machinery	5 to 8 years
– Other plant, factory, and office equipment (except low-value assets)	2 to 15 years

Land is not depreciated.

Where significant parts of property, plant, and equipment contain components with substantially different useful lives, such components are recorded separately and depreciated over their useful lives.

The useful life and depreciation method for property, plant and equipment are reviewed annually to ensure that the depreciation method and period are consistent with the expected pattern of economic benefits from items of property, plant and equipment.

Assets under construction are stated at cost.

Investment allowances
When determining the carrying amount of the relevant asset, investment allowances (government grants) for assets are deducted from the cost. Grants are therefore recognized in profit or loss through a reduced depreciation charge over the useful life of the depreciable asset.

Government grants related to income are deducted directly from the corresponding expenses.

Impairment losses
If there are external or internal indicators of impairment of intangible assets or property, plant and equipment on the balance sheet date, these items are subjected to an impairment test pursuant to IAS 36. If the carrying amount of the asset exceeds its recoverable amount (the higher of its value in use and fair value less selling costs), an impairment loss is charged. If no separate future cash flows generated independently of other assets can be attributed to individual assets, the recoverability of assets is tested on the basis of the higher-level cash-generating unit.

Goodwill must be tested for impairment once a year and additionally if there are indications of possible impairment. For goodwill, this impairment test is carried out on the basis of the higher-level, cash-generating unit that is expected to benefit from the underlying business combination and which represents the lowest level at which the goodwill can be tested for impairment for internal management purposes.

Goodwill is tested for impairment using the discounted cash flow method based on the operational five-year plan and, as in the prior year, an assumed sustained growth of 1% in the subsequent period for the individual cash-generating units. A risk-adjusted interest rate is used for discounting. Goodwill is based on the business segments, which also represent the operating segments in accordance with IFRS 8.

After the equity value has been updated, investments in associates must also be checked to see whether there is an additional impairment of a remaining positive equity value. In the event of a permanent or significant impairment of the remaining equity value, an impairment loss must be recognized.

If the reasons for impairment no longer exist, impairment losses are reversed. However, this does not apply to goodwill..

Financial instruments
A financial instrument is a contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

The Dräger Group holds the following financial assets:

- other investments,
- loans and other receivables,
- trade receivables,
- derivative financial assets,
- other financial assets, and
- cash and cash equivalents.

The Dräger Group reports the following financial liabilities:

- liabilities to banks and loan liabilities,
- trade payables,
- derivative financial liabilities, and
- other financial liabilities.

Financial assets
Financial assets are initially recognized at fair value, which in most cases is identical to the transaction price. Incidental purchase costs (transaction fees), such as commissions, agents' costs, or notary costs, are only allocated to financial assets or liabilities whose changes in value are not recognized at fair value in profit or loss. Debt instruments are primarily held to generate contractual cash flows and are therefore measured at amortized cost.

Financial assets are categorized into one of the following classes for subsequent valuation:

- at amortized cost,
- at fair value directly in equity through other comprehensive income (with recycling through profit or loss),
- at fair value directly in equity through other comprehensive income (without recycling through profit or loss), or
- at fair value through profit or loss.

These assets are classified on the basis of:

- the business model applied by the Company to manage the financial assets and
- the characteristics of the contractual cash flows generated by the financial asset and
- the characteristic of the financial instrument from the issuer's perspective (equity instrument or debt instrument).

The option to designate financial assets for fair value measurement through profit or loss is not exercised. In addition, there are no financial assets measured at fair value through other comprehensive income.

Derivatives that are not part of a hedge and have a positive market value are measured at fair value through profit or loss. The same applies for equity instruments, as they are held for trading. The option to designate equity instruments for measurement at fair value through other comprehensive income is not used.

For purchases or sales of financial assets at normal market conditions, the settlement date is relevant (i.e., the date on which the asset is delivered to or supplied by Dräger). Purchases or sales at normal market conditions are understood to be those under which assets have to be delivered within the statutory or conventional time scale applicable to the location where the transaction took place.

Financial assets held for or due in more than twelve months are disclosed as non-current financial assets.

Generally, the three-level general model to determine expected losses is used for the subsequent valuation of debt instruments as part of the expected credit loss model. Debt instruments are categorized into one of three levels that correspond to the respective risk of default. Depending on the respective risk level, risk provisions are formed either in the amount of the expected losses over a 12-month period (level 1: low credit risk) or in the amount of the expected losses over the entire term in the case of a significant increase in credit risk in the period since initial recognition (levels 2 and 3).

When assessing whether the credit risk of a debt instrument has increased significantly, Dräger compares the credit risk at the time of initial recognition with that at the balance sheet date. In addition to historical default rates, available and reliable forward-looking information on significant changes in the economic environment and the economic capabilities of the debtor are also taken into account. If a debtor is more than 90 days overdue, there is an initial rebuttable presumption that the default risk has increased significantly. This also takes into account the differing payment behavior of customers depending on the business region.

As soon as there is objective evidence that a debt instrument is impaired, for example because insolvency proceedings have been initiated, it is allocated directly to level 3.

Changes to the volume of risk provisions are recognized as a reversal of an impairment loss or an impairment loss in the income statement.

For the majority of the volume of financial assets measured at amortized cost (excluding cash and cash equivalents), Dräger exercises its option to apply the simplified method whereby risk provisions are measured in the amount of the expected losses from default for the entire term both at initial recognition and on all subsequent reporting dates.

These financial assets measured at amortized cost are structured according to credit risk portfolios in order to calculate expected losses. The risk portfolios are based on the customer regions. The payment and past due structure is determined for each risk portfolio using a default matrix. The historical default rates are calculated by allocating average defaults on receivables over the past three years to payment structures. These default rates are then applied to the individual overdue structures in order to calculate the risk provision. In addition to the historical defaults, a forward-looking element is also taken into account.

Values are usually adjusted through the use of allowance accounts. Assets and allowances are written off if it is established that the financial assets are determined to be impaired. In the case of foreseeable defaults on receivables, these are written off directly without using the allowance account.

The effects of the impairment loss and of the subsequent measurement by applying the effective interest method are recognized in profit or loss.

A financial asset must not be derecognized from the balance sheet until the rights to cash flows from the asset have expired or the rights to cash flows or the significant risks and opportunities have been transferred and the seller no longer has any control over the asset.

Financial liabilities
Financial liabilities are initially recognized at fair value. Transaction fees directly attributable to the issue of the liability are deducted upon the initial measurement of the liabilities if changes in value are not recognized at fair value in profit or loss.

Financial liabilities are generally disclosed at amortized cost in subsequent periods, taking into account repayment amounts, as well as premiums and discounts. Any difference between the disbursement amount (after deduction of transaction costs) and the repayment amount is recognized in the income statement over the term of the loan using the effective interest method.

Liabilities held for trading because they were acquired with the intention of repurchasing them in the short term are an exception to this and are always recognized at fair value in profit or loss. At Dräger, this primarily affects derivatives that are not part of a hedge and have a negative market value. Changes to the fair value that are attributable to the Company's own credit risk are recognized through other comprehensive income only if the fair value option is exercised.

Dräger does not exercise its option to voluntarily measure a financial liability at fair value through profit or loss.

Financial assets and liabilities are offset and reported at net amounts if there is a right at the present time to set off the reported amounts against each other and the intention is to settle on a net basis or to settle the associated liability simultaneously with the realization of the asset.

Non-current liabilities that do not bear interest or bear interest at a rate substantially below market rates are disclosed at present value. Premiums and discounts are allocated over the term of the liability using the effective interest method.

Financial liabilities that are due in more than twelve months are disclosed as non-current financial liabilities.

Financial liabilities are disclosed until the corresponding obligation has been settled or canceled, or has expired.

Derivative financial instruments
The Dräger Group uses derivative financial instruments in the form of currency futures as part of its risk management to hedge currency risks.

Derivative financial instruments are recognized at fair value. For derivative financial instruments that meet the hedge accounting criteria, the changes in fair value are recognized depending on the type of hedge.

Changes in the fair value of derivatives that hedge the exposure to variability in future cash flows (cash flow hedge) are recognized directly in equity under other comprehensive income if the hedge is effective. These amounts are recognized in profit or loss if the hedged item affects profit or loss.

The effectiveness of the hedge is determined at the start of the hedging relationship and by means of periodic prospective valuations in order to ensure that there is likely to be an economic relationship between the hedged item and the hedging instrument. At the Dräger Group, the prospective valuation is conducted by reviewing the contractual terms and conditions of the hedged item and the hedging transaction. Generally speaking, hedging instruments at Dräger are always concluded at identical terms and conditions to the hedged item, so that it can be assumed that the hedge will be effective in the future.

Dräger applies the accounting and measurement methods defined in IFRS 9 for hedge accounting. Accordingly, the spot component is recognized in the cash flow hedge reserve (OCI I) and the forward component is recognized in the cost of hedging reserve (OCI II).

Dräger uses cash flow hedge accounting to account for future cash flows from highly likely future currency hedging transactions. Excess cash flows from planned operating net sales and costs denominated in the respective foreign currencies are considered to be the hedged item. Through the use of hedge accounting, changes in the fair value of currency futures are recognized directly in equity under other comprehensive income until they are transferred to the income statement, if the hedged item also affects profit or loss.

In hedging foreign currency risks posed by recognized assets or recognized liabilities, the Dräger Group does not use hedge accounting to recognize hedges, as the profit or loss from the currency translation of the hedged item affects the income statement at the same time as the profit or loss from the measurement of the hedging instrument.

Derivative financial instruments are recognized at fair value. The fair value of listed derivatives is the positive or negative market value. In the absence of a market value, the fair value is determined according to generally accepted methods of financial mathematics such as the discounting of expected future cash flows.

Please refer to ↗ note 37 for details on the nature and scope of the financial instruments held by the Dräger Group.

Inventories
Inventories comprise raw materials, consumables, and supplies, as well as work in progress, finished goods, and merchandise. They are measured at the lower of acquisition or production cost and net realizable value. Costs are measured using the average cost method. Cost comprises production-related full costs calculated on the basis of normal capacity utilization. In addition to direct materials and production costs, it includes material and production overheads as well as special direct production costs allocable to the production process. Depreciation on items classified as fixed assets used in the production process is also included. Borrowing costs are capitalized as part of the cost of a qualifying asset in accordance with IAS 23 if it takes more than one year to get it ready for its intended use or sale. This is the case if they are material and can be directly allocated to the acquisition, construction or production of this asset.

Net realizable value is the estimated selling price achievable in the ordinary course of business less the estimated costs of completion and the costs necessary to make the sale. Unrealizable inventories are written off.

The >finished goods and merchandise< item also includes rental and demo equipment, which is generally taken over by the customers after a short period of time.

Cash and cash equivalents
Cash and cash equivalents comprise cash in hand and bank balances, including incidental short-term deposits, and may in some cases be subject to restricted availability.

Dividends
Dividends are recognized in profit or loss once a legal right exists to receive payment.

Provisions for pensions and similar obligations
Provisions for pensions and similar obligations in the Dräger Group are calculated annually by actuaries in accordance with IAS 19 (revised) using the projected unit credit method. Future salary and pension adjustments and fluctuation are taken into account.

Remeasurements due to changes in demographic and/or financial assumptions and experience-based adjustments are immediately recognized directly in equity under other comprehensive income taking deferred taxes into account. These are not subsequently recognized in Group profit or loss.

The net interest expense is calculated by multiplying the chosen capital market-oriented interest rate by the performance-oriented net liability or net asset value at the beginning of the year and recognized in the interest result. The performance-oriented net liability or asset value is the balance of defined benefit obligations and plan assets.

With effect as at December 2007, funds from the German pension plan were paid into a new fund including a settlement account and secured in favor of the employees via a contractual trust arrangement (CTA). They therefore serve only to cover and finance the Company's direct German pension obligations.

Any surplus of plan assets over pension obligations is recognized as an asset to the extent that it corresponds to the present value of the economic benefit to the Company (due to the return of contributions or reduction in future contribution payments) plus any past service costs not yet recognized (>asset ceiling<).

Public pension schemes, which are classified as public plans pursuant to IAS 19, are also defined contribution plans. The Group does not accrue any other payment obligations once the due payments have been made. The amounts are recognized as pension expenses when the payments are due. Paid amounts are recognized as other receivables if these advance payments result in a reimbursement or a reduction in future payments.

Other provisions
Other provisions are recognized when the entity has a present obligation (legal or constructive) to a third party as a result of a past event and it is probable that an outflow of resources representing economic benefits will be required to settle the obligation. It must also be possible to reliably estimate the amount of the obligation.

Provisions are stated at the amount expected to be required to settle the obligation. This settlement amount also includes cost increases that have to be taken into account on the balance sheet date. Non-current provisions are discounted to the balance sheet date using appropriate pre-tax market rates. These interest rates are determined taking into account the risk and the term of the provision, if the risk had not already been recognized when determining future payments. Provisions are not offset against rights of recourse.

Other provisions include long-term employee benefits (other than provisions for pension obligations and similar obligations). These are measured at the present value of the obligation at the balance sheet date. The present value of the obligation is determined in the same way as provisions for pensions and similar obligations.

Other provisions additionally include post-employment benefits, which are employee benefits (not including pensions) that are mainly paid in connection with personnel-related structural measures, such as one-time payments, periodic payments over a number of years, as well as salary payments during leaves of absence. An entity shall recognize termination benefits as a liability and an expense if the entity is demonstrably committed to either terminate the employment of an employee or group of employees before the normal retirement date or provide termination benefits as a result of an offer made in order to encourage voluntary resignation. In the case of an offer made to encourage voluntary resignation, the measurement of termination benefits should be based on the number of employees expected to accept the offer. Additional payments as part of a pre-retirement part-time work agreement must be recognized periodically from the time the obligation arises (if necessary taking into account minimum periods of service) until the end of the employment phase.

Income taxes
The tax expense for the period is made up of current and deferred taxes. Taxes are reported in the income statement, unless they relate to items recognized in other comprehensive income. In this case, the taxes are also recognized in other comprehensive income.

The additional tax according to Pillar 2 is an income tax within the meaning of IAS 12. Use was made of the mandatory temporary exception from the recognition of deferred taxes from the Pillar 2 rules. The Pillar 2 additional tax will be recognized as current tax in future periods to the extent that such tax arises.

The Dräger Group's companies are required to pay income taxes in several countries worldwide. Current tax expenses are determined using the tax regulations applicable on the balance sheet date in the individual countries. When determining global income tax receivables and liabilities, the interpretation of tax regulations in particular can carry a degree of uncertainty. It cannot be ruled out that the various fiscal authorities have different perspectives with regard to the correct interpretation of tax standards. The associated uncertainty is taken into account in that uncertain tax receivables and liabilities are estimated as soon as management is of the view that the probability of occurrence exceeds 50%. Changes in the assumptions as to the correct interpretation of tax standards, such as on account of amended prevailing jurisdiction, are consolidated in the accounting of uncertain tax receivables and liabilities in the corresponding fiscal year. The likely estimated tax payment is taken as the best estimate when accounting for uncertain income tax positions.

Pursuant to IAS 12, deferred taxes are determined using the balance sheet-based liability method. Deferred taxes on loss carryforwards and on temporary differences between the Group financial statements and the tax accounts of the consolidated companies are recognized. Deferred tax liabilities are not recognized if they result from the initial recognition of goodwill.

Deferred tax assets are only recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary difference can be offset. Deferred tax assets and liabilities are only offset if they relate to the same taxation authority.

Deferred tax liabilities resulting from temporary differences in connection with investments in subsidiaries are recognized unless the timing of the reversal of the temporary differences can be controlled by the Group and it is probable that the temporary differences will not be reversed on account of this influence in the foreseeable future.

Deferred taxes are measured using the tax rates and tax laws enacted at the balance sheet date that are expected to apply to the period when the deferred tax asset is realized or the deferred tax liability is settled.

Some companies within the Group may be entitled to claim special tax deductions for investments in qualifying assets or in relation to qualifying expenditure. The Group accounts for such allowances as tax credits, which means that the allowance reduces income tax payable and current tax expense. A deferred tax asset is recognized for unclaimed and/or carried forward tax credits.

Share-based payment
In fiscal year 2024, Dräger offered all Dräger employees in Germany share-based compensation in the form of an employee share program. The intent is to increase employees' identification with the Company and Dräger's attractiveness as an employer.

This program allows employees who acquire Dräger preferred shares within a specified period of time within the fiscal year to receive one preferred share as a bonus for every three Dräger preferred shares purchased (called a "matching model"). These Dräger preferred shares are subject to a two-year holding period. The employee does not need to remain at Dräger during this period. The bonus preferred shares are not new shares but treasury preferred shares that are repurchased by Dräger on the capital market and transferred to the employee's securities account.

These bonus preferred shares are measured at fair value on the entry date (grant date). The entry date is the date on which Dräger and the employees conclude the share-based payment agreement and Dräger recognizes the corresponding personnel expenses. The fair value of the bonus preferred shares is their market price.

Leases
A lease in accordance with IFRS 16 is an agreement under which the right to control the use of an identifiable asset is transferred and under which the customer has the right to both define the use of this asset and to obtain substantially the benefits from the use of this asset during the term of use.

A) Dräger Group as a lessee
The lessee is required to recognize assets and liabilities for the right-of-use assets and obligations arising under all existing leases.

Where contracts contain both leasing and non-leasing components, the leasing components of the contract are accounted for separately from the non-leasing components of the contract as a lease on the basis of the relative unit price. The non-leasing components are accounted for in accordance with the standards applicable to them.

The lease term generally comprises the non-cancelable basic term during which a lessee is entitled to use an underlying asset. The term is adjusted for periods arising from an option to extend or terminate the lease if the lessee is reasonably certain that they actually intend to exercise this option.

Dräger exercises the option of continuing to recognize leases as expenses on a monthly basis if they are either short-term leases (term of up to 12 months) or leases with an underlying asset of minor value (up to EUR 5,000 new price value).

In accordance with IFRS 16, the initial measurement of right-of-use assets is based on the value of the corresponding lease liability, adjusted for the following items:

- completed lease payments and received lease incentives,
- initially incurred direct costs, and
- expected costs at the point of recognition in order to restore the leased asset to its original or contractually agreed condition at the end of the lease.

The initial measurement of the lease liabilities takes place at the present value of future lease payments, which are fundamentally discounted using the incremental borrowing rate, if the implicit interest rate of the contract cannot be determined. Lease payments include:

- fixed lease payments,
- variable lease payments that are pegged to indices,
- payments resulting from options to buy, where there is a sufficient degree of certainty at the point of measurement that the option will be exercised, as well as
- any expected payments from agreed guaranteed residual values and contractual penalty payments due to options to terminate leases being exercised.

Within the scope of the subsequent valuation, the right-of-use asset is measured at cost less any accumulated depreciation and impairment losses and adjusted for any revaluation of the lease liability.

B) Dräger Group as a lessor

Finance leases
The Dräger Group as lessor, which is also the manufacturer/dealer, classifies and recognizes a lease as a finance lease if substantially all the risks and opportunities incidental to ownership are transferred to the lessee.

Revenue from finance leases is recognized at the fair value of the underlying asset or, if lower, at the present value of the lease payments discounted at a market rate. The corresponding interest income is recognized in interest result on a pro rata basis. In addition, the corresponding cost of sales is recognized in the amount of the acquisition or production cost or, if different, the carrying amount of the underlying asset minus the present value of the unguaranteed residual value.

Operating leases
Assets subject to operating leases are presented in the balance sheet according to the nature of the asset. Lease income from these leases is recognized in profit or loss on a straight-line basis over the lease term and, depending on the lease object, reported in net sales (Dräger products) or other operating income (e.g., buildings).

In the case of contracts for several leased assets, the remuneration is divided among the individual assets based on the relative individual sale price. The cost surcharge method is applied if an estimate is required for this.

Use of estimates and assumptions and changes in method
The preparation of the Group financial statements in accordance with IFRS requires the use of estimates and assumptions that have an impact on the recognition of assets and liabilities, the disclosure of contingent liabilities as at the balance sheet date and the recognition of income and expenses. These estimates include the Group's climate-related opportunities and risks (also see ↗ note 3). Actual amounts may differ from these estimates and assumptions.

No changes in method were applied in either the fiscal year or the prior year.

The estimates pertain to the following areas in particular:

- In addition to Dräger's voting rights, other matters and circumstances need to be taken into account when determining whether a special purpose entity or a company is controlled to such an extent that it should be included as a subsidiary in the Group financial statements. In particular in cases in which other contractual rights or factual circumstances exist, the Group's own judgment is used to assess whether Dräger can use its power over this company to influence the variable economic returns of this company. Changes to contractual agreements or factual circumstances are monitored with regard to their potential impact on the assumptions made.
- On the date of provision, and in the subsequent period, Dräger as a lessee assesses whether it is sufficiently certain that Dräger will exercise a renewal option or a purchase option for the underlying asset or will not

exercise a termination option. The entity considers all relevant facts and circumstances that could provide an economic incentive for the lessee to exercise or not exercise the option, including any changes in those facts and circumstances that are expected to occur between the date of provision and the option exercise date.
- In the case of construction contracts from project business, where revenue is recognized over time, recognition is based on the stage of completion. When carefully determining the stage of completion, the total contract costs, total contract revenue, contract risks and other key performance indicators are subject to entrepreneurial judgment continuously reviewed by management.

The estimation uncertainties, for which external information sources are also often consulted, and for which there is the considerable risk of a significant adjustment in the next twelve months, affect the following areas in particular:

- As part of the annual assessment of the recoverable amount of capitalized goodwill, management at Dräger uses estimates to arrive at its conclusions (see also ↗ note 21). With regard to anticipated earnings trends, the data management used is based on internal analyses and forecasts.
- Defined benefit pension plans and similar obligations are recognized in accordance with actuarial methods. These methods are based on actuarial assumptions such as the discount rate, wage and salary trends, increases in pensions, and biometrics. The discount factors used are calculated on the basis of the effective market return on high-quality corporate bonds. Deviations of actuarial assumptions from actual developments could have serious implications for the measurement of defined benefit pension plans and similar obligations. The sensitivity analysis findings for the discount factor, future pension increases and life expectancy, listed under ↗ note 32, provide information on these effects.
- Management has to make assumptions when calculating actual and deferred taxes in every tax jurisdiction in which Dräger operates (see also ↗ note 17). Such assumptions may affect the recognition and recoverable amount of deferred tax assets, as it must be probable that sufficient taxable earnings against which the loss and interest carryforwards, deductible temporary differences, and tax credits can be offset will be generated in the future. These assumptions may still affect the difference in the treatment of balance sheet items between IFRS and the respective tax laws or the tax assessment of matters. Tax assumptions are made in accordance with national laws.

Notes to the income statement

9 Net sales

For the breakdown of net sales by business segment, please see the table below.

Net sales

			2024			2023
in € thousand	Medical division	Safety division	Dräger Group	Medical division	Safety division	Dräger Group
Net sales from the sale of products and goods [1]	892,000	912,302	1,804,302	985,006	880,554	1,865,561
Net sales from the sale of services and accessories (including replacement parts) [1]	897,440	492,349	1,389,789	871,779	462,595	1,334,374
Net sales from projects	101,503	13,724	115,226	106,315	15,780	122,095
Net Sales from contracts with customers	**1,890,943**	**1,418,374**	**3,309,317**	**1,963,101**	**1,358,929**	**3,322,030**
Net sales from operating leases of products and goods	8,751	52,812	61,563	3,060	48,415	51,474
Total net sales	**1,899,694**	**1,471,186**	**3,370,880**	**1,966,161**	**1,407,343**	**3,373,504**

[1] Some products are reallocated to new product groups. The prior year's figures have been adjusted accordingly.

A detailed segment report including net sales by region is provided in ↗ note 40.

In the fiscal year, sales of EUR 775,835 thousand (2023: EUR 748,371 thousand) were generated in Germany and EUR 2,595,045 thousand (2023: EUR 2,625,133 thousand) abroad. In addition to Germany, only the USA accounts for a significant share of revenue of more than 10% of Group revenue at EUR 417,297 thousand (2023: EUR 393,551 thousand).

In the reporting year, as in the prior year, there were no customers whose share of net sales exceeded 10% of Group net sales.

Net sales from the sale of products and merchandise are recognized at the time at which control is transferred to the buyer. At Dräger, this is generally at the agreed destination at the customer. Net sales from services and projects are recognized primarily over the period in which the service is rendered if the customer receives the benefit from the service while it is being rendered. Net sales from the sale of services and accessories (including spare parts) in the medical division includes revenue from the sale of consumables and spare parts of EUR 276,594 thousand (2023: EUR 271,317 thousand) and revenue from the sale of consumables and spare parts (Occupational Health & Safety Equipment) of EUR 170,907 thousand (2023: EUR 161,141 thousand) in the safety division. These sales are mainly recognized at a point in time.

Net sales recognized in the amount of EUR 117,753 thousand (2023: EUR 114,360 thousand) were still included in contract liabilities at the beginning of the reporting period, which include deferred revenue and prepayments received.

Future net sales from long-term service and construction contracts

in € thousand	2024	2023
Expected net sales in year 1	74,615	78,190
Expected net sales in year 2	49,001	78,498
Expected net sales from year 3 on	65,634	71,145
	189,249	**227,833**

The reporting period includes net sales of EUR 274 thousand (2023: EUR 149 thousand) that were fulfilled in full or in part in prior fiscal years.

10 Cost of sales

The cost of sales breaks down as follows:

Cost of sales

in € thousand	2024	2023
Direct materials	961,502	1,004,932
Direct labour	354,743	365,505
Direct costs	**1,316,245**	**1,370,437**
Material overheads	89,632	68,164
Production overheads	352,722	341,627
Other indirect costs	99,825	133,584
Indirect costs	**542,179**	**543,374**
Cost of sales	**1,858,423**	**1,913,810**

Production overheads comprise amortization of production-related intangible assets and depreciation of property, plant and equipment, as well as costs of internal transportation until delivery to the distribution warehouse.

Cost of warranties and impairments on inventories, among others, are recognized in other indirect costs.

Costs of sales include inventory variances, measurement differences, and scrapping. Income from the reversal of write-downs on previously impaired inventories reduces the cost of sales.

With regard to the effects of currency translation included in the cost of sales, please refer to our comments in ↗ note 7.

Any borrowing costs included in the valuation of inventories are contained in the cost of sales at the time of delivery or performance.

11 Research and development costs

Research and development costs include all costs incurred during the research and development process. This also includes the costs for approval, prototypes and costs of the initial series, unless they are to be capitalized as separate development costs.

12 Marketing and sales expenses

Marketing costs include all costs associated with corporate marketing and product marketing. These include expenses for advertising measures and trade fair shows. Selling expenses include the costs of sales management, logistics costs insofar as they relate to the distribution warehouse or shipping, as well as the costs of field and office sales, including order processing.

13 General administrative expenses

General administrative expenses comprise the costs of administrative activities not related to other functions. This includes in particular the cost of the Executive Board, corporate controlling, the tax, customs, insurance and treasury departments, legal, accounting and consulting fees, audit fees, and general infrastructure costs. The costs comprise the material costs and personnel expenses arising from administration as well as depreciation and amortization.

14 Impairment losses and impairment loss reversals on financial assets and contract assets

The impairment losses and impairment loss reversals on financial assets and contract assets comprise the following:

Impairment losses and gains on financial assets and contract assets

in € thousand	2024	2023
Release of risk provisions	7,648	3,451
Allocations to risk provisions	-9,900	-10,820
Direct derecognition	-405	-826
	-2,657	**-8,194**

15 Other operating income/expenses

Other operating income/expenses

in € thousand	2024	2023
Gains on the disposal of intangible assets and property plant and equipment	15,090	554
Income from the disposal of business areas and subsidiaries	15,350	562
Rental income	1,956	1,961
Income from the derecognition of liabilities	9,061	6,206
Other operating income	**41,457**	**9,283**
Expenses for leased assets	-726	-726
Losses on the disposal of intangible assets and property, plant and equipment	-3,723	-6,194
Other operating expenses	**-4,449**	**-6,921**

The gains from the sale of intangible assets and property, plant and equipment include, in particular, sales of real estate of the subsidiaries based in Spain and the USA totaling EUR 14,232 thousand.

The gains from the disposal of divisions and subsidiaries relate to the disposal of a division in the 2024 fiscal year (see ↗ note 29) and the disposal of a subsidiary in the 2023 fiscal year.

16 Financial result

Financial result (before interest result)

in € thousand	2024	2023
Profit from net exposure from monetary items	**453**	**1,466**
Result from associates accounted for using the equity method	898	-3,231
Impairment of shares in associates	-7,720	-987
Result from investments in associates	**-6,823**	**-4,218**
Net result from the measurement of financial assets measured at fair value through profit and loss	-1,592	-1,022
Result from other investments	**-1,592**	**-1,022**
Net result from foreign exchange transactions	-1,380	-271
Other financial expenses	-2,668	-2,341
Other financial result	**-4,048**	**-2,612**
Financial result (before interest result)	**-12,010**	**-6,385**

Interest result

in € thousand	2024	2023
Income from financial assets measured at amortized cost	8,184	5,866
Income from financial assets measured at fair value through profit and loss	9	9
Interest contained in lease payments	240	53
Income from interest hedges	-	60
Interest and similar income	**8,433**	**5,987**
Expenses from financial liabilities measured at amortized cost	-12,154	-15,421
Interest portion contained in pension provisions	-6,111	-6,741
Interest contained in lease payments	-6,590	-5,568
Expenses from interest hedges	-	-112
Other interest and similar expenses	-2,204	-3,255
Interest and similar expenses	**-27,060**	**-31,098**
Interest result	**-18,626**	**-25,111**

Other interest and similar expenses include expenses from the compounding of other provisions (see also ↗ note 33).

17 Income taxes

Composition of income taxes

Income (+)/expense (-) in € thousand	2024	2023
Germany	**-951**	**3,715**
Abroad	**-49,749**	**-65,801**
Current taxes	**-50,700**	**-62,086**
Germany		
Deferred taxes from temporary differences	-1,257	7,163
Deferred taxes from loss carryforwards	2,080	10,647
Deferred taxes Germany	**823**	**17,810**
Abroad		
Deferred taxes from temporary differences	-174	16,900
Deferred taxes from loss carryforwards	-581	-1,951
Deferred taxes abroad	**-755**	**14,949**
Deferred taxes	**69**	**32,759**
Income taxes	**-50,632**	**-29,327**

Deferred tax income in Germany in the 2023 fiscal year mainly resulted from the recognition of deferred tax assets on tax losses in the income tax group of Drägerwerk AG & Co. KGaA. In the prior year, the deferred tax income abroad was mainly due to a change in legislation on the tax capitalization of research and development expenses in the USA.

Deferred tax income includes tax income from the change in tax rates in the amount of EUR 14 thousand (2023: tax income of EUR 58 thousand).

Deferred tax liabilities of EUR 2,287 thousand (2023: EUR 2,559 thousand) are recognized on temporary differences in connection with retained earnings at foreign subsidiaries. No deferred tax liabilities are recognized on temporary differences associated with investments in subsidiaries amounting to EUR 22,908 thousand (2023: EUR 21,336 thousand), as a sale of the companies or a distribution of retained earnings is not probable in the foreseeable future.

From a tax perspective, the payment of dividends to shareholders of the parent company and profit retention at the level of the parent company have the same effect.

Reconciliation of expected income taxes to recognized income taxes

Income (+)/expense (-) in € thousand	2024	2023
Earnings before income taxes	**175,393**	**141,320**
Expected income taxes (tax rate: 31.5%; 2023: 31.5%)	**-55,249**	**-44,516**
Reconciliation		
Effects from other periods and non-deductible withholding tax	-774	1,794
Effect from global minimum taxation	-366	-
Effect from changes in tax rates	14	58
Effect from different tax rates	11,869	13,666
Tax effect of non-deductible expenses and tax-free income	-3,628	-5,240
Recognition and measurement of deferred tax assets	-3,011	5,270
Other tax effects	514	-359
Recognized income taxes	**-50,632**	**-29,327**
Tax rate (%) overall	**28.9**	**20.8**

The parent company's tax rate of 31.5% (2023: 31.5%) is applied as the expected tax rate. The expected tax rate consists of 15.83% (2023: 15.83%) from the corporate income tax share (including 5.5% solidarity surcharge) and 15.67% (2023: 15.67%) from the trade tax share. A tax rate of 31.5% (2023: 31.5%) is used for the measurement of domestic deferred taxes.

As at the reporting date, the Pillar 2 legislation in Germany, the jurisdiction in which Drägerwerk AG & Co. KGaA is based, had already been transposed into local law and entered into force on January 1, 2024. The Dräger Group falls within the scope of the OECD model regulations on global minimum taxation (Pillar 2). The Group applies the exemption for the recognition of deferred taxes in connection with Pillar 2 income taxes, which was the subject of the amendments to IAS 12 published in May 2023.

The minimum taxation relates to the Group's business activities in Argentina, where the statutory tax rate is 35 percent. Due to hyperinflation, a tax inflation adjustment is granted, which reduces the effective tax rate to below 15 percent. The Group has recognized a current tax expense of EUR 366 thousand as a supplementary tax in connection with the global minimum tax that will be payable by the Company. There was no minimum tax calculated in 2023.

The following recognized deferred tax assets and deferred tax liabilities are attributable to recognition and measurement differences in the individual balance sheet items:

Deferred tax assets/deferred tax liabilities

	Deferred tax assets		Deferred tax liabilities	
in € thousand	**2024**	**2023**	**2024**	**2023**
Intangible assets	29,900	23,141	7,072	6,759
Property, plant and equipment	7,637	7,188	7,047	7,963
Right-of-use assets	-	-	20,888	21,053
Other non-current financial assets	-	507	4,481	3,990
Other non-current assets	-	-	4,264	-
Non-current assets	**37,537**	**30,836**	**43,752**	**39,765**
Inventories [1]	23,235	27,156	1,313	1,030
Trade receivables	4,164	5,597	685	480
Contract assets	-	-	7,901	8,491
Other current financial assets [1]	1,184	674	2,489	3,756
Other current assets [1]	31	809	1,770	947
Current assets [1]	**28,614**	**34,236**	**14,158**	**14,704**
Provisions for pensions and similar obligations	45,794	47,096	-	-
Non-current personnel provisions [1]	5,485	5,067	-	-
Other non-current provisions [1]	1,654	1,996	-	-
Non-current liabilitites to banks	-	-	4	-
Other non-current financial liabilities	57	117	591	567
Non-current lease liabilities	13,682	13,609	-	-
Other non-current liabilities [1]	4,877	5,223	-	-
Non-current liabilities [1]	**71,549**	**73,108**	**595**	**567**
Current personnel provisions [1]	9,422	9,148	-	-
Other current provisions [1]	7,776	9,099	-	-
Trade payables	307	509	-	-
Other current financial liabilities [1]	491	689	1,132	446
Current lease liabilities	9,032	8,519	-	-
Other current liabilities [1]	13,729	10,161	592	540
Current liabilities [1]	**40,757**	**38,125**	**1,724**	**986**
Gross amount temporary differences [1]	**178,457**	**176,305**	**60,229**	**56,022**
Valuation allowance on temporary differences	-2,782	-600	-	-
Capitalized tax loss carryforwards and tax credits (net incl. valuation allowances)	98,647	97,434	-	-
Deferred taxes from consolidation entries	73,700	70,457	31,129	26,256
Offset	-89,721	-80,607	-89,721	-80,607
Carrying amount	**258,301**	**262,989**	**1,637**	**1,671**

[1] Deferred tax liabilities are offset with deferred tax assets on the balance sheet items where these refer to the same taxable entity.

The recoverable amount of the deferred tax assets from tax losses carried forward and temporary differences of the consolidated companies is reviewed annually on the basis of future taxable results using an operational planning calculation. If it is unlikely that the deferred tax assets will be realized, an impairment is recognized. Deferred tax assets on deductible temporary differences to the amount of EUR 8,504 thousand (2023: EUR 2,399 thousand) are not recognized, as they are not expected to be used in the planning period.

The deferred taxes on consolidation entries mainly relate to deferred taxes from the elimination of intercompany profits in inventories as well as in intangible assets and in property, plant and equipment.

Deferred taxes are determined on the basis of the tax rates which, under the legislation in force, apply in the individual countries at the time of realization or which are expected.

Tax loss carryforwards were as follows at the end of the year:

Capitalized tax loss carryforwards

in € thousand	2024	2023
Corporate income tax	326,960	307,468
Trade tax and U.S. state tax	270,397	269,792
Interest carryforwards	2,425	5,227
	599,782	**582,487**

Non-capitalized tax loss carryforwards

in € thousand	2024	2023
Corporate income tax	43,795	40,121
of which does not expire	30,055	40,121
Trade tax and U.S. state tax	14,866	14,580
of which does not expire	14,866	14,580
	58,661	**54,701**

The increase in capitalized loss carryforwards was mainly due to a tax loss in the income tax fiscal unit of Drägerwerk AG & Co. KGaA. The increase in non-capitalized loss carryforwards is mainly due to losses at individual foreign subsidiaries.

Deferred tax assets are recognized on unused tax credits in the amount of EUR 2,834 thousand (2023: EUR 5,280 thousand).

Deferred taxes of EUR 11,208 thousand (2023: EUR 10,335 thousand) would theoretically have to be recognized for the non-capitalized corporate income tax and trade tax losses carried forward. However, they are not recognized as it is not assumed that these losses carried forward are recoverable.

Deferred tax assets of EUR 153.920 thousand (2023: EUR 159,754 thousand) are recognized for losses carried forward and temporary differences despite tax losses in the current and prior year. They are capitalized on the basis of tax planning calculations. The management assumes that the affected companies will generate sufficient taxable income in the future. Past tax losses are also attributable to one-off special effects, which account for a significant proportion of the loss carryforwards. Moreover, various measures were implemented with the aim of improving the Group's profitability in the future. These include that divisions with low profitability should improve significantly through appropriate measures. In addition, the goal is to press ahead with existing successful measures, such as the focus on improved price implementation. The introduction of new, innovative products should also ensure profitability in the future. The amount is mainly due to deferred tax assets of EUR 149,180 thousand (2023: EUR 154,983 thousand) on temporary differences and tax losses carried forward by the tax group of Drägerwerk AG & Co. KGaA.

The expense from the write-down of deferred tax assets amounted to EUR 5,861 thousand (2023: EUR 1,533 thousand). The income from the reversal of a previous write-down of deferred tax assets amounted to EUR 2,850 thousand in fiscal year 2024 (2023: EUR 6,803 thousand).

The change in deferred tax assets in connection with the termination of the profit participation certificates in the 2020 fiscal year did not affect equity in the 2024 fiscal year outside of other comprehensive income in retained earnings (2023: increase of EUR 6,049 thousand). The change in the prior year results from the additional recoverability of deferred tax assets on tax loss carryforwards in Germany.

The initial consolidation of subsidiaries did not result in any deferred taxes in the 2024 fiscal year (2023: also no deferred taxes).

Deferred tax assets recognized in other comprehensive income, which mainly relate to the recognition of the effects of remeasurements of pension plans directly in equity, decreased by EUR 5,425 thousand during the period (2023: increase of EUR 10,265 thousand).

18 Personnel expenses / headcount

Personnel expenses include the remuneration of the members of the Executive Board of the general partner Drägerwerk Verwaltungs AG, Lübeck, Germany. Please refer to our comments in the disclosures on the remuneration of the Executive Board and Supervisory Board (see also ↗ note 42).

Personal expenses

in € thousand	2024	2023
Wages and salaries	1,144,195	1,102,665
Social security	210,805	203,557
Pension expenses and related employee benefits	27,631	25,326
	1,382,632	**1,331,548**

Depending on function, personnel expenses are taken into account in the cost of sales, research and development costs, marketing and selling expenses, as well as administrative expenses.

Personnel expenses include severance payments amounting to EUR 3,583 thousand (2023: EUR 2,261 thousand).

Headcount as at the balance sheet date

	2024	2023
Germany	7,722	7,699
Abroad	8,876	8,630
Total headcount	**16,598**	**16,329**
Production	2,049	2,127
Other	14,549	14,202
Total headcount	**16,598**	**16,329**

Headcount (average)

	2024	2023
Germany	7,708	7,614
Abroad	8,779	8,659
Total headcount	**16,487**	**16,273**
Production	2,071	2,144
Other	14,416	14,129
Total headcount	**16,487**	**16,273**

For further information on the development of employee figures, please refer to the combined management report.

19 Amortization, depreciation and impairment of intangible assets, property, plant and equipment and right-of-use assets

Amortization of intangible assets and right-of-use assets and depreciation of property, plant and equipment was incurred in the following functional areas:

Distribution of depreciation/amortization on the functional areas

in € thousand	2024	2023
Cost of sales	66,000	69,691
Research and development costs	7,325	5,545
Marketing and selling expenses	13,978	14,351
General administrative costs	58,540	58,965
	145,844	**148,552**

Pursuant to IAS 36, checks were performed as at the reporting date to establish whether there are any indications that assets may be impaired. Given that market capitalization as at the balance sheet date fell below the carrying amount of the equity and a number of countries remain in a challenging competitive situation, asset impairment tests were carried out for all cash-generating units. For this purpose, the individual companies are regarded as the cash-generating units, broken down into medical business and safety business where necessary.

The following impairments and reversals of impairments were recognized in the fiscal years 2024 and 2023:

Recognized need for impairment 2024

Cash Generating Unit in € thousand	Discount rate		Value in use	Recognized need for impairment loss	Recognized reversal of impairment loss
	2024	2023			
Medical division					
Dräger Chile Ltda., Santiago	9.4%	10.1%	2,809	888	-
Draeger Peru S.A.C., Lima	8.9%	9.4%	2,251	189	-
Draeger Arabia LLC, Riyadh	8.4%	8.3%	33,166	1,050	-
PT Draeger Medical Indonesia, Jakarta	9.2%	9.6%	3,752	323	-
Dräger Indústria e Comércio Ltda., São Paulo	11.0%	10.7%	3,193	1,027	-
Draeger Singapore Pte Ltd., Singapore	6.7%	7.6%	2,307	-	145
Total medical division			**47,479**	**3,476**	**145**
Safety division					
Dräger Safety s.r.o., Čestlice	8.7%	9.4%	1,036	481	-
Dräger Portugal, Lda, Carnaxide	8.3%	9.2%	1,516	237	-
Dräger Safety Zenith (Pty) Ltd, East London	12.6%	13.8%	1,404	628	-
Draeger Safety Korunma Teknolojileri A.S., Istanbul	11.1%	14.0%	5,209	-	594
ACE Protection AB, Svenljunga	7.7%	8.5%	7,430	-	1,071
Total safety division			**16,595**	**1,347**	**1,665**
Total			**64,074**	**4,823**	**1,810**

Recognized need for impairment 2023

Cash Generating Unit in € thousand	Discount rate 2023	Discount rate 2022	Value in use	Recognized need for impairment loss	Recognized reversal of impairment loss
Medical division					
Draeger Peru S.A.C., Lima	9.4%	9.1%	2,539	944	-
Dräger Indústria e Comércio Ltda., São Paulo	10.7%	10.2%	18,693	492	-
Dräger Tehnika d.o.o., Vozdovac Belgrade	11.5%	10.4%	2,193	451	-
Draeger Colombia S.A., Bogotá D.C.	11.9%	11.0%	3,865	423	-
Draeger Singapore Pte Ltd., Singapore	7.6%	5.3%	1,118	181	-
Drager Argentina S.A., Buenos Aires	109.2%	77.8%	-120	165	-
AB Ulax, Motala	7.1%	6.7%	2,115	-	457
Total medical division			**30,404**	**2,656**	**457**
Safety division					
Draeger Medical Systems, Inc., Wilmington, New Castle County	8.2%	7.8%	682	4,662	-
Draeger Safety UK Ltd., Blyth	7.7%	9.1%	126,417	3,343	-
ACE Protection AB, Svenljunga	8.5%	8.5%	11,250	1,533	-
Draeger Arabia LLC, Riyadh	9.7%	8.8%	13,221	927	-
Draeger Safety Korunma Teknolojileri A.S., Istanbul	14.0%	13.9%	3,860	707	-
Dräger Tehnika d.o.o., Vozdovac Belgrade	12.9%	12.2%	424	170	-
Drager Argentina S.A., Buenos Aires	110.6%	79.6%	-12	156	-
Draeger Safety Canada Ltd., Mississauga	8.5%	7.7%	12,196	118	-
Dräger-Simsa S.A., Santiago	11.5%	10.4%	5,637	-	430
Dräger South Africa (Pty) Ltd, Buccleuch	13.8%	13.2%	5,790	-	354
Dräger Safety Zenith (Pty) Ltd, East London	13.8%	13.2%	1,752	-	315
Total safety division			**181,217**	**11,616**	**1,099**
Total			**211,621**	**14,272**	**1,556**

In the 2024 fiscal year, impairment losses to the amount of EUR 7,219 thousand EUR were also recognized on individual assets of the safety division as it was no longer possible to determine a recoverable amount for them. EUR 2,510 thousand of these were attributable to assets of German subsidiaries, EUR 1,062 thousand to assets of a French subsidiary and EUR 3,646 thousand to assets of a Swedish subsidiary as a result of a dysfunctional production machine. The total impairment losses on individual assets and at the cash-generating unit level amounted to EUR 12,042 thousand in the 2024 fiscal year.

In fiscal year 2023, there were also triggering events in the course of the year that led to impairments as part of the impairment tests for individual cash-generating units. Some of the resulting impairments were corrected again due to an improved forecasted company performance at the end of 2023. The impairment loss for the 2023 fiscal year includes EUR 9,538 thousand, which is mainly attributable to production capacity for certified FFP masks that is no longer required and mainly relates to property, plant and equipment.

Due to the new regional structure for the 2024 fiscal year, the prior year's figures for impairment losses and write-ups have also changed. The prior year's figures have been adjusted accordingly.

EUR 9,616 thousand (2023: EUR 7,131 thousand) of the impairment losses on the cash-generating units (EUR 12,042 thousand; 2023: EUR 14,272 thousand) relate to the EMEA region, EUR 2,103 thousand (2023: EUR 6,960 thousand) to the Americas region and EUR 323 thousand (2023: EUR 181 thousand) to the APAC region.

The write-ups in the cash-generating units to the amount of EUR 1,810 thousand (2023: EUR 1,556 thousand) apply with EUR 1,665 thousand (2023: EUR 1,126 thousand) to the EMEA region, with EUR 0 thousand (2023: EUR 430 thousand) to the Americas region, as well as with EUR 145 thousand (2023: EUR 0 thousand) to the APAC region. The write-ups are included with EUR 1,071 thousand (2023: EUR 383 thousand) in the cost of sales and with EUR 739 thousand (2023: EUR 1,173 thousand) in the general administrative expenses.

The impairment losses and reversals of impairment losses were mainly recognized on property, plant and equipment, in particular factory and office equipment, but also on intangible assets. The value in use was calculated on the basis of a future performance indicator, which is based on the discounted cash flow method taken from the operational five-year plan for the respective cash-generating unit.

In view of IAS 36.105, the recoverable amount of Dräger assets is based on the assumption of resale. For this purpose, the fair value less costs to sale is determined internally. As a result, the calculated impairment requirement to the amount of EUR 37,806 thousand (2023: 12,702 thousand) was not recognized.

20 Earnings/dividend per share

Dräger calculates and reports the earnings per share. The method of calculating earnings per share assumes an actual full distribution of net income after non-controlling interests to the common and preferred shares. In the event of an assumed actual full distribution of the net profit for the year, the earnings per share for full distribution are calculated as follows:

Earnings per share

		2024	2023
Net profit	in € thousand	124,762	111,994
less the share of earnings attributable to non-controlling interests	in € thousand	354	1,561
Earnings attributable to shareholders	**in € thousand**	**124,408**	**110,433**
Weighted average of outstanding preferred shares	piece	8,593,550	8,600,000
Weighted average of outstanding common shares	piece	10,160,000	10,160,000
Undiluted earnings per common share	**in €**	**6.61**	**5.86**
Preference per preferred share	in €	0.06	0.06
Undiluted earnings per preferred share	**in €**	**6.67**	**5.92**
Diluted earnings per common share	**in €**	**6.61**	**5.86**
Preference per preferred share	in €	0.06	0.06
Diluted earnings per preferred share	**in €**	**6.67**	**5.92**

Dräger's preferred shares are preference shares within the meaning of IAS 33.

The proposed distribution is based on the annual financial statements of Drägerwerk AG & Co. KGaA in accordance with German commercial law and is as follows:

Calculation of proposed distribution

	Number of shares (piece)	Dividend per share in €	Dividends in €
Common shares	10,160,000	1.97	20,015,200.00
Preferred shares	8,600,000	2.03	17,458,000.00
			37,473,200.00

The proposed payout ratio is effectively 30.12% (2023: 30.03%).

In the current fiscal year, EUR 1.74 per common share and EUR 1.80 per preferred share were distributed for the prior year.

There are no reasons for a dilutive effect on earnings per share.

Notes on the consolidated balance sheet

21 Intangible assets

Intangible assets as at December 31, 2024

in € thousand	Goodwill	Patents, trademarks and licenses	Purchased software	Internally generated intangible assets	Prepay-ments made	2024 Total
Costs						
January 1, 2024	316,025	38,219	109,028	12,592	788	476,652
Additions	-	712	1,488	-	1,941	4,140
Disposals	-	-92	-13,208	-100	-	-13,400
Reclassifications	-	175	153	-	-328	0
Currency translation effects	875	-50	466	153	6	1,450
December 31, 2024	**316,899**	**38,965**	**97,927**	**12,645**	**2,406**	**468,842**
Accumulated amortization and impairment losses						
January 1, 2024	4,786	12,489	101,144	12,592	-	131,012
Additions	-	2,639	4,304	-	-	6,943
Impairments	-	1,114	153	-	-	1,267
Disposals	-	-43	-13,127	-100	-	-13,271
Currency translation effects	-37	-45	-26	153	-	44
December 31, 2024	**4,748**	**16,154**	**92,447**	**12,645**	**0**	**125,994**
Net carrying value	**312,151**	**22,811**	**5,480**	**0**	**2,406**	**342,848**

Intangible assets as at December 31, 2023

in € thousand	Goodwill	Patents, trademarks and licenses	Purchased software	Internally generated intangible assets	Prepay-ments made	2023 Total
Costs						
January 1, 2023	316,643	56,246	119,154	12,621	2,929	507,594
Additions	-	318	1,774	-	768	2,860
Disposals	-	-19,787	-12,488	-	-	-32,275
Reclassifications	-	1,864	1,046	-	-2,910	0
Currency translation effects	-618	-421	-458	-29	0	-1,527
December 31, 2023	**316,025**	**38,219**	**109,028**	**12,592**	**788**	**476,652**
Accumulated amortization and impairment losses						
January 1, 2023	4,830	30,558	108,944	12,621	-	156,953
Additions	-	2,405	4,997	-	-	7,402
Disposals	-	-19,787	-12,386	-	-	-32,173
Currency translation effects	-44	-687	-410	-29	-	-1,170
December 31, 2023	**4,786**	**12,489**	**101,144**	**12,592**	**0**	**131,012**
Net carrying value	**311,239**	**25,730**	**7,883**	**0**	**788**	**345,640**

Goodwill results primarily from the transfer of the “Electromedical Systems” business area of Siemens Medical Solutions to Dräger Medical GmbH (now: Drägerwerk AG & Co. KGaA) in fiscal year 2003. Goodwill increased further on account of the buyback of Siemens' 35% share in Dräger Medical GmbH (now: Drägerwerk AG & Co. KGaA) in fiscal years 2007 and 2009. Restructuring in prior years resulted in goodwill being reallocated to existing cash-generating units.

Patents, trademarks and licenses include an unpatented technology not yet ready for use of EUR 16,010 thousand resulting from the acquisition of the shares in STIMIT AG, Biel/Bienne, Switzerland, in the 2021 fiscal year which is tested annually for impairment.

Amortization is included in the cost of sales and other functional costs.

Goodwill impairment
The medical division and the safety division represent the groups of cash-generating units for the purpose of goodwill impairment testing. Their value in use is determined using the discounted cash flow method on the basis of the five-year operating plan. A reconciliation of goodwill can be found in the statement of changes in intangible assets.

As at December 31, 2024, goodwill of EUR 312.2 million (2023: EUR 311.2 million) comprises EUR 158.9 million (2023: EUR 158.4 million) for the medical division and EUR 153.3 million (2023: EUR 152.8 million) for the safety division.

Key planning assumptions include net sales growth during the detailed planning period of 2025 to 2029, as well as the EBIT margin during the same time. Net sales growth per entity is planned according to division and takes the market growth of the individual markets, development of the market shares and price developments into consideration. This results in an average annual sales growth of 5.4% for the medical division and 5.9% for the safety division for the period from 2025 to 2029, resulting in an average annual overall growth of 5.6% for the Group for this period. In the prior year, average annual overall growth for the Group was 5.8%, which was calculated for the period from 2024 to 2028 from an annual average sales growth of 5.6% for the medical division and 6.1% for the safety division. At the same time, the consolidated gross margins of the regions per division as well as the regional and central functional costs are planned. The resulting average EBIT margin during the detailed planning period is 4.8% for the medical division (2023: 5.1%) and increases within the detailed planning period to 7.6% in the last planning year. The EBIT margin for the safety division increases within the detailed planning period and is an average of 11.4% (2023: 8.8%).

In addition, discount rate and growth rate in the perpetual annuity are used in the calculation as further key planning assumptions. In the current planning, a discount rate of 7.9% after tax (10.9% before tax) and a growth rate of 1.0% for the perpetual annuity were taken into account for the medical division. In the prior year, the discount rate for the medical division was 8.5% after tax (11.7% before tax) and the growth rate for the perpetual annuity was 1.0%. For the safety division, a discount rate of 8.7% after tax (12.0% before tax) and a growth rate of 1.0% for the perpetual annuity were included in the planning. By contrast, a discount rate of 9.6% after tax (13.5% before tax) and a growth rate of 1.0% were applied to the perpetual annuity in the prior year. The underlying planning assumptions were checked for plausibility using external sources of information on market developments. Based on this multi-year plan, there was no reason for depreciation or amortization. For goodwill in the medical and safety divisions, there is no reason for impairment even in the event of zero growth in the perpetual annuity and an increase in the discount rate by a further 3 percentage points. In terms of goodwill for the medical division, an EBIT margin reduced by 3 percentage points at the end of the detailed planning period as a basis for long-term return expectations would lead to a reduction of the value in use for the medical division by EUR 568.3 million. A reduction of the EBIT margin beyond this would mean an impairment of the goodwill in the medical division. No possible change in material assumptions would lead to an impairment of goodwill in the safety division.

22 Property, plant and equipment

Property, plant and equipment as at December 31, 2024

in € thousand	Land, equivalent titles and buildings	Production plant and machinery	Other plant, factory and office equipment	Leased equipment	Prepayments made and assets under construction	2024 Total
Costs						
January 1, 2024	536,331	176,332	578,562	80,426	50,001	1,421,652
Additions	4,900	2,918	25,881	5,059	25,566	64,325
Disposals	-20,857	-6,282	-49,441	-2,570	-948	-80,098
Reclassifications	7,865	5,217	19,420	175	-32,676	0
Reclassifications of rental and demo equipment	-	-	6,368	6,373	-	12,741
Currency translation effects	2,684	1,104	5,146	-440	-105	8,389
December 31, 2024	**530,924**	**179,289**	**585,936**	**89,022**	**41,837**	**1,427,008**
Accumulated depreciation and impairment losses						
January 1, 2024	305,904	125,167	469,928	64,480	-	965,480
Additions	15,367	11,692	42,233	10,612	-	79,903
Impairments	2,482	7,686	-41	-	-	10,126
Write-ups	-	-727	-1,082	-	-	-1,810
Disposals	-16,270	-5,792	-46,838	-2,195	-	-71,096
Reclassifications	134	420	-554	0	-	0
Reclassifications of rental and demo equipment	-	-	5,347	-136	-	5,210
Currency translation effects	1,424	1,160	3,589	-124	-	6,050
December 31, 2024	**309,041**	**139,606**	**472,580**	**72,637**	**0**	**993,863**
Net carrying value	**221,883**	**39,683**	**113,356**	**16,385**	**41,837**	**433,145**

Property, plant and equipment as at December 31, 2023

in € thousand	Land, equivalent titles and buildings	Production plant and machinery	Other plant, factory and office equipment	Leased equipment	Prepayments made and assets under construction	2023 Total
Costs						
January 1, 2023	520,363	171,767	561,061	72,022	69,915	1,395,128
Additions	8,279	5,303	24,164	2,650	28,562	68,959
Disposals	-5,400	-9,796	-23,409	-2,679	-2,306	-43,589
Reclassifications	16,453	11,977	15,631	1,878	-46,191	-252
Reclassifications of rental and demo equipment	-	-	6,144	7,460	-	13,604
Change in the scope of consolidation	-374	-1,740	-638	-	-	-2,752
Currency translation effects	-2,990	-1,180	-4,390	-906	20	-9,446
December 31, 2023	**536,331**	**176,332**	**578,562**	**80,426**	**50,001**	**1,421,652**
Accumulated depreciation and impairment losses						
January 1, 2023	292,855	118,177	448,383	57,337	-	916,752
Additions	17,521	13,646	41,139	10,601	-	82,907
Impairments	-	5,102	8,733	-	-	13,835
Write-ups	-	-	-1,555	-	-	-1,555
Disposals	-2,572	-9,492	-22,052	-2,353	-	-36,468
Reclassifications	0	-2	-1,014	1,017	-	0
Reclassifications of rental and demo equipment	-	-	352	-1,266	-	-915
Change in the scope of consolidation	-374	-1,360	-555	-	-	-2,289
Currency translation effects	-1,526	-904	-3,503	-855	-	-6,788
December 31, 2023	**305,904**	**125,167**	**469,928**	**64,480**	**0**	**965,480**
Net carrying value	**230,427**	**51,164**	**108,634**	**15,946**	**50,001**	**456,172**

As in the prior year, Dräger did not receive any public investment grants in the 2024 fiscal year that led to a reduction in additions to property, plant and equipment.

Prepayments and assets under construction include prepayments of EUR 2,656 thousand (2023: EUR 4,695 thousand).

Rental and demo equipment is generally attributed to leased equipment under property, plant and equipment as its long-term purpose is to be made available for use by different customers. By contrast, rental and demo equipment intended for sale in the short term to a customer is reported as part of inventories under finished goods. As a result, finished goods that are added to leased equipment stocks are reclassified from inventories to property, plant and equipment. At the same time, leased equipment is reclassified from property, plant and equipment to inventories if it is available for sale.

Depreciation, amortization and impairment are included in the cost of sales and other functional costs (see also ↗ note 19).

Right-of-use assets from leases are reported under the separate balance sheet item right-of-use assets (see also ↗ note 38).

As in the prior year, no borrowing costs were capitalized in the fiscal year in connection with additions from new buildings.

23 Investments in associates

Dräger holds shares in three associated companies (2023: four associated companies). MAPRA Assekuranzkontor GmbH, Lübeck, is an insurance broker in which Dräger holds 49% of the shares and over which Dräger exercises significant influence. The fiscal year of this company ends on December 31. The Canadian software company Focus Field Solutions Inc., St. John's, in which Dräger holds 29.53% of the shares, is a leading provider of operational safety solutions for the digitalization of critical work process data from employees and plants. The fiscal year of this company ends on December 31. Dräger also holds 48.74% of the shares in MultiSensor Scientific Inc., Somerville, USA. The Company develops technical solutions to detect and quantify emissions from leaks along the oil and natural gas supply chain. The fiscal year of this company ends on December 31.

All three companies are included in the Group financial statements according to the equity method. There are no quoted market prices for these companies.

As the associates in and of themselves and when taken as a whole are not material, Dräger exercises the option to use the simplified consolidated method.

Dräger also holds 24.01% of the shares in GWA Hygiene GmbH, Stralsund (now: Hypros GmbH). Between April and September 2024, these shares fell to 14.57%, as Dräger did not participate in several capital increases of the company. Dräger no longer exercises significant influence over GWA Hygiene GmbH, meaning that the company is no longer included in the Group financial statements as an associated company using the equity method. The company is now recognized as another investment at fair value. This had no effect on earnings at the time of the method change. The fiscal year of this company ends on December 31.

The following disclosures are based on the information currently available. For MAPRA Assekuranzkontor GmbH, this is the most recently published annual financial statements. For Focus Field Solutions Inc., MultiSensor Scientific Inc. and the prior year's figures for GWA Hygiene GmbH, this is the last quarterly financial statement as at September.

Financial information on associates

in € thousand	2024	2023
Carrying value of the Group shares in associates	801	11,552
Share in the total result of associates	312	-3,504
Impairment of shares in associates	-7,720	-987
Distributions received	586	273

The impairment of shares in associated companies result, in both fiscal years, from increasing uncertainties in the marketability of products.

The most recently published annual financial statements of MAPRA Assekuranzkontor GmbH show equity of EUR 1.635 thousand (prior year: EUR 999 thousand) and a result of EUR 1,195 thousand (prior year: EUR 559 thousand). The equity of GWA Hygiene GmbH as at December 31, 2022 amounted to EUR 4,438 thousand and included a result of EUR -1,372 thousand. Focus Field Solutions Inc. and MultiSensor Scientific Inc. are not subject to any disclosure requirements.

There are no obligations to associates to provide funds or resources that are not recognized in the balance sheet, nor are there any contingent liabilities.

24 Trade receivables and contract assets

Trade receivables

in € thousand	Current	Non-current	2024 Total	Current	Non-current	2023 Total
Trade receivables	833,001	4,936	837,937	774,265	2,658	776,922
less risk provisions	-44,555	-	-44,555	-46,770	-	-46,770
	788,446	**4,936**	**793,382**	**727,494**	**2,658**	**730,152**

Contract assets

in € thousand	Current	Non-current	2024 Total	Current	Non-current	2023 Total
Contract assets	52,982	-	52,982	55,221	-	55,221
less risk provisions	-96	-	-96	-110	-	-110
	52,886	**0**	**52,886**	**55,111**	**0**	**55,111**

The risks in trade receivables and contract assets are adequately taken into account by recognizing risk provisions. For details on the calculation of risk provisions, please refer to our comments in ↗ note 37.

Contract assets include all claims for payment from project business, which are recognized over time, and from services rendered, provided the claims are not linked to the time period alone.

As at December 31, 2024, Dräger sold trade receivables amounting to EUR 11,158 thousand (2023: EUR 23,933 thousand) to a buyer. These receivables are transferred and completely derecognized before the balance sheet date. The continuing involvement from this transaction from the paid receivables results from the buyer's right to demand interest for the period between the actual due date of the receivables sold and their actual receipt of payment or the default of the receivable, but for no more than 90 days. The resulting risk amounts to EUR 101 thousand (2023: EUR 287 thousand). At the time of the transfer of the trade receivables, costs of EUR 36 thousand (2023: EUR 44 thousand) were recognized. In the cash flow statement, this transaction is recognized in full in the change in trade receivables in operating cash flow.

25 Other financial assets

Other financial assets

in € thousand	Current	Non-current	2024 Total	Current	Non-current	2023 Total
Positive fair values of derivatives	10,405	17	10,422	7,401	105	7,506
Notes receivables	3,883	-	3,883	3,971	-	3,971
Security deposits paid	3,481	3,691	7,172	3,415	4,957	8,372
Creditors with debit balances	8,611	-	8,611	3,149	-	3,149
Finance lease receivables (lessor)	1,285	6,117	7,402	667	952	1,619
Other investments	-	15,997	15,997	-	14,044	14,044
Receivables from employees	993	105	1,099	1,122	-	1,122
Receivables from associates	1	-	1	2	-	2
Receivables from commission agents	7,004	-	7,004	5,600	-	5,600
Sundry financial assets	16,106	3,471	19,578	1,715	285	2,000
	51,770	**29,398**	**81,169**	**27,041**	**20,343**	**47,384**

Other financial assets are impaired in the amount of EUR 10,658 thousand (2023: EUR 10,321 thousand) (please refer to our comments in ↗ note 37).

As in the prior year, the notes receivables mainly arose at the Chinese and Japanese subsidiaries, where bills of exchange are regarded as the usual means of payment.

The increase of the current sundry financial assets largely results from receivables from the sale of real estate to the amount of EUR 10,147 thousand.

The non-current sundry financial assets include other non-current securities to the amount of EUR 3,468 thousand (2023: EUR 156 thousand).

For further information on the positive fair values of derivative financial instruments, please refer to the overview of derivative financial instruments in the Dräger Group presented in ↗ note 37.

For further information on receivables from finance leases, please refer to our comments on finance leases with the lessor in ↗ note 38.

26 Inventories

Inventories

in € thousand	2024	2023
Finished goods and merchandise	340,115	337,876
Work in progress	77,590	85,410
Raw materials, consumables and supplies	236,636	224,879
Prepayments made	8,244	6,575
	662,585	**654,740**

The carrying amount of inventories held at the current balance sheet date, which were written down to their net realizable value, is EUR 298,095 thousand (2023: EUR 315,210 thousand).

Impairments of EUR 43,552 thousand (2023: EUR 46,521 thousand) were recognized as expenses on inventories in the fiscal year, which are included in the cost of sales. By contrast, impairments made in prior years amounting to EUR 10,563 thousand (2023: EUR 9,571 thousand) were reversed through profit or loss, as the reasons for the impairments no longer applied.

Finished goods and merchandise include short-term rental and demo equipment made available to customers to the value of EUR 5,896 thousand (2023: EUR 7,052 thousand). The rental and demo equipment is generally acquired by customers within a short period of time and is therefore reported under inventories. Valuation discounts have been taken into account in accordance with the useful life.

Inventories with a carrying amount of EUR 1,212,850 thousand (2023: EUR 1,263,028 thousand) were recognized as cost of sales in the fiscal year.

As in the prior year, no interest on debt was included in the valuation of inventories.

27 Cash and cash equivalents

Cash and cash equivalents comprise cash assets and balances at various banks in different currencies. Cash and cash equivalents, the use of which was restricted as at the balance sheet date, amounted to EUR 7,134 thousand (2023: EUR 11,953 thousand). The restrictions mainly relate to foreign currency export restrictions and other contractual or legal restrictions.

28 Other assets

Other assets

			2024			2023
in € thousand	**Current**	**Non-current**	**Total**	**Current**	**Non-current**	**Total**
Prepaid expenses	37,476	-	37,476	34,241	-	34,241
Other tax refund claims	23,864	-	23,864	26,603	-	26,603
Receivables from grants	4,589	-	4,589	847	-	847
Plan assets from pension plans	-	13,537	13,537	-	-	0
Sundry	1,537	9,868	11,405	1,978	8,342	10,320
	67,465	**23,405**	**90,870**	**63,669**	**8,342**	**72,011**

Prepaid expenses are mainly formed for maintenance and license agreements that are invoiced in advance by the providers.

Impairment losses of EUR 7 thousand (2023: EUR 10 thousand) were recognized for other current assets.

Other tax refund claims mainly relate to refund claims from value added tax.

The receivables from grants result from research projects for which Dräger fulfills the requirements for public research allowances and is therefore entitled to payment. The allowances were recognized in profit and loss under research and development costs. Furthermore, Dräger has received a commitment for an EU grant for research and development amounting to EUR 3,688 thousand (2023: EUR 3,688 thousand), the payment of which is dependent on the achievement of defined milestones. Dräger has already received EUR 1,782 thousand (2023: EUR 1,782 thousand), of which EUR 1,155 thousand (2023: EUR 134 thousand) is recognized through profit or loss in the research and development costs and the remaining part as deferred income.

Sundry non-current assets include non-current tax receivables from four (2023: five) foreign subsidiaries amounting to EUR 9,723 thousand (2023: EUR 8,239 thousand).

29 Non-current assets held for sale / liabilities from non-current assets held for sale

In January 2024, Dräger sold part of the Dutch gas detection business in the safety division and therefore reported the affected assets and liabilities separately in the balance sheet as at December 31, 2023. The assets related to property, plant and equipment and capitalized rights of use in the amount of EUR 924 thousand and inventories in the amount of EUR 2,521 thousand. The liabilities mainly relate to contract liabilities of EUR 2,100 thousand and lease liabilities of EUR 870 thousand.

30 Equity

The breakdown and changes in equity for fiscal years 2024 and 2023 are presented in the “Statement of changes in equity of the Dräger Group”.

Capital stock

The capital stock of Drägerwerk AG & Co. KGaA amounts to EUR 48,026 thousand (2023: EUR 48,026 thousand).

The capital stock continues to consists of 10,160,000 limited no-par bearer common shares and 8,600,000 non-voting limited no-par preferred shares.

The nominal value of both share types is EUR 2.56. Drägerwerk Verwaltungs AG, the general partner, holds no shares in the capital.

The capital stock has been fully paid in. As before, the preferred and common shares are traded on the capital market.

Other than voting rights, the preferred shares have the same rights as those attached to the common shares. As compensation for the lack of voting rights, an advance dividend of EUR 0.13 per preferred share is distributed from net earnings.

If sufficient remaining net earnings are available, a dividend of EUR 0.13 per common share is then paid. Any net earnings in excess of this amount, if distributed, are allocated so that holders of preferred shares receive a dividend that is EUR 0.06 higher than the dividend on common shares.

If profit is not sufficient for an advance dividend for preferred shares in one or more fiscal years, the amounts are paid from the profits of subsequent fiscal years before a dividend is paid on common shares.

If amounts in arrears are not paid in the next year, along with the full preferred dividend for the current year, the preferred shareholders have voting rights until the arrears have been paid.

In the event of liquidation, preferred shareholders will receive a total of 25% of the total liquidation proceeds in advance. The remaining liquidation proceeds are distributed equally among all shares.

By resolution of the annual shareholders' meeting on May 7, 2021, the general partner is authorized, with the approval of the Supervisory Board, to increase the common shares and/or preferred shares (no-par value shares) by a total of up to EUR 12,006,400.00 by issuing new common bearer shares and/or preferred shares against cash and/or non-cash contributions on one or more occasions until May 6, 2026 (authorized capital). The authorization to issue non-voting preferred shares may only be exercised to the extent that the proportion of non-voting preferred shares does not exceed half of the share capital (Section 139 (2) AktG).

In the event that the authorized capital is used, the shareholders must be granted subscription rights. Subscription rights can also be granted to shareholders in such a way that the new shares are taken over by one or more banks or companies specified by the general partner within the meaning of Sec. 186 (5) Sentence 1 AktG with the obligation to transfer them to the shareholders in a subscription offer (indirect subscription right). This may be useful for processing reasons. This does not constitute a restriction of shareholders' subscription rights.

In the case of common and preferred shares being issued at the same time while maintaining the ratio of both share types at the time of issuance, the general partner is authorized, subject to approval by the Supervisory Board, to exclude the subscription right of holders of one category of shares to the other category of shares (“crossed exclusion of subscription rights”). Also in this case, the general partner is entitled to exclude further subscription rights under the terms of the regulations stated below.

In addition and subject to the approval of the Supervisory Board, the general partner is authorized to exclude the subscription right of the shareholders in certain other cases.

The proportion of the capital stock attributed in total to new shares for which the subscription right is excluded on the basis of this authorization may, together with the proportion of the capital stock that is attributed to treasury shares or to new shares from other authorized capital or that relates to the option or conversion rights or obligations arising from options, warrant and/or convertible bonds, and/or participation rights that have been sold or issued during the term of this authorization subject to the exclusion of subscription rights, not exceed 10% of capital stock. Shares issued under a crossed exclusion of subscription rights are excluded from the limitation to 10% of capital stock. The key factor for calculating the 10% limit is the existing capital stock at the time that this authorization comes into effect or is exercised, on whichever of these dates the capital stock is at its lowest.

The general partner is authorized, subject to the approval of the Supervisory Board, to determine the details of the share rights and of the capital increase, as well as the terms and conditions of the share issue, in particular the issue price. The Supervisory Board is entitled to adjust the wording of the articles of association in line with the utilization of the authorized capital or after the authorization period expires.

By resolution of the annual shareholders' meeting on May 7, 2021, the general partner is also authorized until May 6, 2026 to issue bonds with warrant and/or convertible bonds with a total nominal value of up to EUR 650,000,000.00 and to create associated conditional capital of up to EUR 12,006,400.00 by issuing up to 4,690,000 new no-par value bearer shares.

The option or conversion price for the shares to be subscribed upon exercise of option and/or conversion rights must, with the exception of cases in which an option exercise or conversion obligation, a right of substitution or a tender right of the issuer of the bonds to deliver shares is provided for, correspond to at least 80% of the stock exchange price of the bearer shares of the Company determined shortly before the issue of the bonds that are linked to option or conversion rights.

Shareholders generally have a right to subscribe to the bonds (Sec. 221 (4) in conjunction with Sec. 186 (1) AktG).

The authorization initially provides that, in the event that bonds with option or conversion rights or obligations on common shares as well as bonds with option or conversion rights or obligations on preferred shares are issued, the general partner can, with the approval of the Supervisory Board, exclude subscription rights for holders of shares of one class to the bonds that grant option or conversion rights to shares of the other class, or provide for a corresponding exercise or conversion obligation, if the subscription ratio for subscription of the bonds is determined to be the same for the holders of both share classes (“crossed exclusion of subscription rights”).

The general partner is also authorized, subject to the approval of the Supervisory Board, to exclude the subscription rights of the shareholders in certain other cases.

Voting rights notification

Sec. 160 (1) No. 8 AktG requires disclosure of the existence of investments that have been notified to the Company in accordance with Sec. 33 (1) or (2) German Securities Trading Act (Wertpapierhandelsgesetz – WpHG).

Notifications of voting rights received 2024

Reporter	Date of notification of voting rights	Reporting threshold [1]	Investment	Investment in voting rights
Brandes Investment Partners, L.P., San Diego, U.S.	November 26, 2024	5% Exceeding	5.01%	508,594

[1] Disclosure as a result of changes to directly and/or indirectly held voting rights

Existing notifiable shareholdings according to the voting rights notification

Reporter	Date of notification of voting rights	Investment	Investment in voting rights
Dr. Heinrich Dräger GmbH, Lübeck	November 12, 2013	67.31%	6,838,408
State of Norway, Oslo, Norway	October 4, 2018	3.04%	308,663
Brandes Investment Partners, L.P., San Diego, U.S.	November 26, 2024	5.01%	508,594

It must be noted that the information on shareholdings may be outdated.

Capital reserves

The capital reserve was formed from premiums in connection with the 25 option rights exercised in the years 2013 to 2015, the formation (conversion) of Drägerwerk AG & Co. KGaA in 1970 and in connection with capital increases in 1979, 1981, 1991, 2010 and 2020.

Reserves retained from earnings

Retained earnings comprise the earnings generated by the companies included in the consolidated financial statements up to fiscal year 2024, unless they have been allocated to minority interests or distributed as dividends by Drägerwerk AG & Co. KGaA. Another component of retained earnings are the effects of revaluations of pension provisions, including the deferred taxes attributable to them.

The other effects relate almost exclusively to the distribution to shareholders to the total amount of EUR 33,158 thousand. In the distribution amount from the prior year to the amount of EUR 3,681 thousand, payments to the participation certificate holders were additionally included. In the prior year, retained earnings were also increased by EUR 6,049 thousand from the subsequent recognition of deferred tax assets that were not deemed recoverable in the 2020 fiscal year in connection with the termination of the participation certificates (see also ↗ note 17).

Retained earnings, including the Group result, therefore changed as follows:

Reserves retained from earnings, including Group result

in € thousand	2024	2023
Reserves retained from earnings, including Group result as at January 1	1,071,284	969,303
Changes from remeasurements of pension plans (after taxes)	21,781	-10,782
Net result for the year (excluding non-controlling interests)	124,408	110,433
Other effects	-33,095	2,330
Reserves retained from earnings, including Group result as at December 31	**1,184,379**	**1,071,284**

The amount blocked for distribution amounts to EUR 231,425 thousand as at December 31, 2024 (December 31, 2023: EUR 181,838 thousand).

Treasury shares (employee participation program)
The Executive Board has once again decided to offer Dräger employees in Germany the opportunity to hold shares in the Company as part of an employee participation program in fiscal year 2024. The aim is to increase identification with the Company and the attractiveness of Dräger as an employer.

As in the prior year, one bonus share was granted for every three investment shares acquired by the employee. The shares are subject to a holding period of two years and may therefore not be sold or transferred in any other way during this period. It is not necessary for the employee to remain with the Company during this holding period.

The buyback of the 57,987 investment shares and 19,329 bonus shares (77,316 shares in total) on the stock exchange began on October 7, 2024 and was not fully completed by the end of the year. The maximum purchase price was set at EUR 45.05 per preferred share before the start of the program (closing price of the preferred shares in Xetra trading on the last trading day before the start of the respective purchase period). The shares were transferred to the employees' respective securities accounts after the end of the buyback phase, which was completed on January 20, 2025. The 55,487 shares acquired by December 31, 2024 are reported by Dräger as treasury shares to the amount of EUR 2,535 thousand.

The participation phase, in which employees could acquire the blocks of shares, began on November 4, 2024 and ended November 14, 2024. Based on the shares ordered by the employees (2023: including the members of the Executive Board) during this commitment period, the number of bonus shares amounted to 19,329 (2023: 20,115 bonus shares). A securities account was opened for the participating employees at Deutsche Bank AG, Frankfurt am Main, (paying agent) for the booking and safekeeping of the bonus shares.

The value of the bonus shares ordered and of the benefit from the right to also purchase reduced investment shares was recorded in personnel expenses to the total amount of EUR 856 thousand.

In the prior year, the 20,115 bonus shares were acquired in the period from November 6 to November 15, 2023 by the paying agent on behalf of Dräger at a total purchase price of EUR 990 thousand in the form of a share buyback on the stock exchange. The average market price was EUR 49.24. The lowest price on the day the shares were transferred to the participants for tax purposes was EUR 54.90 in the prior year. This was above the maximum purchase price of EUR 50.80 per preferred share set before the start of the program. This maximum purchase price therefore represented the final purchase price per investment share for the employees.

In the prior year, the total price of the investment and bonus shares acquired for and on behalf of Dräger amounted to EUR 3,962 thousand. Of this amount, EUR 3,066 thousand were passed on to the employees. The shares were transferred directly to the respective securities accounts of the participating employees. The value of the bonus shares and of the benefit from the right to also purchase reduced investment shares was recorded in personnel expenses to the total amount of EUR 896 thousand. Beyond the stock market price paid, no further future dividend expectations or other features were included in the fair value of the bonus shares.

The acquisition of treasury shares to be passed on to participating employees as bonus shares is covered by the resolution of the annual shareholder's meeting on May 7, 2021, according to which the general partner was authorized to acquire treasury shares of any class (common and/or preferred shares) up to a total of 10% of the Company's share capital existing at the time of the resolution or – if this value is lower – at the time the authorization is exercised, until May 7, 2026. The exercise of the purchase authorization is subject to the approval of the Supervisory Board. The acquisition must be made via the stock exchange, on the basis of a public purchase offer or on the basis of a public invitation to submit offers to sell. The principle of equal treatment under stock corporation law must be observed in each case.

If the acquisition is made by means of a public purchase offer addressed to all shareholders of a class or by means of a public invitation to submit offers to sell, the volume of the offer or the invitation to submit offers to sell may be limited. This may result in the number of shares offered by the shareholders exceeding the number of shares requested by the Company. In this case, shares must be allocated according to quotas.

The offered price or the upper limit on the purchase price range determined by the Company for each class and type of share (excluding incidental acquisition costs) may not be more than 10% higher or lower than the volume-weighted average of the closing auction prices for the same class and type of share in Xetra trading (or on a functionally comparable successor system replacing the Xetra system) on the Frankfurt Stock Exchange during the last five stock exchange trading days before the date that the public offer or the public invitation to submit offers for sale is publicly announced.

The general partner is authorized to use treasury shares acquired on the basis of this authorization for any lawful purposes.

Subject to the approval of the Supervisory Board, the general partner is authorized to exclude the subscription right of the shareholders in certain other cases.

Other comprehensive income

Changes in other comprehensive income

in € thousand	Currency translation adjustment	Cash flow hedge reserve	Total
January 1, 2023	**-5,950**	**-367**	**-6,317**
Currency translation differences	-13,944	-	-13,944
Effect in profit or loss of the final consolidation of a subsidiary	-64	-	-64
Change from the remeasurement of cash flow hedge instruments	-	2,798	2,798
Reclassification to the income statement	-	-1,645	-1,645
Deferred taxes recognized directly in equity	-	-394	-394
December 31, 2023 / January 1, 2024	**-19,958**	**392**	**-19,566**
Currency translation differences	16,827	-	16,827
Change from the remeasurement of cash flow hedge instruments	-	6,154	6,154
Reclassification to the income statement	-	-6,009	-6,009
Deferred taxes recognized directly in equity	-	-15	-15
December 31, 2024	**-3,131**	**522**	**-2,609**

With the exception of derivatives, Dräger does not hold any other financial instruments, the subsequent measurement of which is directly recognized in other comprehensive income.

The change in the adjustment item from the translation of financial statements in foreign currencies compared to the prior year is mainly due to the translation of the Consolidated Income Statement at average exchange rates and the historical exchange rates from capital consolidation.

Further information on the cash flow hedge reserve and the breakdown between currency and interest rate hedges is provided in ↗ note 37.

Information on capital management

One of Dräger's most important goals is to increase Company value. The key function of capital management in this respect is to reduce the cost of capital while ensuring solvency at all times by optimizing the capital employed. This is achieved by matching the maturities of financial liabilities with the expected free cash flow and creating sufficient liquidity reserves.

Capital is monitored regularly on the basis of various key figures. These include gearing and the equity ratio.

The capital structure of the Dräger Group as at the balance sheet date is as follows:

Equity and liabilities

in € million	2024	2023
Equity interest held by shareholders of Drägerwerk AG & Co. KGaA	1,535.2	1,406.8
+ Non-controlling interests	1.6	2.5
Equity of the Dräger Group	**1,536.8**	**1,409.2**
Share of total equity and liabilities	49.7%	45.5%
Non-current liabilities	578.2	661.2
Current liabilities	978.5	1,020.5
Liabilities from non-current assets classified as held for sale	-	3.6
Total liabilities	**1,556.7**	**1,685.3**
Share of total equity and liabilities	50.3%	54.5%
Total equity and liabilities	**3,093.5**	**3,094.5**

The Dräger Group's gearing had developed as follows as at the balance sheet date:

Gearing

in € million	2024	2023
Non-current interest-bearing loans	204.4	257.7
+ Current interest-bearing loans and liabilities to banks	67.4	90.9
+ Non-current and current liabilities from finance lease	123.8	121.0
- Cash and cash equivalents	-230.6	-272.0
Net financial debt	**165.0**	**197.7**
Equity	1,536.8	1,409.2
Gearing (= net financial debt / equity)	**0.11**	**0.14**

To secure its liquidity, the Dräger Group has concluded a framework credit agreement with a term until November 30, 2026. Under this agreement, cash credit lines of EUR 375.0 million and guarantee credit lines of EUR 165.0 million were in place as at December 31, 2024, each with a term until November 30, 2026. In the framework credit agreement, a target value has been determined for the bilateral credit lines with regard to a specific financial parameter (financial covenant for a net debt in relation to the result). Should Dräger not comply with this value, the banks are entitled to terminate the bilaterally agreed credit lines. This agreement was made for the existing loans at the European Investment Bank. For other loans, such as the issued note loan, there is no comparable financial covenant, however a cross-default clause does provide the right to terminate. The value has been specified so that we would only run the risk of being unable to comply with the agreed value threshold in the event of a significant deterioration in our results of operations and financial position. Adherence to this key figure is confirmed on a quarterly basis with the lending banks. The financial covenant was complied with on every reporting date in fiscal year 2024 and in prior year; it was well below this limit in each case. Our short- and medium-term financial planning provides for continuous compliance with this financial covenant.

Outside of the framework credit agreement, there is a further bilateral guarantee credit line with DZ Bank for EUR 5.0 million and with Euler Hermes for EUR 20.0 million.

In addition, there are promissory note loans for a total of EUR 100.0 million, half of which is due in fiscal year 2026 and half in fiscal year 2028, which serve the purpose of medium- and long-term financing.

We also have loans from the European Investment Bank (EIB) of EUR 50.0 million with a remaining term until October 2, 2025 and EUR 100.0 million with a remaining term until January 26, 2028. Both loans have a fixed five-year interest rate.

31 Non-controlling interests

Non-controlling interests are comprised as follows:

Non-controlling interests

	2024		2023	
in € thousand	Non-controlling interests	thereof net profit	Non-controlling interests	thereof net profit
Dräger-Simsa S.A., Santiago	1,174	394	1,796	658
Dräger South Africa (Pty) Ltd, Buccleuch	472	-40	660	903
	1,646	**354**	**2,457**	**1,561**

Non-controlling interests are of minor importance for the Group.

In the statement of changes in equity, the other comprehensive income of non-controlling interests amounting to EUR -10 thousand (2023: EUR -348 thousand) only includes currency translation differences.

32 Provisions for pensions and similar obligations

In addition to predominantly defined benefit pension plans and similar obligations, the Dräger Group also had defined contribution pension plans as at December 31, 2024.

Defined benefit pension plans and similar obligations

Under the Group's defined benefit pension plans, provisions for pensions and similar obligations have been accrued for future benefits payable in the form of old-age, disability, and surviving dependents' pensions. The amount of this obligation is determined using the projected unit credit method. The obligations are partially covered by plan assets.

The defined benefit pension plans of the German companies, for which the 2018G mortality tables by Dr. Klaus Heubeck continue to be applied, comprise 84.1% (2023: 88.7%) of the provisions for pensions and similar obligations reported as at the reporting date. As at January 1, 2005, the new Company pension plans “Rentenplan 2005” and “Führungskräfteversorgung 2005” came into effect for almost all employees of the Dräger Group's German companies, superseding the “Versorgungsordnung '90” and “Ruhegeldordnung '90” schemes.

Under the previous pension plans, employees received pensions based on their salaries and period of employment. As part of the transition to the new plan, employees were guaranteed a pension based on the old plan for their years of service prior to 2005.

The new pension plan is based on contributions that are split up into the following three components:

- employer-funded basic level,
- employee-funded top-up level (deferred compensation), and
- employer-funded supplementary level.

The pension cost for the employer-funded basic level is based on the respective employee's income. In the employee-funded top-up level, employees can increase their pension entitlement through deferred compensation. The contribution made at the employer-funded supplementary level depends on the employee contribution through deferred compensation and on the Company's business performance (EBIT). When the pension is drawn, the pension benefit is calculated on the basis of the saved pension volume and an age-based annuity factor.

This basic structure was continued with the amendments to the “Rentenplan 2019” and the “Führungskräfteversorgung 2019”. In addition to structural adjustments to the calculation of contributions, only the minimum interest rate explained below and the derivation of the annuity factors were adjusted to the changed framework conditions.

Since December 2007, the financial resources from the pension scheme and the employee contributions for the respective fiscal year have been transferred to a newly established fund – securities identification number A0HG1B – and secured by means of a contractual trust arrangement (CTA) in favor of the employees, so that they serve exclusively to cover and finance the Company's direct pension obligations. A minimum annual interest rate of 2.75% was guaranteed for the employees' pension accounts until December 31, 2018. The guaranteed minimum annual interest rate was reduced to 0.9% for the pension capital paid in from fiscal year 2019. As the assets of this fund meet the criteria of a plan asset in accordance with IAS 19, the assets secured by the CTA in the current fiscal year in the amount of EUR 251,843 thousand (2023: EUR 215,688 thousand) were offset against the corresponding pension obligations. For the current fiscal year, payments into the CTA are expected to amount to EUR 12,839 thousand (in fiscal year 2023 for fiscal year 2024: EUR 12,184 thousand).

An economically utilizable surplus of plan assets over the relevant pension obligations in the amount of EUR 13,537 thousand (2023: EUR 0 thousand) is reported under non-current other assets in ↗ note 28.

The defined benefit pension plans of Dräger Schweiz AG, for which the BVG 2020 generation tables continue to be applied, comprise 5.9% (2023: 3.1%) of the provisions for pensions and similar obligations recognized as at the balance sheet date. Occupational pension provision against the economic consequences of old age, disability and death is carried out by the Servisa Collective Foundation (previous name: Swisscanto Collective Foundation). Employees can determine the amount of their savings contributions themselves; three plan variants are available for this purpose. The employer's savings contributions are the same in each case and are independent of the employee's savings contributions. Employer and employee contributions are defined as a percentage of the insured salary. The retirement pension is calculated from the retirement assets available at the time of retirement multiplied by the conversion rates specified in the regulations. The employee has the option of receiving the retirement benefits as a lump sum. In addition, savings contributions are paid on the employer's bonus payments. The assets are invested by the Servisa Collective Foundation.

Under the Group's defined benefit pension plans, Dräger is exposed to the following risks:

- Due to the specific benefits, defined benefit pension plans are particularly long-term employee benefits, the measurement of which includes making long-term assumptions that are subject to an increased risk in view of actual realization.
- The discount rate used to calculate the pension obligation reflects the effective interest rate of high-quality corporate bonds on the market (determined on the basis of modified Bloomberg data) as at the reporting date, the term of which corresponds to that of the pension obligations. If the actual return on plan assets is less than the calculated return, this creates a shortfall.
- Reducing the effective market return of high-quality corporate bonds leads to an increase in the projected benefit obligation. If the projected benefit obligation is counteracted by plan assets, some of this effect is compensated for.
- If the benefit obligations are not covered by plan assets, Dräger must generate the pension payments as part of its operating activities in the respective year.
- Due to the minimum interest rate commitment of 2.75% on paid in pension capital by December 31, 2018 and 0.9% for paid in pension capital from fiscal year 2019, Dräger must compensate for the actual return on plan assets if it falls below this minimum interest rate.
- According to Sec. 16 (1) of the German Act to Improve Occupational Pensions (BetrAVG), an employer that has guaranteed company pension plan obligations must consider adjusting these obligations in line with the rate of inflation every three years. The employer's decision regarding such adjustments must consider the needs of the pension recipients and, above all, the economic situation of the Company.

The net obligation from defined benefit pension plans is recognized in the balance sheet as follows:

Net obligation from defined benefit pension plans

in € thousand	2024	2023
Carrying amount of benefit obligations with plan assets	334,331	318,294
Present value of plan assets	-336,738	-295,133
Over-/Underfunded pension plans	**-2,407**	**23,161**
Carrying amount of benefit obligations without plan assets	169,289	181,401
Net obligation as at December 31	**166,882**	**204,562**
Available excess of plan assets	13,537	-
Provisions for pensions and similar obligations	**180,419**	**204,562**

Changes in the net obligation are as follows:

Changes in the projected benefit obligations and plan assets

			2024			2023
in € thousand	Projected benefit obligation	Fair value of plan assets	Total	Projected benefit obligation	Fair value of plan assets	Total
January 1	**499,695**	**-295,133**	**204,562**	**453,490**	**-250,604**	**202,886**
Service costs	9,484	-	9,484	6,521	-	6,521
Interest income (-) / interest expense (+)	14,542	-8,430	6,111	15,371	-8,630	6,741
Other effect on profit or loss	41	-10	31	38	-	38
Changes recognized in profit or loss	**24,067**	**-8,440**	**15,627**	**21,930**	**-8,630**	**13,299**
Return on plan assets excluding amounts included in interest	-	-21,913	-21,913	-	-14,776	-14,776
Revaluations from changes to demographic assumptions	216	-	216	-6	-	-6
Revaluations from changes to financial assumptions	-12,629	-	-12,629	30,808	-	30,808
Revaluations from adjustment to empirical values	7,134	-	7,134	5,415	-	5,415
Changes in other comprehensive income	**-5,278**	**-21,913**	**-27,192**	**36,217**	**-14,776**	**21,441**
Benefits paid	-19,154	5,924	-13,231	-20,978	6,136	-14,842
Employee contributions	4,919	-5,057	-138	4,770	-4,664	107
Employer contributions	-	-13,370	-13,370	-	-18,051	-18,051
Changes due to deconsolidation	-	-	0	-334	-	-334
Transfer from obligations and other effects	588	-	588	73	0	73
Currency changes	-1,216	1,251	35	4,527	-4,543	-17
Other changes	**-14,863**	**-11,252**	**-26,115**	**-11,942**	**-21,122**	**-33,064**
December 31	**503,621**	**-336,738**	**166,882**	**499,695**	**-295,133**	**204,562**
Net obligation as at December 31			**166,882**			**204,562**

The service cost is included in personnel expenses.

The disposals due to deconsolidation in the prior year relate to the sold subsidiary AEC SAS, Antony, France.

Plan assets are composed as follows:

Composition of plan assets

			2024			2023
in € thousand	active market	no active market	Total	active market	no active market	Total
Cash and cash equivalents	19,201	-	19,201	1,761	-	1,761
Equity instruments	27,520	-	27,520	24,526	-	24,526
Securities	102,876	1,712	104,588	82,502	1,563	84,064
Debt instruments	155,877	-	155,877	154,234	-	154,234
Real estate	11,420	-	11,420	17,802	-	17,802
Other	18,132	-	18,132	12,747	-	12,747
			336,738			**295,133**

For the presentation of the plan assets' composition, the German CTA fund was split up into individual investment types. Plan assets do not contain Dräger shares or properties used by Dräger itself.

The investment strategy for the plan assets in the German pension plan is defined by an investment committee on the basis of reports prepared by external fund managers. The investment strategy takes into account anticipated pension payment structures as well as risk assessments (asset-liability matching).

The expected payments into the plan assets for the next fiscal year amount to EUR 15,983 thousand (2023: EUR 14,584 thousand).

The following actuarial assumptions were made in measuring the projected benefit obligation (weighted averages):

Actuarial assumptions

		2024		2023
in %	Germany	Abroad	Germany	Abroad
Discount rate	3.40	1.44	3.20	2.05
Future wage and salary increases	3.00	1.78	3.00	1.74
Future pension increases[1]	2.00	0.22	2.00	0.25

[1] The pension plans "Rentenplan 2005" / "Führungskräfteversorgung 2005" and "Rentenplan 2019" / "Führungskräfteversorgung 2019" provide for fixed pension adjustment guarantees of 1.0 % per year.

In deviation from the long-term assumed inflation, a two-stage pension trend was applied for the German pensions, which is based on current studies on an extraordinary inflation of 6.9% (2022), 5.9% (2023) and 2.3% (2024). The resulting effects were recognized in other comprehensive income as a revaluation due to changes in financial assumptions.

The weighted average term of the defined benefit obligation amounted to 15 years in the fiscal year (2023: 16 years).

The effect of changes in fundamental assumptions on the projected benefit obligation was as follows:

Effect of fundamental assumptions on the projected benefit obligation

			2024			2023
	Discount rate	Future pension increases	Life expectancy	Discount rate	Future pension increases	Life expectancy
Change in assumption	1.00%	0.25%	1 year	1.00%	0.25%	1 year
Effect on the projected benefit obligation if the assumption increases	13.6% decrease	0.9% increase	4.7% increase	13.1% decrease	0.6% increase	4.2% increase
Effect on the projected benefit obligation if the assumption decreases	17.4% increase	0.5% decrease	4.9% decrease	16.9% increase	0.5% decrease	4.3% decrease

The sensitivity analyses were performed using the same calculation method used for the determination of defined benefit obligations; one assumption was changed in each analysis while all other assumptions remained constant (ceteris paribus); this means that possible correlation effects between the individual assumptions are not taken into account. The assumed sensitivities correspond to the long-term trends of recent years with regard to pension increases and to a real expectation based on past interest rate trends with regard to interest rate differences (excluding 2022 as a non-representative year).

The following pension payments are expected to be due:

Expected pension payments 2024

in € thousand	2025	2026	2027 - 2029	> 2029	Total
Expected pension payments	20,617	20,640	68,177	988,997	1,098,431

Expected pension payments 2023

in € thousand	2024	2025	2026 - 2028	> 2028	Total
Expected pension payments	20,307	20,360	65,729	951,568	1,057,964

In the current fiscal year, expenses for additional benefits to retirees amounting to EUR 2,655 thousand (2023: EUR 2,682 thousand) were recognized.

Defined contribution plans

In addition to the defined benefit plans and similar obligations described above, Dräger pays voluntary or statutory contributions to government and private pension insurers (defined contribution plans).

In the current fiscal year, Dräger paid contributions in the amount of EUR 51,553 thousand (2023: EUR 52,429 thousand) to the legal pension insurance scheme in Germany. In addition, expenses for other defined contribution plans amounted to EUR 14,190 thousand (2023: EUR 14,981 thousand).

33 Non-current and current provisions for personnel and other provisions

Non-current and current provisions for personnel and welfare obligations

in € thousand	2024
January 1	**162,603**
Allocation	119,079
Accumulation of interest	1,231
Utilization	-120,520
Reversal	-5,842
Currency translation effects	1,325
December 31	**157,876**

Provisions for personnel and welfare obligations were largely recognized for bonuses and sales compensation; the basis on which these are calculated had not been finalized as at the balance sheet date, meaning that the obligations are not yet reported as a liability. This item also includes provisions for phased retirement and long-service awards.

Utilization of the provisions for personnel and welfare obligations is expected as follows:

Provisions for personnel and welfare obligations - maturities

in € thousand	up to 1 year	1 year to 5 years	more than 5 years	Total
Provisions for personnel and welfare obligations	121,310	25,364	11,202	157,876

Other non-current and current provisions

in € thousand	Warranty provisions	Provisions for potential losses	Provisions for distribution	Provisions for outstanding invoices	Provisions for other obligations in the normal course of business	2024 Total
January 1	**61,370**	**1,395**	**25,795**	**50,394**	**25,251**	**164,205**
Allocation	17,988	702	19,225	43,126	10,421	91,461
Accumulation of interest	177	17	-	-	88	282
Utilization	-20,394	-897	-16,238	-40,301	-5,260	-83,090
Reversal	-5,022	-	-1,788	-5,018	-1,088	-12,916
Currency translation effects	-102	-27	556	552	-60	920
December 31	**54,018**	**1,190**	**27,552**	**48,753**	**29,351**	**160,862**

The warranty provisions were determined by reference to the warranty claims made in the past and specific known risks. The amounts and due dates of these provisions are subject to a degree of uncertainty regarding the probability of possible warranties and the amount of these warranties.

Provisions for potential losses largely concerned evaluated risks in project business.

Provisions for distribution primarily include provisions for expected credit notes and provisions for customer bonuses and commission. Commission relates to the contractual commission entitlements where the underlying intermediary transaction had not been finalized as at the balance sheet date, meaning that the obligations are not yet reported as liabilities. We do not consider the uncertainties regarding the amount or due dates of potential obligations to be significant.

The provisions for outstanding invoices for services received relate to provisions for services that Dräger has already received, but whose scope and thus also their value have not yet been clearly determined until receipt of a notification of performance or an invoice.

Provisions for other obligations from ongoing business operations include obligations for litigation costs and risks, purchase guarantees and other taxes. We do not consider the uncertainties regarding the amount or due dates of potential obligations to be significant.

The utilization of other provisions is expected as follows:

Other provisions - maturities

in € thousand	up to 1 year	1 year to 5 years	more than 5 years	Total
Warranty provisions	44,530	9,487	-	54,018
Provisions for potential losses	1,053	137	-	1,190
Provisions for distribution	27,339	213	-	27,552
Provisions for outstanding invoices	48,753	-	-	48,753
Provisions for other obligations in the normal course of business	23,515	5,836	-	29,351
	145,189	**15,673**	**0**	**160,862**

34 Interest-bearing loans and liabilities to banks

Interest-bearing loans and liabilities to banks 2024

	Current	Non-current			Total
in € thousand		1 year to 5 years	more than 5 years	Total	
Liabilities to banks	67,394	103,100	1,254	104,354	171,749
Note loans (issued 2021)	-	100,000	-	100,000	100,000
	67,394	**203,100**	**1,254**	**204,354**	**271,749**

Interest-bearing loans and liabilities to banks 2023

	Current	Non-current			Total
in € thousand		1 year to 5 years	more than 5 years	Total	
Liabilities to banks	92,630	155,807	1,905	157,711	250,341
Note loans (issued 2021)	-	100,000	-	100,000	100,000
	92,630	**255,807**	**1,905**	**257,711**	**350,341**

The promissory note loans existing on the balance sheet date are not subject to any contractually regulated ordinary termination option.

The terms and conditions and the interest on interest-bearing loans and bank liabilities are as follows:

Terms and conditions and interest rates for interest-bearing loans and liabilites to banks

	2024			2023		
	Interest conditions	Interest rate in %	Total in € thousand	Interest conditions	Interest rate in %	Total in € thousand
Non-current liabilities to banks						
EUR	fixed	0.75 - 3.77	103,154	fixed	0.75 - 3.77	155,965
CZK	fixed	4.73	1,200	fixed	4.73	1,582
Others	fixed	-	-	fixed	6.58 - 17.00	165
			104,354			**157,711**
Non-current note loans						
EUR	fixed	0.85 - 1.00	100,000	fixed	0.85 - 1.00	100,000
			100,000			**100,000**
			204,354			**257,711**
Current liabilities to banks						
EUR	variable	3.97 - 7.25	50,777	variable	4.79 - 7.25	69,382
EUR	fixed	0.17 - 1.20	4,511	fixed	0.75 - 1.65	7,481
JPY	fixed	1.15	5,826	fixed	0.83	6,076
SAR	fixed	3.30 - 3.40	2,598	fixed	3.30 - 3.40	2,201
ZAR	fixed	10.80	2,041	fixed	11.30	2,380
INR	fixed	6.00 - 9.00	1,206	fixed	-	-
TRY	variable	-	-	variable	50.00	1,653
TWD	fixed	-	-	fixed	5.60	1,181
IDR	fixed	-	-	fixed	7.80 - 9.10	1,059
IDR	variable	-	-	variable	7.17 - 9.10	530
MYR	fixed	-	-	fixed	4.69	236
BRL	fixed	-	-	fixed	14.00 - 17.00	50
Others	fixed	4.73 - 4.75	400	fixed	4.73 - 6.58	399
Others	variable	10.00 - 60.00	35	variable	10.00 - 15.00	1
			67,394			**92,630**

Variable interest rates are partially hedged through interest rate hedges. Please refer to our comments on derivative financial instruments and interest rate risk (↗ note 37).

The financing of the production and logistics building for the infrastructure projects division in Lübeck, which was completed in fiscal year 2011, is secured by a land charge in the amount of EUR 10.8 million. The residual carrying amount of the asset as at the current reporting date is EUR 6.7 million (December 31, 2023: EUR 7.0 million). Furthermore, a land charge in the amount of EUR 55 million exists for the medical technology office and laboratory building completed in the 2008 fiscal year. There are no liabilities to banks from this as at the balance sheet date. There are no other significant mortgages or assignments as security for the liabilities reported here.

As in the prior year, there were no delays or defaults in payment or other breaches of loan agreements in the current fiscal year.

35 Other financial liabilities

Other financial liabilities 2024

	Current			Non-current	Total
in € thousand		1 year to 5 years	more than 5 years	Total	
Trade payables to third parties	**230,648**	**-**	**-**	**0**	**230,648**
Other financial liabilities					
Lease liabilities	41,258	64,851	17,723	82,574	123,832
Negative fair values of derivative financial instruments	5,758	83	-	83	5,841
Repayment obligation Draeger Arabia LLC	24,503	-	-	0	24,503
Liabilities to employees	14,311	88	-	88	14,399
Debtors with credit balances	5,743	-	-	0	5,743
Liabilities to Drägerwerk Verwaltungs AG	9,963	-	-	0	9,963
Other financial liabilities	2,429	4,637	-	4,637	7,066
	103,966	**69,659**	**17,723**	**87,382**	**191,348**
	334,614			**87,382**	**421,996**

Other financial liabilities 2023

	Current			Non-current	Total
in € thousand		1 year to 5 years	more than 5 years	Total	
Trade payables to third parties	**215,864**	**-**	**-**	**0**	**215,864**
Other financial liabilities					
Lease liabilities	39,171	60,095	21,776	81,871	121,043
Negative fair values of derivative financial instruments	9,928	278	-	278	10,206
Repayment obligation Draeger Arabia LLC	24,503	-	-	0	24,503
Liabilities to employees	12,877	-	-	0	12,877
Debtors with credit balances	8,107	-	-	0	8,107
Liabilities to Drägerwerk Verwaltungs AG	12,511	-	-	0	12,511
Liabilities to associates	1	-	-	0	1
Other financial liabilities	8,488	10,801	-	10,801	19,290
	115,587	**71,174**	**21,776**	**92,950**	**208,537**
	331,450			**92,950**	**424,400**

A supplier finances its trade receivables from Dräger by means of a reverse factoring agreement. While the agreement provides for early settlement of the supplier's trade receivables from Dräger by the bank, this does not result in any adjustments to the timing or amount of payment for Dräger. The liabilities affected by this agreement continue to be reported as trade payables and amount to EUR 104 thousand as at December 31, 2024 (December 31, 2023: EUR 292 thousand).

The repayment obligation to the minority shareholder of Draeger Arabia LLC, Riyadh, Saudi Arabia is based on a shareholder agreement and a further contractual obligation. The payment obligation to the minority shareholder represents a financial liability that is not recognized in equity but in liabilities. The puttable shares of the minority shareholder were initially recognized as a liability at the fair value of the expected payment obligation for Dräger at the time of termination. Subsequent recognition is at amortized cost.

Other financial liabilities include EUR 4,637 thousand (2023: EUR 10,656 thousand) in payment obligations to the minority shareholders of STIMIT AG, Biel/Bienne, Switzerland, and AB Ulax, Motala, Sweden, which result both from the shareholders' contractual option to offer their shares to the other shareholder and from possible purchase price payments under a debtor warrant agreement. These payment obligations to minority shareholders constitute a financial liability that is recognized as debt, rather than recognized in equity.

For an explanation of lease liabilities, please refer to our comments on finance leases with the lessee (↗ note 38).

For information on the derivative financial instruments recognized under other financial liabilities, please refer to the overview of derivatives in the Dräger Group presented in ↗ note 37.

36 Other liabilities

Other liabilities

			2024			2023
in € thousand	**Current**	**Non-current**	**Total**	**Current**	**Non-current**	**Total**
Contract liabilities	169,967	43,572	213,539	145,822	43,681	189,502
Deferred other income	603	5,830	6,433	1,044	6,604	7,648
Other tax liabilities	52,440	-	52,440	53,814	-	53,814
Other liabilities to employees and for social security	40,872	-	40,872	39,456	3	39,459
Remaining other liabilities	948	468	1,416	169	501	670
	264,831	**49,869**	**314,700**	**240,304**	**50,788**	**291,093**

Contract liabilities are composed of EUR 111,350 thousand from accrued net sales (2023: EUR 107,802 thousand) and EUR 102,189 thousand from prepayments received (2023: EUR 81,700 thousand).

Deferred other income includes deferrals of other income and EUR 493 thousand (2023: EUR 1,648 thousand) in deferred performance obligations from a grant received from the EU Commission for research and development in the area of digitalization. Several companies and universities are participating in this research project (consortium partners). Dräger itself is the consortium sponsor, contact partner and coordinator. Each consortium partner has specific work packages for which they are solely responsible. The work packages are divided into milestones. Dräger still has work to do to achieve the future milestones. However, there are currently no indications that the milestones will not be met.

37 Financial instruments

A) Structure of financial instruments and their measurement

The structure of the financial instruments of the Group, their classification, and the resulting measurement are shown below:

Classification and measurement of financial assets and liabilities

in € thousand	Category	2024	2023
Financial assets			
Other investments	Fair value through profit or loss	15,997	14,044
Derivatives (with hedging relation)	Not to be allocated to any category under IFRS 9	5,865	6,598
Derivatives (without hedging relation)	Fair value through profit or loss	4,557	908
Finance lease receivables (lessor)	Not to be allocated to any category under IFRS 9	7,402	1,619
Other	Amortized cost	43,879	23,689
	Fair value through profit or loss	3,468	526
Total other financial assets		**81,169**	**47,384**
Trade receivables	Amortized cost	793,382	730,152
Cash and cash equivalents	Amortized cost	230,599	271,956
Financial assets (total)		**1,105,150**	**1,049,492**
Financial liabilities			
Derivatives (with hedging relation)	Not to be allocated to any category under IFRS 9	3,907	6,652
Derivatives (without hedging relation)	Fair value through profit or loss	1,934	3,554
Lease liabilities	Not to be allocated to any category under IFRS 9	123,832	121,043
Repayment obligation Draeger Arabia LLC	Amortized cost	24,503	24,503
Other	Amortized cost	20,768	38,166
	Fair value through profit or loss	2,005	1,742
	Not to be allocated to any category under IFRS 9	14,399	12,877
Total other financial liabilities		**191,348**	**208,537**
Trade payables	Amortized cost	230,648	215,864
Loans and liabilities to banks	Amortized cost	271,749	350,341
Financial liabilities (total)		**693,744**	**774,741**

For an explanation of the measurement categories, please refer to our comments on the measurement of financial assets and liabilities in ↗ note 8.

The following tables show the allocation of financial instruments recognized at fair value to the three levels of the fair value hierarchy.

No financial assets were reclassified in the Dräger Group in the past two fiscal years.

In the following table, the carrying amounts of financial assets and liabilities regularly recognized at fair value are compared with their fair values.

Financial instruments - assets 2024

					December 31, 2024
	Carrying amount				Fair value
in € thousand		Level 1	Level 2	Level 3	Total
Financial assets – at amortized cost					
Trade receivables [1]	793,382	-	-	-	793,382
Other financial assets [1]	43,879	-	-	-	43,879
Cash and cash equivalents [1]	230,599	-	-	-	230,599
	1,067,861	**0**	**0**	**0**	**1,067,861**
Financial assets – not to be allocated to any category under IFRS 9					
Derivatives (with hedging relation)	5,865	-	5,865	-	5,865
Finance lease receivables (lessor)	7,402	-	7,389	-	7,389
	13,267	**0**	**13,254**	**0**	**13,254**
Financial assets – at fair value through profit and loss					
Derivatives (without hedging relation)	4,557	-	4,557	-	4,557
Other investments	15,997	-	-	15,997	15,997
Debt instruments	3,468	3,468	-	-	3,468
	24,023	**3,468**	**4,557**	**15,997**	**24,023**
	1,105,150	**3,468**	**17,811**	**15,997**	**1,105,137**

[1] The valuation of these financial instruments is not assigned to any fair value level.

Financial instruments - assets 2023

					December 31, 2023
	Carrying amount				Fair value
in € thousand		Level 1	Level 2	Level 3	Total
Financial assets – at amortized cost					
Trade receivables [1]	730,152	-	-	-	730,152
Other financial assets [1]	23,689	-	-	-	23,689
Cash and cash equivalents [1]	271,956	-	-	-	271,956
	1,025,797	**0**	**0**	**0**	**1,025,797**
Financial assets – not to be allocated to any category under IFRS 9					
Derivatives (with hedging relation)	6,598	-	6,598	-	6,598
Finance lease receivables (lessor)	1,619	-	1,586	-	1,586
	8,217	**0**	**8,184**	**0**	**8,184**
Financial assets – at fair value through profit and loss					
Derivatives (without hedging relation)	908	-	908	-	908
Equity instruments	14,044	-	-	14,044	14,044
Debt instruments	526	526	-	-	526
	15,478	**526**	**908**	**14,044**	**15,478**
	1,049,492	**526**	**9,092**	**14,044**	**1,049,459**

[1] The valuation of these financial instruments is not assigned to any fair value level.

Financial instruments - equity and liabilities 2024

					December 31, 2024
	Carrying amount				Fair value
in € thousand		Level 1	Level 2	Level 3	Total
Financial liabilities – at amortized cost					
Trade payables [1]	230,648	-	-	-	230,648
Loans and liabilities to banks	271,749	-	259,809	-	259,809
Other financial liabilities [1]	47,276	-	-	-	47,276
	549,672	**0**	**259,809**	**0**	**537,733**
Financial liabilities – not to be allocated to any category under IFRS 9					
Derivatives (with hedging relation)	3,907	-	3,907	-	3,907
Lease liabilities	123,832	-	120,897	-	120,897
Other financial liabilities	14,399	-	14,399	-	14,399
	142,138	**0**	**139,203**	**0**	**139,203**
Financial liabilities – at fair value through profit and loss					
Derivatives (without hedging relation)	1,934	-	1,934	-	1,934
	1,934	**0**	**1,934**	**0**	**1,934**
	693,744	**0**	**400,947**	**0**	**678,871**

[1] The valuation of these financial instruments is not assigned to any fair value level.

Financial instruments - equity and liabilities 2023

					December 31, 2023
	Carrying amount				Fair value
in € thousand		Level 1	Level 2	Level 3	Total
Financial liabilities – at amortized cost					
Trade payables [1]	215,864	-	-	-	215,864
Loans and liabilities to banks	348,611	-	328,711	-	328,711
Other financial liabilities [1]	66,141	-	-	-	66,141
	630,616	**0**	**328,711**	**0**	**610,715**
Financial liabilities – not to be allocated to any category under IFRS 9					
Derivatives (with hedging relation)	6,652	-	6,652	-	6,652
Lease liabilities	121,043	-	117,675	-	117,675
Other financial liabilities	12,877	-	12,877	-	12,877
	140,572	**0**	**137,204**	**0**	**137,204**
Financial liabilities – at fair value through profit and loss					
Derivatives (without hedging relation)	3,554	-	3,554	-	3,554
	3,554	**0**	**3,554**	**0**	**3,554**
	774,741	**0**	**469,469**	**0**	**751,473**

[1] The valuation of these financial instruments is not assigned to any fair value level.

Valuation level 1:
Fair value is measured using prices in active markets for identical financial assets or financial liabilities. It largely affects an Argentinian bond (BOPREAL, Bono para la Reconstrucción de una Argentina Libre), which represents a security denominated in US dollars and was issued by the Argentinian Central Bank (BCRA) for importers with outstanding debt on December 12, 2023 for goods and services rendered. The fair values of non-current securities are based on current stock market prices.

Valuation level 2:
Measurement uses largely observable input factors that can be directly (i.e., price) or indirectly (i.e., derived from prices) observed for financial assets or financial liabilities; these do not include any listed prices taken into consideration in level 1.

Dräger applies the discounted cash flow method when measuring derivatives. Expected cash flows are determined on the basis of secured prices and/or interest rates and the observable closing rates and/or interest rates, which are then discounted using an interest rate that takes into account Dräger's company-specific risks.

The fair values of level 2 financial assets and liabilities measured at amortized cost were determined using the discounted cash flow method by replacing the interest rates used in the initial calculation of non-current financial assets and liabilities with interest rates derived from current company-related interest rate curves on the balance sheet date. These interest rates range between 4.99% for cash flows in the fiscal year 2025 and 4.85% for cash flows in the fiscal year 2027 for loans and liabilities to banks and between 2.71% and 35.53% for cash flows in the period from 2025 to 2047 for other financial liabilities. An increase in the interest rates taken into account would lead to a reduction in the fair values. No adjustment was made to the interest rates of 8.28% and 6.19% for the two leasehold contracts recognized in fiscal years 2013 and 2016 (terms up to fiscal year 2103).

Valuation level 3:
Fair value is measured using factors not based on observable market data for the measurement of the financial asset or the financial liability (unobservable input factors). These are already classified as level 3 when there is an unobservable input factor present that significantly influences the measurement. In the Dräger Group, equity instruments are classified as assets and payment obligations to shareholders of non-controlling interests as liabilities in valuation level 3.

The fair value of two high-tech start-up funds is determined using the >price of recent investment< method, for which the value of the last financing round is used. Dräger uses the >discounted cash flow< method to measure the remaining equity instruments, taking into account all significant parameters. The risk-adjusted discount rate applied is between 6.78% and 6.85% (2023: 6.75%).

The equity instruments in valuation level 3 developed as follows:

Development of equity instruments (level 3)

in € thousand	2024	2023
January 1	**14,044**	**15,203**
Currency translation effects	14	-8
Additions	3,627	-
Disposals	-241	-923
Measurement through profit and loss	-1,447	-228
December 31	**15,997**	**14,044**

There were no changes between the measurement levels in the past two fiscal years. A change between the measurement levels would have taken place at the end of the fiscal year.

Net result from financial instruments (without interest result)

Net profit or loss from financial instruments (without interest result) recorded in fiscal year is composed as follows:

Net result from financial instruments (without interest result)

in € thousand	2024	2023
Financial assets measured at amortized cost	-1,968	-10,118
Assets measured at fair value through profit or loss	-2,596	-2,396
Equity instruments measured at fair value through profit or loss	0	0
Derivatives measured at fair value through profit or loss	9,163	-2,860
Financial liabilities measured at amortized cost	1,512	-2,210
	6,111	**-17,583**

Net result from financial instruments (without interest result) in the reporting year mostly comprised changes in value from impairments, reversals of impairments, and profit or loss from currency futures, as in the prior year.

Interest result from financial instruments

Interest result from financial instruments recorded in the fiscal year is composed as follows:

Interest result from financial instruments

in € thousand	2024	2023
Financial assets measured at amortized cost	8,424	5,918
Debt instruments measured at fair value through profit or loss	96	132
Financial liabilities measured at amortized cost	-12,154	-15,421
	-3,634	**-9,371**

For the composition of interest expense on financial liabilities measured at amortized cost, please refer to our comments in ↗ note 16.

B) Financial risk management

As a company operating on an international scale, the Dräger Group is exposed to liquidity risk and default risk as well as risks from changes in exchange rates and interest rates.

The aim of financial risk management is to shed light on financial risks posed to the Dräger Group and mitigate them through suitable measures. A systematic detection, control, and monitoring of market risks is designed to counter developments that could jeopardize the existence of Dräger early on and ensure Dräger's continued existence in the long term.

Derivative financial instruments are used to hedge the currency and interest exposure of current and forecast transactions. These derivatives are used exclusively as hedging instruments and are generally not concluded for speculative purposes.

The following derivative financial instruments were held as at the balance sheet date:

Derivative financial instruments

	Nominal value						Fair value
in € thousand		Non-current	Current	Assets total	Non-current	Current	Equity and liabilities total
2024							
Currency futures							
Without a hedging relationship recognized in the balance sheet	308,538	17	4,540	4,557	83	1,851	1,934
In conjunction with cash flow hedges	291,376	-	5,865	5,865	-	3,907	3,907
	599,914	**17**	**10,405**	**10,422**	**83**	**5,758**	**5,841**
2023							
Currency futures							
Without a hedging relationship recognized in the balance sheet	277,739	40	868	908	97	3,457	3,554
In conjunction with cash flow hedges	356,042	65	6,533	6,598	181	6,471	6,652
	633,780	**105**	**7,401**	**7,506**	**278**	**9,928**	**10,206**

The Treasury department is responsible for treasury management, secures the Group's liquidity, and monitors its interest risks. Together with Controlling, it monitors and hedges currency risks. The organizational structures and processes, and the Group's internal treasury policy, ensure transparency and security. Responsibilities for trading and completing financial transactions are separated.

The basic principles of the Dräger Group's financial policy are defined and monitored by a committee consisting of the Chief Financial Officer and participants from the Treasury, Tax, Accounting and Controlling departments. The financial policies as well as financial risk management for liquidity, currency, and interest rate risks are implemented centrally by the Treasury department. For further information on risk management, please refer to the combined management report.

Liquidity risk

Drägerwerk AG & Co. KGaA mitigates its liquidity risk by diversifying the maturity structure of its financing instruments so as to ensure the Dräger Group's solvency and financial flexibility at all times. Drägerwerk AG & Co. KGaA also has various non-current and current liabilities to banks as well as a liquidity reserve comprising freely available credit facilities with numerous banks with which it has concluded bilateral agreements. Due to the maturity structure of these financing instruments, Drägerwerk AG & Co. KGaA has only a limited prolongation risk.

The following analysis of the maturities of financial liabilities (contractually agreed, non-discounted payments) shows the influence on the Group's liquidity situation:

Maturities of financial liabilities 2024

in € thousand	2025	2026	2027 to 2029	from 2030	Total
Derivative financial liabilities					
Foreign currency derivatives – cash outflow	276,943	1,616	1,973	-	280,532
Foreign currency derivatives – cash inflow	-270,271	-1,546	-1,895	-	-273,711
	6,673	**70**	**78**	**0**	**6,821**
Non-derivative financial liabilities					
Interest-bearing loans and liabilities to banks	67,599	55,127	158,628	1,269	282,624
Trade payables	230,648	-	-	-	230,648
Lease liabilities	41,258	32,150	40,931	39,469	153,808
Other financial liabilities	56,950	39	49	-	57,038
	396,455	**87,316**	**199,609**	**40,738**	**724,117**
	403,127	**87,386**	**199,687**	**40,738**	**730,938**

Maturities of financial liabilities 2023

in € thousand	2024	2025	2026 to 2028	from 2029	Total
Derivative financial liabilities					
Foreign currency derivatives – cash outflow	365,143	13,913	1,294	-	380,350
Foreign currency derivatives – cash inflow	-353,073	-13,788	-1,179	-	-368,040
	12,070	**125**	**115**	**0**	**12,310**
Non-derivative financial liabilities					
Interest-bearing loans and liabilities to banks	92,948	7,993	263,710	1,948	366,599
Trade payables	215,864	-	-	-	215,864
Lease liabilities	39,171	31,343	36,984	41,937	149,436
Other financial liabilities	68,217	146	-	-	68,362
	416,200	**39,482**	**300,694**	**43,885**	**800,260**
	428,270	**39,607**	**300,808**	**43,885**	**812,570**

Currency risk

The Group's currency risks relate to the financial instruments denominated in foreign currencies and arising from operating activities or investing and financing activities.

The aim of our currency risk management is the reduction of the impact of exchange rate fluctuations on Group EBIT, taking into account the cost-effectiveness of the hedging methods used. Non-cash currency risks resulting from the consolidation of the balance sheet and consolidated income statement of foreign subsidiaries (translation risk) are generally not hedged. Currency risks are netted by offsetting income and costs or assets and liabilities for each currency.

The currency risk from operating activities is determined on the basis of planned cash flows in foreign currencies. A >cash flow at risk< optimization calculation is used to determine a currency portfolio that minimizes the hedging costs and the diversified currency risk in combination. The aim of portfolio optimization is the reduction of currency risk at EBIT level to a maximum of 1% of planned annual sales with a statistical probability of occurrence of 95%.

The planned risk positions are hedged at a ratio of 75% of the planned transactions in the currencies concerned. The recognition of the hedged item in profit or loss results in the hedging ratio being adjusted to 100%. Risk positions from investing and financing activities are generally hedged at a ratio of 100% when the assets or liabilities are recognized. Currency futures are used to hedge currency risks.

Dräger applies IFRS 9 for the recognition and measurement of hedging transactions, whereby the currency futures are designated spot-to-spot. The accrued changes in value of the derivative are recognized with the spot component in the cash flow hedge reserve and with the forward component in the cost of hedging reserve.

The effectiveness of the hedge is determined at the start of the hedging relationship and by means of periodic prospective valuations in order to ensure that there is an economic relationship between the hedged item and the hedging instrument. In the Dräger Group, prospective valuation is based on a review of the contractual terms of the underlying and hedging transactions. Generally speaking, hedging instruments at Dräger are always concluded at identical terms and conditions to the hedged item, so that it can be assumed that the hedge will be effective in the future.

Furthermore, the hypothetical derivative method is used within the scope of a retrospective effectiveness test to determine whether the hedge was effective in the prior period and to determine any potential inefficiencies. As past ineffectiveness arose merely from taking counterparty risk into consideration, counterparty risk must not be included in the calculation of the hypothetical derivative.

The currency selection can be adjusted as part of the annual update of the hedging strategy. In addition, the planning of future risk positions is updated annually. This may make it necessary to reduce or prematurely terminate cash flow hedges.

In hedging foreign currency risks posed by recognized assets or recognized liabilities, hedge accounting is not used to recognize hedges. The concluded currency futures are categorized as trading derivatives and measured at fair value through profit or loss.

The nominal volumes of foreign currency hedging instruments are distributed as follows:

Nominal volumes of foreign currency hedging instruments

in € million	up to 1 year	1 to 5 years	Residual terms over 5 years	Total nominal volume December 31	Average hedging rate/price December 31
2024					
Currency futures CNY	74.5	-	-	74.5	7.8
Currency futures JPY	32.8	-	-	32.8	158.6
Currency futures AUD	32.7	-	-	32.7	1.7
Currency futures MXN	27.5	-	-	27.5	20.8
Currency futures BRL	23.2	-	-	23.2	6.0
Currency futures PLN	19.8	-	-	19.8	4.4
Currency futures THB	18.6	-	-	18.6	38.3
Currency futures CHF	13.6	-	-	13.6	0.9
Currency futures CAD	10.1	-	-	10.1	1.5
Currency futures TWD	8.3	-	-	8.3	34.0
Total other currency areas	25.7	-	-	25.7	n/a
2023					
Currency futures CNY	88.0	7.7	-	95.7	7.6
Currency futures AUD	39.9	4.1	-	43.9	1.6
Currency futures JPY	40.4	3.4	-	43.9	144.7
Currency futures MXN	32.4	0	-	32.4	20.8
Currency futures PLN	23.1	2.4	-	25.5	4.7
Currency futures BRL	21.6	0	-	21.6	5.7
Currency futures CHF	17.3	1.4	-	18.7	0.9
Currency futures THB	16.1	1.7	-	17.9	37.3
Currency futures CAD	9.8	1.0	-	10.9	1.5
Currency futures ZAR	10.2	0	-	10.2	20.8
Total other currency areas	34.3	1.1	-	35.4	n/a

In the current fiscal year, the sum of other currency areas includes the currency futures in five (2023: five) currencies, whose combined nominal volumes represent only 9% (2023: 9%) of the total volume.

The effects of these currency hedging transactions on the consolidated balance sheet are as follows:

Disclosures on hedging instruments as part of foreign currency cash flow hedges

in € million	Carrying amount	Balance sheet items	Change in fair value to determine ineffectiveness	Nominal volume
2024				
Currency futures				
Derivative assets	5.9	Other financial assets	6.7	135.4
Derivative liabilities	3.9	Other financial liabilities	4.5	156.0
2023				
Currency futures				
Derivative assets	6.6	Other financial assets	5.3	178.3
Derivative liabilities	6.7	Other financial liabilities	4.3	177.8

Changes in fair value to determine ineffectiveness only include changes to spot components.

The effects of the hedged items on the consolidated balance sheet only include the changes to the spot component and are as follows:

Disclosures on underlying transactions as part of foreign currency cash flow hedges

in € million	2024	2023
Value change to the hedged item period to determine ineffectiveness	2.2	1.0
Status of hedging reserve and currency reserve of active cash flow hedges	0.5	1.4

The effects of foreign currency cash flow hedges on the consolidated income statement and other comprehensive income only include the changes in the spot component and are as follows:

Disclosures on gains and losses from foreign currency cash flow hedges

in € million	2024	2023
Gain or loss from cash flow hedges recognized in equity	6.2	2.7
Ineffectiveness recognized in the income statement	0.0	-0.0
Items in the statement of comprehensive income containing the recognized ineffectiveness	Cost of sales	Cost of sales
Reclassifications from the cash flow hedge reserve to the income statement		
due to early termination of the cash flow hedge	-0.1	-0.3
due to the recognition of the hedged item in the income statement	-8.7	-8.2
Items in the statement of comprehensive income containing the reclassification	Net sales / cost of sales	Net sales / cost of sales

The foreign currency cash flow hedge reserves pursuant to IFRS 9 developed as follows:

Development of foreign currency cash flow hedge reserves

		2024		2023
in € million	Hedge reserves	Costs of hedging	Hedge reserves	Costs of hedging
January 1	**1.4**	**-0.8**	**3.9**	**-4.3**
Gain or loss from effective hedge accounting	8.0	-1.8	6.0	-3.3
Reclassifications due to amended expectations regarding the occurence of the hedged item	-0.1	0.1	-0.3	0.7
Reclassifications due to recognition of the hedged item	-8.7	2.8	-8.2	6.2
December 31	**0.5**	**0.2**	**1.4**	**-0.8**

In order to better illustrate existing currency risks, the effects of hypothetical changes in relevant currencies on net profit and equity are discussed below on the basis of a currency sensitivity analysis. For this purpose, it was assumed that most monetary financial instruments are already denominated in the functional currency or have been converted into the functional currency using derivative financial instruments. Currency risks therefore lie in the remaining unhedged financial instruments in foreign currencies in respect of which currency fluctuations affect profit or loss. The two main foreign currencies at Dräger are the US dollar and the Chinese yuan. The absolute net exposure of the US dollar on December 31, 2024 amounts to EUR 25.1 million (December 31, 2023: EUR 29.5 million) and the Chinese yuan on December 31, 2024 to EUR 0.1 million (December 31, 2023: EUR -6.6 million). A hypothetical strengthening/weakening of the euro against these foreign currencies by 10% as at the reporting date, with all other variables remaining the same, would have the following impact on earnings after taxes and other comprehensive income in equity (pursuant to IFRS 7):

Exchange rate sensitivity

	2024		2023	
		Influence to		Influence to
in € million	Earnings after taxes	other comprehensive income in equity	Earnings after taxes	other comprehensive income in equity
US dollar				
Euro up 10%	-1.5	0	-1.8	-
Euro down 10%	1.8	0	2.2	-
Chinese yuan				
Euro up 10%	0	3.8	0.4	4.9
Euro down 10%	0	-4.6	-0.5	-6.0

Interest rate risk

An interest rate risk due to changes in the market interest rate results not only from the variable-interest, longer-term receivables and liabilities of the operating business but also from variable-interest, long-term loan liabilities. Drägerwerk AG & Co. KGaA counters interest rate risk with a mix of fixed and variable interest-bearing financial liabilities and, if necessary, by using customary hedging instruments. Changes in the market interest rate of primary financial instruments with fixed interest rates only affect the result if they are recognized at fair value. As a result, none of the fixed-interest financial instruments recognized at amortized cost poses an interest rate risk that would affect cash flows.

For the purpose of fully hedging the cash flows from a long-term, variable-interest loan, Dräger had concluded an interest rate swap contract (100% hedge ratio), which expired on schedule in fiscal year 2023 and was closed.

In order to better illustrate existing interest rate risks, the effects of hypothetical changes in market interest rates on the overall result for the year are discussed below on the basis of an interest rate sensitivity analysis. A hypothetical increase in the market interest rate level by 100 basis points (2023: 100 basis points) as at the balance sheet date, with all other variables remaining constant, would increase earnings after tax by EUR 1,232 thousand (2023: EUR 1,373 thousand). A hypothetical decrease in the market interest rate level by 100 basis points (2023: 100 basis points) as at the balance sheet date, with all other variables remaining constant, would reduce earnings after tax by EUR 1,232 thousand (2023: EUR 1,373 thousand).

Credit risk
The maximum default risk is shown by the carrying amount of each financial asset recognized in the balance sheet. In terms of derivates and cash and cash equivalents, the Dräger Group assumes that the contractual partners will fulfill their obligations, as these are exclusively financial institutions with an investment grade rating. In terms of trade receivables, Dräger's customer structure in the medical division mainly involves public or private hospitals, while customers in the safety division are public organizations (fire service, police, etc.) as well as companies from the chemical, oil, and gas industries and other industries. Consequently, the Group considers that its maximum exposure is reflected by the amount of trade receivables and other current assets, less impairments on these assets and received collateral recognized as at the balance sheet. Trade receivables amounting to EUR 1,756 thousand (2023: EUR 287 thousand) are mainly secured by letters of credit or bank guarantees. There are no other financial assets or liabilities that are covered by financial collateral (including cash collateral). Dräger does not hold collateral in the form of financial or non-financial assets.

Dräger bases its calculation of impairment losses on the fundamental assumptions and requirements of IFRS 9. Impairment losses on receivables are already made at the time the receivable arises. Trade and other receivables without material financing components are based on expected payment defaults throughout the whole contractual term. For receivables with material financing components, impairments are generally based on the expected payment defaults in the following twelve months. Expected payment defaults over the whole contractual term are only calculated for these receivables if the credit risks of the receivables increase significantly over time. The expected defaults are generally estimated individually for each receivable, taking into account different factors, in particular the credit rating of the debtor, partly using empirical values of homogeneous groups of receivables.

There are no significant risk concentrations relating to credit risks in connection with trade receivables. Trade receivables are mainly attributable to a very large number of customers.

Trade receivables and contract assets continue to represent more than 90% of Dräger's financial assets measured at amortized cost (excluding cash and cash equivalents). Dräger applies the simplified approach for these financial assets, whereby risk provisions are measured in the amount of the expected losses from default for the entire term, both at initial recognition and on all subsequent reporting dates. Expected payment defaults in the future are recognized and these risk provisions are adjusted at each reporting date so as to recognize possible credit risks on the balance sheet of trade receivables without material financing components and contract assets.

As contract assets have the same risk profile as trade receivables, the calculated default rate for trade receivables was also applied to the portfolio of contract assets. Accordingly, for the portfolio of contract assets amounting to EUR 52,982 thousand (2023: EUR 55,221 thousand), a risk provision of EUR 96 thousand (2023: EUR 110 thousand) was recognized.

In accordance with the simplified approach, for gross carrying amounts totaling EUR 890,919 thousand (2023: EUR 832,143 thousand) a risk provision of EUR 44,651 thousand (2023: EUR 46,880 thousand) was recognized. Impairment losses are recognized if there is objective evidence of impairment of receivables and are shown in the table.

Risk provisions for trade receivables and contract assets were calculated as follows:

Calculating risk provisions for trade receivables and contract assets

in € thousand	not due	due in < 30 days	due in 30 to 59 days	due in 60 to 89 days	due in 90 to 119 days	due in >= 120 days	Risk provisions in total	Impairment	Total
December 31, 2024									
Gross carrying amounts of trade receivables and contract assets	607,084	98,353	36,186	19,738	11,180	56,536		61,842	890,919
Risk provisions	1,044	187	88	54	33	199	1,604	43,047	44,651
Loss rate	0.2%	0.2%	0.2%	0.3%	0.3%	0.4%			
December 31, 2023									
Gross carrying amounts of trade receivables and contract assets	566,919	93,842	34,929	14,650	11,457	55,839		54,506	832,143
Risk provisions	963	169	101	37	42	250	1,563	45,317	46,880
Loss rate	0.2%	0.2%	0.3%	0.3%	0.4%	0.4%			

The development of risk provisions according to IFRS 9 is as follows:

Reconciliation of risk provisions for trade receivables and contract assets (level 2 and 3)

in € thousand	Level 2 - Risk provision	Level 3 - Credit-impaired value	Total
January 1, 2023	**1,753**	**41,590**	**43,343**
Allocation	387	10,184	10,572
Utilization	-	-2,747	-2,747
Reversal	-544	-2,896	-3,440
Change in the scope of consolidation	-	-11	-11
Currency translation effects	-33	-802	-836
December 31, 2023 / January 1, 2024	**1,563**	**45,317**	**46,880**
Allocation	392	9,052	9,445
Utilization	-	-4,797	-4,797
Reversal	-372	-7,294	-7,666
Currency translation effects	21	768	789
December 31, 2024	**1,604**	**43,047**	**44,651**

The risk provision includes EUR 96 thousand (2023: EUR 110 thousand) for contract assets. EUR 26 thousand (2023: EUR 7 thousand) were allocated and EUR 43 thousand (2023: EUR 16 thousand) were used. As before, no impairment losses were recognized on contract assets.

During the reporting period, Dräger wrote off trade receivables in the amount of EUR 162 thousand (2023: EUR 0 thousand) for which enforcement measures have not yet been completed.

All other financial assets at Dräger that are classified at amortized cost were measured at the 12-month expected default losses. A default is assumed here if contractual payments are 90 days overdue. This presumption can be rebutted for individual assets. At the same time, in certain cases, a default can be assumed for a financial asset if internal or external information determines outstanding contractual amounts to be uncollectible. A risk provisioning to the amount of the default losses expected over the remaining period must be determined. Based on this, for gross carrying values totaling EUR 43,879 thousand (2023: EUR 23,689 thousand), a risk provision to the amount of EUR 52 thousand (2023: EUR 34 thousand) was recognized.

The assets in question mainly involve notes receivables, receivables from commissioning agents, and security deposits, for which no defaults were to be recognized in the past.

During the 2024 fiscal year, there were reclassifications directly from Level 1 to Level 3 in the amount of EUR 446 thousand (2023: EUR 248 thousand).

The development of the risk provisions in level 1 according to IFRS 9 is as follows:

Reconciliation of risk provisions for other financial assets (level 1 and 3)

in € thousand	Level 1 - Risk provision (expected 12-month loss)	Level 3 - Credit-impaired value	Total
January 1, 2023	**45**	**10,236**	**10,281**
Allocation	-	248	248
Utilization	-	-4	-4
Reversal	-11	-	-11
Currency translation effects	-	-192	-192
December 31, 2023 / January 1, 2024	**34**	**10,287**	**10,321**
Allocation	18	446	464
Utilization	-	-459	-459
Currency translation effects	-	333	333
December 31, 2024	**52**	**10,606**	**10,658**

During the reporting period, no material changes were made to estimation procedures or significant assumptions.

Dräger does not hold any financial assets that were already impaired in their credit rating at the point at which they were acquired or originated.

Netting of financial assets and liabilities

The following financial assets and liabilities are subject to netting due to contractually agreed offsetting procedures:

Netting of financial assets 2024

in € thousand	Gross amounts of financial assets	Amount of netted financial liabilities	Recognized net amout 2024	Unnetted amount of a netting agreement	Net amount 2024
Positive derivative financial instruments	10,422	-	10,422	-4,355	6,067
Cash and cash equivalents	230,599	-	230,599	-2,819	227,781
	241,022	**0**	**241,022**	**-7,173**	**233,848**

Netting of financial assets 2023

in € thousand	Gross amounts of financial assets	Amount of netted financial liabilities	Recognized net amount 2023	Unnetted amount of a netting agreement	Net amount 2023
Positive derivative financial instruments	7,506	-	7,506	-2,690	4,816
Cash and cash equivalents	271,956	-	271,956	-7,727	264,229
	279,462	**0**	**279,462**	**-10,417**	**269,045**

Netting of financial liabilities 2024

in € thousand	Gross amounts of financial liabilities	Amount of netted financial assets	Recognized net amout 2024	Unnetted amount of a netting agreement	Net amount 2024
Negative derivative financial instruments	5,841	-	5,841	-1,100	4,741
Liabilities to banks	171,749	-	171,749	-149	171,600
	177,590	**0**	**177,590**	**-1,249**	**176,341**

Netting of financial liabilities 2023

in € thousand	Gross amounts of financial liabilities	Amount of netted financial assets	Recognized net amount 2023	Unnetted amount of a netting agreement	Net amount 2023
Negative derivative financial instruments	10,206	-	10,206	-2,610	7,596
Liabilities to banks	250,341	-	250,341	-22,189	228,152
	260,547	**0**	**260,547**	**-24,799**	**235,748**

The offsetting potential shown results on the one hand from the respective banks' basic offsetting claims in the event of liquidity problems. On the other hand, there are offsetting claims for groups of banks within the framework of agreements on credit lines concluded with these banks. No balancing has been carried out to date due to non-fulfillment of the requirements.

As before, no offsetting claims exist from operating activities within the scope of supply and service relationships.

38 Leasing

Contracts recognized under IFRS 16 as leases are explained below.

A) Dräger Group as lessee

Property leased by the Dräger Group primarily includes real estate as well as factory and office equipment (particularly the vehicle fleet). The most significant obligations assumed under the lease terms comprise rental payments, the upkeep of the facilities and equipment, insurance, and taxes on capital. Only lease payments are included in the calculation of the right-of-use assets. The terms of the leases are generally between one and nine years and include renewal options under various conditions.

Lessee accounting

The carrying amounts and depreciation and amortization of right-of-use assets capitalized within the scope of lessee accounting are split across the following asset classes:

Right-of-use assets 2024

in € thousand	Land, equiva-lent titles and buildings	Other plant, factory and office equip-ment	Leased equipment	Total
Carrying value as at January 1	78,093	37,011	-	115,104
Carrying value as at December 31	76,716	39,120	-	115,836
Additions in fiscal year	22,658	27,516	-	50,174
Amortization in fiscal year	-23,420	-24,109	-	-47,530

Right-of-use assets 2023

in € thousand	Land, equiva-lent titles and buildings	Other plant, factory and office equip-ment	Leased equipment	Total
Carrying value as at January 1	81,059	28,459	-	109,517
Carrying value as at December 31	78,093	37,011	-	115,104
Additions in fiscal year	22,315	32,870	-	55,185
Amortization in fiscal year	-23,431	-22,532	-	-45,963

Lease liabilities and their maturities are presented in ↗ note 35 of the appendix. Possible additional payments from options amounting to EUR 24,056 thousand (2023: EUR 25,920 thousand) for which there was no reasonable certainty of exercise at the valuation date were not included in the valuation of lease liabilities.

These leases had the following effects on the income statement:

Expenses from lease contracts (lessee)

in € thousand	2024	2023
Amortization of right-of-use assets	47,530	45,963
Interest expenses for lease obligations	6,590	5,568
Expenses for short-term leases	3,292	3,929
Expenses for low-value leases	2,499	1,929
	59,910	**57,389**

The leasing payments, comprising fixed leasing payments, interest payments and payments for low-value and short-term leasing contracts, amount to EUR 58,483 thousand (2023: EUR 57,834 thousand).

Income of EUR 203 thousand (2023: EUR 215 thousand) was generated from subleases in the fiscal year.

B) Dräger Group as lessor

Lessor – finance leases

The Dräger Group's main finance leases relate to medical equipment, as well as solutions products and personal protection products.

Receivables from future lease payments outstanding are shown below:

Receivables from future lease payments outstanding

in € thousand	2024	2023
Due in less than 1 year	1,607	722
Due in 1 to 2 years	1,442	462
Due in 2 to 3 years	1,292	316
Due in 3 to 4 years	1,175	148
Due in 4 to 5 years	984	64
Due in more than 5 years	2,255	2
Undiscounted lease payments	**8,754**	**1,715**
Unearned finance income	1,352	96
Net investments in leases	**7,402**	**1,619**

The following table shows the amounts recognized in the income statement:

Amounts from finance leases recognized in the income statement

in € thousand	2024	2023
Selling profit for finance leases	648	-
Finance income on the net investment in finance leases	240	53
	889	**53**

No impairments on receivables from irrecoverable minimum lease payments were required.

Lessor – operating leases

The Dräger Group's main operating leases relate to medical equipment, solutions, and gas detection products, as well as building space.

The leased building space is included in the Group's property, plant and equipment at a historical cost of EUR 23,824 thousand (2023: EUR 24,123 thousand) and accumulated depreciation of EUR 20,033 thousand (2023: EUR 20,517 thousand). Depreciation and amortization for the fiscal year amounted to EUR 773 thousand (2023: EUR 1,024 thousand).

Dräger reports leased assets (products) separately under property, plant and equipment (see ↗ note 22).

The future outstanding minimum lease payments under non-cancelable operating leases are distributed as follows:

Minimum lease payments

in € thousand	2024	2023
Payments in the first year	40,831	35,333
Payments from the first to second year	8,017	7,790
Payments from the second to third year	5,511	4,568
Payments from the third to fourth year	2,579	2,230
Payments from the fourth to fifth year	2,207	685
Payments after five years	1,006	871
	60,149	**51,478**

As in the prior year, no contingent rents were agreed in the fiscal year.

39 Contingent liabilities and other financial obligations

As in the prior year, the Dräger Group did not have any contingent liabilities.

Other financial obligations

Other financial obligations amounted to a total of EUR 29,407 thousand (2023: EUR 11,505 thousand) as at December 31, 2024 and break down as follows:

a) Rental and lease agreements

Other financial obligations from rental and lease contracts amount to EUR 17,894 thousand (2023: EUR 533 thousand).

b) Purchase obligations

In line with the usual requirements, the Dräger Group has also entered into purchase obligations with other service providers in order to guarantee the availability of IT services. Due to the centralization of IT activities at Drägerwerk AG & Co. KGaA, the Company assumed all existing long-term obligations to IT service providers of the medical and safety divisions. As at December 31, 2024, there were obligations to purchase intangible assets of EUR 88 thousand (2023: EUR 233 thousand) and property, plant and equipment of EUR 11,425 thousand (2023: EUR 10,739 thousand) as a result of outstanding orders.

c) Litigation

Dräger Group companies were involved in legal disputes and claims for damages as part of their business activities as at December 31, 2024. The Executive Board of the general partner believes that the outcome of such litigation and claims will not have any further material adverse effect on the Company's net assets, financial position, or results of operations over and above the provisions which have already been recognized.

It is not to be expected that these contingent liabilities will become actual liabilities for which no provisions have been recognized yet.

40 Segment report

Business performance of the segments

							Twelve months
		Medical division		Safety division		Dräger Group	
		2024	2023	2024	2023	2024	2023
Order intake [1]	**€ million**	**1,924.1**	**1,916.2**	**1,456.4**	**1,373.8**	**3,380.5**	**3,290.0**
thereof Germany	€ million	426.0	415.3	385.8	329.9	811.8	745.2
thereof EMEA	€ million	674.2	678.4	625.7	597.8	1,299.9	1,276.2
thereof Americas	€ million	481.1	446.2	242.8	242.6	723.9	688.9
thereof APAC	€ million	342.8	376.3	202.1	203.5	544.9	579.8
Net sales [1]	**€ million**	**1,899.7**	**1,966.2**	**1,471.2**	**1,407.3**	**3,370.9**	**3,373.5**
thereof Germany	€ million	406.8	402.7	369.0	345.6	775.8	748.4
thereof EMEA	€ million	678.6	699.8	631.9	609.9	1,310.5	1,309.8
thereof Americas	€ million	474.1	454.2	262.7	246.6	736.8	700.7
thereof APAC	€ million	340.2	409.4	207.6	205.2	547.8	614.7
EBITDA [2]	**€ million**	**96.3**	**102.7**	**243.5**	**212.3**	**339.9**	**315.0**
Depreciation/amortization	€ million	-64.0	-63.4	-71.6	-72.4	-135.6	-135.8
Impairment	€ million	-4.2	-2.7	-7.8	-11.6	-12.0	-14.3
Write-up	€ million	0.1	0.5	1.7	1.1	1.8	1.6
EBIT [3]	**€ million**	**28.3**	**37.1**	**165.7**	**129.4**	**194.0**	**166.4**
thereof other significant income and expense items							
Income from the disposal of business areas	€ million	-	-	15.4	-	15.4	-
Income from the disposal of real estate	€ million	9.2	-	5.0	-	14.2	-
Income from the adjustment of a put option	€ million	6.0	-	-	-	6.0	-
Impairment in connection with an associated company	€ million	-	-	-10.3	-	-10.3	-
Other significant income and expense items	€ million	-	-	-3.2	-	-3.2	-
	€ million	**15.2**	**-**	**6.9**	**-**	**22.1**	**-**
Capital employed [4, 5]	€ million	899.9	867.2	701.0	656.0	1,601.0	1,523.2
EBIT [3] / net sales	%	1.5	1.9	11.3	9.2	5.8	4.9
EBIT [3, 5] / capital employed [4, 5] (ROCE)	%	3.1	4.3	23.6	19.7	12.1	10.9
DVA [6, 7]	€ million	-50.1	-27.2	104.3	83.0	54.3	55.8

[1] Due to the new regional structure, prior-year figures have been adjusted partially.
[2] EBITDA = Earnings before net interest result, income taxes, depreciation and amortization and impairment
[3] EBIT = Earnings before net interest result and income taxes
[4] Capital employed = Total assets less deferred tax assets, securities, cash and cash equivalents, non-interest bearing liabilities and other non-operating items
[5] Value as at reporting date
[6] Value of the last twelve months
[7] Dräger Value Added = EBIT less cost of capital of average capital employed

Segment reporting in the annual report is geared towards the organizational and management system pursuant to IFRS 8. The chief operating decision maker is the Executive Board.

On the one hand, Dräger develops, produces and markets system solutions, devices and services in the medical division, which contribute towards the optimization of processes in acute care. These include emergency medicine, the perioperative area (in connection with surgery), intensive care, and perinatal medicine (obstetrics).

On the other, Dräger develops, produces and markets products, system solutions and services in the safety division for personal protection, gas measurement technology and comprehensive risk management. Its customers come from industry, mining, and public sectors such as fire departments, police, and disaster protection.

The segment reports were prepared in accordance with IFRS as applied in the Group financial statements.

At Group level, the key figures from the segment report are as follows:

EBIT

in € million	2024	2023
Net profit	124.8	112.0
+ Interest result	18.6	25.1
+ Income taxes	50.6	29.3
EBIT	**194.0**	**166.4**

Calculation of capital employed

in € million	December 31, 2024	December 31, 2023
Total assets	3,093.4	3,094.5
less non-interest bearing and non-operating liabilities		
thereof income tax liabilities	-47.4	-82.9
thereof non-current and current provisions for personnel and other provisions	-318.7	-326.8
thereof trade payables	-230.6	-215.9
thereof from non-current and current financial liabilties	-62.7	-76.6
thereof from other liabilities	-314.8	-294.7
less non-operating assets		
thereof investment in associates	-0.8	-11.6
thereof from other financial assets	-25.1	-24.1
thereof non-current assets held for sale	-	-3.4
less securities	-3.5	-0.5
less deferred tax assets	-258.3	-263.0
less cash and cash equivalents	-230.6	-272.0
Capital employed	**1,601.0**	**1,523.2**

DVA

in € million	December 31, 2024	December 31, 2023
EBIT (of the last 12 months)	194.0	166.4
- Cost of capital (basis: average of capital employed in the past 12 months)	-139.8	-110.7
DVA	**54.3**	**55.8**

The breakdown of non-current assets by segments is as follows:

Non-current assets by segments [1]

in € million	2024	2023
Medical division	510.1	526.7
Safety division	405.1	398.6
	915.2	**925.3**

[1] Non-current assets = intangible assets; property, plant and equipment, right-of-use asset and other non-current assets (excluding the plan assets relating to pension plans reported under this balance sheet item)

Non-current assets are also broken down by regions as follows:

Non-current assets by regions [1, 2]

in € million	2024	2023
Germany	414.2	412.0
EMEA	266.9	274.8
Americas	122.6	126.8
APAC	111.5	111.7
	915.2	**925.3**

[1] Non-current assets = intangible assets; property, plant and equipment, right-of-use asset and other non-current assets (excluding the plan assets relating to pension plans reported under this balance sheet item)
[2] Due to the new regional structure, prior-year figures have been adjusted partially.

The development of the individual segments is described in detail in the combined management report. Services rendered between the divisions follow the arm's length principle.

41 Notes to the cash flow statement

Due to the adjustment of effects from changes in foreign currency exchange rates and transactions that have not or not yet resulted in a change in cash and cash equivalents, the changes used as a basis in the cash flow statement cannot be directly reconciled with the balance sheet items in the published balance sheet.

In fiscal year 2024, the Dräger Group's cash inflow from operating activities amounted to EUR 167.3 million (2023: cash inflow of EUR 189.7 million). Key reasons for the reduced cash inflow included, on the one hand, the increase of other assets by EUR 5.5 million (2023: drop of EUR 28.7 million) and the reduction of other liabilities by EUR 1.4 million (2023: increase of EUR 24.2 million); on the other hand, other non-cash expenses decreased by EUR 24.2 million compared to the prior year and the cash reduction in provisions increased by EUR 22.8 million. This was offset by positive effects such as the EUR 12.8 million improvement in earnings after taxes and the EUR 14.9 million increase in trade payables (2023: reduction of EUR 67.2 million).

Cash outflow from investing activities amounted to EUR 43.4 million in the 2024 fiscal year (2023: cash outflow of EUR 67.3 million). The reason for the reduced cash outflow were inflows from the sale of business areas in the amount of EUR 15.4 million and property, plant and equipment in the amount of EUR 11.2 million (in particular for real estate) as well as a reduction of EUR 5.2 million in investments in property, plant and equipment.

Free cash flow – the sum of the change in cash flow from operating and investing activities – amounted to EUR 123.9 million in fiscal year 2024 (2023: EUR 122.3 million).

The cash outflow from financing activities amounted to EUR 161.4 million (2023: cash outflow of EUR 154.6 million). Of this, EUR 33.2 million were attributable to the dividend payment (2023: EUR 3.7 million), EUR 78.4 million to net payments for bank loans and current account liabilities (2023: net payments received of EUR 105.4 million) and EUR 46.1 million to payments under leases (2023: EUR 46.4 million). In the prior year, the cash outflow was also influenced by the payment of EUR 208.8 million to the holders of participation certificates of the terminated Series D.

The financial statements and comparative figures of economically independent foreign entities operating in a hyperinflationary environment and reporting in a currency of a hyperinflationary economy are continuously reevaluated. The result from net exposure from monetary items in the earnings after income taxes is adjusted in the operating cash flows from assets. ↗ Please refer to note 7

The Dräger Group reports its interest payments in the cash flow from operating activities. Interest payments from leases amounted to EUR 6,590 thousand (2023: EUR 5,568 thousand) with corresponding interest expenses of EUR 6,590 thousand (2023: EUR 5,568 thousand). In addition, interest payments of EUR 12,193 thousand (2023: EUR 14,594 thousand) were made on bank loans and promissory note loans with corresponding interest expenses of EUR 12,198 thousand (2023: EUR 15,278 thousand). The changes in liabilities from financing activities excluding these interest effects are broken down into cash and non-cash items as follows:

Reconciliation of liabilities from financing activities 2024

	January 1	Affecting payments				Not affecting payments	December 31
in € thousand			Addition	De-recognition	Reclassi-fication	Exchange rate change	
Non-current note loans	100,000	-	-	-	-	-	100,000
Non-current liabilities to banks	157,711	-677	0	-	-52,694	14	104,354
Current liabilities to banks	92,630	-77,758	1,737	-1,730	52,694	-179	67,394
Lease liabilities	121,043	-46,102	50,174	-2,449	-	1,167	123,832
Total liabilities from financing activities	**471,384**	**-124,537**	**51,911**	**-4,179**	**0**	**1,002**	**395,580**

Reconciliation of liabilities from financing activities 2023

	January 1	Affecting payments				Not affecting payments	December 31
in € thousand			Addition	De-recognition	Reclassi-fication	Exchange rate change	
Non-current note loans	100,000	-	-	-	-	-	100,000
Non-current liabilities to banks	62,212	101,273	-44	-	-5,669	-60	157,711
Current liabilities to banks	83,575	4,098	731	-	5,669	-1,442	92,630
Lease liabilities	116,164	-46,407	55,185	-2,508	-	-1,391	121,043
Total liabilities from financing activities	**361,951**	**58,963**	**55,871**	**-2,508**	**0**	**-2,893**	**471,384**

Cash and cash equivalents amounted to EUR 230.6 million as at the balance sheet date of December 31, 2024, down EUR 41.4 million on the prior year (December 31, 2023: EUR 272.0 million) and exclusively comprised liquid assets; these were subject to restrictions on their use to the amount of EUR 7.1 million (December 31, 2023: EUR 12.0 million).

Unused credit lines amounted to EUR 601.5 million as at the reporting date (December 31, 2023: EUR 636.9 million). The credit lines are subject to standard market restrictions.

42 Executive and Supervisory Board remuneration

Remuneration of the Executive Board
The remuneration of the Dräger Executive Board consists of fixed and variable components. In total, they make up the total remuneration of an Executive Board member. In addition to the fixed basic annual salary, fixed components also include fringe benefits and the Company pension scheme. In particular, the structure of the Company pension scheme was reorganized under the remuneration system applied since January 1, 2021. The defined performance-oriented company pension scheme has been replaced by an externally funded, insurance-linked pension system with a guaranteed minimum interest rate.

The variable components comprise an annual bonus, which is made up of two sub-targets. Sub-targets are defined before the start of the fiscal year as individual targets on the one hand and joint targets on the other. The achievement of each sub-target can be between 0% and 200%.

The remuneration system for Executive Board members was revised by resolution of the annual shareholders' meeting on May 5, 2023. Accordingly, from fiscal year 2023 onwards, part of the annual bonus payment will be invested in virtual shares. Accordingly, 40% of the amount resulting from the target achievement of each Executive Board member's annual bonus is initially retained by the Company and converted into virtual shares, the value of which is only granted in cash after a holding period of five years. To calculate the number of virtual shares, the partial amount of the annual bonus to be invested is divided by the average closing price of the preferred shares of Drägerwerk AG & Co. KGaA in XETRA trading over the last 30 trading days of the past fiscal year for which the remuneration is determined. At the end of the holding period, the number of virtual shares is multiplied by the average closing price of the preferred shares of Drägerwerk AG & Co. KGaA in XETRA trading over the last 30 trading days of the last year of the holding period. The payout amount is also limited to 500% of the amount originally converted into virtual shares. During the holding period, the virtual shares include a potential change in value, which is calculated using a valuation model for fair value. As at December 31, 2024, 25,681.30 virtual shares (December 31, 2023: 23,083.65 shares) were issued on the basis of the average closing price of the preferred share of Drägerwerk AG & Co. KGaA in XETRA trading over the last 30 trading days of EUR 44.72 (December 31, 2023: EUR 51.52) and recognized as a provision at a value of EUR 1,119 thousand (2023: EUR 1,163 thousand) (corresponds approximately to the intrinsic value). A depreciation of the virtual shares is included in the provision for the 2024 tranche to the amount of EUR 27 thousand. Furthermore, a need for impairment was taken into consideration for the provision of the 2023 tranche to the amount of EUR 143 thousand. In the 2024 fiscal year, expenses of EUR 977 thousand (2023: EUR 1,163 thousand) were incurred, minus the depreciation, for the virtual shares.

Furthermore, the variable components include a multi-year bonus, which is divided into two components: a mid-term bonus (MTB) with a performance period of three years and a long-term bonus (LTB) with a performance period of five years. Both components are based on the Group DVA target. In addition to the aforementioned variable remuneration components, the Supervisory Board has set up a specific long-term variable remuneration component with a performance period of four or six years (“Performance Bonus Monitoring 2023 - 2028”) for the Executive Board of the medical division.

In addition, a special payment with an incentive effect for the future may be granted in the event of exceptional, above-mandatory performance by the Executive Board member, limited to the maximum payment of the basic annual salary and the variable remuneration.

In fiscal year 2024, the total remuneration of the active Executive Board within the meaning of Section 314 para. 1 no. 6 HGB amounted to EUR 7,549 thousand (2023: EUR 19,025 thousand). This is made up of non-performance-related benefits amounting to EUR 2,812 thousand (2023: EUR 2,471 thousand) and performance-related benefits in the amount of EUR 3,618 thousand (2023: EUR 16,554 thousand) of which EUR 1,748 thousand (2023: EUR 1,784 thousand) is short-term and EUR 1,870 thousand (2023: EUR 14,770 thousand) is long-term. Furthermore, the total deductions include the share-based remuneration with long-term incentive of EUR 1,119 thousand (2023: EUR 1,151 thousand).

The investment in virtual Dräger preferred shares introduced in 2023 fully replaces the participation of Executive Board members in the employee participation program. The Executive Board members had the opportunity to participate in the program for the last time in fiscal year 2023. As a result, share-based remuneration based on the employee participation program will no longer be promised from 2024. The holding period for these preferred shares acquired in 2023 is two years and therefore ends in the fiscal year 2025.

If Executive Board remuneration is paid by Drägerwerk Verwaltungs AG, it is entitled to claim reimbursement from Drägerwerk AG & Co. KGaA monthly pursuant to Sec. 11 (1) and (3) of the articles of association of Drägerwerk AG & Co. KGaA. Pursuant to Sec. 11 (4) of the Company's articles of incorporation, the general partner receives a fee, independent of profit and loss, of 6% of the equity disclosed in its financial statements, payable one week after the general partner prepares its financial statements, for the management of the Company and the assumption of personal liability. For fiscal year 2024, this remuneration amounts to EUR 164 thousand (2023: EUR 137 thousand) plus any applicable VAT.

The pension obligations for active members of the Executive Board are recognized in the 2024 annual financial statements at EUR 7,709 thousand (2023: EUR 7,693 thousand). Since January 1, 2021, the pension commitments have been transferred to an externally pre-financed insurance-linked pension plan with a guaranteed minimum interest rate, which is serviced directly by Drägerwerk Verwaltungs AG. Drägerwerk AG & Co. KGaA will continue to maintain the pension commitments made to Executive Board members up to December 31, 2020. Due to the new pension commitments, there will be no additions to pension obligations for active Executive Board members at Drägerwerk AG & Co. KGaA in the fiscal year 2024. In the fiscal year, the obligation increased by EUR 16 thousand (2023: EUR 891 thousand increase) due to the interest rate development.

The present value of the new pension commitments, serviced by Drägerwerk Verwaltungs AG, is calculated in accordance with HGB and amounted to EUR 6,569 thousand in the reporting year (2023: 5,144 thousand), after payment of pension contributions of EUR 1,308 thousand (2023: EUR 1,105 thousand). A provision is not shown as this is counteracted by a reinsurance of an identical amount at Drägerwerk Verwaltungs AG.

The remuneration of former members of the Executive Board and their surviving dependents amounted to EUR 3,748 thousand (2023: EUR 3,702 thousand) at the end of the reporting year. The pension obligations towards former members of the Executive Board and their surviving dependents amounted to EUR 31,178 thousand (2023: EUR 35,590 thousand).

In the event of death while actively employed, the surviving spouse is entitled to a Dräger widow's or widower's pension. The surviving children are entitled to Dräger orphans' pensions. The annual Dräger widow's and widower's pension amounts to 55% of the Dräger pension received by, or which would have been received by, the deceased executive if said executive would have been unable to work when they died (notional invalidity pension). The amount of Dräger orphan's pension is 10% of the notional reduction in earning capacity pension or the current Dräger pension of the deceased Executive Board member.

Supervisory Board remuneration

The annual shareholders' meeting of Drägerwerk AG & Co. KGaA has defined the remuneration of the Supervisory Board members in the articles of association since fiscal year 2011. The total remuneration of the Supervisory Board for the 2024 fiscal year amounted to EUR 550 thousand (2023: EUR 569 thousand).

In fiscal year 2024, the six Supervisory Board members of the general partner, Drägerwerk Verwaltungs AG, received total remuneration of EUR 267 thousand (2023: EUR 240 thousand). This includes additional lump-sum expenses in the amount of EUR 60 thousand (2023: 60 thousand) in total. No remuneration was paid to Supervisory Board members of affiliated companies.

43 Shares owned by the Executive and Supervisory Boards

As of December 31, 2024, the Executive Board members of Drägerwerk Verwaltungs AG, including their related parties, directly held 49,671 preferred shares in Drägerwerk AG & Co. KGaA (corresponding to 0.578% of the Company's shares) and 157,281 common shares (corresponding to 1.548% of the Company's shares).

As at December 31, 2024, the Supervisory Board members and persons related to them directly or indirectly held a total of 266 preferred shares (corresponding to 0.003% of the Company's shares) and 3 common shares (corresponding to 0.00% of the Company's shares).

44 Transactions with related persons and companies

Services amounting to EUR 29 thousand (2023: EUR 36 thousand) were provided for Stefan Dräger and the companies and persons related to Stefan Dräger, the Dräger Foundation and the Dräger Family Foundation in the fiscal year 2024. As at December 31, 2024, there were receivables from this in the amount of EUR 1 thousand (2023: EUR 1 thousand).

Due to the relationship with a Supervisory Board member of Drägerwerk AG & Co. KGaA, the companies GFT Technologies SE, Stuttgart, Germany, and SW34 Gastro GmbH, Stuttgart, Germany, are classified as related parties. As in the prior year, no expenses were incurred for services provided by GFT Technologies SE, Stuttgart, in the 2024 fiscal year. There were no liabilities as at either reporting date. Expenses for services provided by SW34 Gastro GmbH, Stuttgart, amounted to EUR 23 thousand in the 2024 fiscal year (2023: EUR 20 thousand). Liabilities from this amounted to EUR 0 thousand (2023: EUR 7 thousand).

For joint operations, services amounted to EUR 4,306 thousand (2023: EUR 3,817 thousand) for the 2024 fiscal year. Receivables from this amounted to EUR 1,163 thousand (2023: EUR 642 thousand) at the balance sheet date. As at December 31, 2024, liabilities amounted to EUR 271 thousand (2023: EUR 0 thousand).

Rental and other services amounting to EUR 186 thousand (2023: EUR 123 thousand) were provided by Group companies for the associated company MAPRA Assekuranzkontor GmbH in the 2024 fiscal year. This resulted in receivables of EUR 1 thousand as at December 31, 2024 (2023: EUR 2 thousand). There were no liabilities as at either reporting date.

A convertible loan of CAD 1,500 thousand was granted by Dräger Safety AG & Co. KGaA to associate Focus Field Solutions Inc., St. Johns, Canada, in fiscal year 2020. This was disbursed in three tranches totaling CAD 1,500 thousand (EUR 1,003 thousand in total) in the fiscal years 2020 to 2021. The interest rate is 5.5%. In the fiscal year 2023, the term of this loan was extended by four years. No conversion was carried out. In fiscal year 2022, a further loan of CAD 2,600 thousand (total: EUR 1,739 thousand) was granted by Dräger Safety AG & Co. KGaA. The loan was paid out in three tranches in fiscal years 2022 to 2024. The interest rate is 8.55%. The interest is due at the point at which the loan is fully repaid on December 31, 2027. Expenses for services rendered by Focus Field Solutions Inc., St. Johns, Canada, amounted to EUR 610 thousand in the 2024 fiscal year (2023: EUR 579 thousand). There were no liabilities from this as at December 31, 2024 and the prior year.

A loan totaling USD 2,717 thousand (EUR 2,614 thousand) was paid to the associated company MultiSensor Scientific Inc., Somerville, USA, in the first half of 2024 by Dräger Safety AG & Co. KGaA at an interest rate of 10.0%. There were no receivables from or liabilities to MultiSensor Scientific Inc. as at the balance sheet date. No services were provided in the 2024 fiscal year.

Impairment losses of EUR 10,334 thousand (2023: EUR 3,376 thousand) were recognized on the carrying amount of associates and loans to associates.

The remuneration of the employee representatives on the Supervisory Board for work performed in addition to the Supervisory Board activities was concluded at arm's length terms and conditions. Overall, remuneration is of immaterial importance for the Dräger Group.

Drägerwerk Verwaltungs AG is the general partner of Drägerwerk AG & Co. KGaA (parent company of the Dräger Group) and holds 0% of the capital. Only a few transactions are conducted with the general partner, as it only exercises administrative functions. The general partner is entitled to compensation for all expenses incurred in association with the management of Drägerwerk AG & Co. KGaA. This includes the contractually agreed remuneration for its executive bodies. These expenses comprise the remuneration of the Executive Board, the remuneration of its Supervisory Board, liability remuneration, and other expenses.

As at December 31, 2024, liabilities to Drägerwerk Verwaltungs AG amounted to EUR 9,963 thousand (2023: EUR 18,646 thousand) mainly resulting from cash management and management remuneration. The expenses for services rendered by Drägerwerk Verwaltungs AG amounted to EUR 10,141 thousand (2023: EUR 9,148 thousand) in the 2024 fiscal year. These consisted mainly of management remuneration payments of EUR 2,825 thousand (2023: EUR 2,539 thousand) royalties to the amount of EUR 4,710 thousand (2023: EUR 4,452 thousand) and pension expenses of EUR 1,233 thousand (2023: EUR 1,105 thousand). Services amounting to EUR 416 thousand (2023: EUR 150 thousand) were provided for Drägerwerk Verwaltungs AG in the 2024 fiscal year. Receivables from this amounted to EUR 133 thousand (2023: EUR 0 thousand) on December 31, 2024. There were no liabilities as at either reporting date.

Since 2024, the members of the Executive Board no longer have the option of acquiring shares under the employee share purchase program and additionally converting part of their bonus into shares in accordance with the conditions of the employee participation program. Instead, 40% of the one-year variable remuneration will be converted into virtual shares with a five-year holding period.

All transactions with related parties were conducted at arm's length terms and conditions.

Key management positions are held by members of the Executive Board of Drägerwerk Verwaltungs AG, the Supervisory Board of Drägerwerk AG & Co. KGaA, and the Supervisory Board of Verwaltungs AG. Executive Board remuneration as defined by IAS 24 is as follows:

Executive Board remuneration

in €	2024	2023
Payments due in the short term	4,517,458	4,179,589
Post-employment benefits	1,270,500	1,104,625
Other payments due in the long term	2,025,271	1,505,004
Share-based payment	976,821	1,320,774
Total remuneration	**8,790,050**	**8,109,993**

The Supervisory Board members of Drägerwerk AG & Co. KGaA received short-term benefits of EUR 550 thousand (2023: EUR 569 thousand). The Supervisory Board members of Drägerwerk Verwaltungs AG received short-term benefits of EUR 267 thousand (2023: EUR 240 thousand) .

45 Further information

Auditor's fee

The total fee paid or payable in the fiscal year to the auditor of the 2024 consolidated financial statements – KPMG AG Wirtschaftsprüfungsgesellschaft (prior year: PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft), as well as other companies in the KPMG network (prior year: PwC network), whose fees for the 2024 fiscal year are reported for the first time and are in accordance with the International Ethics Standards Board for Accountants Code of Ethics – by Drägerwerk AG & Co. KGaA and the affiliated companies over which the Company exercises control and which are consolidated in the consolidated financial statements amounted to EUR 4,095 thousand (2023: EUR 3,245 thousand) for auditing services, EUR 47 thousand (2023: EUR 82 thousand) for other certification services, EUR 454 thousand (2023: EUR 12 thousand) for other services and EUR 5 thousand (2023: EUR 213 thousand) for tax advisory services.

The total fee paid or payable in the fiscal year to the auditor of the 2024 consolidated financial statements – KPMG AG Wirtschaftsprüfungsgesellschaft (prior year: PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft) – in the fiscal year amounted to EUR 1,391 thousand (2023: EUR 1,371 thousand) for auditing services, EUR 47 thousand (2023: EUR 42 thousand) for other certification services, EUR 446 thousand (2023: EUR 6 thousand) for other services and EUR 0 thousand (2023: EUR 0 thousand) for tax advisory services.

The auditing services include the fees for the audit of the consolidated financial statements, as well as the legally required or voluntary auditing of Drägerwerk AG & Co. KGaA and the subsidiaries included in the Group financial statements. The fees for other certification services consist of legally mandated certification services, including EMIR and audits in accordance with the German Packaging Ordinance (Verpackungsverordnung – VerpackV), as well as voluntary certification services in connection with Financial Covenants. Other services include services in preparation for the audit with regard to the sustainability reporting and services in connection with the provision of "Valuation Data Source" application via a "Software as a Service" model.

The auditors of KPMG AG Wirtschaftsprüfungsgesellschaft signing for the first time are Hartmut Heckert and Dr. Mark Uschkurat.

Corporate governance declaration

The declaration of conformity pursuant to Section 161 of the German Stock Corporation Act (AktG) of Drägerwerk AG & Co. KGaA has been submitted and made permanently available to shareholders on the Internet at www.draeger.com in December 2024.

46 Consolidated and associated companies according to Sec. 313 (2) German Commercial Code (HGB)

Consolidated and associated companies according to Sec. 313 (2) German Commercial Code (HGB)

	Name and registered office	Shareholding in %
Germany		
	Dräger Safety AG & Co. KGaA, Lübeck	100 [1]
	Dräger Medical Deutschland GmbH, Lübeck	100 [1]
	Dräger Electronics GmbH, Lübeck	100
	Dräger Digital GmbH, Lübeck	100
	Dräger Safety Verwaltungs AG, Lübeck	100 [1]
	Dräger TGM GmbH, Lübeck	100 [1]
	Dräger MSI GmbH, Hagen	100 [1]
	Dräger Medical ANSY GmbH, Lübeck	100 [1]
	Dräger Interservices GmbH, Lübeck	100 [1]
	Dräger Gebäude und Service GmbH, Lübeck	100 [1]
	Dräger Medical International GmbH, Lübeck	100 [1]
	MAPRA Assekuranzkontor GmbH, Lübeck	49 [2]
	Fachklinik für Anästhesie und Intensivmedizin Vahrenwald GmbH, Lübeck	100 [1]
	Dräger Energie GmbH, Lübeck	100
	FIMMUS Grundstücks-Vermietungsgesellschaft mbH, Lübeck	100 [1, 3]
	FIMMUS Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Lübeck KG, Lübeck	100 [3, 4]
	DRENITA Grundstücks- und Vermietungsgesellschaft mbH & Co. Objekt Fertigung Dräger Medizintechnik KG, Düsseldorf	100 [3]
	Dräger Holding International GmbH, Lübeck	100 [1]
Europe		
Belgium	Dräger Medical Belgium NV, Wemmel	100
	Dräger Safety Belgium NV, Wemmel	100
Bulgaria	Draeger Bulgaria EOOD, Sofia	100
Denmark	Dräger Danmark A/S, Herlev	100
Finland	Dräger Suomi Oy, Vantaa	100
France	Dräger France SAS, Antony	100
	Dräger Production France SAS, Obernai	100
Greece	Draeger Hellas S.M.A.E. for Products of Medical and Safety Technology, Athens	100
United Kingdom	Draeger Safety UK Ltd., Blyth	100
	Draeger Medical UK Ltd., Hemel Hempstead	100
Ireland	Dräger Ireland Ltd., Dublin	100
Italy	Draeger Italia S.p.A., Corsico	100
Croatia	Dräger Medical Croatia d.o.o., Zagreb	100
	Dräger Safety d.o.o., Zagreb	100
Lithuania	QuaDigi UAB, Vilnius	100
Netherlands	Dräger Nederland B.V., Zoetermeer	100
Norway	Dräger Norge AS, Oslo	100
	GasSecure AS, Oslo	100
Austria	Dräger Austria GmbH, Vienna	100
Poland	Dräger Polska Sp. z o.o., Warsaw	100
Portugal	Dräger Portugal, Lda, Carnaxide	100
Romania	Draeger Romania srl, District 1, Bucharest	100
Russia	Dräger OOO, Moscow	100
Sweden	Dräger Sverige AB, Kista	100
	ACE Protection AB, Svenljunga	100
	AB Ulax, Motala	75
Switzerland	Dräger Schweiz AG, Liebefeld-Bern	100
	STIMIT AG, Biel/Bienne	67.32
Serbia	Dräger tehnika trgovina i servisiranje d.o.o., Vozdovac Belgrade	100
Slovakia	Dräger Slovensko s.r.o., Piestany	100
Slovenia	Dräger Slovenija d.o.o., Ljubljana-Crnuce	100
Spain	Dräger Hispania S.A.U., Madrid	100

[1] Exemption pursuant to Sec. 264 (3) HGB
[2] This company is treated as an associated company as per IAS 28.
[3] Special purpose entities as per IFRS 10
[4] Exemption pursuant to Sec. 264b HGB

Consolidated and associated companies according to Sec. 313 (2) German Commercial Code (HGB)

	Name and registered office	Shareholding in %
Europe (continued)		
Czech Republic	Dräger Medical s.r.o., Čestlice	100
	Dräger Safety s.r.o., Čestlice	100
	Dräger Manufacturing Czech s.r.o., Klášterec nad Ohří	100
Türkiye	Draeger Medikal Ticaret ve Servis A.S., Istanbul	100
	Draeger Safety Korunma Teknolojileri A.S., Istanbul	100
Hungary	Dräger Safety Hungaria Kereskedelmi és Szolgáltató Kft., Budapest	100
	Dräger Medical Hungary Sales and Service Kft., Budapest	100
Africa		
Ghana	Draeger Ghana Ltd, Accra-North	100
Kenya	Dräger Kenya Ltd, Nairobi	100
Morocco	Draeger Maroc SARL AU, Casablanca	100
South Africa	Dräger South Africa (Pty) Ltd, Buccleuch	69
	Dräger Safety Zenith (Pty) Ltd, East London	100
Americas		
Argentina	Drager Argentina S.A., Buenos Aires	100
Brazil	Dräger do Brasil Ltda., São Paulo	100
	Dräger Indústria e Comércio Ltda., São Paulo	100
	Dräger Safety do Brasil Equipamentos de Seguranca Ltda., São Paulo	100
Chile	Dräger Chile Ltda., Santiago	100
	Dräger-Simsa S.A., Santiago	51
Canada	Draeger Safety Canada Ltd., Mississauga	100
	Draeger Medical Canada Inc., Mississauga	100
	Focus Field Solutions Inc., St. John's	29.53 [2]
Colombia	Draeger Colombia S.A., Bogotá D.C.	100
Mexico	Draeger Safety, S.A. de C.V., Col. Lomas de Santa Fe	100
	Dräger Medical Mexico, S.A. de C.V., Col. Lomas de Santa Fe	100
Panama	Draeger Panama Comercial, S. de R.L., Ciudad de Panamá	100
Peru	Draeger Peru S.A.C., Lima	100
United States	Draeger, Inc., Harrisburg	100
	Draeger Medical Systems, Inc., Wilmington, New Castle County	100
	MultiSensor Scientific, Inc., Somerville	48.74 [2]
Asia/Australia		
P.R. China	Shanghai Dräger Medical Instrument Co., Ltd., Shanghai	100
	Draeger Safety Equipment (China) Co., Ltd., Beijing	100
	Dräger Medical Equipment (Shanghai) Co., Ltd., Shanghai	100
	Dräger Medical Systems (Shanghai) Co., Ltd., Shanghai	100
Hong Kong	Draeger Hong Kong Limited, Kwun Tong, Kowloon	100
India	Draeger India Pvt. Ltd., Mumbai	100
	Draeger Safety India Pvt. Ltd., Mumbai	100
Indonesia	PT Draegerindo Jaya, Jakarta	100
	PT Draeger Medical Indonesia, Jakarta	100
Japan	Draeger Japan Ltd., Tokyo	100
Malaysia	Draeger Malaysia Sdn. Bhd., Kuala Lumpur	100
Myanmar	Draeger Myanmar Ltd., Yangon	100
Philippines	Draeger Philippines Corporation, Pasig City	100
Saudi Arabia	Draeger Arabia LLC, Riyadh	51
Singapore	Draeger Singapore Pte Ltd., Singapore	100
South Korea	Draeger Korea Co., Ltd., Hanam	100
Taiwan	Draeger Safety Taiwan Co., Ltd., Hsinchu City	100
	Draeger Medical Taiwan Ltd., Taipei City	100
Thailand	Draeger Medical (Thailand) Ltd., Bangkok	100
	Draeger Safety (Thailand) Ltd., Bangkok	100
Vietnam	Draeger Vietnam Co., Ltd., Ho Chi Minh City	100

[2] This company is treated as an associated company as per IAS 28.

Consolidated and associated companies according to Sec. 313 (2) German Commercial Code (HGB)

	Name and registered office	Shareholding in %
Asia/Australia (continued)		
Australia	Draeger Safety Pacific Pty Ltd, Notting Hill	100
	Draeger Australia Pty Ltd, Notting Hill	100
New Zealand	Draeger New Zealand Ltd, Auckland	100

47 Events after the balance sheet date

Distributable earnings
The general partner intends, together with the Supervisory Board of Drägerwerk AG & Co. KGaA, Lübeck, to distribute a dividend for fiscal year 2024 from the net retained profits of Drägerwerk AG & Co. KGaA of EUR 455,082 thousand to propose a dividend of EUR 1.97 per common share and EUR 2.03 per preferred share, totaling EUR 37,473 thousand. The remaining amount of EUR 417,609 thousand is to be carried forward to new account.

Lübeck, March 11, 2025

The general partner
Drägerwerk Verwaltungs AG
represented by its Executive Board

Stefan Dräger
Stefanie Hirsch
Rainer Klug
Gert-Hartwig Lescow
Dr. Reiner Piske
Anton Schrofner

Management compliance statement

We confirm to the best of our knowledge that, in accordance with the applicable financial reporting framework, the Group financial statements give a true and fair view of the net assets, financial position, and results of operations of the Group, that the Group management report presents business performance including business results and the situation of the Group so as to give a true and fair view, and that the material opportunities and risks relating to the Group's development have been described.

Lübeck, March 11, 2025

The general partner
Drägerwerk Verwaltungs AG
represented by its Executive Board

Stefan Dräger
Stefanie Hirsch
Rainer Klug
Gert-Hartwig Lescow
Dr. Reiner Piske
Anton Schrofner

Independent Auditor's Report

To Drägerwerk AG & Co. KGaA, Lübeck

Report on the Audit of the Consolidated Financial Statements and of the Combined Management Report

Opinions

We have audited the consolidated financial statements of Drägerwerk AG & Co. KGaA, Lübeck, and its subsidiaries (the Group), which comprise the balance sheet as of December 31, 2024, and the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated cash flow statement for the financial year from January 1 to December 31, 2024, and notes to the consolidated financial statements, including significant information on the accounting policies. In addition, we have audited the management report of the Company and the Group (hereinafter the "combined management report") of Drägerwerk AG & Co. KGaA for the financial year from January 1 to December 31, 2024.

In accordance with German legal requirements, we have not audited the content of those components of the combined management report specified in the "Other Information" section of our auditor's report.

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

- the accompanying consolidated financial statements comply, in all material respects, with the IFRS Accounting Standards 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 [Handelsgesetzbuch: German Commercial Code] and, in compliance with these requirements, give a true and fair view of the assets, liabilities, and financial position of the Group as of December 31, 2024, and of its financial performance for the financial year from January 1 to December 31, 2024, and
- the accompanying combined management report as a whole provides an appropriate view of the Group's position. In all material respects, this combined management report is consistent with the consolidated financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development. Our opinion on the combined management report does not cover the content of those components of the combined management report specified in the "Other Information" section of the auditor's report.

Pursuant to Section 322 (3) sentence 1 HGB, we declare that our audit has not led to any reservations relating to the legal compliance of the consolidated financial statements and of the combined management report.

Basis for the Opinions

We conducted our audit of the consolidated financial statements and of the combined management report in accordance with Section 317 HGB and the EU Audit Regulation No 537/2014 (referred to subsequently as "EU Audit Regulation") and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). Our responsibilities under those requirements and principles are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements and of the Combined Management Report" section of our auditor's report. We are independent of the group entities in accordance with the requirements of European law and German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. In addition, in accordance with Article 10 (2)(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 evidence we have obtained is sufficient and appropriate to provide a basis for our opinions on the consolidated financial statements and on the combined management report.

Key Audit Matters in the Audit of the Consolidated Financial Statements

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the financial year from January 1 to December 31, 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 testing of goodwill

Please refer to Note 8 and 21 in the notes to the consolidated financial statements for information on the accounting policies applied and the assumptions used. Information on the value of goodwill can be found under Note 21 in the notes to the consolidated financial statements.

The Financial Statement Risk

Goodwill amounted to EUR 312.2 million as of December 31, 2024, and, at 20.3% of the Group's equity, has a significant impact on the net assets.

Goodwill is routinely tested for impairment each year on the level of the medical and safety divisions, to which the goodwill in question is allocated. If any indications of potential impairment arise during the financial year, an ad hoc goodwill impairment test is also carried out during the year. For the impairment test, the Company primarily determines the value in use and compares this with the respective carrying amount of the segment. The reporting date for the impairment test is December 31, 2024.

Impairment testing of goodwill is complex and based on a number of assumptions requiring judgment. These include the expected business and earnings development of the divisions in the form of the expected revenue performance and EBIT margin over the next five years, the assumed long-term growth rates and the discount rate used.

Based on the impairment tests conducted, the Company did not identify any need to recognize impairment losses. However, the Company's sensitivity analysis indicated that a reasonably possible decrease in the medical technology operating segment's EBIT margin by more than 3 percentage points at the end of the planning horizon would lead to the value in use being impaired.

There is the risk for the consolidated financial statements that an existing need to recognize impairment losses is not identified. There is also the risk that the related disclosures in the notes are not appropriate.

Our audit approach

With the involvement of our valuation experts, we assessed (among other elements) the appropriateness of the Company's significant assumptions and calculation method. For this purpose, we discussed the expected revenue development and EBIT margin for the next five years as well as the assumed long-term growth rates with those responsible for planning. We also reconciled this information with the budget prepared by management and approved by the Supervisory Board. Furthermore, we evaluated the consistency of assumptions with external market assessments.

We also verified the accuracy of the Company's previous forecasts by comparing the budgets of previous financial years with actual results and analyzing deviations. We compared the assumptions and data underlying the discount rate, in particular the risk-free rate, the market risk premium and the beta coefficient, with our own assumptions and publicly available data.

To evaluate the methodically and mathematically correct implementation of the valuation method, we verified the measurement made by the Company using our own calculations and analyzed deviations.

In order to take forecast uncertainty into account, we examined the impact of potential changes in the discount rate, the expected revenue development and EBIT margin for the next five years/the long-term growth rate on the value in use by calculating alternative scenarios and comparing these with the values stated by the Company (sensitivity analysis).

Finally, we assessed whether the disclosures in the notes regarding recoverability of goodwill are appropriate. This also included an assessment of the appropriateness of the disclosures in accordance with IAS 36.134(f) on the sensitivities in the event of a reasonably possible change to key assumptions underlying the evaluation in the medical technology operating segment.

Our observations
The calculation method used for impairment testing of goodwill is appropriate and in line with the accounting policies to be applied.

The Company's assumptions and data used for measurement are appropriate.

The related disclosures in the notes are appropriate.

Other Information
Management and/or the Supervisory Board are/is responsible for the other information. The other information comprises the following components of the combined management report, whose content was not audited:

- the Company's and Group's sustainability statement, including the combined non-financial statement contained therein, which is included in the group sustainability statement section of the combined management report, and
- the combined corporate governance statement of the Company and the Group, which is contained in the corporate governance statement (Sections 289f and 315d HGB) of the combined management report and
- information extraneous to management reports and marked as unaudited.

The other information also includes the remaining parts of the annual report. The other information does not include the consolidated financial statements, the combined management report information audited for content and our auditor's report thereon.

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

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

- is materially inconsistent with the consolidated financial statements, with the combined management report information audited for content or our knowledge obtained in the audit, or
- otherwise appears to be materially misstated.

Responsibilities of Management and the Supervisory Board for the Consolidated Financial Statements and the Combined Management Report
Management is responsible for the preparation of consolidated financial statements that comply, in all material respects, with IFRS Accounting Standards 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., fraudulent financial reporting and misappropriation of assets) or error.

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

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

The Supervisory Board is responsible for overseeing the Group's financial reporting process for the preparation of the consolidated financial statements and of the combined management report.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements and of the Combined Management Report

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and whether the combined management report as a whole provides an appropriate view of the Group's position and, in all material respects, is consistent with the consolidated financial statements and the knowledge obtained in the audit, complies with the German legal requirements and appropriately presents the opportunities and risks of future development, as well as to issue an auditor's report that includes our opinions on the consolidated financial statements and on the combined management report.

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements and of the combined management report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our 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 controls.
- Obtain an understanding of internal control relevant to the audit of the consolidated financial statements and of arrangements and measures relevant to the audit of the combined management report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control or of these arrangements and measures.
- Evaluate the appropriateness of accounting policies used by management and the reasonableness of estimates made by management and related disclosures.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the consolidated financial statements and in the combined management report or, if such disclosures are inadequate, to modify our respective opinions. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to be able to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements present the underlying transactions and events in a manner that the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Group in compliance with IFRS Accounting Standards as adopted by the EU and the additional requirements of German commercial law pursuant to Section 315e (1) HGB.

– Plan and perform the audit of the consolidated financial statements to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business segments within the Group to provide a basis for our opinions on the consolidated financial statements and on the combined management report. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our opinions.
– Evaluate the consistency of the combined management report with the consolidated financial statements, its conformity with [German] law, and the view of the Group's position it provides.
– Perform audit procedures on the prospective information presented by management in the combined management report. On the basis of sufficient appropriate audit evidence we evaluate, in particular, the significant assumptions used by management as a basis for the prospective information, and evaluate the proper derivation of the prospective information from these assumptions. We do not express a separate opinion on the prospective information and on the assumptions used as a basis. There is a substantial unavoidable risk that future events will differ materially from the prospective information.

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

We also provide those charged with governance with a statement that we have complied with the relevant independence requirements, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, the actions taken or safeguards applied to eliminate independence threats.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter.

Other Legal and Regulatory Requirements

Report on the Assurance on the Electronic Rendering of the Consolidated Financial Statements and the Combined Management Report Prepared for Publication Purposes in Accordance with Section 317 (3a) HGB

We have performed assurance work in accordance with Section 317 (3a) HGB to obtain reasonable assurance about whether the rendering of the consolidated financial statements and the combined management report (hereinafter the "ESEF documents") contained in the electronic file "Draeger_KA_LB_ESEF-2024-12-31.zip" (SHA256 hash value: 12b7c69657c9a26ad923bcc3dd9480a02b43afff658fef0ebc197cb54c418fbd) made available and 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 assurance work extends only to the conversion of the information contained in the consolidated financial statements and the combined management report into the ESEF format and therefore relates neither to the information contained in these renderings nor to any other information contained in the file identified above.

In our opinion, the rendering of the consolidated financial statements and the combined management report contained in the electronic file made available, identified above 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 assurance opinion and our audit opinion on the accompanying consolidated financial statements and the accompanying combined management report for the financial year from January 1 to December 31, 2024, contained in the "Report on the Audit of the Consolidated Financial Statements and the Combined Management Report" above, we do not express any assurance opinion on the information contained within these renderings or on the other information contained in the file identified above.

We conducted our assurance work on the rendering of the consolidated financial statements and the combined management report contained in the file made available and identified above in accordance with Section 317 (3a) HGB and the IDW Assurance Standard: Assurance Work on the Electronic Rendering of Financial Statements and

Management Reports Prepared for Publication Purposes in Accordance with Section 317 (3a) HGB (IDW AsS 410 (06.2022)) and the International Standard on Assurance Engagements 3000 (Revised). Our responsibility in accordance therewith is further described below. Our audit firm applies the IDW Standard on Quality Management 1: Requirements for Quality Management in Audit Firms (IDW QMS 1) (09.2022).

The Company's management is responsible for the preparation of the ESEF documents including the electronic rendering of the consolidated financial statements and the combined management report in accordance with Section 328 (1) sentence 4 item 1 HGB and for the tagging of the consolidated financial statements in accordance with Section 328 (1) sentence 4 item 2 HGB.

In addition, the Company's management is responsible for such internal control that they have considered necessary to enable the preparation of ESEF documents that are free from material intentional or unintentional non-compliance with the requirements of Section 328 (1) HGB for the electronic reporting format.

The Supervisory Board is responsible for overseeing the process of preparing the ESEF documents as part of the financial reporting process.

Our objective is to obtain reasonable assurance about whether the ESEF documents are free from material intentional or unintentional non-compliance with the requirements of Section 328 (1) HGB. We exercise professional judgment and maintain professional skepticism throughout the assurance work. We also:

- Identify and assess the risks of material intentional or unintentional non-compliance with the requirements of Section 328 (1) HGB, design and perform assurance procedures responsive to those risks, and obtain assurance evidence that is sufficient and appropriate to provide a basis for our assurance opinion.
- Obtain an understanding of internal control relevant to the assurance on the ESEF documents in order to design assurance procedures that are appropriate in the circumstances, but not for the purpose of expressing an assurance opinion on the effectiveness of these controls.
- Evaluate the technical validity of the ESEF documents, i.e. whether the file made available, containing the ESEF documents meets the requirements of the Commission Delegated Regulation (EU) 2019/815, as amended as of the reporting date, on the technical specification for this electronic file.
- Evaluate whether the ESEF documents provide an XHTML rendering with content equivalent to the audited consolidated financial statements and the audited combined management report.
- Evaluate whether the tagging of the ESEF documents with Inline XBRL technology (iXBRL) in accordance with the requirements of Articles 4 and 6 of the Commission Delegated Regulation (EU) 2019/815, as amended as of the reporting date, enables an appropriate and complete machine-readable XBRL copy of the XHTML rendering.

Further information pursuant to Article 10 of the EU Audit Regulation

We were elected as auditor of the consolidated financial statements at the Annual General Meeting on May 8, 2024. We were engaged by the Supervisory Board on August 6, 2024. We have been the auditor of the consolidated financial statements of Drägerwerk AG & Co. KGaA without interruption since financial year 2024.

We declare that the opinions expressed in this auditor's report are consistent with the additional report to the audit committee pursuant to Article 11 of the EU Audit Regulation (long-form audit report).

Other Matter – Use of the Auditor's Report

Our auditor's report must always be read together with the audited consolidated financial statements and the audited combined management report as well as the examined ESEF documents. The consolidated financial statements and combined management report converted to the ESEF format – including the versions to be entered in the German Company Register [Unternehmensregister] – are merely electronic renderings of the audited consolidated financial statements and the audited combined management report and do not take their place. In particular, the ESEF report and our assurance opinion contained therein are to be used solely together with the examined ESEF documents made available in electronic form.

German Public Auditor Responsible for the Engagement

The German Public Auditor responsible for the engagement is Hartmut Heckert.

Hamburg, March 12, 2025

KPMG AG
Wirtschaftsprüfungsgesellschaft

Heckert	Dr. Uschkurat
Wirtschaftsprüfer	Wirtschaftsprüfer
(German Public Auditor)	(German Public Auditor)

The Company's Boards[1]

Supervisory Board of Drägerwerk AG & Co. KGaA

Maria Dietz
Chairwoman of the Supervisory Board (since January 1, 2025)

Member of the Administrative Board and shareholder of GFT Technologies SE[2], Stuttgart

Supervisory Board memberships:
– Dräger Safety AG & Co. KGaA[3], Lübeck
– Drägerwerk Verwaltungs AG, Lübeck, Vice Chairwoman of the Supervisory Board (since May 5, 2024)
– Ernst Klett Aktiengesellschaft, Stuttgart
– GFT Technologies SE[2], Stuttgart, Member of the Administrative Board
– LBBW Asset Management Investmentgesellschaft mbH, Stuttgart

Christian Fischer
Vice Chairman of the Supervisory Board

Member of Dräger European Forum / European Works Council, Lübeck
Chairman of the Dräger Lübeck Works Council, Lübeck
Chairman of the Group Works Council of Dräger, Lübeck

Bettina van Almsick
Chairwoman of the Works Council Dräger Sales and Service Germany, Essen
Member of the Works Council Dräger Sales and Service Germany, Lübeck
Member of the Group Works Council of Dräger, Lübeck

Supervisory Board memberships:
– Dräger Medical Deutschland GmbH[3], Lübeck, Vice Chairwoman

Eckard Gesell (since July 1, 2024)
Senior employee, Drägerwerk AG & Co. KGaA[2], Lübeck

Andrea Görndt
Chairwoman of Dräger European Forum / European Works Council, Lübeck
Member of the Dräger Works Council, Lübeck
Member of the Group Works Council of Dräger, Lübeck

[1] This chapter is also part of the Group sustainability statement in the combined management report.
[2] Listed company
[3] Group mandate within the meaning of Sec. 18 AktG

Prof. Dr. Thorsten Grenz
Managing Partner of KIMBRIA Gesellschaft für Beteiligung und Beratung mbH, Berlin
Honorary Professor of Economics and Social Sciences at Christian-Albrechts University, Kiel

Supervisory Board memberships:
- Dräger Safety AG & Co. KGaA[3], Lübeck, Chairman (since January 1, 2025)
- Dräger Safety Verwaltungs AG[3], Lübeck, Chairman (since January 1, 2025)
- Drägerwerk Verwaltungs AG, Lübeck
- SNP Schneider-Neureither & Partner SE[2], Heidelberg

Memberships on comparable boards of German or foreign companies:
- Gerlin Participaties Coöperatief U.A., Maarsbergen (since January 24, 2024)

Henning Groskreutz
1. Authorized Representative / Managing Director metalworkers' union IG Metall Lübeck-Wismar

Supervisory Board memberships:
- Dräger Safety AG & Co. KGaA[3], Lübeck
- L. Possehl & Co. mbH, Lübeck

Astrid Hamker
Advisory Board member and partner of Piepenbrock Unternehmensgruppe GmbH & Co. KG, Berlin
KOMPASS-Beratung, independent consultant for family businesses, Georgsmarienhütte

Supervisory Board memberships:
- Dräger Safety AG & Co. KGaA[3], Lübeck
- Drägerwerk Verwaltungs AG, Lübeck
- L. Possehl & Co. mbH, Lübeck
- Schmitz Cargobull AG, Horstmar

Memberships on comparable boards of German or foreign companies:
- Felix Schoeller Gruppe GmbH & Co. KG, Osnabrück
- Piepenbrock Unternehmensgruppe GmbH & Co. KG, Berlin, Advisory Board member
- Tengelmann Verwaltungs- und Beteiligungs GmbH, Munich

Stefanie Hirsch (until June 30, 2024)
Senior employee, Drägerwerk AG & Co. KGaA[2], Lübeck (until June 30, 2024)

Stefan Lauer (Chairman until December 31, 2024)
Former Member of the Executive Board of Deutsche Lufthansa AG[2], Frankfurt

Supervisory Board memberships:
- Dräger Safety AG & Co. KGaA[3], Lübeck, Chairman (until December 31, 2024)
- Dräger Safety Verwaltungs AG[3], Lübeck, Chairman (until December 31, 2024)
- Drägerwerk Verwaltungs AG, Lübeck, Chairman
- People at Work Systems AG, Munich

Memberships on comparable boards of German or foreign companies:
- Valeta GmbH, Bad Säckingen, Chairman of the Advisory Board

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[2] Listed company
[3] Group mandate within the meaning of Sec. 18 AktG

Laura Pooth
Chairwoman of DGB District North – German Trade Union Confederation, Hamburg

Supervisory Board memberships:
- Bürgschaftsbank Schleswig-Holstein GmbH, Kiel
- Dräger Safety AG & Co. KGaA[3], Lübeck

Memberships on comparable boards of German or foreign companies:
- Federal Employment Agency, Nuremberg, Deputy Member of the Administrative Board

Frank Riemensperger
Managing Director 440.digital GmbH
Member of the Senate, German Academy of Science and Engineering

Supervisory Board memberships:
- Dräger Safety AG & Co. KGaA[3], Lübeck
- Dräger Safety Verwaltungs AG[3], Lübeck
- Drägerwerk Verwaltungs AG, Lübeck
- Sartorius AG[2], Göttingen

Memberships on comparable boards of German or foreign companies:
- Datenraum Mobilität GmbH, Munich

Dr. Reinhard Zinkann
Managing Partner of Miele & Cie. KG, Gütersloh

Supervisory Board memberships:
- Dräger Safety AG & Co. KGaA[3], Lübeck
- Drägerwerk Verwaltungs AG, Lübeck
- Falke KGaA, Schmallenberg (Chairman)

Memberships on comparable boards of German or foreign companies:
- Hipp & Co., Pfaffenhofen, Chairman of the Administrative Board
- Nobilia-Werke J. Stickling GmbH & Co. KG, Verl, Chairman of the Advisory Board

[2] Listed company
[3] Group mandate within the meaning of Sec. 18 AktG

Members of the Audit Committee
Prof. Dr. Thorsten Grenz (Chairman)
Christian Fischer
Henning Groskreutz
Stefan Lauer
Frank Riemensperger

Members of the Nomination Committee
Maria Dietz (Chairwoman since January 1, 2025)
Stefan Lauer (Chairman until December 31, 2024)
Dr. Reinhard Zinkann

Members of the Joint Committee
Representatives of Drägerwerk Verwaltungs AG:
Maria Dietz
Astrid Hamker
Frank Riemensperger
Dr. Reinhard Zinkann

Representatives of Drägerwerk AG & Co. KGaA[2]:
Prof. Dr. Thorsten Grenz (Chairman since January 1, 2025)
Christian Fischer
Henning Groskreutz
Stefan Lauer (Chairman until December 31, 2024)

[2] Listed company

Members of the Executive Board of Drägerwerk Verwaltungs AG, acting on behalf of Drägerwerk AG & Co. KGaA

Stefan Dräger
Chairman of the Executive Board

Chairman of the Executive Board of Drägerwerk Verwaltungs AG, Lübeck
(general partner of Drägerwerk AG & Co. KGaA)
Chairman of the Executive Board of Dräger Safety Verwaltungs AG, Lübeck
(general partner of Dräger Safety AG & Co. KGaA)

Supervisory Board memberships:
- L. Possehl & Co. mbH, Lübeck
- Sparkasse zu Lübeck AG, Lübeck

Gert-Hartwig Lescow
CFO and Executive Board member for IT, Vice-Chairman of the Executive Board

Member of the Executive Board of Drägerwerk Verwaltungs AG, Lübeck
(general partner of Drägerwerk AG & Co. KGaA)
Member of the Executive Board of Dräger Safety Verwaltungs AG, Lübeck
(general partner of Dräger Safety AG & Co. KGaA)

Supervisory Board memberships:
- Carl Zeiss AG, Oberkochen, Chairman of the Audit Committee

Stefanie Hirsch (since July 1, 2024)
Executive Board member for Sustainability and Quality

Member of the Executive Board of Drägerwerk Verwaltungs AG, Lübeck
(general partner of Drägerwerk AG & Co. KGaA)
Member of the Executive Board of Dräger Safety Verwaltungs AG, Lübeck
(general partner of Dräger Safety AG & Co. KGaA)

Rainer Klug
Executive Board member for Safety Division

Member of the Executive Board of Drägerwerk Verwaltungs AG, Lübeck
(general partner of Drägerwerk AG & Co. KGaA)
Member of the Executive Board of Dräger Safety Verwaltungs AG, Lübeck
(general partner of Dräger Safety AG & Co. KGaA)

Memberships on comparable boards of German or foreign companies:
- Arin Business Developments S.à r.l., Luxembourg

Dr. Reiner Piske
Executive Board member for Sales and Human Resources

Member of the Executive Board of Drägerwerk Verwaltungs AG, Lübeck
(general partner of Drägerwerk AG & Co. KGaA)
Member of the Executive Board of Dräger Safety Verwaltungs AG, Lübeck
(general partner of Dräger Safety AG & Co. KGaA)

Anton Schrofner

Executive Board member for Medical Division

Member of the Executive Board of Drägerwerk Verwaltungs AG, Lübeck
(general partner of Drägerwerk AG & Co. KGaA)
Member of the Executive Board of Dräger Safety Verwaltungs AG, Lübeck
(general partner of Dräger Safety AG & Co. KGaA)

Memberships on comparable boards of German or foreign companies:
- Draeger Medical Systems, Inc.[3], Telford, Member of the Board of Directors
- Sibel Health, Inc., Chicago, Member of the Board of Directors
- STIMIT AG[3], Biel, Member of the Administrative Board (until November 18, 2024)

[3] Group mandate within the meaning of Sec. 18 AktG

The segments over the past five years

						Twelve months
		2024	2023	2022	2021	2020
Medical division						
Order intake	**€ million**	**1,924.1**	**1,916.2**	**1,979.3**	**1,916.9**	**2,498.7**
Net sales	**€ million**	**1,899.7**	**1,966.2**	**1,821.5**	**2,064.2**	**2,302.2**
EBIT [1]	**€ million**	**28.3**	**37.1**	**-90.4**	**191.6**	**329.4**
EBIT [1] / net sales	%	1.5	1.9	-5.0	9.3	14.3
Safety division						
Order intake	**€ million**	**1,456.4**	**1,373.8**	**1,305.4**	**1,170.9**	**1,287.5**
Net sales	**€ million**	**1,471.2**	**1,407.3**	**1,223.7**	**1,264.2**	**1,104.1**
EBIT [1]	**€ million**	**165.7**	**129.4**	**1.8**	**80.0**	**67.2**
EBIT [1] / net sales	%	11.3	9.2	0.1	6.3	6.1

[1] EBIT = Earnings before net interest result and income taxes

The Dräger Group over the past five years

						Twelve months
		2024	2023	2022	2021	2020
Order intake	**€ million**	**3,380.5**	**3,290.0**	**3,284.7**	**3,087.8**	**3,786.2**
Net sales	**€ million**	**3,370.9**	**3,373.5**	**3,045.2**	**3,328.4**	**3,406.3**
Gross profit	**€ million**	**1,512.5**	**1,459.7**	**1,238.4**	**1,540.9**	**1,608.9**
Gross profit / net sales	%	44.9	43.3	40.7	46.3	47.2
EBITDA [1]	**€ million**	**339.9**	**315.0**	**55.8**	**421.0**	**521.0**
EBIT [2]	**€ million**	**194.0**	**166.4**	**-88.6**	**271.7**	**396.6**
EBIT [2]/ net sales	%	5.8	4.9	-2.9	8.2	11.6
Interest result	€ million	-18.6	-25.1	-13.8	-35.0	-36.4
Income taxes	€ million	-50.6	-29.3	38.8	-82.4	-110.3
Net profit / net loss	**€ million**	**124.8**	**112.0**	**-63.6**	**154.3**	**249.9**
Earnings per share						
per preferred share	€	6.67	5.92	-3.41	7.19	10.25
per common share	€	6.61	5.86	-3.47	7.13	10.19
DVA [3,4]	**€ million**	**54.3**	**55.8**	**-196.2**	**171.8**	**296.9**
Equity [5]	€ million	1,536.8	1,409.2	1,319.4	1,260.5	1,033.8
Equity ratio [5]	%	49.7	45.5	42.5	39.7	31.3
Capital employed [5,6]	€ million	1,601.0	1,523.2	1,537.2	1,381.1	1,410.6
EBIT [2,3] / capital employed [5,6] (ROCE)	%	12.1	10.9	-5.8	19.7	28.1
Net financial debt [5,7]	€ million	165.0	197.7	259.2	-24.0	187.1
Headcount as at December 31		16,598	16,329	16,219	15,900	15,657

[1] EBITDA = Earnings before net interest result, income taxes, depreciation and amortization
[2] EBIT = Earnings before net interest result and income taxes
[3] Value of the last twelve months
[4] Dräger Value Added = EBIT less cost of capital of average capital employed
[5] Value as at reporting date
[6] Capital employed = Total assets less deferred tax assets, securities, cash and cash equivalents, non-interest bearing liabilities and other non-operating items
[7] For the years 2020 to 2022, including the payment obligations from the termination of the participation certificates.

Financial calendar 2025

Publication of 2024 fiscal year figures, analysts' conference	March 31, 2025
Report as at March 31, 2025, conference call	April 30, 2025
Annual shareholders´meeting, Lübeck, Germany	May 9, 2025
Report as at June 30, 2025, conference call	July 29, 2025
Report as at September 30, 2025, conference call	October 29, 2025

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