stratec

PRECISION TO THE POINT ANNUAL REPORT 2024

MISSION STATEMENT

Together with our partners, we improve quality of life. We do this by leveraging our expertise, technology, and collaborative approach to develop innovative, purpose-built solutions for leading companies in in-vitro diagnostics and adjacent markets.

As a leading OEM partner, we share responsibility for the entire product life cycle: from initial design through development, regulatory approval, production, product expansion, and ongoing support.

Our success is based on the talent and dedication of our employees and our commitment to drive innovation forward.

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STRATEC GROUP AT A GLANCE

GROUP KEY FIGURES

Sales, earnings, and dividend

	2024	2023[2]	Change
Sales (in € thousand)	257,624	270,414	-4.7 % (cc: -4.9 %)
Gross R&D expenses (in € thousand)	55,405	55,360	-0.1 %
Gross R&D expenses as % of sales	21.5	20.5	+100 bps
Adjusted EBITDA (in € thousand)[1]	49,214	44,826	+9,8 %
Adjusted EBITDA as % of sales[1]	19.1	16.6	+250 bps
Adjusted EBIT (in € thousand)[1]	33,459	30,388	+10.1 %
Adjusted EBIT as % of sales[1]	13.0	11.2	+180 bps
Adjusted consolidated net income (in € thousand)[1]	20,496	19,009	+7.8 %
Adjusted basic earnings per share (in €)[1]	1.69	1.56	+8.3 %
Basic earnings per share IFRS (in €)	1.32	1.26	+4.8 %
Dividend per share (in €)	0.60[3]	0.55	+9.1 %

[1] For comparison purposes, adjusted figures for 2024 have been adjusted to exclude amortization from purchase price allocations in the context of acquisitions, as well as for other one-off items (consulting and reorganization expenses in connection with M&A activities and one-off personnel expenses).
[2] Restated in accordance with IAS 8.
[3] Subject to approval by the Annual General Meeting on June 27, 2025.

bps = basis points
cc = at constant-currency

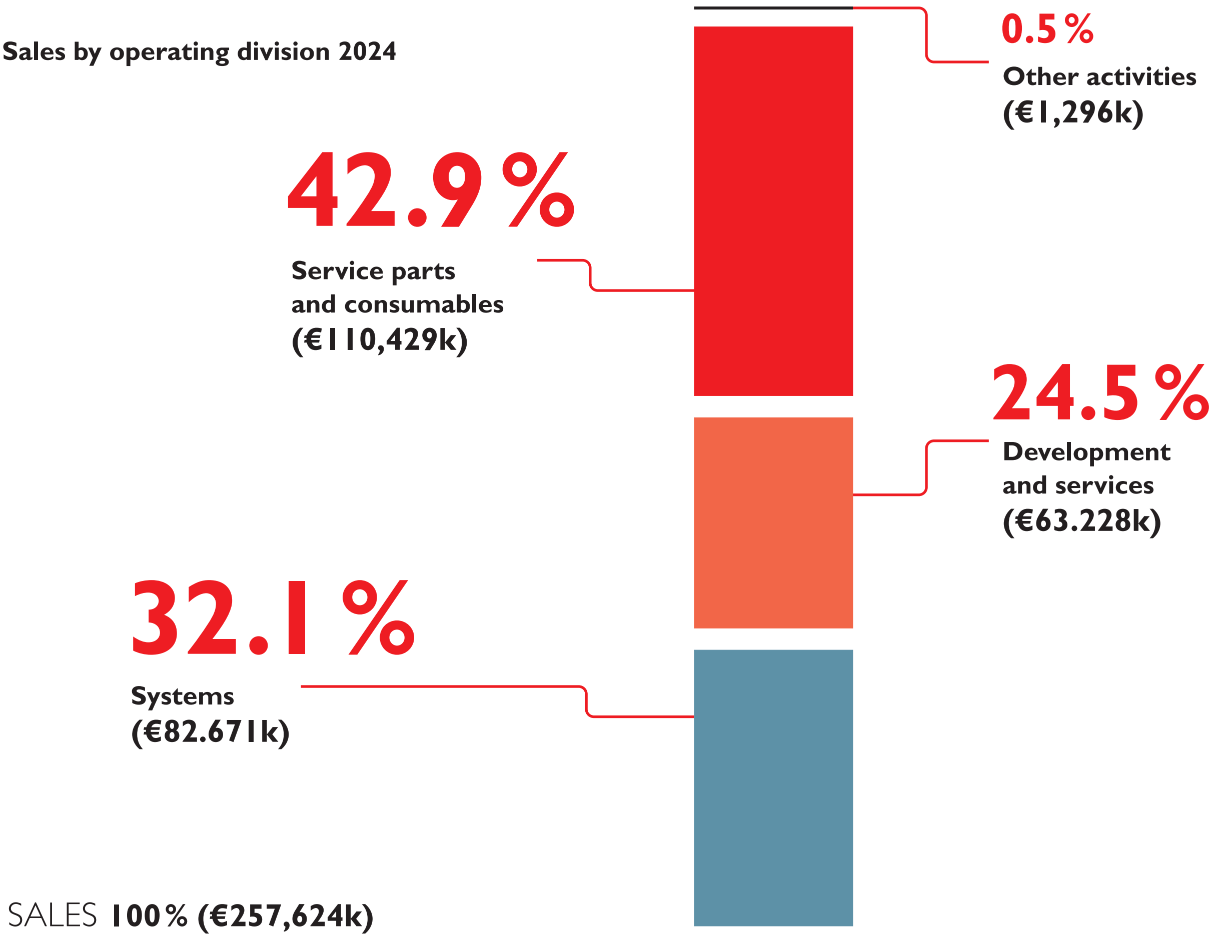
Balance sheet

	12.31.2024	12.31.2023[1]	Change
Shareholders' equity (in € thousand)	242,533	237,093	+2.3 %
Total assets (in € thousand)	445,058	450,676	-1.2 %
Equity ratio (in %)	54.5	52.6	+190 bps

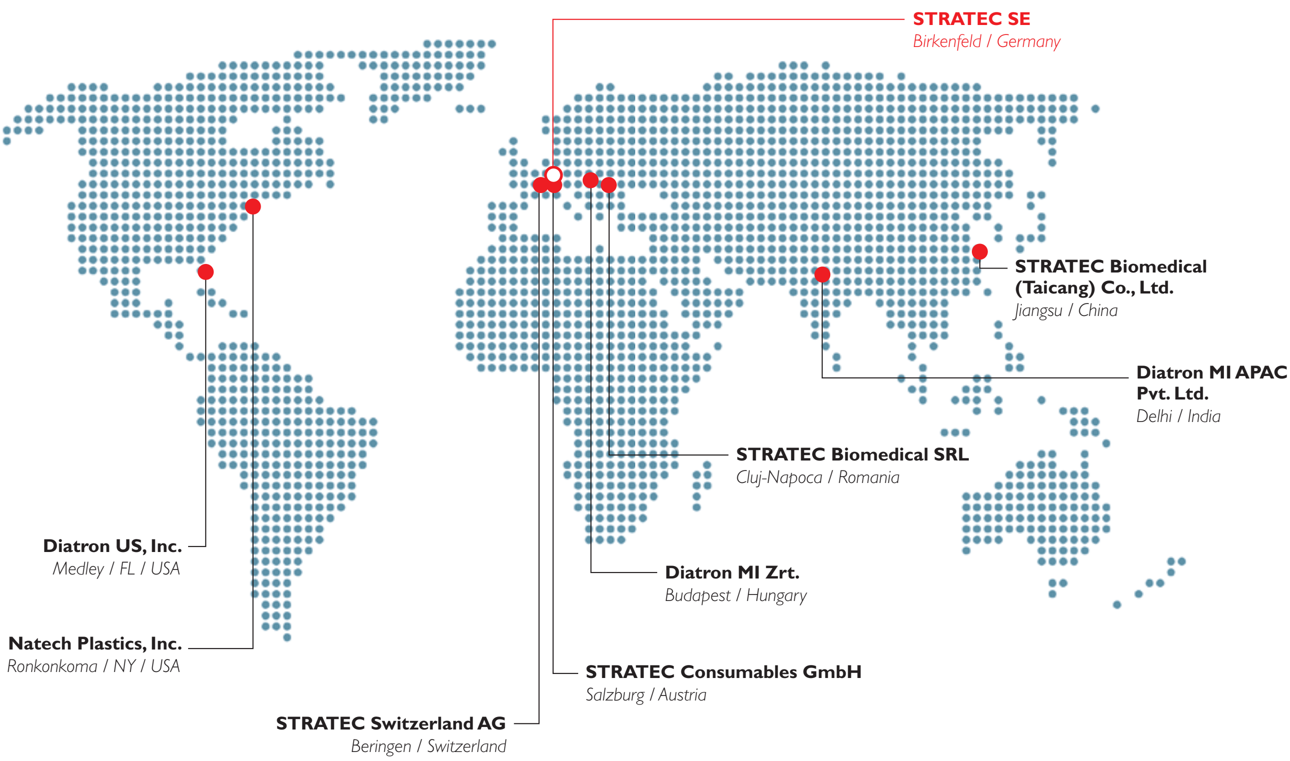
[1] Restated in accordance with IAS 8.

bps = basis points

Sales by operating division 2024



Locations of the STRATEC Group



LETTER FROM THE BOARD OF MANAGEMENT

DEAR SHAREHOLDERS,
DEAR PARTNERS AND FRIENDS OF STRATEC,

In what was a challenging market climate and despite numerous geopolitical uncertainties, the STRATEC Group asserted itself well in the 2024 financial year. As expected, the growth potential of our systems business was held back by automation capacities arising in the molecular diagnostics business during the pandemic. We nevertheless successfully maintained our consolidated sales in 2024 almost at the previous year's level. Nevertheless, we were able to outperform many of our competitors in both revenue and earnings development.

Particularly pleasing is the significant year-on-year increase in our EBIT margin to 13.0% (2023: 11.2%), thus exceeding our forecasting corridor, which we achieved despite the market climate remaining challenging, with a decline in demand in individual technology segments in 2024. That documents our commitment to optimizing cost structures and enhancing the efficiency of our processes. We successfully concluded the earnings enhancement program initiated in 2023 and have leveraged all the potential improvements thereby identified.

Dr. Claus Vielsack (57)
Member of the Board of
Management, Product Development

Marcus Wolfinger (57)
Chairman of the
Board of Management

Dr. Georg Bauer (52)
Member of the Board
of Management, Sales

One crucial factor underpinning our optimistic view of the future is our extensive development pipeline. Our close cooperation with our partners gives us confidence that we will successfully launch new products onto the market in the near future. Our innovative strength will enable us to gain further market share and to continue to offer advanced automation solutions to our customers.

We expect the market to stabilize further in 2025. Particularly in the molecular diagnostics business, we now no longer expect to witness any further headwind from the downstream effects of the pandemic. We have also noticed that test volumes are rising significantly across the board again, a factor that raises capacity utilization rates among systems in the market. This should impact positively on systems turnover and on our business with service parts and consumables. For the fiscal year 2025, we consequently expect revenue to grow on a constant-currency basis in the low to mid-single-digit percentage range. For the adjusted EBIT margin, we forecast a value of approximately 10.0% to 12.0%. The lower level of profitability compared with the previous year is due in particular to the fact that the earnings contributions received from development and services in 2024 will not be repeated to the same extent in 2025. In terms of our operating performance, we nevertheless expect to make further progress in 2025, enabling us at least to offset inflation-related cost growth.

We are continually working on furthe[illegible]s to enhance our efficiency, sustainably boost our profitability, and further expand this in the medium term. We have drawn on external advice, particularly to make our processes more flexible to enable us to efficiently portray different capacity utilization scenarios. We aim to gain further dynamism by deploying innovative approaches and benefiting from technological advances.

We are also pleased to propose the distribution of a dividend of € 0.60 per share for approval by our shareholders (previous year: € 0.55). This reflects our positive business performance and our efforts to offer an attractive return to our shareholders.

We would like to thank you for the trust you have placed in us and for your support in this challenging year. Together, we can look optimistically to the future and are determined to press ahead with STRATEC's further successful development.

Kind regards,

Birkenfeld, May 2025

The Board of Management of STRATEC SE

Marcus Wolfinger

Dr. Claus Vielsack

Dr. Georg Bauer

REPORT OF THE SUPERVISORY BOARD

Dear Shareholders,

The STRATEC Group asserted itself in what was still a challenging market climate in the 2024 financial year and, by posting a virtually stable sales performance, outperformed many of its competitors. Uncertainty remained great in the markets in which STRATEC operates. In view of this, one key focus of the Board of Management was on upholding the earnings enhancement program initiated in 2023. This made it possible to counter the adverse effects of the difficult market climate and to increase the company's profitability once more. STRATEC will increasingly focus its further efforts on making its processes more flexible, optimizing its organizational structure, and further improving its cost structures and earnings strength.

Supervision and advice in dialog with the Board of Management

In the 2024 financial year, the Supervisory Board of STRATEC SE once again dealt closely with the company's situation and its prospects. It regularly advised the Board of Management in its management of the company and monitored this carefully and continuously. The Supervisory Board performed the duties required by law, the Articles of Association, and its Code of Procedure at all times in full awareness of its responsibility. With only a few exceptions, it also complied with the recommendations of the German Corporate Governance Code. The Supervisory Board was directly involved in all decisions or measures of fundamental significance, particularly those involving corporate strategy, group-related matters, and the asset, financial, and earnings position of the company and the Group, as well as those transactions requiring its approval in the Code of Procedure for the Board of Management. The Board of Management provided the Supervisory Board with regular, timely, and comprehensive written and oral information concerning all issues of relevance to the company.

Meetings of the Supervisory Board and its committees

The meetings of the Supervisory Board, its permanent Audit Committee, and its Remuneration Committee were held in person, as hybrid meetings, or as video or telephone conferences in the 2024 financial year. The Supervisory Board currently does not have any other permanent committees. Individual members of the Board of Management were also available to Supervisory Board members outside the meeting framework to hold one-to-one discussions on specialist topics. The Supervisory Board also regularly held meetings at which the Board of Management was temporarily absent. These meetings addressed agenda items relating either to the Board of Management itself or to internal Supervisory Board matters.

Meeting form and individual meeting attendance by members of the Supervisory Board, the Audit Committee, and the Remuneration Committee

	In-person meeting	Hybrid-meeting[1]	Video or telephone conference	Total meetings
Supervisory Board meeting	6	2	1	9
Audit Committee	1	3	1	5
Remuneration Committee	2	0	2	4

[1]In-person meeting with virtual participation option

All members of the Supervisory Board attended all meetings and committee meetings.

Activities and key focuses of discussion of full Supervisory Board

The Supervisory Board held seven scheduled and two unscheduled meetings in the year under report. Six meetings were held in person, while two took the form of hybrid meetings, i.e. in-person meetings with virtual participation options. One of the two unscheduled meetings was held on a purely virtual basis by video conference. No meeting was held exclusively as a telephone conference. Four resolutions were adopted in writing by circulating the respective documents using other customary communications channels.

Matters regularly discussed at the meetings on March 15, 2024, June 21, 2024, October 17, 2024, and December 9, 2024 included risk reporting, sustainability topics, the company's sales and earnings performance, its financial situation and planning, developments in inventories and procurement, the status of individual development projects and of the company's negotiations for major contracts, and the M&A strategy pursued by the Board of Management to supplement the company's organic growth. Particular focus topics included the long-term corporate strategy and updates on the implementation status of the earnings enhancement program initiated in 2023 and continued in 2024. Further topical focuses involved discussions on the business performance of subsidiaries, the company's organizational structure and human resources topics, the implications of new legislative requirements, and the topic of IT security.

At its meeting on January 19, 2024, the Supervisory Board accepted the findings and recommendations submitted by the Remuneration Committee and, in particular determined the degree of target achievement and further variable remuneration components for the individual members of the Board of Management with regard to the bonus payment for the 2023 financial year in accordance with individual additional agreements (medium-term incentive agreement, MTI). It also set individual targets for members of the Board of Management in connection with the medium-term incentive agreement (MTI) for 2024. The objectives thereby agreed also include sustainability-related targets. From its meeting on January 19, 2024 onwards, the Supervisory Board also addressed the company's strategy process. The head of the strategy committee specifically established to develop this process, which comprises senior employees, reported on the current status of work on the company's strategy, which involved all of its locations. Furthermore, at this meeting, the Supervisory Board discussed the results of the internal self-assessment (efficiency review) performed on the basis of a structured catalog of questions in December 2023 and established that the activities of the Supervisory Board were in all respects efficient.

Prof. Dr. Georg Heni (67)
Chairman of the Supervisory Board

Dr. Patricia Geller (58)
Member of the Supervisory Board

Dr. Frank Hiller (58)
Deputy Chairman of the Supervisory Board

Dr. Rolf Vornhagen (71)
Member of the Supervisory Board

As well as addressing recurring topical focuses, at its meeting on March 15, 2024 the Supervisory Board received a presentation by the Global Head of Human Resources on employee-related developments and on the measures underway to strengthen the second management level. In addition, the Supervisory Board approved the proposal submitted by the Board of Management that the forthcoming Annual General Meeting should be held once again on a virtual basis in accordance with the details thereby presented. This meeting further discussed the resolutions to be submitted for approval by the Annual General Meeting. The Report of the Supervisory Board was approved for publication, while the Corporate Governance Statement was also approved and subsequently made permanently available to shareholders on the company's website.

After preparation in the Audit Committee and further detailed discussion with the Board of Management at the Supervisory Board meeting on March 15, 2024, on March 21, 2024 the Supervisory Board adopted a resolution in writing to approve the appropriation of profit for the 2023 financial year.

Following detailed discussion and preparation in the Audit Committee on March 20, 2024, at its meeting on March 27, 2024 the Supervisory Board approved the annual financial statements and management report and the consolidated financial statements and group management report of STRATEC SE for the 2023 financial year Moreover, at this meeting the Supervisory Board accepted the recommendation submitted by the Audit Committee to propose PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft, Frankfurt am Main, as auditor and group auditor for the audit of the 2024 annual financial statements for approval by the Annual General Meeting.

At its meeting on April 12, 2024, the Supervisory Board addressed matters relating to the Board of Management.

The Supervisory Board members in office, namely Prof. Dr. Georg Heni, Dr. Frank Hiller, and Dr. Rolf Vornhagen, were re-elected to their positions by the Annual General Meeting on May 17, 2024. The constitutive meeting of the Supervisory Board was held directly after this Annual General Meeting. Further information about this can be found under "Change in composition of Board of Management and Supervisory Board". Furthermore, at its meeting on May 17, 2024, the Supervisory Board addressed the company's sales and earnings performance in April 2024.

Alongside recurring topical focuses, at the Supervisory Board meeting on June 21, 2024, the Global Head of Human Resources provided an overview of the latest developments in the Human Resources department and particularly addressed the regulations applicable for employees working from home. In connection with the risk report, the Supervisory Board once again addressed the topic of IT security at the company, the measures in place to uphold this on a permanent basis, and those measures being implemented to raise this security in a targeted manner.

The Supervisory Board meeting on August 7, 2024 dealt almost exclusively with the adoption of a resolution to commission a law firm in connection with M&A activities. This resolution was adopted in writing by circulating the relevant documents.

At the meeting on September 22, 2024, the Board of Management informed the Supervisory Board about the company's current business performance, as well as about the latest developments in connection with customers.

Neben der Behandlung der wiederkehrenden Themenschwerpunkte informierte der Vorstand den Aufsichtsrat in seiner Sitzung am 17. Oktober 2024 über den erfolgreichen Abschluss des Ergebnisverbesserungsprogramms. Ferner referierte die Global Head of Human Resources insbesondere über die mittelfristige Nachfolgeplanung von Führungskräften.

As well as addressing recurring topical focuses, the Supervisory Board meeting on October 17, 2024 also included a report by the Board of Management on the successful completion of the earnings enhancement program. In addition, the Global Head of Human Resources reported in particular on medium-term succession planning for managers.

Once the Supervisory Board meeting on December 9, 2024 had dealt with recurring topical focuses, the Board of Management presented the 2025 budget, the current forecast, and the medium-term planning. The 2025 budget was subsequently adopted by the Supervisory Board. Further topics addressed at this meeting included discussing a specific growth opportunity and the decision to seek external assistance to enable the earnings enhancement process to be continued in structural areas. In addition, the Board of Management provided the Supervisory Board with a brief overview of the target achievement status for the 2024 medium-term incentive *agreement (MTI). At this meeting, moreover, the Supervisory Board and Board of Management renewed the Declaration of Compliance pursuant to § 161 of the German Stock Corporation Act (AktG). This declaration was then made permanently available to shareholders on the company's website.*

In the run-up to the December meeting, the Supervisory Board conducted an internal self-assessment (efficiency review) based on a structured catalog of questions. The results were evaluated at the meeting in January 2025, at which the Supervisory Board concluded that its activities were in all respects efficient.

Activities and key focuses in committees

*The **Audit Committee** held five meetings in the 2024 financial year. Of these, one meeting was held in person, three as hybrid meetings, and one by telephone conference. All committee members participated in all committee meetings.*

Given the decision taken in December 2023 to hold a public tender for the audit of the 2024 annual financial statements and the associated selection and proposal process pursuant to the EU Auditor Regulation, the Audit Committee met on January 19, 2024 and February 19, 2024 and adopted further resolutions in this respect.

In advance of the Supervisory Board meeting held to approve the financial statements on March 27, 2024, at its own meeting held in the presence of the auditor on March 20, 2024 the Audit Committee discussed the annual and consolidated financial statements as of December 31, 2023. Subsequent to this, the discussion with the Board of Management concerning the appropriation of profit was continued at the Supervisory Board meeting on March 15, 2024. Furthermore, it was decided at this meeting to recommend PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft, Frankfurt am Main, to the Supervisory Board as the auditor for the audit of the 2024 annual financial statements.

At its meeting on August 7, 2024, the Audit Committee discussed the half-year financial report. The Head of Investor Relations, Sustainability & Corporate Communications also reported on the implementation status of the Corporate Sustainability Reporting Directive (CSRD) at the company.

In the first part of the meeting scheduled for October 16 and 17, 2024, the Audit Committee initially dealt with the audit planning for the audit of the 2024 annual financial statements. A representative of PricewaterhouseCoopers GmbH, the auditor newly elected by the Annual General Meeting on May 17, 2024, reported on this planning and was also available to answer questions from the members of the Board of Management present. Furthermore, at this meeting Mr. Albrecht (interim CFO) outlined the concept for further developing reporting to the Supervisory Board.

One day later, in the second part of the meeting, the Global Head of Compliance presented his report on the internal control system, the risk management system, the internal audit system, and compliance, and answered questions on these matters. Furthermore, the Head of Investor Relations, Sustainability & Corporate Communications again reported on the current status of sustainability reporting.

*The permanent **Remuneration Committee**, which was established for the first time on December 18, 2023, held four meetings in the 2024 financial year. Two of these meetings were held in person, one by telephone conference, and one by video conference. All committee members attended all meetings of the committee.*

At its meeting on January 19, 2024, the Remuneration Committee prepared the resolutions to be adopted by the Supervisory Board in respect of setting targets for variable remuneration, the review of the achievement of these targets, and the determination and review of the appropriateness of remuneration for the Board of Management.

The meeting of the Remuneration Committee on March 26, 2024 discussed the remuneration report and prepared the Supervisory Board resolution to be adopted to approve the remuneration report.

At a meeting held on September 21, 2024, the Remuneration Committee worked on behalf of the Supervisory Board to prepare the review of the existing remuneration system for the Board of Management by the Supervisory Board and the resolution to adjust fixed remuneration, taking due account of the existing remuneration structure with a high share of variable remuneration.

At its meeting on October 17, 2024, the Remuneration Committee addressed a potential adjustment to the remuneration system, including implementation of this adjustment in the contracts concluded with members of the Board of Management.

The tasks and responsibilities of the Audit and Remuneration Committees are detailed in the respective Codes of Procedure, which are published on the company's website.

Review of potential conflicts of interest and independence of Supervisory Board members

One important aspect of good corporate governance is the independence of Supervisory Board members and the absence of any conflicts of interest on their part. The Supervisory Board bases its assessment of its members' independence on the recommendations made by the German Corporate Governance Code and the additional criteria for assessing the independence of Supervisory Board members laid down in the competence profile for the Supervisory Board. No conflicts of interest requiring immediate disclosure to the Supervisory Board and immediate notification of the Annual General Meeting arose among members of the Board of Management or the Supervisory Board. No material transactions were performed with any member of the Board of Management or with any person or company closely related to such. Based on the Supervisory Board's assessment, all four of its members, and thus all three members of the Audit Committee and all three members of the Remuneration Committee, are currently to be viewed as independent. Further information about this can be found in the Corporate Governance Statement.

Change in composition of Board of Management and Supervisory Board

In agreement with the company, Dr. Robert Siegle, the member of the Board of Management responsible for finance and human resources, stood down from this position and left the Board of Management of STRATEC SE as of August 31, 2024.

We would like to thank Dr. Siegle for his longstanding and successful commitment to STRATEC SE. During his time as a member of the Board of Management, Dr. Siegle made a major contribution to the company's successful development.

Part of his task is being performed by Oliver Albrecht, who is acting in the capacity of an interim CFO. Mr. Albrecht has a long track record of experience and great expertise in leading finance departments at listed technology companies with an international focus.

In its resolution on the election of Supervisory Board members, the Annual General Meeting held on May 17, 2024 re-elected Prof. Dr. Georg Heni, Dr. Frank Hiller, and Dr. Rolf Vornhagen, all of whom stood for re-election following the expiry of their terms in office. At its constitutive meeting held directly after the virtual Annual General Meeting, the Supervisory Board elected from among its members Prof. Dr. Georg Heni as Chair of the Supervisory Board once again and Dr. Frank Hiller as Deputy Chair of the Supervisory Board. Dr. Patricia Geller and Dr. Rolf Vornhagen are further members of the Supervisory Board.

The members of the two committees also required re-election at the constitutive Supervisory Board meeting on May 17, 2024. The following members were elected to the Audit Committee: Dr. Frank Hiller (Chair), Prof. Dr. Georg Heni, and Dr. Patricia Geller. The following members were elected to the Remuneration Committee: Prof. Dr. Georg Heni (Chair), Dr. Frank Hiller, and Dr. Patricia Geller.

Audit of annual and consolidated financial statements; audit of non-financial group declaration

Consistent with the proposal submitted by the Supervisory Board, the Annual General Meeting on May 17, 2024 elected PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft, Frankfurt am Main, as auditor and group auditor for the 2024 financial year.

PricewaterhouseCoopers audited the annual and consolidated financial statements of STRATEC SE for the first time for the 2024 financial year. The auditor responsible for the audit of the 2024 annual financial statements and for the audit of the 2024 consolidated financial statements is Carsten Palm.

At the combined meeting of the Audit Committee and Supervisory Board held on May 12, 2025, the Audit Committee dealt in detail with the final version of the annual financial statements and management report, as well as with the consolidated financial statements and group management report, together with the non-financial group declaration, of STRATEC SE for the 2024 financial year. Prior to this, the Audit Committee closely accompanied the progress made with the process of preparing the annual and consolidated financial statements. Both sets of financial statements had been audited and provided with unqualified audit opinions by the auditor. Furthermore, in its assessment of the risk management system the *auditor confirmed that the Board of Management had taken the measures required by the German Stock Corporation Act (AktG) for the early identification of any risks to the company's continued existence. In addition to the statutory audit of the financial statements, PricewaterhouseCoopers was commissioned by the Supervisory Board to perform a limited assurance audit on the non-financial group declaration, which is a constituent component of the group management report, and, on this basis, did not raise any objections to the reporting in the non-financial group declaration or its compliance with the legal requirements applicable to such.*

The annual financial statements and management report, consolidated financial statements and group management report with the non-financial group declaration, the proposal submitted by the Board of Management in respect of the appropriation of profit, the remuneration report, and the auditor's audit reports were forwarded to all members of the Supervisory Board for their own review. Representatives of the auditor attended the discussion of the annual and consolidated financial statements at the Audit Committee meeting on May 12, 2025 and explained the key audit findings.

The audit of the annual financial statements and management report and of the consolidated financial statements and group management report with the non-financial group declaration and remuneration report of STRATEC SE by the Audit Committee did not result in any objections being raised. Following preparation in the Audit Committee, on May 16, 2025 the Supervisory Board concurred with the findings of the audit conducted by the auditor in accordance with legal requirements and approved the annual financial statements and management report, as well the consolidated financial statements and group management report. The annual financial statements are thus adopted.

It was not possible to meet the original target of publishing the 2024 Annual Report on March 27, 2025. The company announced that, following joint analysis with the external auditor appointed for the first time for the 2024 financial year, it had made an adjustment in accordance with IAS 8 (Accounting Policies, Changes in Accounting Estimates and Errors) to the accounting method used to recognize development cooperations in the consolidated financial statements.

Due to the increased auditing input resulting from the change of external auditors and the additional time required for the implementation of the aforementioned accounting method, which affects numerous aspects of the company's core accounting, the publication date for the 2024 Annual Report was postponed to May 19, 2025.

The Supervisory Board endorsed the proposal submitted by the Board of Management in respect of the appropriation of profit. Subject to approval by shareholders at this year's Annual General Meeting, the company plans, as in the previous year, to distribute a total dividend of € 7.3 million (€ 0.60 per share) to shareholders of STRATEC SE.

In addition, at its meetings in April and May 2025 the Supervisory Board adopted the Corporate Governance Statement, the Report of the Supervisory Board, and the Remuneration Report, as well as its proposed resolutions for the agenda items at the 2025 Annual General Meeting.

Thanks

The Supervisory Board would like to thank the members of the Board of Management and all company employees around their world for their commitment in the 2024 financial year and for their achievements in a climate shaped by challenges.

Finally, the Supervisory Board would like to thank you, the company's shareholders, for the trust you have placed in the company and in the STRATEC SE share.

Birkenfeld, May 2025

On behalf of the Supervisory Board

Prof. Dr. Georg Heni
Supervisory Board Chair

ADVANCED IMAGING: MAKING THE INVISIBLE VISIBLE

Laboratory diagnostics is the term used to designate the segment of medical diagnostics which deals with analyzing biological samples to obtain information about a patient's health status. In-vitro diagnostics (IVD) refers specifically to diagnostic tests conducted outside the body (i.e. "in vitro", meaning "in a glass"). These enable biological samples, such as blood, urine, or tissue, to be analyzed. IVD has become firmly established as an indispensable tool of modern medicine. Thanks to advanced IVD processes, diseases can be diagnosed and monitored at a significantly earlier point in time and using less time-consuming and invasive methods than mostly required in the past. One key innovation factor in this area involves imaging processes, and here in particular their new version: advanced imaging. By working with new, high-resolution cameras, these technologies make it possible to provide visibility on details in biological samples that were previously invisible, thus accessing further application fields for IVD. Furthermore, they open up new possibilities for using machine learning and artificial intelligence (AI) in standardized and automated data evaluation. This makes it possible to migrate processes that are currently still performed manually to high-throughput applications, a move with the potential to significantly enhance diagnostic efficiency and precision. In addition, automation reduces the need for qualified specialists who are currently in short supply.

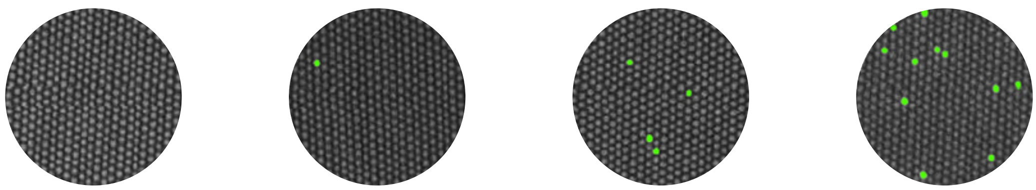
Implementing development projects in advanced imaging requires extensive technical expertise in various disciplines, including optical design, image processing, machine learning, robotics, lighting design, and AI. STRATEC has focused on this fast-growing area and is investing in developing innovative technologies capable of meeting these complex requirements. Today, state-of-the-art imaging technologies are already integrated into several of STRATEC's current development projects and series instruments. Applications here range from high-sensitivity immunoassays with digital readout to digital PCRs through to sample management systems that use computer vision and machine learning functionalities. With these forward-looking solutions, STRATEC is actively contributing to the further development of in-vitro diagnostics and offering technologies that enhance both the efficiency and the precision of diagnostics processes.

HIGH SENSITIVITY IMMUNOASSAYS: DOCUMENTING EVEN THE LOWEST CONCENTRATIONS OF BIOMARKERS

Immunoassays are a widespread and cost-efficient method to detect specific biomarkers, such as proteins or antibodies, in blood samples. Given their sensitivity (from picomole 10^{-12} to nanomole 10^{-9}), conventional, analogous immunoassays nevertheless only have a limited ability to detect very low concentrations of the biomarkers being sought, particularly due to their measurement method. Some biomarkers are present in such low concentrations that they require special downstream readout methods to be detectable at all.

State-of-the-art imaging offers a promising solution. In one system designed and manufactured by STRATEC, this innovative approach is deployed to realize a high-sensitivity digital immuno-assay capable of detecting biomarkers in a range of attomole 10^{-18} to femtomole 10^{-15}. The system conducts a standard immunoassay in which the target molecules are bound to magnetic particles. These particles are subsequently transferred to a microarray (a smart consumable of STRATEC) that is imaged with the assistance of the integrated camera system. STRATEC manufactures both the system and the camera module, which is produced in a cleanroom.

Once the microarrays have been visualized, the instrument software analyzes the images made. Due to a fluorescence reaction, the target molecules bound to the magnetic particles glow, enabling individual molecules to be identified. By performing statistical calculations, the ratio of glowing to non-glowing molecules enables the concentration of biomarkers, even very rare biomarkers, to be determined precisely.



0 amol | 3.5 amol | 350 amol | 3.5 fmol

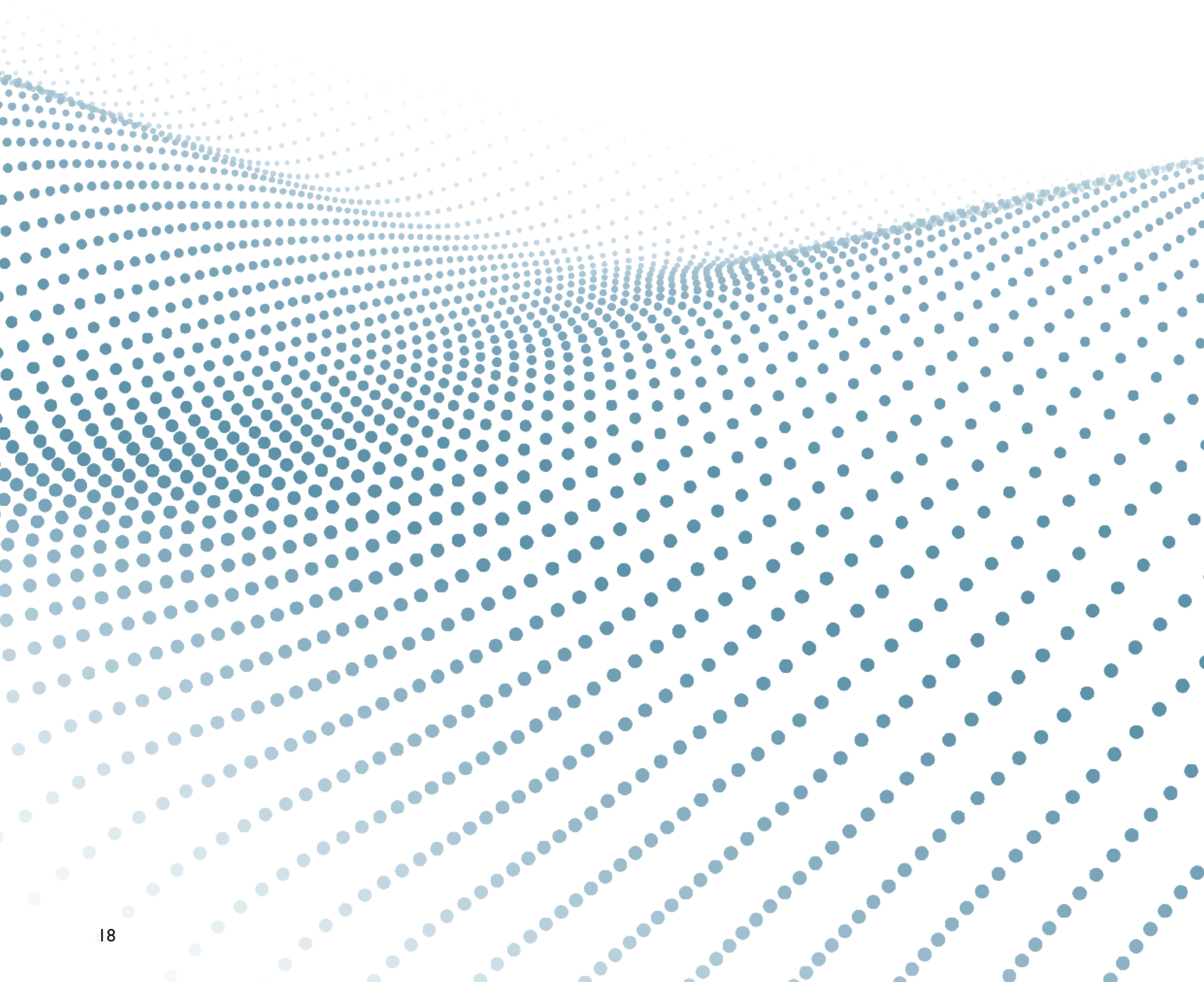
Simoa microarray, with various concentrations (amol = attomole, fmol = femtomole). Zero fluorescence stands for negative, while increasing fluorescence shows an increasing concentration of the molecules to be detected.

Application examples in medicine

Alzheimer's disease: The system facilitates the highly sensitive and precise measurement of those biomarkers, such as amyloid-ß, tau, neurofilament light chain and glial fibrillary acidic proteins in the blood or spinal fluid, that play a crucial role in diagnosing Alzheimer's disease. This permits the disease to be detected at an early stage before any clinical symptoms arise. Furthermore, blood tests are less invasive and reduce the risk of complications compared with more invasive procedures such as lumbar punctures.

Post-concussion syndrome: When diagnosing post-concussion syndrome, the system offers decisive advantages due to its high sensitivity for specific biomarkers that are detectable in the blood directly after concussion. It facilitates the early and precise detection of brain damage that is often difficult to detect with conventional methods. This enables physicians to reach faster and more reliable medical decisions concerning the treatment of concussion, ultimately leading to better patient outcomes.

One attomole is roughly equivalent to one single grain of sand compared with all the sand on the world's beaches.



What is an attomole?

One attomole (amol) corresponds to 10^{-18} moles, i.e. to one millionth of a billionth of a mole. A mole is a unit used to count atoms or molecules – one mole contains around 6.022×10^{23} elementary particles (that is known as the "Avogadro constant").

To illustrate that: Have you ever asked yourself how many grains of sand there are on all the world's beaches? Researchers at the University of Hawaii, US, have estimated the number of sand grains. Their answer: seven and a half quintillion – that is the number 75 followed by 17 zeros.

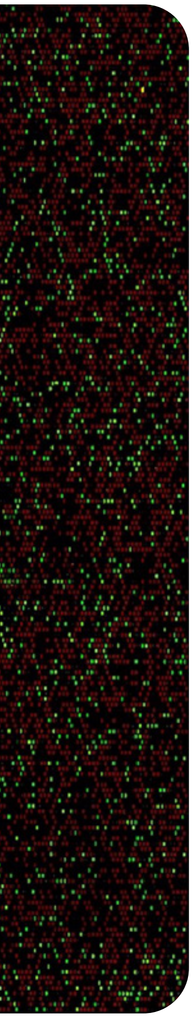
Name	**Unit**	**Factor**	**Mole**
Attomole	amol	10^{-18}	0.000000000000000001
Femtomole	fmol	10^{-15}	0.000000000000001
Picomole	pmol	10^{-12}	0.000000000001
Nanomole	nmol	10^{-9}	0.000000001
Mikromole	µmol	10^{-6}	0.000001
Millimole	mmol	10^{-3}	0.001
Mole	mol	1	1
Kilomole	kmol	10^{3}	1000

DIGITAL PCRS: QUANTIFYING TINIEST VOLUME OF TARGET MOLECULES

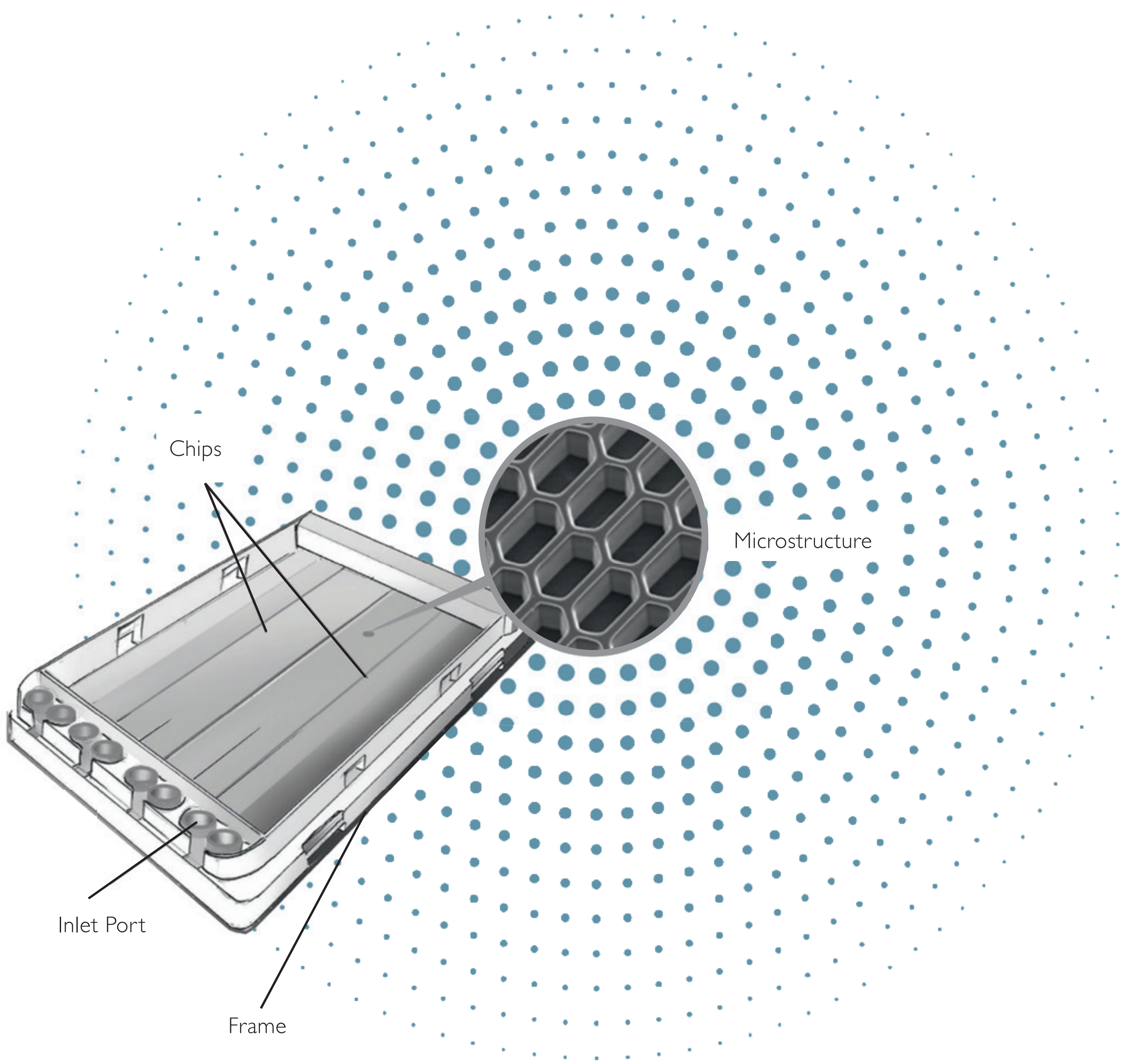
In the wake of the COVID-19 pandemic, many people are now familiar with the term "polymerase chain reaction" (PCR). The traditional PCR mainly provides qualitative information indicating the presence or absence of a specific target sequence. By contrast, the quantitative PCR (qPCR), also known as real-time PCR, enables the amplification of the PCR product to be measured while the reaction occurs. This permits a relative quantification of the target sequence, such as that provided by the cycle threshold (Ct) value in a COVID-19 test.

A more advanced method, the digital PCR (dPCR), is characterized by the subdivision of the sample into tens of thousands of individual reactions that are conducted in chambers or partitions. Each partition contains either zero or only one (or very few) target molecules. PCR amplification (DNA multiplication) takes place in each partition and the number of positive partitions is counted. Using statistical evaluations, the dPCR makes it possible to quantify the target DNA in absolute terms. This offers more exact results and greater precision compared with the qPCR, particularly for target molecules with low numbers of copies. This in turn makes the dPCR particularly effective in detecting rare mutations or transcripts (RNA copies of specific DNA sequences that provide a template for protein synthesis) that only occur in low frequencies.

In one system designed and manufactured by STRATEC, the post-amplification imaging of partitions is realized, similar to the procedure used for digital immunoassays, using camera optics manufactured in controlled conditions. The challenge here is for the camera to make large numbers of individual images to record all the partitions in STRATEC's smart consumable. To obtain an overall result for a sample, the individual image data are processed by STRATEC's software and stitched with the assistance of reference points on the images.



Example of a stitched image of an individual dPCR chip with fluorescent partitions



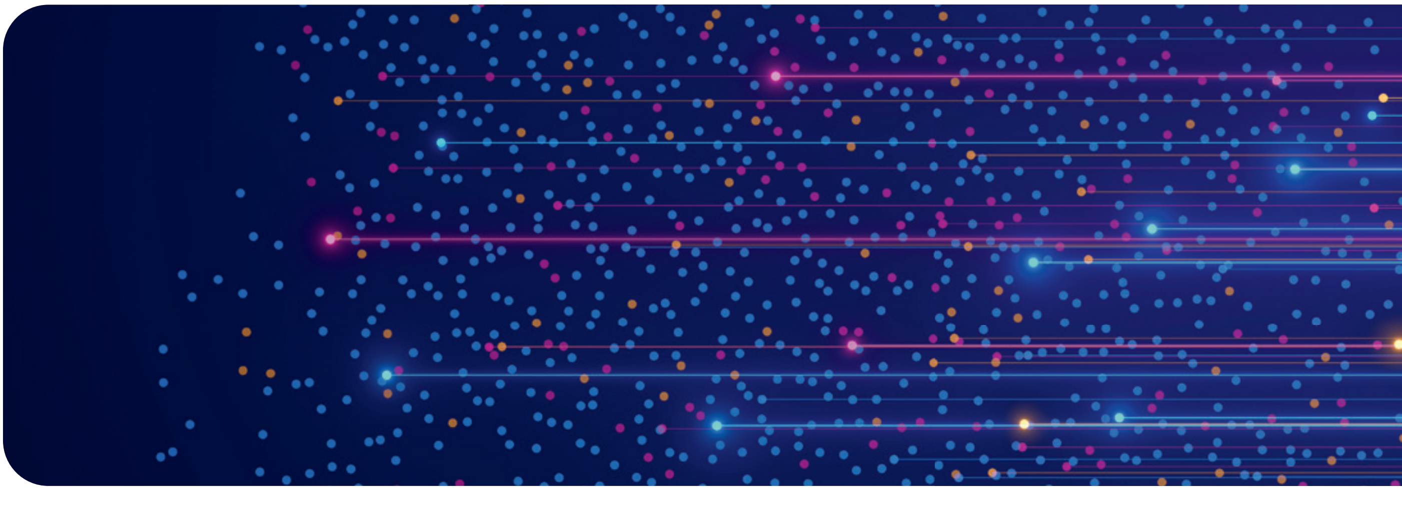
Several dPCR chips with micro-
structure in an SBS-format frame

Application examples in medicine

Malignant tumors: The dPCR technology facilitates the highly sensitive and precise quantification of tumor DNA or RNA, even in low volumes. This is a particularly important factor in the early detection and monitoring of cancers. It enables rare mutations or minimal residual tumors to be detected more precisely than with conventional methods, making it possible to plan personalized therapy and monitor its success.

Wastewater monitoring: dPCR offers a highly sensitive and precise means of quantification, for example of respiratory pathogens in wastewater, facilitating the early detection of any outbreaks among the population. Using digital PCR technology, even small volumes of viruses such as SARS-CoV-2, influenza, or RSV can be reliably detected in wastewater, even before any clinical cases occur. This early detection makes it possible to take targeted measures and protect public health more effectively.

COMPUTER VISION: AUTOMATICALLY EVALUATING DIGITAL IMAGES

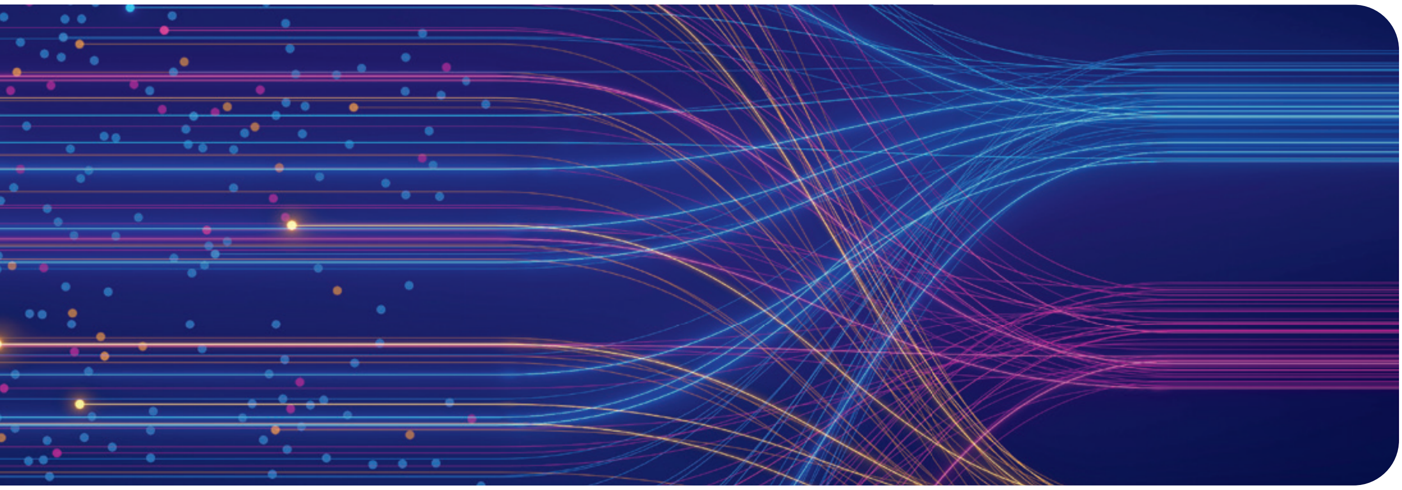


Computer vision is a specialism which aims to enable computers to interpret and understand the visual world. It covers the development of algorithms, models, and systems that are able to extract useful information from digital images and to analyze and interpret this information, all on an automatic basis. The objective is to emulate human visual capabilities, such as object recognition and pattern detection, areas in which computers offer advantages in terms of speed, precision, and scalability.

By contrast, machine learning refers to the application of algorithms and statistical models that enable computers to optimize their data interpretation and comprehension abilities by recognizing patterns and features in extensive data sets – and to do so without being explicitly programed for each specific task.

Since 2015 already, these technologies are implemented in numerous diagnostics applicationsand process controls at STRATEC. Examples here include:

- The automatic identification of different test tubes, taking due account of their height, diameter, and type, to obtain relevant information for subsequent sample handling steps.
- The identification and calculation of hematocrit values, which indicate the ratio of blood plasma and red blood cells in centrifuged blood samples and thus allow conclusions to be drawn on the sample status.
- The grouping and classification of different blood cells from scatter diagrams that are required to compile a blood count (hemogram).
- The validation of pipetting sequences based on print data to identify problematic pipetting processes in real time and react to these on an automated basis.
- The monitoring of wear parts in predictive maintenance instruments aimed at minimizing downtime and maximizing instrument productivity.



TECHNOLOGICAL INNOVATIONS FOR TOMORROW'S IN-VITRO-DIAGNOSTICS

In-vitro diagnostics will continue to be shaped by technological innovations in future as well. In particular, new opportunities resulting from enhanced camera sensors with higher sensitivity and faster readout times show a clear trend toward increased application of imaging processes in research, development, and diagnostics. The deployment of new image processing technologies will significantly extend analytical capabilities, and in parallel, application fields within diagnostics.

To facilitate effective evaluation of image-based data using AI models and machine learning, however, it is important to secure larger numbers of images and the reproducibility of the shots by ensuring consistent imaging parameters and methods. For many companies, and start-ups in particular, there is an obvious need for solutions to support them in efficiently compiling these image libraries and grow in line with their development. STRATEC is working to develop flexible instrumentation solutions that are capable of being adapted to different starting materials, such as histological specimens, smart consumables, or organoid cultivation plates.

STRATEC's adaptable imaging instrumentation to compile AI databases

With its ability to integrate various lighting versions – from fluorescence to bright field – using reliable and high-quality technologies, STRATEC is positioning itself as an important partner in this area. These instrumentation solutions offer high resolution, as well as access to STRATEC's image processing expertise. Depending on the application, the company can additionally provide expertise in smart consumables and the automation of extensions. This forward-looking alignment will enable STRATEC to make a decisive contribution to enhancing the efficiency and precision of diagnostics processes and sustainably raising in-vitro diagnostics standards.

ANNUAL REPORT
OF STRATEC SE

CONTENTS

STRATEC'S SHARE

Review of 2024 on the stock markets

Supported by good economic data indicating a stable global economy, positive news on corporate earnings, and a moderate development in inflation, stock markets rose, in some cases sharply, in 2024. This followed the previous year's surprisingly dynamic development in financial markets in many regions of the world. Once again, it was technology stocks in particular which posted high gains. Artificial intelligence was the trend of the year, while semiconductors, indispensable for AI technology, were in great demand.

The second half of the year witnessed growing volatility. Markets were adversely affected by geopolitical tensions, particularly with regard to international trade relationships. In addition, central banks began to tighten their monetary policies to counter inflationary trends. These factors led to a correction in several market segments, with riskier investments coming under pressure.

Despite these setbacks, many companies showed remarkable resilience and posted solid results. Markets stabilized towards the end of the year and many analysts remained optimistic concerning future growth prospects.

Against this backdrop, German stock markets showed disparate developments in 2024, with the share price performance of smaller listed companies (small and mid-caps) unable to keep up with the DAX companies. The DAX, Germany's lead index, gained 18.8% in 2024, while the MDAX and SDAX posted negative performances of -5.7% and -1.8% respectively. The TecDAX maintained its ground, rising year-on-year by 2.4%.

Listing and stock market turnover

STRATEC's shares are listed in the Regulated Market of the Frankfurt Stock Exchange (marketplaces: Xetra and Frankfurt) and meet the transparency requirements of the Prime Standard. Its shares are also traded on regional stock markets in Berlin, Düsseldorf, Hamburg, Hanover, Munich, and Stuttgart, as well as on Tradegate, the electronic over-the-counter trading system at the Tradegate Exchange.

Measured in terms of simple order book turnover, STRATEC shares worth € 79.7 million changed hands on the above marketplaces (excluding Tradegate) in 2024 (previous year: € 141.7 million). The Xetra and Frankfurt marketplaces accounted for 84.5% of these volumes (previous year: 88.0%).

The company's shares also witness brisk trading on multilateral trading systems, which are gaining increasing market share from the regulated marketplaces with which they compete. A multilateral trading system is a market-like trading platform set up and operated by a financial services provider, securities companies, or market operator. This kind of system brings together buy and sell orders for shares and other financial instruments in accordance with specific regulations and thus generates contract agreements.

Trading data for STRATEC's share (status: December 31)

	2024	2023	2022	2021	2020
Year-end price previous year (€)	45.55	81.10	137.80	122.80	61.00
Annual low (€)	26.05	36.00	72.70	100.40	46.40
Annual high (€)	48.60	93.00	138.60	147.40	144.60
Year-end price (€)	29.80	45.55	81.10	137.80	122.80
Performance (%)	-34.6	-43.8	-41.1	+12.2	+101.3
Market capitalization (€ million)	362.3	553.8	986.0	1.671.2	1.486.2
Trading volumes (€ million)	79.7	141.7	318.9	379.7	561.0
Average daily trading volume (€)	313,783	555,652	1,240,704	1,489,029	2,217,521
Average daily trading volume (number of shares)	7,907	9,916	12,260	12,041	22,615

STRATEC's Annual General Meeting approves all agenda items

On May 17, 2024, STRATEC's Board of Management and Supervisory Board welcomed the company's shareholders to the Annual General Meeting which, as in previous years already, was held on a virtual basis.

All of the agenda items submitted for resolution were approved by shareholders with the required majority in each case. Overall, 84.3% of the company's registered share capital was represented at the virtual Annual General Meeting.

Shareholders approved the actions of the Board of Management and the Supervisory Board and elected PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft (PwC), Frankfurt and Main, as auditor for the 2024 financial year. PwC has thus succeeded RSM Ebner Stolz GmbH & Co. KG, Wirtschaftsprüfungsgesellschaft Steuerberatungsgesellschaft, Stuttgart, which audited the annual and consolidated financial statements of STRATEC SE since the 2015 financial year. With regard to the resolution adopted on the election of Supervisory Board members, upon the expiry of their terms in office the existing members of the Supervisory Board, namely Prof. Dr. Heni, Dr. Hiller, and Dr. Vornhagen, were re-elected by the Annual General Meeting. At its constitutive meeting held directly after the Annual General Meeting, the Supervisory Board of STRATEC SE once again elected Prof. Dr. Heni as its Chair and Dr. Hiller as its Deputy Chair. The remuneration report for the 2023 financial year was also submitted to and approved by the Annual General Meeting.

As proposed, STRATEC enabled its shareholders to participate in the company's performance by distributing a dividend of € 0.55 per share, corresponding to a distribution quota of 40.1 % (previous year: 34.0%) of its adjusted consolidated net income (previous year's dividend: € 0.97 per share).

Further information about the Annual General Meeting, such as detailed voting results, can be found at www.stratec.com/agm.

The next Annual General Meeting is scheduled to take place on June 27, 2025 and will once again be held on a virtual basis.

Proposed dividend for the 2024 financial year

The Supervisory Board and Board of Management of STRATEC will propose the distribution of a dividend of € 0.60 per share for the 2024 financial year for approval by the Annual General Meeting on June 27, 2025 (previous year: € 0.55 per share). This proposal reflects our positive business performance and our efforts to offer an attractive return to our shareholders.

Based on the closing price of € 29.80 for STRATEC's share on December 30, 2024, the distribution total of € 7.3 million (€ 0.60 per share) corresponds to a dividend yield of 2.0%.

Shareholder structure remains stable

The largest shareholder remains the family of the founder Hermann Leistner, which, together with its holding companies, holds 40.36% of the company's shares. A further 0.02 % of the shares are held by the company itself, while 59.62 % are attributable to large numbers of retail and institutional investors both in Germany and abroad. Institutional investors holding at least 3 % of the voting rights are:

- Juno Investment Partners B.V., The Hague, Netherlands, with 3.02 %
- JPMorgan Chase & Co., Wilmington, Delaware, US, with 3.53 %
- Brown Capital Management, LLC, Baltimore, Maryland, US, with 5.01 %
- Union Investment Privatfonds GmbH, Frankfurt am Main, Germany, with 3.82 %.

Further information about STRATEC's share

ISIN	DE000STRA555
WKN	STRA55
Ticker	SBS
Reuters Instrument Code	SBSG.DE
Bloomberg Ticker	SBS:GR
Segment	Prime Standard
Market	Regulated Market
Share type and class	No-par registered ordinary shares
Share capital (€)	12,157,841
Share capital (number of shares)	12,157,841
Initial listing	August 25, 1998
Marketplaces	Xetra; Frankfurt and further regional stock exchanges in Germany
Designated sponsors	Hauck Aufhäuser Lampe Privatbank AG

Key figures for STRATEC's share (status: December 31)

	2024	2023	2022	2021	2020
Number of shares issued (million)	12.2	12.2	12.2	12.1	12.1
Number of shares with dividend entitlement (million)	12.2	12.2	12.2	12.1	12.1
Cash dividend per share (€)	0.60[1]	0.55	0.97	0.95	0.90
Total distribution (€ million)	7.3[1]	6.7	11.8	11.5	10.9
Dividend yield (%)	2.0[1]	1.2	1.2	0.7	0.7

[1] Subject to approval by the Annual General Meeting

Investor relations

STRATEC maintains an ongoing dialog with existing and potential investors, analysts, and business and financial journalists. When communicating with market participants, the company adheres to the principle that all information should be provided simultaneously, openly, and transparently. With its active and ongoing reporting, it aims to enable all capital market players to form their own realistic assessment of the company's performance. The financial calendar keeps interested parties regularly informed about important dates with sufficient advance notice.

Financial calendar

05.19.2025	2024 Annual Report
05.30.2025	Quarterly Statement Q1|2025
06.27.2025	Virtual Annual General Meeting
08.19.2025	Half-Year Financial Report H1|2025
11.07.2025	Quarterly Statement 9M|2025
11.25.2025	German Equity Forum, Frankfurt/Main, Germany

Subject to amendment

Furthermore, we also regularly inform capital market participants about the company's strategic development and business performance by publishing financial reports, ad-hoc announcements, and press releases.

One core component of STRATEC's investor relations activities involves holding conference calls upon the publication of results and occurrence of other major events at the company. These calls are also made available on the company's website. As well as holding numerous one-to-one talks, at capital market conferences the company gives presentations and thus informs investors and analysts from Germany and abroad about its current situation and business performance. At present, a total of nine institutions regularly cover STRATEC in extensive studies and brief analyses: Berenberg Bank, Deutsche Bank, DZ Bank, Hauck Aufhäuser Investment Banking, Kepler Cheuvreux, Metzler Capital Markets, mwb research, ODDO BHF, and Warburg Research.

The latest information about STRATEC and its share can be found on the company's homepage at www.stratec.com.

GROUP MANAGEMENT REPORT

FOR THE 2024 FINANCIAL YEAR OF STRATEC SE

CONTENTS

A. THE STRATEC GROUP

Business model and strategy

Basic features of business model

STRATEC (hereinafter also "the STRATEC Group") designs and manufactures automation solutions for highly regulated laboratory markets. STRATEC acts as an OEM partner to leading players in the in-vitro diagnostics and life sciences markets. The Group's product range includes hardware and software solutions, as well as related consumables. These are mostly combined into fully integrated system solutions and often receive market approval together with partners' reagents.

STRATEC's partners predominantly operate in markets in which a relatively small number of companies determine industry trends and developments. This being so, it is crucial for STRATEC to position itself as a partner to these global players and to gain their trust with its reliability and performance. The experience, expertise, and power of development STRATEC has built up since its foundation in 1979 have enabled it to grow into a major player in various market niches. STRATEC aims to further boost this position, to act as a one-stop source of innovative solutions for its partners, and enable all parties involved to generate growth rates sustainably ahead of the industry average by offering a well-calibrated mix of cost efficiency, expertise, and innovation.

STRATEC's core competence involves compiling and implementing concepts and requirements in the automation and instrumentation of biochemical processes using hardware and software solutions. STRATEC also has comprehensive knowledge of quality and documentation requirements, particularly for the approval of medical technology solutions by the relevant national and international authorities. STRATEC accompanies its customers in an advisory capacity from the very outset. Drawing on its longstanding experience, it offers valuable tips when it comes to compiling specifications and determining suitable system alignments. These include tips on user-friendliness, a factor which promotes acceptance of the resultant system among end customers. Due to its existing technology pool and its experience in the approval process, STRATEC is also able to shorten the development times for its partners.

STRATEC's primary objective here is to be able to react across all areas of the company to customers' requirements in an efficient and coordinated manner. This way, it aims to offer those solutions and products from all the areas of activity and specialisms available at the Group that customers need to meet their respective market requirements. Over the years, STRATEC has built up targeted expertise and technologies in those areas that are viewed as forming the basis for further growth and new developments in the fields of diagnostics and life sciences.

Even though the instrumentation comes from STRATEC, in virtually all cases it is the partner's brand name that is displayed on the systems themselves. While the specifications are in most cases jointly defined by the partners, the development stage is characterized by parallel development processes. During this time, STRATEC focuses on developing the automation solution, the corresponding software, often highly complex consumables and quality management, as well as on preparing system approval. New market requirements, such as connectivity or complex consumables, form a key basis for STRATEC's permanently evolving technology portfolio. This means that customers can focus all their energies on developing their reagent menus, as well as on their market expertise, access to end customers, and support measures. Throughout the development stage, however, the various activities often running in parallel have to be closely coordinated. Soon after the first prototypes are complete, work already begins on integrating the reagents into the automation process. This complex process, which is performed with close cooperation between the two partners, is one of the key foundations for the functionality of the resultant systems.

One key success factor for the STRATEC Group involves providing its customers with the solutions they need in the fields of automation and software development for them to implement their own objectives. Alongside patents and internally developed technologies, it is the company's wide variety of expertise in different scientific and technological disciplines that offers the basis for the shared success it aims to achieve with its partners. STRATEC can look back on more than 40 years of development and production activity. Equally relevant to the subsequent success of jointly developed products is the in-depth understanding which STRATEC's partners have of end customers' requirements and thus of the market, as are the measures they take with their own service and sales activities to ensure suitably prepared market access. In view of this, STRATEC focuses on business-to-business and OEM relationships and does not maintain any significant proprietary sales network to its end customers. The product specialists at STRATEC's partners are individually supported in their activities. This particularly takes the form of training, but in exceptional cases also involves providing specific services on location.

When it comes to developing instrumentation solutions, a basic distinction can be made between two approaches towards cooperating with partners:

Partnering Business
In its partnering business, STRATEC works together with the respective partner from a very early stage of planning to jointly define specifications for a new analyzer system. The cooperation is very close throughout the entire development phase. STRATEC is responsible for developing hardware and software and draws here on its constantly growing pool of proprietary technologies, patents, rights, and know-how. This way, the development work is faster and more cost-effective, and it involves fewer risks. In close cooperation with the partner, the reagents menu is integrated into the automation processes. As soon as the system has been fully developed and approved by the regulatory authorities together with the reagents and software package, it is launched onto the market and serial production begins. In this stage, the partner focuses on marketing and selling the product to end customers, generally laboratories, blood banks, and research institutes, and also provides subsequent customer support and other services. STRATEC provides an ongoing supply of maintenance and service parts and discusses ongoing improvements to and further developments in the system with the customer, particularly with regard to software applications, user-friendliness and activities to extend the reagents menu.

Platform development
A STRATEC platform is a system developed internally by the company. It is not designed in cooperation with a specific partner but, given its general design scheme, is suitable for marketing to several customers. This merely involves adapting the platform to the specific requirements of customer reagents and corporate design schemes. These platforms are particularly suited to partners aiming to enter a market very rapidly – and thus draw on a platform solution – or who on account of their size and market access are not yet able to place the volume of systems needed to amortize the high level of development expenses. STRATEC chiefly develops such platforms for areas with potential for generating multiplier effects.

STRATEC has supplemented its activities with traditional instrumentation solutions in the medium to upper throughput ranges by establishing itself as a provider of analyzer systems, system components, consumables, and tests in the lower throughput segment. These are suitable for use in both human and veterinary diagnostics.

Furthermore, STRATEC is active in the field of polymer-based "intelligent" consumables, referred to as "smart consumables". Within in-vitro diagnostics, smart consumables include polymer chips and single-molecule arrays in the field of micro-fluids. This area represents a key component of STRATEC's technology and product spectrum and has extended the company's product range to include an important part of the value chain. This reduces customers' project risks and the associated project supervision input. STRATEC is able to offer substantial added value to its customers, particularly by assuming responsibility across the various interfaces involved.

The change in conventional consumables into complex smart consumables enables various test process steps to be "outsourced" to the consumable in a targeted manner. For low test volumes, this "loss" of process steps makes it possible to significantly reduce the size, complexity, and cost of instruments. That is a crucial factor, particularly for point-of-care applications. Furthermore, by offering greater flexibility it opens up new possibilities to develop test processes.

STRATEC has diverse skills and applications in the fields of nano-structuring and micro-structuring, various coating technologies, polymer science applications, and the automated and industrial production of smart consumables. Consumables are developed in close cooperation with the relevant partners and in line with their requirements for the development of reagents and instrumentation.

Core of corporate strategy

STRATEC's overriding mission is to improve people's quality of life in cooperation with its partners. To achieve this, STRATEC draws on the wealth of expertise it has built up over decades, on its extensive pool of technology, and on its understanding of value-building partnerships in order to develop innovative, tailored solutions for leading companies in in-vitro diagnostics and adjacent markets. Due to not least to their embedding in the company values, sustainability topics such as environmental concerns and social aspects are becoming continually more important for STRATEC, as is also the case at its customers and suppliers.

Strategic objectives

Unlock growth potential of strategic partnerships: STRATEC aims to enable both its customers and the company itself to achieve sustainable growth that exceeds the long-term market average. To achieve this, STRATEC focuses both on forging partnerships with new partners and on deepening existing long-term collaborations with customers.

Leverage and expand total cost of ownership advantage: From a customer perspective, outsourcing automation solutions to highly specialized partners like STRATEC offers significant benefits. These relate both to total cost of ownership and to risk assessment covering the entire lifecycle of a product. STRATEC's goal is to leverage and expand this existing advantage to further increase the value of collaboration for our customers by reducing operational risks and achieving greater cost efficiencies.

Strengthen resilience: STRATEC is making efforts to further enhance the resilience of its business. It therefore aims to diversify its customer base, raise the share of recurring sales, and expand into new markets. By pursuing these approaches, the company intends to further increase the stability and adaptability of its business with regard to market fluctuations.

STRATEC's strategy covers five dimensions:

Focus on technologically sophisticated and high-growth markets: To meet the growth targets it has formulated and stand out with cutting-edge technologies and high product quality, STRATEC focuses on technologically sophisticated market segments that demonstrate above-average growth rates.

Innovate for added value: To sustain and strengthen its market position in the long term, it is essential for the company to continually expand its technology and product portfolio. By leveraging the extensive market insights gained from long-term relationships with industry leaders, STRATEC ensures that its innovations are perfectly aligned with its customers' needs and the challenges they face. This customer-centric approach allows the company to consistently generate added value from the customer's perspective.

Act early to address and interact with partners from an: The aim here is to ensure that STRATEC is early to participate in new developments and able to benefit from upcoming trends in the industry. This is achieved by establishing and expanding a structured approach to facilitate early and consistent interaction with top-tier IVD companies, start-ups, and research organizations and to align development capabilities with their long-term innovation agendas.

Efficiency in operations and development: STRATEC is dedicated to continuous efficiency enhancements focusing on lean and agile operations and development processes. This involves cost savings and process improvements along the whole of the value chain, as well as in production, and development. By deploying cutting-edge technology, the company aims to boost productivity and efficiency. Furthermore, it should be ensured that these improvements translate into competitive products for customers. STRATEC fosters a culture of collective collaboration, in which every team member actively contributes to its success.

Targeted market expansion: STRATEC is looking into new markets in which its core competencies can create competitive advantages and provide synergetic growth with its existing business divisions.

Production and locations

In manufacturing its products, STRATEC has to meet especially strict quality requirements, compliance with which is regularly audited by internal specialists, customers, and external authorities. Analyzer systems are manufactured in accordance with the highest standards at the locations in Beringen (Switzerland), Birkenfeld (Germany), Budapest (Hungary), and, in very limited numbers, in Shanghai (China). The locations in Anif (Austria) and Ronkonkoma (US) manufacture highly complex polymer-based consumables in a controlled production environment. The value chain is closely coordinated within the STRATEC Group, with upstream and downstream services being drawn on from subsidiaries in numerous products.

The Group's largest development capacities can be found at its headquarters in Birkenfeld (Germany), in Budapest (Hungary), and in Cluj-Napoca (Romania).

Supply Chain

To enhance flexibility, reduce capital intensity, and optimize its cost structures on a long-term basis, with the exception of polymer-based consumables production the STRATEC Group generally works with a low level of vertical integration and often outsources upstream production activities to highly specialized contractual suppliers. For instrumentation production, final assembly and testing generally takes place at STRATEC's locations, with these activities being performed by employees with the highest level of qualification and training. Testing procedures are based on actual subsequent applications.

Working with integrated procurement management, STRATEC purchases the functional modules and individual components from strategic suppliers that stand out on account of their quality and compliance management systems. Integrating these suppliers into an early stage of product development ensures access in each case to the latest production methods and procedures. Master agreements provide a commercial framework for these cooperations, with use also being made of state-of-the-art production and logistics strategies.

In many cases, STRATEC supplies the finished analyzer systems directly to the logistics distribution centers of large diagnostics companies, which then market the systems together with the relevant reagents as system solutions under their own names and brands. As the STRATEC Group's customers largely supply their country outlets and customers directly from these distribution centers, the regional sales reported in the STRATEC Group's figures do not correspond to the actual geographical distribution or final destinations of the analyzer systems produced by STRATEC.

Group structure

The STRATEC Group's individual locations address identical target markets. The activities of individual subsidiaries are closely interrelated and in many cases significantly overlap. Beyond this, sales and business development activities for the locations are centralized and managed for all products by the member of the Board of Management responsible for sales. Resource allocation and business activities, including product development and other functional units, are therefore managed centrally for all locations by the Board of Management. STRATEC thus takes the form of a "one-segment company".

The parent company STRATEC SE has its legal domicile in Birkenfeld, Germany. It has operative activity fields focusing on the development and manufacture of analyzer systems and also performs and manages administrative and organizational tasks both on its own behalf and on a prorated basis for the group of companies. The targets set for the subsidiaries are agreed with the parent company, with their implementation status and relevant results also regularly reported to the parent company.

Given its size and the dovetailing of its business activities, the STRATEC Group is organized by reference to a matrix organizational structure. In this, business activities are grouped across locations into what is both vertically and horizontally an integrated value chain. The Beringen location (Switzerland) manufactures analyzer systems in the medium to high throughput ranges on which the highly complex polymer-based consumables in the laboratory at the Anif location (Austria) can be deployed. In vertical terms, the manufacturing activities in Beringen in some case draw on input products from the Budapest location (Hungary).

Management of the STRATEC Group

For group management at STRATEC SE, the Board of Management approves the group budget prepared on the basis of an extensive bottom-up planning approach. Heads of department receive clear targets which are derived from this group budget and reflect the results of the bottom-up planning. These targets are monitored and reviewed on the management level below the Board of Management, with local managing directors and heads of department bearing responsibility for achieving the financial and strategic targets. These involve both quantitative and qualitative targets relating to risk management, employee management, customer relationships, and M&A activities. Centralized prioritization and targeted resource deployment promote the effective implementation of these targets.

As well as traditional management figures such as sales, EBIT, EBITDA, liquidity, key figures for development, production, and marketing, and product quality, STRATEC is increasingly focusing on sustainability-related topics such as environmental and social aspects, not least to do justice to its claim of being a reliable partner and an attractive employer as the company continues to grow.

The most important performance indicators referred to in managing the company are sales, the adjusted EBIT margin, and the number of employees. More detailed information about these key management figures can be found in the Business Report and the Outlook.

Market

IVD instrumentation market

In-vitro diagnostics tests are medical applications in which biological samples, such as blood, tissues, secretions, or urine, are analyzed for diagnostic purposes. These tests enable diseases to be swiftly and precisely diagnosed, treated, and monitored, as well as providing diverse further information about patients' health condition. In modern healthcare systems, in-vitro diagnostics processes support nearly 70% of all therapy decisions. In-vitro diagnostics therefore plays a crucial role in patient healthcare.

Overall, the market for in-vitro diagnostics solutions and associated instrumentation is characterized by a large number of different technologies and areas of application, to which reference is often made for market segmentation purposes. STRATEC has focused in particular on instrumentation solutions for the fields of immunodiagnostics (immunoassays), molecular diagnostics, immuno hematology, complex sample preparation processes, individual cell analysis, and immunostaining in a wide variety of throughput segments. In addition, it also provides specialist solutions in a low throughput range for clinical chemistry and hematology applications. One increasingly important area on a cross-technology basis is STRATEC's expertise in microfluidic solutions in the form of highly complex polymer-based consumables. Using microfluidic technology often makes it possible to achieve the significantly higher sensitivities required, for example, in areas such as oncology or neurology.

IVD market by technologies and application fields

Immunodiagnostics	Analyte detection using antigen antibody reactions
Molecular diagnostics	Includes tests and methods able to detect a disease or susceptibility to a specific disease by investigating nucleic acids (DNA or RNA).
Other technologies and application fields such as immunohematology	
Clinical chemistry	Complex, multistage chemical processes intended to find specific substances in a sample and measure their respective shares.
Hematology	Investigation of cell distribution (blood count) and diagnosis of potential blood diseases.
Other technologies and application fields such as food diagnostics	
Microbiology	Cultivation of biological samples in a medium in order to multiply and thus detect and identify any microorganisms present (e.g. bacteria).
Other technologies and application fields such as blood glucose monitoring	

STRATEC's main technologies — STRATEC is exclusively represented in specialists applications — Not addressed by STRATEC

Research and development

STRATEC's expertise is based on the development of innovative technologies that have to satisfy strict regulatory requirements and the requirements of its partners in terms of security, reliability, and user-friendliness. For the development of complex systems and consumables, STRATEC's development teams comprise numerous experts from various areas of activity who are supplemented by developers from our partners. As a general rule, the interdisciplinary teams of experts draw on employees from various areas of activity. In the field of research, where new technologies, processes, and software solutions are developed, feasibility and market studies are performed or referred to at an early stage already. These enable qualified assessments to be made while at the same time minimizing any associated risks.

Within STRATEC, development activities are based on the following aspects:

- **Development of new systems for customers and system platform development**
  STRATEC's growth is largely driven by its constantly growing range of new OEM products. These therefore remain a key focus of development activities. Here, STRATEC can offer an extensive range of technologies and services to its customers.

  In its development of new systems, STRATEC distinguishes between platform development and the partnering business. In platform development, STRATEC works in a way similar to the automobile industry by developing a platform or module concept internally and then in the second stage adapting this to individual customer needs. In its partnering business, by contrast, STRATEC works closely with the customer from a very early stage of development and, based on a library concept, develops a system precisely tailored to the customer's needs.

- **Support for existing systems and product lifecycle management**
  Strict regulatory requirements and the resultant expense required to obtain approval are leading to longer system lifecycles, which generally amount to well over ten years. To facilitate such long lifecycles for systems on the market, permanent system modernization is required. This factor is accounted for above all in software development and verification activities. This is one of the main reasons for the disproportionate growth in these areas and the associated number of employees within STRATEC's development division.

- **Development of new technologies**
  To boost its competitiveness and leading position as an independent system provider, STRATEC not only monitors ongoing changes in its customers' needs in terms of technologies and processes, but also constantly analyzes innovations and developments in the relevant markets. The insights thereby gained are correspondingly factored into the development of new technologies. One key focus here is on gaining early experience with processes resulting from research, and in particular with technologies and processes which harbor potential for routine applications in in-vitro diagnostics.

- **Development of platform technologies**
  A further focus of STRATEC's development activities involves further developing and enhancing platform technologies for relevant systems. These form the basis for the continually growing technology pool.

- **Development of (smart) consumables**
  In close cooperation with its subsidiaries in Anif (Austria) and Ronkonkoma (US), STRATEC also develops the consumables used with a given analyzer system. This development work is also based on proprietary industrial property rights. The products range from simple consumables through to complex, so-called smart consumables. These complex consumables present part of the test process that is otherwise often performed within the instrument. They may be developed and manufactured together with an analyzer system or on a standalone basis to meet the individual requirements of our partners.

Including temporary employees, a total of 652 employees within the STRATEC Group were allocable to research and development at the balance sheet date on December 31, 2024 (previous year: 663 employees). This corresponds to 45.0% of the total workforce (previous year: 43.6%). Unlike in the previous year, this overview only includes those employees who are directly allocable to research and development. The figures no longer include development support employees. The previous year's figures have been amended accordingly.

B. BUSINESS REPORT

Macroeconomic and sector-specific framework

Macroeconomic framework

In mid-January 2025, the International Monetary Fund (IMF) published its latest outlook for the global economy in an update to its World Economic Outlook.[1] The IMF expects the global economy to grow by 3.3% both this year and next year. Its outlook therefore remains virtually unchanged compared with the fall of 2024. "Global growth is expected to remain stable, albeit not very strong", it says in the World Economic Outlook. The level of growth expected is thus set to fall short of the average of 3.7% for the past two decades.

Growing differences between the growth rates reported by individual countries were never-theless observable. These divergent developments were resulting in a "precarious global growth profile", the Outlook continued. While the IMF cut its forecast for Germany by 0.5 per-centage points, it raised its forecast for the US by 0.5 percentage points to 2.7% for the cur-rent year. By contrast, major European economies such as Germany, France, and Italy had a zero in front of the decimal point. The IMF now only expects the euro area to generate growth of 1.0%. Among other factors, this was due to weak developments in industry, low levels of consumer confidence, and the continuing impact of the energy price shock.

Moreover, the IMF sees "downward risks" for Europe due to the implications of the energy crisis and for China due to the real estate sector. For the US, on the other hand, the IMF deems further growth momentum possible in the short term. This is due to factors such as "new expansive measures like tax cuts", which the IMF nevertheless sees as potentially also harboring medium-term risks given that country's high level of debt.

Further risks to the global economy particularly include "political risks", such as any escala-tion in trade conflicts. In its Economic Outlook published in March 2025, the OECD also points out the substantial risks to base forecasts posed by any intensification in measures to restrict trade.[2] The IMF warns that protectionist measures such as tariffs would also lead to rising prices. The International Monetary Fund sees a renewed rise in inflation as in any case rep-resenting one of the largest risks facing the global economy. "The risk of renewed inflationary pressure could cause central banks to raise base rates." This move would further curtail economic growth.

Given its long-term project and product lifecycles, STRATEC and the decisions its customers take concerning joint development projects are only affected by macroeconomic fluctuations to a limited extent. Having said this, the macroeconomic climate is nevertheless a significant factor for STRATEC's business activity and is therefore extensively factored into the compa-ny's assessments and planning.

[1] Source: IWF: World Economic Outlook; Update January 2025
[2] Source: OECD: Economic Outlook, Interim Report March 2025

Sector-specific framework

Based on various estimates, the in-vitro diagnostics (IVD) market will continue to show very healthy rates of sustainable growth and currently has a volume of around USD 80 billion to USD 90 billion.[3]

Consistently aging populations, the increased prevalence of chronic diseases, more frequent occurrence of infectious diseases, and the ever growing significance of more precise treat-ment (precision medicine) – these are key market growth drivers that are also sustainable. Over and above that, the research being performed on innovative technologies, such as spe-cific biomarkers, will create new opportunities for future market growth.

The medium to long-term growth drivers in the markets served by STRATEC's customers can be summarized as follows:

POLITICAL	TECHNOLOGICAL	SOCIAL
• Development and expansion in healthcare systems, especially in developing and emerging economies • Expansion in global infrastructure leading to improved access to medical care	• Fast-growing and highly specialized market segments due to new medical findings and new diagnostics possibilities • Increasing degree of automation • Development of new tests and treatment options, such as personalized medicine	• Demographic change towards an increasingly elderly population with growing diagnostics requirements • Rising life expectancy and resultant need for diagnostics • Increased prevalence of chronic and infectious diseases

The various segments and areas of application within IVD have different growth rates. STRATEC particularly operates in those segments which generate above-average high growth rates. These include molecular diagnostics, for example, as well as highly sensitive procedures within immunodiagnostics.

[3] Source: e.g. MarketsandMarkets: In Vitro Diagnostics Market, March 2024

Due not least to the increasing complexity of IVD tests, it is difficult for any one company to develop proprietary products in all technology and market segments. In view of this, diagnos-tics groups frequently procure specific technologies to maintain their technological leadership and survive in the market. As a result, a process of consolidation has been apparent in the IVD market for years now and is expected to continue in future as well.

At the same time, the constant rise in regulation seen in the diagnostics industry also repre-sents an increasingly high barrier to potential competitors to STRATEC entering the market. There are only very few comparable companies with the ability to offer a similar range of products and services from compiling specifications, through development, approval, and production of the respective instruments, consumables, and solutions. The competitive situa-tion therefore remains very limited and, alongside in-house development departments, is re-stricted to a handful of specialist companies.

Veterinary diagnostics

As well as human diagnostics systems, via its Diatron brand the STRATEC Group also offers systems for use in veterinary diagnostics (for domestic pets). Veterinary diagnostics has taken over numerous technologies and methods from human diagnostics. A range of key standard diagnostics applications in the fields of immunodiagnostics, molecular diagnostics, hematology, and clinical chemistry is thus available for the veterinary supervision of domestic and farm animals.

Life sciences

Life sciences is taken here as particularly comprising academic research and pharmaceuti-cals research, with the latter area accounting for by far the larger share of the market. The STRATEC Group has numerous life sciences customers, particularly in the field of smart consumables, but also increasingly for instrumentation. Furthermore, the field of translational research, which involves translating the results of basic research into clinical applications, is also increasingly significant to STRATEC.

Business performance

STRATEC's business performance in 2024 was affected by a challenging market climate and by numerous geopolitical uncertainties. In particular, the additional automation capacities which arose in the field of molecular diagnostics during the pandemic had the expected effect of holding back the company's sales performance in its Systems business. The elevated levels of stocks still available at customers at the beginning of the financial year also impacted negatively on STRATEC's sales performance. As a result, consolidated sales (based on the amended accounting method) for the 2024 financial year decreased by 4.7% to € 257.6 million (previous year: € 270.4 million). Net of currency items, this corresponds to a reduction in sales by 4.9%.

Despite negative effects of scale, STRATEC increase its adjusted EBIT margin for the 2024 financial year by 180 base points to 13.0% (previous year: 11.2%). Alongside targeted measures within the earnings enhancement program already initiated in 2023 and continued in 2024, the margin benefited in particular from a high volume of earnings contributions from De-velopment and Services.

STRATEC introduced an amendment to its accounting method in 2024 and, in this context, also adjusted the previous year's figures (details are provided in the Notes to the Consolidated Financial Statements). The guidance initially provided in the 2023 Outlook, namely that constant-currency sales would remain stable or grow slightly and that the adjusted margin would amount to around 10.0% to 12.0%, was based on the previous accounting method. Based on that method, sales for the 2024 financial year would amount to € 257.6 million and the adjusted margin would stand at 12.6%. Applying the previous accounting method (2023 sales base: € 261.9 million), constant-currency sales growth would thus amount to -1.8%. Pursuant to the accounting method underpinning the guidance, the target for sales growth would thus almost have been met and the target for the adjusted EBIT margin would even have been significantly exceeded. The targets most recently communicated by ad-hoc announcement on October 17, 2024 (constant-currency sales stable to slightly lower; adjusted EBIT margin of around 10.0% to 12.0%) were achieved for sales and significantly exceeded for the adjusted EBIT margin.

STRATEC's liquidity and financing position was at all times secured. In 2024, STRATEC once again pressed ahead with new product developments together with its partners and concluded additional agreements for new cooperations. In its development activities, major milestones were reached for new analyzer systems.

STRATEC's group-wide workforce contracted slightly in the 2024 financial year. Including temporary employees and trainees, the STRATEC Group had a total of 1,450 employees as of December 31, 2024 (previous year: 1,522). The development in employee totals for 2024 thus fell short of the multiyear target pathway of a moderate increase forecast in the 2023 Outlook.

Position

Earnings position

Overview of key items in consolidated statement of comprehensive income (€ 000s)

	2024	2023[1]	Change
Sales	257,624	270,414	-4.7% (cc: -4.9%)
Adjusted EBITDA	49,214	44,826	+9.8%
Adjusted EBITDA margin	19.1%	16.6%	+250bp
Adjusted EBIT	33,459	30,388	+10.1%
Adjusted EBIT margin	13.0%	11.2%	+180 bp
Adjusted consolidated net income	**20,496**	**19,009**	**+7.8%**

[1] Retrospectively adjusted. Further information can be found in the Notes to the Consolidated Financial Statements.

bp = base points
cc = constant currency

Sales

STRATEC generated consolidated sales of € 257.6 million in the 2024 financial year (previous year: € 270.4 million). On a constant-currency basis, this implies a reduction in sales by 4.9% (nominal: -4.7%). This subdued sales momentum was due to a decrease in System sales. The sales performance was held back both by the sharp expansion in molecular diagnostics laboratory capacities during the pandemic and by the elevated level of stocks still held by customers at the beginning of the year. The decline in System sales could not be fully offset by the strong growth reported for Development and Services.

STRATEC divides its sales into four operating divisions.

Sales in the **Systems** operating division fell year-on-year by 27.8% (constant-currency: -27.8%) to € 82.7 million (previous year: € 114.5 million). This division was affected in particular by the decline in sales with molecular diagnostics systems. Furthermore, system call-up figures were still adversely influenced by the elevated stocks available at customers at the beginning of the year.

Sales in the **Service Parts & Consumables** operating division increased by 14.8% (constant-currency: +14.8%) to € 110.4 million in the 2024 financial year, compared with € 96.2 million in the previous year. Sales here were positively influenced by the significant increase in recent years in the number of systems in the market, as well as by the recovery in capacity utiliza-tion among systems placed in the market. In addition, the Natech Group acquired in 2023 led to a consolidation effect due to the first-time recognition of full-year sales (initial consolidation as of July 1, 2023).

Sales in the **Development and Services** operating division increased by 9.8% in the 2024 financial year (constant-currency: +9.2%) to € 63.2 million (previous year: € 57.6 million).

Sales in the **Other Activities** division fell from € 2.2 million in the previous year to € 1.3 million in 2024 (nominal: -41.2%; constant-currency: -41.4%).

Consolidated sales by operating division (€ 000s)

	2024	2023[1]	Change	Change at constant currency
Systems	82,671	114,467	-27.8 %	-27.8 %
Service Parts & Consumables	110,429	96,169	+14.8 %	+14.8 %
Development and Services	63,228	57,573	+9.8 %	+9.2 %
Other Activities	1,296	2,205	-41.2 %	-41.4 %
Consolidated sales	**257,624**	**270,414**	**-4.7 %**	**-4.9 %**

[1] Retrospectively adjusted for the Systems as well as the Development and Services operating divisions. Fur-ther details can be found in the Notes to the Consolidated Financial Statements.

Development in share of sales by operating division

	2024	2023[1]
Sales in € million	257,624	270,414
Systems share of sales in %	32.1 %	42.3 %
Service Parts & Consumables share of sales in %	42.9 %	35.6 %
Development and Services share of sales in %	24.5 %	21.3 %
Other Activities share of sales in %	0.5 %	0.8 %
Analyzer systems supplied (total number)	**4,961**	**8,627**

[1] Sales and distribution retrospectively adjusted. Further details can be found in the Notes to the Consolidated Financial Statements.

Gross profit and gross margin

Gross profit increased from € 68.2 million in the previous year to € 76.4 million in the 2024 financial year. This corresponds to a gross margin of 29.7%, as against with 25.2% in the previous year. This key figure was positively influenced, among other factors, by the measures already implemented in 2023 and continued in 2024 in connection with the earnings enhancement program, by a high share of sales with Service Parts and Consumables, as well as by increased earnings contributions resulting from the recognition of sales for high-margin development projects, license agreements, and services.

Research and development expenses

At € 55.4 million, gross development expenses were at the same level in the 2024 financial year as in the previous year (€ 55.4 million). Of this total, € 43.8 million was recognized in cost of sales or capitalized (previous year: € 46.6 million), while € 11.6 million was expensed (previous year: € 8.7 million).

Sales-related expenses

Sales-related expenses amounted to € 12.5 million in the 2024 financial year, compared with € 12.0 million in the previous year.

General administration expenses

General administration expenses increased from € 19.3 million in the previous year to € 24.4 million. This line item includes personnel expenses of € 1.7 million relating to the departure of a member of the Board of Management in the third quarter of 2024.

Other operating income and expenses

The net balance of other operating income and expenses came to € 0.9 million in the 2024 financial year, as against € -2.1 million in the previous year.

Earnings performance

Adjusted EBIT increased by 10.1% from € 30.4 million in the previous year to € 33.5 million in the 2024 financial year. The adjusted EBIT margin improved by 180 base points to 13.0% (previous year: 11.2%). Here, the overall increase in expenses for the functional divisions (research and development expenses, sales-related expenses, and general administration expenses) was offset by the rise in the gross margin. Based on the former accounting method, the margin would have risen from 10.3% in the previous year to 12.6% in the 2024 financial year.

Adjusted consolidated net income amounted to € 20.5 million in the 2024 financial year (previous year: € 19.0 million). The financial expenses included in this figure increased from € 4.0 million in the previous year to € 5.9 million in the 2024 financial year. Adjusted earnings per share (diluted) amounted to € 1.31, as against € 1.57 in the previous year.

Year-on-year comparison of EBIT and EBIT margin (€ 000s)

	2024	2023[1]	Change
Adjusted EBIT	33,459	30,388	+10.1 %
Adjusted EBIT margin	13.0 %	11.2 %	+180 bp

[1] Retrospectively adjusted. Further details can be found in the Notes to the Consolidated Financial Statements.

bp = base points

Reconciliation of adjusted EBIT and consolidated net income

In the interests of comparability, key earnings figures for the 2024 financial year have been adjusted to exclude amortization resulting from purchase price allocations in the context of acquisitions, as well as for other one-off items (consulting expenses and reorganization ex-penses in connection with M&A activities and one-off personnel expenses). The reconciliation of the adjusted earnings figures with the earnings figures reported in the consolidated state-ment of comprehensive income is presented in the following tables:

Reconciliation of adjusted EBITDA (€ 000s)

	2024	2023[1]
Adjusted EBITDA	**49,214**	**44,825**
Adjustments:		
Other[2]	-2,238	-1,496
EBITDA	**46,976**	**43,329**

[1] Retrospectively adjusted. Further details can be found in the Notes to the Consolidated Financial Statements.
[2] Consulting expenses and reorganization expenses in connection with M&A activities and one-off personnel expenses

Reconciliation of adjusted EBIT (€ 000s)

	2024	2023[1]
Adjusted EBIT	**33,459**	**30,388**
Adjustments:		
PPA amortization	-3,679	-3,188
Other[2]	-2,238	-1,496
EBIT	**27,542**	**25,704**

[1] Retrospectively adjusted. Further details can be found in the Notes to the Consolidated Financial Statements.
[2] Consulting expenses and reorganization expenses in connection with M&A activities and one-off personnel expenses

Reconciliation of adjusted consolidated net income (€ 000s)

	2024	2023[1]
Adjusted consolidated net income	**20,496**	**19,009**
Adjusted earnings per share in € (basic)	**1.69**	**1.56**
Adjustments:		
PPA amortization	-3,679	-3,188
Other[2]	-2,238	-1,496
Taxes	1,442	1,045
Consolidated net income	**16,021**	**15,370**
Earnings per share in € (basic)	**1.32**	**1.26**

[1] Retrospectively adjusted. Further details can be found in the Notes to the Consolidated Financial Statements.
[2] Consulting expenses and reorganization expenses in connection with M&A activities and one-off personnel expenses

Financial position

Liquidity analysis

The cash flow statement of the STRATEC Group shows the origin and utilization of the cash flows generated within the financial year. A distinction is made between the cash flow from operating activities and the cash flows from investing and financing activities.

Overview of key figures in consolidated cash flow statement (€ 000s)

	2024	2023[1]	Change
Cash flow from operating activities	48,712	19,323	+152.1%
Cash flow from investing activities	-15,970	-44,054	n/a
Cash flow from financing activities (out-flow; previous year: inflow)	-20,301	35,442	n/a
Cash at end of period	47,164	33,532	+40.7%

[1] Retrospectively adjustments to cash flow from operating activities and to cash flow from investing activities. Further details can be found in the Notes to the Consolidated Financial Statements.,

The **inflow of funds from operating activities** rose from € 19.3 million in the previous year to € 48.7 million in the 2024 financial year. Among other factors, the cash flow was positively influenced by a significant reduction of € 12.1 million in inventories, trade receivables, and other assets (previous year: increase of € 10.4 million), as well as by lower outflows of funds for income taxes paid.

The **outflow of funds for investing activities** for the 2024 financial year amounts to € 16.0 million, as against € 44.1 million in the previous year. This marked reduction is principally attributable to the outgoing payment included in the previous year's figure for the acquisition of companies (Natech Plastics, Inc.) of € 27.0 million.

The **outflow of funds from financing activities** totaled € 20.3 million, contrasting with the inflow of funds of € 35.4 million reported in the previous year. This figure include net repayments of financial liabilities and loans amounting to € 10.3 million, outgoing payments of € 3.3 million to repay lease liabilities, and the payment of a dividend of € 6.7 million to share-holders.

On a constant-currency basis, the total of all inflows and outflows in the year under report resulted in **cash at the end of the period** of € 47.2 million, as against € 33.5 million in the previous year.

At the balance sheet date on December 31, 2024, STRATEC had credit lines of up to € 125.0 million to provide flexibility in offsetting potential fluctuations in liquidity. Of these, a total amount of € 88.0 million had been drawn down as of the balance sheet date.

Investment and depreciation policies

Among other items, the investments of € 9.9 million in property, plant and equipment involved investments in plant and office equipment, assets under construction (especially prototypes and tools), and technical equipment. The investments of € 8.3 million in intangible assets, on the other hand, mainly related to capitalized development work.

The capex ratio, i.e. total investments in property, plant and equipment and in intangible as-sets as a percentage of sales, amounted to 7.1% in 2024 (previous year: 6.4%) and was thus at the lower end of the target corridor of 6.0% to 8.0% communicated in the previous year's Outlook.

Asset position

Total assets contracted from € 450.7 million in the previous year to € 445.1 million as of December 31, 2024. This was due in particular to a reduction of € 16.5 million in trade receiva-bles from € 58.1 million in the previous year to € 41.6 million as of December 31, 2024.

Structure of consolidated balance sheet: Assets (€ 000s)

	2024	2023[1]	Change
Intangible assets	113,864	112,487	+1.2%
Non-current assets (excluding intangible assets)	107,692	104.392	+3.2%
Current assets	223,502	233,797	-4.4%
Consolidated total assets	**445,058**	**450.676**	**-1.2%**

[1] Retrospectively adjusted. Further details can be found in the Notes to the Consolidated Financial Statements.

In view of the positive consolidated net income and accounting for the dividend distribution in the 2024 financial year (€ 6.7 million), shareholders' equity rose from € 237.1 million at the previous year's balance sheet date to € 242.5 million as of December 31, 2024.

The equity ratio therefore increased year-on-year by 190 base points to 54.5% as of Decem-ber 31, 2024 (previous year: 52.6%).

Structure of consolidated balance sheet: Equity and debt (€ 000s)

	2024	2023[1]	Change
Shareholders' equity	242,533	237,093	+2.3%
Non-current debt	112,179	117.454	-4.5%
Current debt	90,346	96,129	-6.0%
Consolidated equity and debt	**445,058**	**450.676**	**-1.2%**

[1] Retrospectively adjusted. Further details can be found in the Notes to the Consolidated Financial Statements.

At € 112.2 million, non-current debt was lower than the previous year's figure of € 117.5 million. Due in particular to a reduction in trade payables, current debt fell year-on-year by € 5.8 million to € 90.3 million (previous year: € 96.1 million).

Key figures on asset position (€ 000s)

	2024	2023[1]	Change
Total assets	445,058	450.676	-1.2%
Shareholders' equity	242,533	237,093	+2.3%
Equity ratio in %	54.5	52.6	+190 bp
Financial liabilities	134,260	145,334	-7.6%
Financial liabilities as % of total assets	30.2	21.2	-200 bp
Debt/equity ratio in %	83.5	90,1	-660 bp

[1] Retrospectively adjusted. Further details can be found in the Notes to the Consolidated Financial Statements.

bp = base points

Non-financial performance indicators

Further growth at the STRATEC Group is crucially dependent on the availability of adequate development capacities. Even though in practice many factors are relevant to the company's growth, the following section presents the relevant non-financial performance indicator which is of key importance to the company in managing its growth.

STRATEC's sustainable success is driven by the performance of its highly qualified and motivated employees, who work in partnership with global players, often market leaders, to develop innovative technologies and solutions that enable the company's partners to shape their markets with reliable, safe, and user-friendly products. STRATEC therefore views the number of employees as a key non-financial performance indicator.

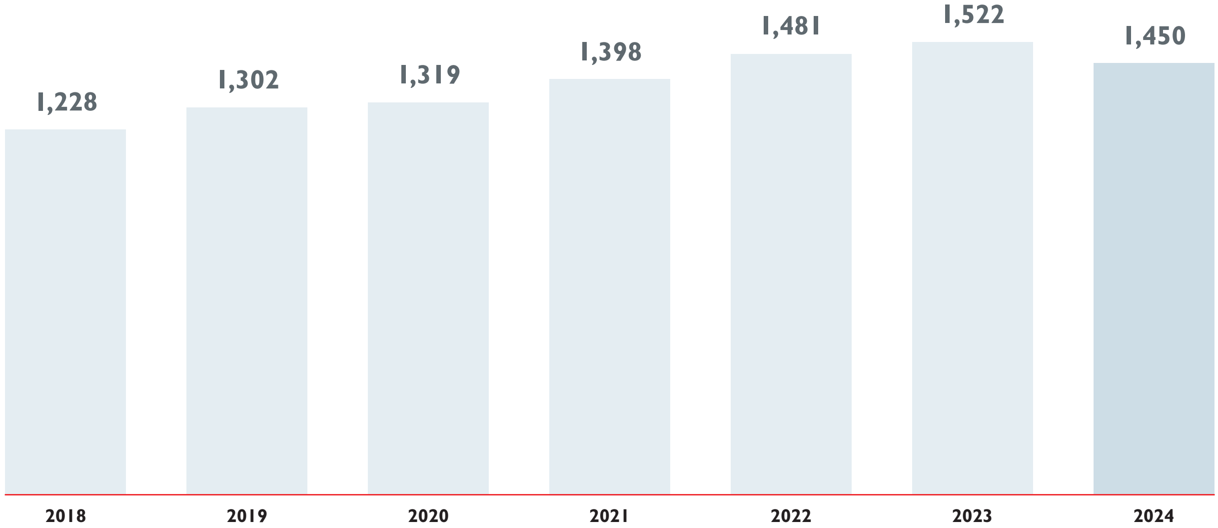
A further motivation for STRATEC's team is the awareness that the solutions they develop are contributing to further advances in global diagnostics.

One of STRATEC's primary objectives is to provide its workforce, which has grown consistently in recent years, with a modern and attractive working environment by offering new career challenges and ensuring professional dealings with colleagues and partners. This in turn should motivate employees to continue giving of their very best and help retain them at the company on a lasting basis. Further information about employees and their interests can be found in the Non-Financial Group Declaration within this report.

Number of employees

Including temporary employees and trainees, STRATEC had a total of 1,450 employees as of December 31, 2024 (previous year: 1,522). The development in the number of employees, which is temporarily less dynamic than the expectations outlined in the 2023 Outlook, is mainly due to the earnings enhancement program initiated in March 2023 and the adjustment in capacities in line with subdued customer demand in 2024.

Number of employees at the STRATEC group



Development in employee totals

Employees at balance sheet date

	2024	2023	Change
Total employees	1,450	1,522	-4.7%
Research and development employees	652	663	-1.2%

One of STRATEC's core activities and competencies involves developing complex technological systems that combine biochemical processes with highly integrated hardware and software. This is reflected, among other factors, in the fact that 652 of our employees (previous year: 663), corresponding to a 45.0% share of all staff (previous year: 43.6%), work in research and development. Unlike in the previous year, these figures only include those employees directly allocated to the Research and Development division. Development support employees are no longer included. The previous year's figures have been amended accordingly. This share is expected to remain high in the years ahead as well. Given the interdisciplinary nature of the work involved, many employees in this area contribute both technical and scientific expertise. Further key figures on employee concerns can be found in the Non-Financial Group Declaration within this report.

C. OUTLOOK

Global megatrends, such as aging populations and the growing prevalence of chronic and infectious diseases, are leading to a continuous increase in demand for in-vitro diagnostics tests. Not only that: Technological advances resulting in enhanced process sensitivity are making it possible to access new applications in areas such as oncology, neurology, and prenatal medicine. Qualified laboratory staff are rare in many countries, a factor which is additionally boosting demand for highly automated solutions. STRATEC also expects the growing interest and willingness shown by its customers to outsource the design and manufacture of automation solutions to specialist partners to advance further. This is reflected in the market launches executed in recent years and a solid development pipeline. In light of these factors, the growth prospects for the target markets in which the STRATEC Group and its customers operate are still assessed positively.

For the 2025 financial year, STRATEC expects end customer demand for molecular diagnostic automation solutions to stabilize following the substantial disruptions seen in the wake of the COVID-19 pandemic, a factor which was exacerbated by high volumes of stock on hand at customers. In general, moreover, a trend towards test volumes recovering, and thus to higher capacity utilization rates for systems placed in the market, can be observed at customers. This should have a positive overall impact on demand for systems and on the service parts and consumables business. In view of these factors, for the 2025 financial year STRATEC expects constant-currency sales growth in a low to medium single-digit percentage range compared with the previous year. A figure of around 10.0% to 12.0% is forecast for the adjusted EBIT margin (2024: 13.0%). The implicit reduction in the margin is due to the earnings contributions received in the previous year from higher-margin development and services, which are expected to turn out lower in the 2025 financial year.

Given that the downstream effects of the pandemic have not yet been fully absorbed in the molecular diagnostic market segment and in light of geopolitical conflicts, potential tariffs, and trade barriers, STRATEC expects to see continuing increased volatility in its customers' order behavior. As a result, the key sales and earnings figures forecast for 2025 are subject to greater uncertainties than usual.

For the 2025 financial year, STRATEC has budgeted investments in property, plant and equipment and in intangible assets corresponding to a total of 8.0% to 10.0% of sales (2024: 7.1%).

Subject to approval by shareholders at the Annual General Meeting, furthermore, the distribution of a dividend of € 0.60 per share is foreseen (previous year: € 0.55). STRATEC is thus upholding its continuity-based dividend policy.

To enable it to realize the wide variety of growth potential harbored by its current deal and development pipeline, STRATEC plans to maintain a stable workforce, or to expand this slightly, in the years ahead.

STRATEC's financial forecast is based on budgets that account for the specific features of its business model, as well as for numerous internal and external factors, and that weight such factors in accordance with their significance. New order figures, our customers' forecasts and their order behavior, and their stocking of service parts play a superordinate role here, as do the numbers of projects in development and negotiation. This forecast does not account for additional opportunities resulting from external growth. Given the long-term nature of its business relationships, macroeconomic developments are of subordinate significance for STRATEC. The macroeconomic factor is therefore weighted less prominently in the company's forecasts.

D. OPPORTUNITIES AND RISKS

For many years, STRATEC was able to develop into an innovative and rapidly growing market participant in a market climate that was stable and plannable. Together with established partners with global operations, STRATEC confronted challenges that mainly resulted from the regulatory environment, competitive factors, and the operating risks facing a growing company. Due to the impact of the COVID-19 pandemic, geopolitical influences on numerous areas of the economy, and further sources of uncertainty, this climate has changed significantly. Political intervention, inflationary trends still persisting today, and uncertainties in supply chains which vary from region to region, make it significantly more difficult to plan ahead and thus also to weigh up opportunities and risks when reaching operative decisions.

STRATEC is countering these risks with various monitoring processes and by decentralizing company processes and making these more flexible. By reaching strategic decisions and maintaining an active early-warning risk identification system, the company is endeavoring to minimize these risks or, ideally, to convert them into opportunities.

The STRATEC Group comprises several subsidiaries with international operations that are centrally managed and supervised as part of STRATEC's product portfolio. Their opportunities and risks are largely identical and overlap in some cases. In view of this, no distinction has been made between subsidiaries in the following presentation.

Opportunities

In a climate characterized by numerous uncertainties and thus significantly more difficult to predict, STRATEC also sees numerous opportunities to participate in developments enabling it, together with its partners, to generate sustainable growth over many years.

Alongside **demographic trends,** which are expected to result in a permanent expansion in the global healthcare infrastructure to address the needs of an ever-older, growing global population, the impact of the COVID-19 pandemic also made it clear that there is a great need for diagnostics test capacities around the world. Following the expected reduction in surplus capacities created during the pandemic, this factor should generate opportunities due to **market growth.**

Increasing regulation of the diagnostics industry continues to create growing **demand for automated process solutions.** Manual and semi-automated processes are increasingly being displaced by fully automated methods. Due to the routine processes involved and their lower susceptibility to error compared with manual processes, these offer a high degree of safety, great precision, and great reproducibility of the results. In view of this, audited and certified quality management is at the core of STRATEC's business model. It forms the basis for the success of the company and its partners while at the same time acting as a barrier to competitors entering the market. Among others, the tasks performed by the Quality Management and Regulatory Affairs departments include ensuring product conformity with all regulatory requirements for medical products, assessing and qualifying suppliers, and continuously improving the quality management system. When an analyzer system is designed and manufactured, customer, official, certification, and internal audits regularly take place at our development and production locations.

Alongside growing regulation, STRATEC is also benefiting from the fact that there is a **shortage of qualified laboratory staff** in many countries. This factor is increasing demand for automated systems that are easy to use and do not require highly qualified laboratory staff.

Continuous **technological and scientific advances** in life sciences and in-vitro diagnostics (IVD) are rather producing a permanent stream of new insights and applications that, in the next step, have to be turned into marketable, automated products in the form of diagnostic and therapeutic solutions. Areas such as oncology and chronic or infectious diseases are currently particularly important in this respect.

In recent years, an **ongoing consolidation** process has been apparent in the IVD market, with this generally leading to increased market access to established partners. For STRATEC, this trend offers the opportunity to generate higher turnover with systems already established. At the same time, however, this consolidation also harbors the risk that, due to the merger of customer product portfolios, customers may discontinue individual product series.

Companies like STRATEC offer life science and diagnostics companies the opportunity to focus on their core businesses, namely researching, developing, and marketing analytic tests, and to outsource the automation solutions to specialist partners. In view of this, STRATEC assumes that systems internally developed by partners will account for an increasingly low share of the market and that this development will produce further opportunities due to **outsourcing.**

Risks

STRATEC analyzes and evaluates risks systematically in its early-warning risk identification system or on an ad-hoc basis. Risks are qualified and quantified by reference to their probability of occurrence and scope and reported and monitored based on an assessment of their materiality.

STRATEC's business model is in many cases based on long periods of cooperation with customers. In view of this, it is exposed to some risk factors to a notably lesser extent than is customary at companies in many other sectors that are dependent on macroeconomic cycles, or on technological and demand trends. As a general rule, the long-term planning on the part of STRATEC's customers or the development of an analyzer system is dependent on their market presence and the lifecycles of existing products, but not on macroeconomic cycles or economic crises. On a purely operative level, the sales of such systems over their product lifecycles often follow a fixed scheme that may be overridden by unforeseeable exceptional developments, such as the COVID-19 pandemic. This led to significant additional demand for molecular diagnostics systems in the years from 2020 to 2022 and to a resultant saturation of the market that continues to the present day. The period required for planning, specification, and development amounts to around two to four years and is often followed by a two-year approval stage. Once launched onto the market, the lifecycle of a system may last some 15 to 20 years. A further five to eight years often pass before the final support and service activities are discontinued. The total project lifecycle thus often amounts to more than 25 years.

Irrespective of this, the company is exposed to risks in connection with its operating business, the environment in which it operates, and its customer relationships. These are described below.

Geopolitical, macroeconomic, and strategic risks

The implications of global conflicts, such as those in the Middle East and Ukraine, the tensions surrounding major shipping routes, and conflicts of interest such as Taiwan or the South China Sea, are not limited to specific regions. They have numerous adverse effects, such as on the availability of resources, associated inflationary developments, or uncertainties in geopolitical partnerships. These impact specifically on conditions in major target markets for STRATEC's customers in the form of currency fluctuations and tariffs, or the postponement of investment decisions. Not least with its acquisition of Natech in the 2023 financial year, STRATEC is endeavoring to further strengthen its position in the US market. The high degree of volatility in customers' planning of acceptance volumes and mutable announcements by the US administration nevertheless impair the reliability of the company's sales and earnings planning.

Alongside these factors, the downstream impact of the COVID-19 pandemic on the diagnostics market is still clearly tangible. In times of scarce availability, major components were purchased at elevated prices and stocked in large quantities both at STRATEC and in the form of finished products at customers in order to remain prepared for persistently high demand. The reduction in stocks, which is now occurring more slowly than initially expected, continues to bind a high level of capital, while demand is only recovering slowly.

Due to these factors, STRATEC faces a historic degree of planning difficulty, which the company is endeavoring to counter with product diversification and long-term partnerships. STRATEC does not have any operations in the highly sanctioned Russian market.

Market, product, and regulatory risks

The factors outlined above, which resulted in a high level of stocks, underline the significant role played by **supplier and procurement** risks. On the one hand, the company has to safeguard the availability of key materials and components. On the other hand, however, this leads to increased volumes of inventories and corresponding capital commitments if customers' call-up volumes fall short of expectations. STRATEC is countering these factors with amended, more flexible procurement processes, close supplier management, and strict project controlling in conjunction with effective target cost management.

STRATEC generates the major share of its sales with development projects and subsequent production of the analyzer systems thereby developed. Although negative implications resulting from potential damages are already accounted for and secured when structuring the respective project contracts, certain **project and production risks** cannot be excluded.

In general, both STRATEC and the respective customer have a great interest in making a success of the cooperation. As a general rule, they therefore allocate the resources needed to implement a development project and subsequent serial production within the foreseen budget. STRATEC is nevertheless notably dependent on the customer's decision as to when, and with which test menu, it intends to launch a developed product into geographical sub-markets. This may lead to variances between project planning and sales realization volumes.

Alongside the life sciences segment, one of STRATEC's major target markets is the in-vitro diagnostics market, which is dominated by around 20 global market leaders. STRATEC works with many of these market leaders and generates a major share of its sales with these customers. This results in a high degree of **key customer dependency and a sales market risk**, as these customers and the associated market potential cannot readily be replaced. Were a major customer to lose significant market share or cancel a major project, this would lead to a reduction in budgeted sales or to write-down requirements on capitalized development expenses or inventories, and thus impact directly on STRATEC's earnings position. As a general rule, any such loss of earnings would be countered by potential compensation payments which would nevertheless often only be received at a significantly later point in time.

Given greater uncertainty in the political and infrastructural framework, as well as the slow recovery in demand in specific market segments that are nevertheless important, the IVD market environment has recently witnessed increasing **competitive and price pressure**. As a result, investments in new development projects are also only expected to show a subdued recovery, a factor which is temporarily raising price pressure on providers of development services of this kind. The sales market outlined above for STRATEC is characterized by two groups of potential competitors. On the one hand, they include the internal development departments at existing and potential customers. For a variety of reasons, many diagnostics companies have moved to outsource development services for analyzer systems and consumables to specialist outsourcing partners such as STRATEC. This move is motivated, among other factors, by the lower costs generally achievable due to the shorter development times resulting from specialization and due to the available technology pool. On the other hand, STRATEC has competitors in the form of companies around the world that, as outsourcing partners, also focus on the development of automation solutions in highly regulated markets. As this specialization requires highly in-depth expertise, the market entry period for potential competitors is relatively long and correspondingly costly. The risk that any competitor newly entering the market would gain market share increases in the medium term, as such competitor benefits from its growing experience and resultant expertise.

STRATEC's analyzer systems are mostly deployed in highly regulated markets. This means that, prior to the approval of any instrument, various test and validation phases are performed to ensure that strict process and safety requirements are fully met. These are supplemented by several levels of process monitoring during the processing and evaluation of samples, such as technical, chemistry-inherent, or software-based supervisory mechanisms. In practice, suppliers and manufacturers of diagnostics products are nevertheless exposed to liability risks, not all of which can be fully excluded even by complying with legal requirements and performing extensive quality checks. Although STRATEC would not be the primary addressee for potential liability claims, the company covers itself against **product liability risks** by concluding suitable product liability insurance policies. The possibility nevertheless cannot be excluded that potential liability claims would exceed existing insurance cover and that matters of culpability and damages would have to be clarified in lengthy proceedings, with the result that any potential damages might increase in the medium term and also extend to potential financial damages.

STRATEC is exposed to various **risks resulting from the use of property rights and licenses.** The company's competitiveness depends not only on the longstanding experience and expertise of its employees but also on the protection of its technologies and innovations. The company therefore protects its own expertise directly or indirectly with numerous international patents and property right registrations. By commissioning patent attorneys and performing research, moreover, STRATEC always ensures that the development, production, or planned market launch of its own products does not infringe any third-party property rights. The possibility nevertheless cannot be excluded that legal disputes and associated costs arise in connection with third-party property rights or the use of licenses.

Financial risks

STRATEC's financial strategy focuses on ensuring the availability of the funds required for its targeted organic and potential acquisition-driven growth.

Given the continuous rise in recent years in the capital committed to increase inventories since the COVID-19 pandemic, **liquidity risk** has increasingly come into focus at STRATEC. Depending on the development in customer call-up volumes and the associated development in inventories, there is the risk that, unlike expected, the volume of capital committed rises further. The STRATEC Group is financed by cash flows generated from its operating activities, as well as by short to long-term financing provided by various renowned banks. These credit financing facilities comprise a master credit line running until January 2027, which was increased by € 20 million to € 75 million in the fourth quarter of 2024, as well as various fixed-rate loans, investment programs, and promotional loans. The bridge financing facility taken up in connection with an acquisition in June 2023 and since extended on several occasions is due to expire in June 2025. It is planned to repay this bridge financing with funds from existing credit lines within the master credit line, from available liquidity, and with long-term follow-up financing. Furthermore, the master credit line and bridge financing facility are due to be replaced in the near future by long-term syndicate financing of € 125 million with a term of at least five years. The negotiations with banks are at an advanced stage. To this end, STRATEC has issued an arrangement and placement mandate to one of its house banks. Liquidity risk has not been presented in the above table, as the potential implications can only be allocated inadequately to the damages classification.

At STRATEC SE, **currency risks** arise in particular due to sales that are invoiced in US dollars. Other currencies only play a subordinate role. Wherever possible, risks relating to revenues in US dollars are neutralized with corresponding procurement in US dollars (natural hedges). Depending on its assessment of developments in the US dollar and the plannability of incoming payments, the company hedges part of the remaining US dollar volume. Due to their measurement at fair value at the respective reporting dates, these hedge transactions and amounts that are not hedged may also have a corresponding impact on the company's income statement. Further information about hedge transactions can be found in the notes to the financial statements.

STRATEC is exposed to **interest rate risks** on account of the debt capital it has taken up. The company therefore continually monitors developments on the international financial markets. Only part of STRATEC's financial liabilities comprises fixed-interest loans; these are thus only partly secured against the risk of sharp rises in interest rates. Given ongoing great uncertainties, such as rising levels of government debt, uncertain trading relationships with the US, and the ongoing uncertainty surrounding the development in inflation, the possibility of European base rates being raised cannot be excluded. Interest rate risk is therefore classified as possible. If all credit lines were to be fully drawn down and the EURIBOR were to rise by 100 base points, the implications for interest expenses would be in a medium range. In connection with the aforementioned planned refinancing of the bridge financing facility due to expire in June 2025 (see above), the company is giving increasing consideration to concluding hedge transactions depending on market developments and forecasts. The STRATEC Group did not have any interest hedges as of December 31, 2024.

STRATEC and its subsidiaries have international operations and are therefore subject to various national tax laws. Changes in tax legislation or their interpretation by the respective fiscal authorities mean that STRATEC is subject to **tax risks** that may impact on its earnings position by way of tax expenses or retrospective payments. At the STRATEC Group, these risks are countered by working with a tax compliance management system (Tax CMS).

Although STRATEC's customers and partners generally involve companies that are strongly positioned in their respective markets and solidly financed, the risk still remains that a customer may be unable to meet its payment obligations, or only in part, as a result of a deterioration in its financial situation. STRATEC counters these **payment default risks** by taking up trade credit and receivables default insurance and, if warranted, by screening customers and taking suitable further measures to limit any increase in credit default risk. As a result, this risk is limited to a manageable (short) timeframe and to amounts appropriate to the respective customer relationship.

Other significant risks

Given the increasing networking and integration of other locations, customers, and cloud solutions, the security of IT infrastructure will continue to gain in significance. Status reports issued by the responsible authorities and associations also indicate that IT risks, particularly those resulting from cyberattacks and associated damages, should continue to be assessed as high and likely. STRATEC is continuing to counter this risk by stepping up its technical and organizational measures across all security levels, from further hardening up its IT systems, to close monitoring of security-relevant events, through to increased measures to raise awareness among employees. These steps are further accompanied by regular analyses of weak points, penetration tests, and targeted ongoing improvements in IT security standards.

Demand for qualified personnel remains high in individual specialist departments. STRATEC faces **personnel risks** when it comes to recruiting and retaining qualified staff. The company's success is significantly determined by the availability of suitable employees and by their competence, motivation, and willingness to perform. A lack of sufficient specialist staff may result in restrictions in operating or administration activities, a factor which may in turn lead to reporting deadlines having to be deferred. Despite drawing on temporary staff and interim managers in its Finance department, for example, STRATEC was unable to fill vacancies and cover additional demand swiftly enough to cover the significantly increased workload resulting from a change of external auditor in good time. This being so, STRATEC aims to offer its employees an attractive and highly varied working environment with opportunities for training and further development. In this, the company has to compete with regional and international companies.

The company counters this risk by cultivating its image as an attractive employer and by establishing contacts with young specialists at an early stage, for example at careers fairs and on social media. Furthermore, various activities, such as those in the field of development or quality management, are performed across several locations to enable use to be made of the resources available at the respective locations. The availability of various professional skills at other locations is thus put to targeted use to avert any shortage of suitable personnel. The company nevertheless has to cover occasional personnel shortages by temporarily deploying interim specialists, thus incurring additional costs.

Environmental and sustainability risks

The group companies of STRATEC SE are located in different countries with a variety of geographical and ecological conditions. The rising number of extreme weather events caused by climate change, such as storm, drought, fires, or floods, may impede STRATEC's production and supply capacity, as well as that of its suppliers, on a temporary and locally limited basis. Where possible and economically expedient, direct impacts are countered with insurance policies covering damage caused by water, fire, and storm, as well as the resultant loss of earnings. STRATEC has performed a climate risk analysis to identify its climate-related risks. Impacts on climate change, such as greenhouse gas emissions, were identified and assessed as part of the materiality analysis. Within the climate risk analysis, the company's locations were investigated to identify current and future physical and climate-related transition events. The analysis accounted for the whole of the value chain and referred to short-term, medium-term, and long-term time horizons.

As shown in the following overview, which accounts for the effectiveness of mitigating measures, risks are presented based on their probability of occurrence and their short-term and medium-term implications for the company's earnings, asset, and financial position, as well as its reputation:

Assessment of probability of occurrence

0% to 25%	Unlikely
25% to 50%	Possible
50% to 75%	Likely
75% to 100%	Very likely

The evaluation of the potential financial implications is based on the following criteria:

Estimated financial impact on asset and earnings position of STRATEC Group in event of risk materializing

Degree of impact	Definition of amount of damages
Low	€ 0 million to € 1.0 million
Medium	> € 1.0 million to € 9.4 million
High	> € 9.4 million to € 36.0 million
Very high	> € 36.0 million

The degree of impact is derived on the basis of the STRATEC Group's asset and earnings strength.

Overview of risks and their implications for the asset and earnings position following the implementation of risk mitigation measures (risks in the respective category ordered by probability of occurrence, starting with the most likely, and then by degree of potential impact):

	Probability of occurrence	Potential impact short-term (up to 1 year)	medium-term (1–3 years)
Market, product, and regulatory risks			
Supplier and procurement risks	Possible	Medium	Medium
Production risks	Possible	Medium	Medium
Project risks	Possible	Medium	Medium
Competition risks	Possible	Low	Medium
Product liability risks	Unlikely	Medium	High
Dependency on key customers, sales market	Unlikely	Medium	High
Risks due to use of property rights and patents	Unlikely	Medium	Medium
Financial risks			
Currency risks	Likely	Medium	Medium
Interest rate risks	Possible	Medium	Medium
Tax risks	Possible	Medium	Medium
Payment default risks	Unlikely	Medium	Low
Other material risks			
IT risks	Likely	Medium	Medium
Personnel risks	Likely	Medium	Medium
Environmental and sustainability risks	Possible	Medium	Medium

Overall assessment of risk situation at the STRATEC Group

The risk management system and regular reporting mean that STRATEC's Board of Management has a commensurate overview of the risks facing the respective business divisions and their financial significance.

Based on the overall assessment of risks, the Board of Management currently cannot discern any risks that could threaten the company's ongoing existence or have any materially negative impact on its asset, financial, or earnings position over and above the extent outlined under financial risks.

Risk management system

By detecting and managing risks and meeting statutory requirements, the risk management system forms an active component of the company's management system. Alongside short-term (operating) risks, STRATEC's risk management also addresses long-term (strategic) developments which may impact both positively and negatively on the company's business performance.

The risk management system is centrally managed and largely based on three pillars:

RISK MANAGEMENT SYSTEM

INTERNAL CONTROL SYSTEM

STRATEC has an internal control system in place to protect the company's assets and information and ensure compliance with the relevant legal requirements and the company's business policy.

The internal control system is based on:

- Internal guidelines
- Requirements and processes
- Relevant legislation
- Ad-hoc instructions

CORPORATE COMPLIANCE

STRATEC has summarized its group-wide codes of conduct, ethical principles, and other guidelines in its Corporate Compliance Policy. This is binding for all employees and is regularly revised and further developed based on analysis and assessment of the annual risk reports of the individual STRATEC companies.

These principles and guidelines are based on:

- Relevant legislation
- Norms
- Guidelines

EARLY WARNING RISK IDENTIFICATION SYSTEM

In addition to an ad-hoc risk reporting obligation, an early warning risk identification system has been established in the risk management system at the STRATEC Group. This has been implemented in the form of regular reporting enabling potential areas of risk to be assessed. It serves to analyze and assess risks at the company and in its environment. Consistent with § 91 (2) AktG, the system in place at the STRATEC Group offers an all-round instrument for monitoring elementary processes and identifying potential risks at an early stage.

The risk management system is based on:

- Aktiengesetz
- Risikohandbuch
- Internen Anweisungen

Internal control system

STRATEC has an internal control system (ICS) which contains audit processes also covering its (group) financial reporting process, lays down suitable company structures and work processes, and is implemented within the company's organizational structures. The objective of the ICS is to detect and, as far as possible, exclude any risk of errors and damages resulting from the company's own personnel or from criminal third parties. In general, the ICS encompasses the following measures:

- Execution of internal audits on the basis of checklists with clearly defined audit criteria
- Detection of regulatory omissions and infringements based on a structured, risk-oriented approach
- Audits in connection with the Tax CMS (compliance management system)
- Compiling of audit reports for forwarding to the Board of Management
- Auditing the implementation of corrective measures
- Regular information and warning messages to employees.

This sustainably safeguards and increases the efficiency of the company's operating processes. Furthermore, it also enhances awareness of control-related topics at the company.

Internal control system and risk management system in respect of the group financial reporting process

The (group) financial reporting process is designed to ensure that the Group's financial reports provide a true and fair view of the net asset, financial, and earnings position of the STRATEC Group in accordance with the relevant laws and norms. It should be noted that, regardless of its specific structure, no internal control system can provide absolute certainty that material accounting misstatements have been avoided or detected.

STRATEC's internal control system is further required to ensure the uniform, correct, and prompt accounting treatment of all business transactions to ensure compliance with legal norms, accounting requirements, and the company's internal accounting guidelines, which are binding for all of the companies included in the consolidated financial statements.

The following key measures have been introduced to limit risks as far as possible and to detect any misstatements or erroneous disclosures in the consolidated financial statements, or any fraudulent actions:

- Regular supervisory measures integrated into, but independent of processes, such as the segregation of duties, compliance with the dual control principle, and the implementation of access restrictions and payment guidelines
- Ensuring uniform accounting treatment by way of group-wide standards
- Inspection and analysis of local financial statements.

STRATEC's internal control system reviews whether individual companies within the STRATEC Group prepare their financial statements in accordance with the relevant requirements, while also complying with group-wide standards. Local companies are supported throughout this financial reporting process by trained contact partners at the parent company. These partners also perform a quality check function for the financial data thereby taken over and assist the companies with any complex questions thereby arising. The consolidated accounts are prepared centrally and in line with uniform accounting policies based on the data from the subsidiaries included in the scope of consolidation. The specialist managers responsible check the processes in place to monitor compliance with the relevant requirements when this data is reconciled in the consolidated financial statements. The company also draws on expertise from external consulting companies when preparing its consolidated financial statements. As a publicly listed company, STRATEC monitors and analyzes all changes in legislation, IFRS accounting standards and other pronouncements in terms of their relevance and implications for the consolidated financial statements so as to enable these to be implemented promptly.

Corporate Compliance

STRATEC's Compliance Policy is binding for all employees and is regularly revised and updated based on analysis and assessment of the annual risk reports from individual STRATEC companies. At STRATEC, an understanding of corporate compliance is viewed as a key cornerstone of day-to-day business operations both within the company and in its external dealings. In this respect, compliance with a variety of legal systems and statutory regulations is just as important as compliance with ethical principles.

These guidelines are communicated in training sessions and one-to-one meetings to all employees, managers, and members of the Board of Management. An awareness and understanding of applicable requirements is the only way to ensure overall compliance by all of the persons involved and only this way can the company ensure that its international business dealings are compliant with the necessary standards. To standardize the compliance culture throughout the company, regular targeted training is also provided to local compliance officers at all of STRATEC's subsidiaries, who are also enabled to share their experiences. The aim here is to maintain a uniform compliance management system across the Group and support local officers in implementing the relevant requirements. As well as providing training to new employees, the company also holds regular refresher training sessions within the departments in order to familiarize all employees with our understanding of compliance.

STRATEC's Corporate Compliance Policy includes the following elements:

A basic explanation of STRATEC's understanding of compliance, as well as an explanation of the compliance management system; preventing corruption, i.e. upholding the integrity necessary in business dealings, and in particular the prohibition of any illegitimate exercising of influence; information and assistance for compliance with all requirements set by the law and the respective authorities, as well as with internal requirements; the obligation to provide a fair and respectful working environment at the company; assistance to avoid conflicts of interest between private and business matters; compliance with the requirements of capital market, antitrust, and tax laws; copyright and license conformity; regular training of employees and information material on the intranet and on information boards; respectful and professional conduct at the company; opportunities to report suspected breaches of compliance.

STRATEC's compliance management system is continually being extended and further optimized to address topics of current relevance. This enables managers on various levels to detect specific risks and, by taking suitable measures, to reduce or avert these risks entirely. These processes are supplemented by discussions held at irregular intervals between managers and the relevant compliance officer. These discussions enable potential conflicts or questionable matters in the departments to be identified and clarified at an early stage. The conclusive findings of these discussions are reported by the compliance officers in anonymized form to the Board of Management. The Board of Management discharges its reporting obligations towards the Supervisory Board.

In addition, the regular monitoring of tax-related risks within the Group is safeguarded by a tax compliance management system (Tax CMS). This is intended to monitor, identify, and analyze any potential tax risks in good time with the aim of minimizing and/or avoiding any such risks.

Furthermore, STRATEC has established a Compliance Board. The aim here is to achieve greater transparency and diversity when it comes to identifying risks and to work together as a board when setting the compliance-related targets for the respective year.

STRATEC expects all its employees to adhere to its compliance requirements and thus ensure that all decisions and actions taken in their areas of responsibility are always consistent with the Corporate Compliance Policy. An anonymous whistleblower system enabling employees or other parties to notify the company of any breaches of regulations or legal requirements has been in place since 2017.

STRATEC SE signed the UN Global Compact in 2021. This represents an important milestone in STRATEC's activities as a sustainable company. The commitment thereby made enables STRATEC to continue aligning the strategies and processes within the company to the ten principles of the UN Global Compact on human rights, labor standards, environmental protection, and measures to combat corruption.

Early warning risk identification system

The early warning risk identification system in place at STRATEC is consistent with the legal requirements set out in § 91 (2) of the German Stock Corporation Act (AktG). The processes in place to monitor risks require the relevant heads of specialist and other departments, as well as the managers responsible at subsidiaries, to compile regular reports to assess the risks in their areas of responsibility The resultant reports are reviewed and evaluated by a Risk Committee comprising members of operating divisions and of the Finance department, which then forwards them to the Board of Management, which in turn reviews and evaluates them before reporting to the Supervisory Board. Furthermore, possible countermeasures and monitoring measures are derived and implemented in cooperation with the relevant departments. Independently of this process, exceptional risks require immediate ad-hoc report.

At the various levels of aggregation, the decision makers and directors and officers are provided with a risk handbook, which includes the risk report, to serve as a controlling instrument. This enables users to implement the steps and measures necessary to meet internal and legal requirements.

This way, any risks to the company's continued existence can be identified at an early stage and the conceivable consequences of such risks, including those arising over time, can be viewed and assessed alongside any change in their probability of occurrence. Risk analysis and reporting also account for the individual companies within the STRATEC Group, as well as for any interdependencies between group companies.

To manage risks, the company generally deploys the following measures:

- Increased allocation of resources
- Measures to raise employee awareness
- Shorter monitoring intervals
- Increased management attention
- Agreement of measures to eliminate risks
- Insurances.

In addition to STRATEC SE, the risk management system also covers the subsidiaries of the STRATEC Group.

E. TAKEOVER-RELEVANT DISCLOSURES[1]

Composition of share capital

The company's share capital amounted to € 12,157,841 as of December 31, 2024 and was divided into 12,157,841 individual registered shares. This total includes 1,899 treasury stock shares as of December 31, 2024. All shares involve the same rights and obligations and each share confers one vote.

Restrictions on voting rights or the transferability of shares

Restrictions on share voting rights may result in particular from the requirements of the German Stock Corporation Act (AktG). In specific circumstances set out in § 136 AktG, for example, shareholders are subject to a prohibition on voting, while pursuant to § 71b AktG the company is not entitled to exercise any voting rights for treasury stock shares. We are not aware of any contractual restrictions relating to voting rights or the transferability of shares.

Pursuant to § 67 (2) AktG, only those shareholders registered as such in the Share Register are deemed shareholders from the company's perspective. According to § 4 (4.2) of the Articles of Association, to be entered in the Share Register shareholders must provide the company with the relevant statutory disclosures. Shareholders are further required to inform the company without delay of any change in their address. Entries by a shareholder acting under its own name and relating to shares owned by another party are only permitted and effective from the company's perspective when the fact that the shares belong to another party and the name and address of the owner are entered in the company's Share Register. The same applies when the party thereby entered or the owner transfer their ownership of the shares to another party following such entry. Pursuant to § 67 (4) AktG, the company is entitled to request information from the party entered in the Share Register concerning the extent to which it actually owns the share for which it is entered as the bearer in the Share Register and, should this not be the case, to convey the information necessary to maintain the Share Register to the party on behalf of which it holds the shares. Should such request for information not meet with any response then, pursuant to § 67 (2) AktG, no voting rights may be exercised for the shares concerned.

Direct or indirect capital shareholdings exceeding 10% of voting rights

Based on the notifications available to us pursuant to § 33 of the German Securities Trading Act (WpHG), as of December 31, 2024 no shareholder directly held more than 10% of the voting rights in the company. We have received notifications from Bettina Siegle, Tanja van Dinter, Ralf Leistner, Hermann Leistner, Doris Leistner, Herdor Beteiligungs GmbH, and Herdor GmbH & Co. KG (all in Germany) that, due to the allocation of voting rights, they each hold more than 25% of the voting rights in the company.

The Board of Management is not aware of any other direct or indirect capital shareholdings exceeding 10% of voting rights.

Bearers of shares with special rights conferring powers of control

There are no shares in the company with special rights conferring powers of control.

Type of voting right control when employees hold shareholdings in the capital and do not directly exercise their control rights

Any shares granted by the company to its employees within the framework of its employee share program or as share-based remuneration are transferred directly to the employees. Like other shareholders, the employees benefiting from such programs can exercise the voting and control rights resulting from their employee shares in accordance with statutory requirements and the provisions of the Articles of Association.

[1] (pursuant to § 315a (1) Nos. 1 to 9 HGB) and explanatory notes

Statutory requirements and provisions of the Articles of Association in respect of the appointment and dismissal of members of the Board of Management and amendments to the Articles of Association

The appointment and dismissal of members of the Board of Management are governed by Article 9 of the SE Regulation, § 84 and § 85 of the German Stock Corporation Act (AktG) and § 5 of the company's Articles of Association. Pursuant to § 84 (1) AktG, the Supervisory Board appoints members of the Board of Management for a maximum term of five years and may also dismiss members; repeated appointments and extensions in terms in office, in each case by a maximum of five years, are permitted. Pursuant to § 5 (5.1) of the Articles of Association, the Board of Management comprises one or several persons. § 5 (5.2) stipulates that the Supervisory Board determines the number of members of the Board of Management. Pursuant to § 84 (2) AktG and § 5 (5.2) of the Articles of Association, the Supervisory Board may appoint a Chair and – pursuant to § 5 (5.2) – a Deputy Chair of the Board of Management.

Consistent with Article 9 of the SE Regulation and § 179 AktG, amendments to the Articles of Association require a resolution by the Annual General Meeting. § 12 (12.2) of the Articles of Association allows the Supervisory Board to make amendments only affecting the respective wording. Furthermore, the Supervisory Board is authorized by resolutions adopted by the Annual General Meetings on June 6, 2013, May 30, 2018, June 8, 2020, and May 17, 2023 to amend § 4 of the Articles of Association in line with the execution of Authorized Capital 2020/I and in accordance with utilization of Conditional Capital VI/2013, Conditional Capital VIII/2018, Conditional Capital X/2023, and Conditional Capital IX/2020 or upon the expiry of the authorization period governing the utilization of conditional capitals.

Pursuant to § 179 (2) AktG in conjunction with § 15 (15.3) of the Articles of Association, all resolutions adopted by the Annual General Meeting to amend the Articles generally require a simple majority of the votes cast and, unless otherwise mandatorily stipulated in legal requirements, a simple majority of the share capital represented upon the adoption of the resolution. Legal requirements call for larger majorities of three quarters of the share capital represented upon the adoption of the resolution in several cases, such as for any amendment in the object of the company's activities (§ 179 (2) Sentence 2 AktG), for specific capital-related measures, and for the exclusion of subscription rights.

Powers of the Board of Management to issue or buy back shares

Pursuant to § 4 (4.5) of the Articles of Association, STRATEC SE had authorized capital of € 2.4 million as of December 31, 2024:

The Annual General Meeting held on June 8, 2020 created authorized capital (Authorized Capital 2020/I). The Board of Management is authorized, subject to approval by the Supervisory Board, to increase the company's share capital by a total of up to € 2.4 million by issuing new shares in return for contributions in cash and/or in kind on one or several occasions up to June 7, 2025. Shareholders must generally be granted subscription rights. In certain circumstances set out in the Articles of Association, however, the Board of Management is entitled to exclude subscription rights for a total of amount of up to 10% of the share capital existing upon the authorization taking effect or – if lower – of the share capital existing upon the authorization being acted on. To date, no use has been made of this authorization.

Pursuant to § 4 (4.6) and § 4 (4.7) of its Articles of Association, STRATEC SE had conditional capitals amounting to up to € 1,789,750 in total as of December 31, 2024:

Conditional Capital VI/2013 (amounting to up to € 19,750) serves to grant subscription rights (stock option rights) through to June 5, 2018 in accordance with the resolution adopted by the Annual General Meeting on June 6, 2013. The conditional capital increase is only executed to the extent that the bearers of stock options actually exercise their subscription rights. The new shares have profit participation rights from the beginning of the financial year in which they are issued.

Conditional Capital VIII/2018 (amounting to up to € 220,000) serves to grant subscription rights (stock option rights) through to May 29, 2023 in accordance with the resolution adopted by the Annual General Meeting on May 30, 2018. The conditional capital increase is only executed to the extent that the bearers of stock options actually exercise their subscription rights. The new shares have profit participation rights from the beginning of the financial year in which they are issued.

Conditional Capital X/2023 (amounting to up to € 750,000) serves to grant subscription rights (stock option rights) through to May 16, 2028 in accordance with the resolution adopted by the Annual General Meeting on May 17, 2023. The conditional capital increase is only executed to the extent that the bearers of stock options actually exercise their subscription rights. The new shares have profit participation rights from the beginning of the financial year in which they are issued.

Conditional Capital IX/2020 (amounting to up to € 800,000) serves exclusively to grant new shares to the bearers or creditors of convertible or warrant bonds issued in accordance with the resolution adopted by the Annual General Meeting on June 8, 2020 in the period through to June 7, 2025 by the company or by a domestic or foreign company in which STRATEC SE directly or indirectly holds a majority of the voting rights and capital. Shares are issued in accordance with the aforementioned resolution and with the resolutions to be adopted by the Board of Management and the Supervisory Board in respect of the conversion and option prices to be set in each case. The conditional capital increase is only executed to the extent that the bearers or creditors of the convertible or warrant bonds actually exercise their rights to convert their conversion or option rights into shares in the company or that the conversion obligations relating to such bonds are met. To the extent that they arise due to the exercising of conversion or subscription rights through to the beginning of the company's Annual General Meeting, the new shares have profit participation rights from the beginning of the previous financial year and otherwise from the beginning of the financial year in which they arise due to the exercising of conversion or subscription rights. To date, no use has been made of this authorization.

In the cases governed by law in § 71 of the German Stock Corporation Act (AktG), STRATEC SE is authorized to buy back shares and to sell any shares thereby bought back. Furthermore, by resolution adopted by the Annual General Meeting on June 8, 2020 the company is authorized until June 7, 2025 to acquire treasury stock on one or several occasions and in total or in partial amounts up to a total of 10% of current share capital for every purpose permitted within the statutory limitation and consistent with the conditions stipulated in greater detail in Agenda Item 10 of the Annual General Meeting on June 8, 2020. The authorization may not be drawn on to trade in treasury stock. Together with the treasury stock already acquired and still possessed by the company, the treasury stock acquired may not at any time exceed 10% of the respective share capital. The shares should be usable for one or several of the purposes set out in greater detail in Agenda Item 10 of the Annual General Meeting on June 8, 2020, which in some cases also permit the exclusion of subscription rights. To date, the company has not made any use of the authorization to buy back treasury stock.

Material company agreements subject to change of control as a result of a takeover bid

Individual agreements include change of control provisions that entitle the contractual partner to terminate the agreement in the event of a change of control over the company or that grant other special rights potentially detrimental to the company or make the continuation of the contract dependent on approval by the contractual partner.

Remuneration agreements reached by the company with members of the Board of Management for the event of a takeover bid

Members of the company's Board of Management have special resignation rights in the event of a change of control over the company. They are thus entitled within six months from the change of control taking effect to stand down from their positions with a notice period of three months to the end of the month and to terminate their employment contracts on an exceptional basis with a notice period of three months to the end of the month. Should this special termination right be exercised, then the member's position on the Board of Management and employment relationship both end prematurely upon expiry of the three-month notice period. A change of control pertains when one shareholder holds at least 30% of the shares in the company, whether directly or indirectly (allocation pursuant to German Securities Trading Act [WpHG] and German Securities Takeover Act [WpÜG]), or if the company becomes a dependent company due, for example, to the conclusion of a corporate agreement, or to the merger, contribution, or integration of the company. The member of the Board of Management receives remuneration amounting to 150% of the severance pay cap agreed for mutually agreed premature termination of activity on the Board of Management. This amounts to a maximum of two annual remuneration packages.

F. (GROUP) CORPORATE GOVERNANCE STATEMENT

STRATEC has published the (Group) Corporate Governance Statement required by § 289f and § 315d of the German Commercial Code (HGB) respectively, including the declaration on the German Corporate Governance Code required by § 161 of the German Stock Corporation Act (AktG), together with its Corporate Governance Report in the Investors section of its website (www.stratec.com).

G. NON-FINANCIAL GROUP DECLARATION

ESRS 2 – General Disclosures

General basis for preparation of sustainability statements

STRATEC SE has prepared a Group Sustainability Statement consistent with the requirements of Directive (EU) 2022/2464 of the European Parliament and of the Council of 14 December 2022 – Corporate Sustainability Reporting Directive (CSRD) – for the first time for the 2024 financial year (01.01.2024 – 12.31.2024) and has prepared a Non-Financial Group Declaration to meet the requirements of § 315b and § 315c of the German Commercial Code (HGB).

Pursuant to § 289d HGB, this Non-Financial Group Declaration has been prepared on the full basis of the first sentence of the European Sustainability Reporting Standards (ESRS) as the framework. No other frameworks or standards have been referred to.

Consistent with the requirements of the Corporate Sustainability Reporting Directive, the Sustainability Statement of STRATEC SE has been prepared on a consolidated basis. The scope of consolidation referred to in the Sustainability Statement corresponds to STRATEC's scope of consolidation. To the extent required by the CSRD, the Sustainability Statement covers all necessary sections of the upstream and downstream value chains. STRATEC has not drawn on the option of omitting to provide specific information referring to intellectual property, know-how, or innovation results. The principle of reporting consistency does not apply due to first-time application of ESRS.

Supplementary disclosures to meet reporting obligations under commercial law

The five aspects stated in the German Commercial Code (HGB) have been addressed in the ESRS as follows:

- "Environmental concerns" aspect addressed by:
  - ESRS E1, Subtopics of "Climate change adaptation", "Climate change mitigation", "Energy"
  - ESRS E5, Subtopics of "Resource inflows, including resource use", "Resource outflows related to products and services"
- "Employee concerns" aspect addressed by:
  - ESRS S1, Subtopics of "Working conditions", "Equal treatment and opportunities for everyone"
  - ESRS S2, Subtopics of "Working conditions", "Other work-related rights"
- "Social concerns" aspect addressed by:
  - ESRS S4, Subtopic of "Consumers and end users"
- "Respect for human rights" aspect addressed by:
  - ESRS S1 and S2 overall
- "Combating corruption and bribery" aspect addressed by:
  - ESRS G1, Subtopic of "Corruption and bribery"

There are no material risks resulting from our own operations or from business relationships, products, and services that are very likely to have severe negative impacts on non-financial aspects pursuant to § 289c HGB.

The most important non-financial metric referred to in managing the company is the number of employees.

Disclosures in relation to specific circumstances

STRATEC has prepared a Sustainability Statement in accordance with CSRD requirements for the first time. Accordingly, there have been no changes in terms of the preparation or the presentation of sustainability-related information. Furthermore, no errors required correction.

STRATEC has not deviated from the CSRD definition of the short-term (maximum 1 year), medium-term (1 – 5 years), and long-term (more than 5 years) time horizons.

For the action plans and measures presented in this report, significant operating expenditure (OpEx) and/or capital expenditure (CapEX) are defined as monetary amounts of > € 1 million per action plan/measure. Accordingly, expenditure falling short of this threshold has not been included for the disclosures on MDR-A 69 and E1 § 29.

The estimation methodology and associated measurement uncertainty are stated in the respective standard. Estimates inherently involving a higher degree of measurement uncertainty relate in particular to Scope 3 emissions, as these were partly determined by reference to spend-based emission factors. Furthermore, as an OEM partner STRATEC does not have access to any exact information to determine the product lifecycles required for emissions category 3.11 or for the disclosure requirement E5 § 36 a).

Governance

The role of the administrative, management, and supervisory bodies

German stock corporation law provides for a two-tier system to administrate the company. STRATEC SE has a dualistic management system of this kind, in which the Board of Management and the Supervisory Board work closely together in the interests of the company. The company is on the one hand managed by the Board of Management and on the other hand supervised by the Supervisory Board. The Board of Management manages the company under its own responsibility and in the interests of the company, i.e. also accounting for the concerns of shareholders, its workforce, and other groups associated with the company, and plays the key role in determining corporate policies and corporate governance with the objective of sustainable value creation.

The Board of Management of STRATEC SE consists of three executive members. These include the Chair of the Board of Management (CEO) and two further members. The Board of Management does not include any non-executive members. Of the members of the Board of Management of STRATEC SE, 100% are male. No competence profile is in place to govern the composition of the overall Board of Management of STRATEC SE. The members of the Board of Management of STRATEC SE nevertheless possess indepth expertise and long-term experience in corporate management, strategy, and corporate policy.

The Supervisory Board of STRATEC SE comprises four non-executive members. These include the Chair of the Supervisory Board, the Deputy Chair of the Supervisory Board, and two further members. Pursuant to the competence profile governing the composition of the overall Supervisory Board, three of its four members have management experience at an industrial company. Furthermore, two of the four Supervisory Board members have longstanding experience with international business transactions or expertise in the field of medical technology or another area of technology. Members of the Board of Management and the Supervisory Board have longstanding experience in the market for invitro diagnostics, which is characterized by a high degree of internationalization. This expertise which, due to the structure of the market, is highly focused on Europe and the US, is a highly relevant factor given the company's location focus.

STRATEC SE is not subject to codetermination. The Supervisory Board therefore exclusively consists of shareholder representatives. The Supervisory Board comprises 75% male and 25% female members. Furthermore, 100% of the Supervisory Board members are independent.

The Board of Management of STRATEC SE consisted of the following members in the 2024 financial year:

- **Marcus Wolfinger**, Remchingen, Germany
  CEO, Graduate in Business Administration

- **Dr. Claus Vielsack**, Birkenfeld, Germany
  Director of Product Development, Doctorate in Chemistry

- **Dr. Georg Bauer**, Salzburg, Austria
  Director of Sales, Doctorate in Chemistry

- **Dr. Robert Siegle**, Birkenfeld, Germany
  (until August 31, 2024)
  Stood down from Board of Management as of August 31, 2024.

The Supervisory Board comprises the following members:

- **Prof. Dr. Georg Heni**, Freudenstadt, Germany
  Chair of Supervisory Board

- **Dr. Frank Hiller**, Feldafing, Germany
  Deputy Chair of Supervisory Board

- **Dr. Patricia Geller**, Hanover, Germany
  Member of Supervisory Board

- **Dr. Rolf Vornhagen**, Langen, Germany
  Member of Supervisory Board

Materiality aspects relating to corporate social responsibility (CSR) are continually evaluated and amended in line with changes in circumstances. The opportunities and risks related to topics in the field of corporate social responsibility are regularly evaluated and continually monitored within the risk management system.

Sustainability targets are components of the targets stipulated by the Supervisory Board for the Board of Management. Both the Board of Management and the Supervisory Board are regularly informed about the respective degree of target achievement. If material, sustainability-related risks are reported to the Board of Management and Supervisory Board in the risk report. The Board of Management in turn stipulates targets for the managers in the first management level. Furthermore, the Board of Management is informed and advised about sustainability topics via the ESG Board (see "ESRS S1 – Own workforce: Material impacts, risks, and opportunities, and their interaction with strategy and business model") and in particular via the department head responsible for sustainability.

The Board of Management and Supervisory Board also review the availability of suitable skills and specialist expertise to monitor sustainability aspects by performing an extensive analysis of the competencies and qualifications available among the company's workforce. This is achieved by way of internal assessments, training, and, if appropriate, by seeking external advice. These skills and specialist expertise are crucial to understanding and reacting appropriately to the company's material impacts, risks, and opportunities in connection with sustainability.

Information provided to and sustainability matters addressed by the undertaking's administrative, management, and supervisory bodies

The Board of Management of STRATEC SE is informed about the material impacts, risks, and opportunities, implementation of the due diligence obligation in the field of sustainability, and the results and effectiveness of the strategies, actions, parameters, and targets adopted and is also notified whenever these are updated. The Board of Management addressed the findings of the materiality assessment, and thus all material impacts, risks, and opportunities, and approved these. The Board of Management is informed by the Head of Investor Relations, Sustainability & Corporate Communications, as well as in the audit steps involved in preparing the Annual Report. The Board of Management discharges its reporting obligations towards the Supervisory Board. Corporate social responsibility is firmly integrated into the corporate strategy. This means that sustainability topics and the related material impacts, risks, and opportunities are implemented in the corporate strategy.

Integration of sustainability-related performance in incentive schemes

The sustainability targets are stipulated by the Supervisory Board for the Board of Management in long-term incentive programs, as well as in contractual agreements with the members of the Board of Management. If necessary, these targets are broken down in further detail and passed on as appropriate to the next management level. As it only receives fixed remuneration, the Supervisory Board does not have any corresponding targets or incentives. Each year, the Supervisory Board sets specific targets for the Board of Management with various degrees of achievement. Among others, performance parameters may include diversity, emissions reductions, the development of sustainable technologies, and the development of sustainable products. In terms of their definition and time horizon, however, these targets do not correlate with the targets stated pursuant to the CSRD in the "Parameters and targets" section. As a result, no sustainability-related or climate-related targets meeting the CSRD definition formed part of the aforementioned incentive programs in 2024.

Statement on due diligence

Core elements of due diligence obligation	Chapter in Sustainability Statement
a) Embedding due diligence in governance, strategy, and business model	• ESRS 2 – "The role of the administrative, management, and supervisory bodies" • ESRS 2 – "Integration of sustainability-related performance in incentive schemes" • ESRS 2 – "Material impacts, risks, and opportunities, and their interaction with strategy and business model"
b) Engaging with affected stakeholders in all key steps of the due diligence	• ESRS 2 – "Information provided to and sustainability matters addressed by the undertaking's administrative, management, and supervisory bodies" • ESRS 2 – "Interest and view of stakeholders, description of the process to identify and assess material impacts, risks, and opportunities"
c) Identifying and assessing adverse impacts	• ESRS 2 – "Description of the process to identify and assess material impacts" • ESRS 2 – "Risks and opportunities and material impacts, risks, and opportunities, and their interaction with strategy and business model"
d) Taking action to address these adverse impacts	• ESRS E1 – "Actions and resources in relation to climate change policies" • ESRS E1 – "Transition plan for climate change mitigation" • ESRS E5 – "Actions and resources related to resource use and circular economy" • ESRS S1 – "Taking action on material impacts on own workforce, and approaches to mitigating material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions" • ESRS S2 – "Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those actions" • ESRS S4 – "Taking action on material impacts on patients, and approaches to managing material risks and pursuing material opportunities related to patients, and effectiveness of those actions" • ESRS G1 "Business conduct policies and corporate culture, corruption and bribery"
e) Tracking the effectiveness of these efforts and communicating	• ESRS E1 – "Metrics and targets" • ESRS E5 – "Metrics and targets" • ESRS S1 – "Metrics and targets" • ESRS S2 – "Metrics and targets" • ESRS S4 – "Metrics and targets" • ESRS G1 – "Metrics and targets"

Risk management and internal checks on sustainability reporting

As a company with international operations, STRATEC SE faces various challenges in its sustainability reporting. STRATEC's risk management system forms part of its corporate management. It is based on an internal control system (ICS), policies and principles governing corporate compliance, and an early-warning risk identification system. The process for preparing the Non-Financial Group Declaration already forms part of the existing ICS. The adjustments to the new requirements of CSRD reporting have not yet been implemented.

Strategy

Strategy, business model, and value chain

STRATEC plans, designs, and manufactures automation solutions for highly regulated laboratory markets. As an OEM partner, STRATEC works together with leading companies in the in-vitro diagnostics and life sciences industries. The Group's range of services comprise both hardware and software solutions, as well as associated consumables. These solutions are frequently combined into fully integrated system solutions and often approved for sale together with partners' test reagents.

The goods and services offered can be subdivided into four main categories. The largest share of total sales in the 2024 financial year was contributed by Service Parts and Consumables. Analyzer Systems accounted for the second-largest share. In addition, STRATEC offers Development and Services. STRATEC's customers, the predominant share of which are European and North American companies, market the products virtually worldwide, with the US representing by far the largest individual market within the industry.

Excluding temporary employees, STRATEC had a Group-wide total of 1,414 employees in the year under report. Of these, 540 employees worked in Germany and 874 abroad.

Within the value chain, STRATEC is responsible for production, development, and research. The production of analyzer systems takes place in Birkenfeld (Germany), Beringen (Switzerland), and Budapest (Hungary), as well as to a very small extent in Shanghai (China). Upstream module production is primarily outsourced to highly specialized contract suppliers, while end assembly and final test processes are performed at the STRATEC Group's production locations. Function modules and individual parts are procured from indirect (Tier 2) and direct (Tier 1) suppliers that stand out on account of their quality management systems. The materials procured from Tier 2 suppliers include motors, sensors, PCBAs, and valves. Key mechanical and electronic modules, such as pipetting arms, incubators, and centrifuges, are supplied by Tier 1 suppliers. As is the case for all electronics appliances, the upstream products procured by STRATEC include a variety of metals, such as copper, cobalt, and gold.

The components procured from third parties are integrated into STRATEC's products at the aforementioned sites to produce complete analyzer systems. After extensive test processes, these systems are sent to customers, who are themselves responsible for marketing and selling the products to end customers. Consumables are produced in Anif (Austria), Ronkonkoma (USA), and Budapest (Hungary), with the Budapest site only producing liquid consumables. Polymer-based consumables involve a higher degree of vertical integration, as process steps such as prototype production, molding (injection molding), coating, and the combination of components are performed at STRATEC's production sites. The development of STRATEC's products takes place in Birkenfeld (Germany), Cluj (Romania), Anif (Austria), Ronkonkoma (USA), and Budapest (Hungary). The downstream value chain comprises OEM customers in in-vitro diagnostics and life sciences, as well as their end customers. These include clinical laboratories, blood banks, hospitals, physicians' practices, bio-science research laboratories, and pharmaceutical laboratories. For Diatron's products, there are additional marketing partners which are direct customers of STRATEC. The main benefit to end customers from using STRATEC's products is the high-quality test results they provide. Furthermore, the support provided by STRATEC forms a key aspect of the customer benefit.

Sustainability is one of the four company values on which STRATEC bases its corporate strategy. This means that corporate social responsibility is firmly embedded within the strategy and ensures that sustainability-related topics are implemented in the corporate strategy. The overriding objective is to generate sustainable, ecological, and socially responsible growth while at the same time making a valuable contribution to technological advances in life sciences and diagnostics. The sustainability targets referred to in this report apply not only to specific product groups, but are instead relevant for all products and services. This means that no sustainability targets can be reported on or assessed for a specific product group.

Interests and views of stakeholders

One factor of core significance to STRATEC involves closely monitoring which topics and developments are of interest to the stakeholders in its environment. STRATEC therefore maintains an ongoing exchange of information with its stakeholders. This way, the company is able to react to future trends, global developments, and changing market requirements.

Stakeholders are defined as those persons, companies, institutions, and interest groups that influence the success of the company or that are affected by the company's decisions and business activities. Based on the analysis performed by STRATEC in 2024, the following persons and groups were identified as the most important stakeholders: customers and patients, investors, employees and employee representatives, suppliers, logistics providers, energy suppliers, lawmakers, the media, ESG rating providers, local communities, society as a whole, and the natural world and environment (stakeholders pursuant to the CSRD).

STRATEC accords high priority to maintaining a regular exchange of information with its stakeholders, with this exchange taking a variety of forms depending on the stakeholder category.

STRATEC draws on various dialog formats to communicate with investors, the media, and ESG rating providers. Examples here include the Annual General Meeting, investor relations events, participation and membership in sustainability initiatives (e.g. UN Global Compact, EcoVadis), and investor relations and press activities. STRATEC maintains its exchange of information with customers by way of its customer relationship management, presence and interactions at trade fairs, extensive and ongoing dialogs, participation and membership in industry associations, and participation and memberships in sustainability initiatives. These exchanges also account for the interests of patients, albeit automatically on an indirect basis. Given the company's business model, direct exchange with patients is not possible. Communication with employees and employee representatives takes place in individual and collective interactions, such as company meetings (town hall meetings), company agreements, annual appraisal meetings, and feedback meetings with employee representatives. Furthermore, STRATEC draws on a variety of formats to exchange information between the Board of Management and company staff and the Works Council. STRATEC interacts with its suppliers and logistics providers by communicating directly and by performing surveys and audits. Communication with local communities, overall society, and stakeholder groups representing the interests of the natural world and the environment takes place via the company's participation in and memberships of sustainability initiatives (e.g. UN Global Compact, EcoVadis) and by way of the whistleblower system. Alongside direct communication with STRATEC's employees, the whistleblower system offers a further communication channel with workers in the value chain. The Board of Management is informed about material impacts, risks, and opportunities, implementation of sustainability-related due diligence obligations, and the results and effectiveness of the policies, actions, parameters, and targets adopted. In this context, the Board of Management and the Supervisory Board were also notified of the views and interests of affected stakeholders in respect of the company's sustainability-related impacts. This notification was provided on the one hand by the managers responsible for company departments relevant to sustainability and by the Head of Investor Relations, Sustainability & Corporate Communications, and on the other hand by the audit measures involved in the process of preparing the Annual Report. The Board of Management discharges its reporting duties towards the Supervisory Board.

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

Impacts/risks/opportunities (Cluster)	ESRS, sub-topic (sustainability aspect)	Location in value chain
The positive impacts boost the strategic alignment in this area and underline its importance	E1, Energy	Actual negative impacts in own operations
Release of greenhouse gases by various emissions sources along the value chain	E1, Climate change mitigation	Actual and potential negative impacts in entire value chain
Relevant products to contain expected increase in infectious diseases caused by climate change	E1, Climate change adaptation	Actual positive impacts in own operations
Potential additional demand for IVD products due to increased prevalence of infectious diseases as a result of climate change	E1, Climate change adaptation	Opportunities in downstream value chain
Resource-efficient product design to reduce commodity use and waste volumes	E5, Resource inflows, including resource use	Actual positive impacts in own operations
Mining of and limited recycling options for commodities used in medical appliances impact on natural world and affected workers in value chain	E5, Resource inflows, including resource use	Actual negative impacts in entire value chain
Resource use due to production of products that are difficult to recycle or non-recyclable	E5, Resource outflows related to products and services	Actual negative impacts in downstream value chain
Implementation of relevant measures to avoid corruption and bribery	G1, Corruption and bribery	Actual positive impacts in entire value chain
Implementation of relevant measures to strengthen business conduct culture	G1, Corporate culture	Actual positive impacts in entire value chain
Implementation of further measures to strengthen corporate culture	G1, Corporate culture	Opportunities in entire value chain
A weak corporate culture may led to a lack of personal identification and thus to higher personnel turnover or lower workplace performance	G1, Corporate culture	Risks in own operations
Contribution made by good working condi-tions to employee satisfaction	S1, Working conditions	Actual positive impacts in own operations
Promotion of equality, fairness, and workplace safety	S1, Equal treatment and opportunities for all	Actual positive impacts in own operations
The production of electronic products requires the procurement of conflict mineral	S2, Working conditions	Potentially negative impacts in upstream value chain
A strong quality management system and extensive regulatory requirements safeguard high product quality. This has positive impacts on customers, end consumers, and patients	Company-specific (allocated to S4)	Actual positive impacts in downstream value chain
Unexpected quality problems in the end product may impair the financial success of customers and end consumers and endanger patient safety	Company-specific (allocated to S4)	Potentially negative impacts in downstream value chain
The quality of medical products is a factor of great significance and a key USP. The high quality management standards in place at STRATEC thus secure the company's future sales growth and profitability	Company-specific (allocated to S4)	Opportunities in own operations

Current and expected impact on business model, value chain, strategy, and decision-making, as well as reaction to impact	**Impacts on people and environment**	**Time horizon**	**Share of material impacts due to activities of business relationships**
The negative impacts have led to various adjustments and measures to mitigate or prevent these	The use of fossil fuels leads to greenhouse gas emissions that contribute to climate change and associated impacts	Short, medium, and long-term	Due to its existing use of non-renewable energies in its own operations, STRATEC's own operations mean that it has a share in the negative impacts
The negative impacts have led to various adjustments and measures to mitigate or prevent these	Contribution to climate change and associated impacts	Short, medium, and long-term	Due to the release of greenhouse gas emissions along the entire value chain, the negative impacts do not result from own operations, but from business relationships
The positive impacts boost the strategic alignment in this area and underline its importance	Contribution to reducing potential impacts of climate change on people	Short and medium-term	Due to STRATEC's products, the positive impacts are accordingly attributable to the company's own operations
The opportunities boost the strategic alignment in this area and underline its importance	n.a.	n.a.	n.a.
The positive impacts boost the strategic alignment in this area and underline its importance t	Contribution to saving resources and avoiding waste and associated positive impacts	Medium and long-term	The positive impacts are attributable to own operations
The negative impacts have led to various adjustments and measures to mitigate or prevent these	Contribution to resource depletion and associated negative impacts	Short, medium, and long-term	The negative impacts are attributable to own operations and business relationships
The negative impacts have led to adjustments in resource use	Contribution to resource depletion and associated negative impacts	Short, medium, and long-term	The negative impacts are attributable to own operations and business relationships
The positive impacts boost the strategic alignment in this area and underline its importance	Contribution to reducing corruption and bribery	Short, medium, and long-term	The positive impacts are attributable to own operations
The positive impacts boost the strategic alignment in this area and underline its importance	Contribution to good working conditions for own workforce	Short, medium, and long-term	The positive impacts are attributable to own operations
The opportunities boost the strategic alignment in this area and underline its importance	n.a.	n.a.	n.a.
The negative impacts have led to various adjustments and measures to reduce risks	n.a.	n.a.	n.a.
The positive impacts boost the strategic alignment in this area and underline its importance	Contribution to good working conditions for own workforce	Long-term	The positive impacts are attributable to own operations
The positive impacts boost the strategic alignment in this area and underline its importance t	Contribution to good working conditions for own workforce	Short, medium, and long-term	The positive impacts are attributable to own operations
The negative impacts have led to adjustments in the upstream value chain with the aim of mitigating these	Contribution to negative impacts on people and environment related to mining of conflict materials	Short, medium, and long-term	The negative impacts are attributable to own operations and business relationships
The positive impacts boost the strategic alignment in this area and underline its importance	High-quality data results contribute to sound treatment decisions for patients	Short, medium, and long-term	The positive impacts are attributable to own operations
The negative impacts have led to various adjustments and measures to mitigate or prevent these	Unexpected quality problems in the end product may impair the financial success of customers and end consumers and endanger patient safety	Short, medium, and long-term	The potential negative impacts are attributable to own operations
The opportunities boost the strategic alignment in this area and underline its importance	n.a.	n.a.	n.a.

The materiality assessment referred to the threshold values reported in the risk management system (low: € 0 to € 1.0 million; medium: > € 1.0 million to € 9.4 million; high: > € 9.4 million to € 36.0 million; very high: > € 36.0 million).

There are no current financial impacts on the company's financial position, earnings position, or cash flows that exceed the defined materiality threshold. Given that the assessment periods referred to in STRATEC's risk management system do not correlate to those in the CSRD, the opportunities and risks identified as material in the materiality assessment are not identical to those presented in the risk report.

To analyze the resilience of STRATEC's strategy and business model in respect of the impacts, risks, and opportunities identified by the materiality assessment, the company performed a resilience analysis in the year under report. Building on the findings of the materiality assessment, and the climate risk analysis, STRATEC performed a qualitative assessment to determine the extent to which the company is able to address the material opportunities, risks, and impacts. The time horizons considered in the resilience analysis correspond to those assessed in the materiality and climate risk analysis. Within this analysis, the relevant mitigation and adaptation measures were assessed in terms of their implementation status and effectiveness, with the corresponding risks, opportunities, and impacts being further evaluated in this respect.

Within the materiality assessment, STRATEC did not assess any climate-related physical risks or any transition risks as material. STRATEC is able to manage its climate-related impacts and opportunities. Thanks to existing and planned actions (see ESRS E1 "Climate change – Policies related to climate change mitigation and adaptation"), STRATEC is endeavoring to reduce material negative impacts in terms of its energy consumption. Not only that: It expects to extend these positive impacts in the future. In parallel, the company expects to reduce the associated material negative impacts. Furthermore, STRATEC is able to manage its material impacts in terms of climate change mitigation and adaptation. Particularly by implementing target-driven actions to reduce Scope 1, 2, and 3 emissions and setting clear targets, it can be assumed that STRATEC will significantly reduce its material negative impacts. Given the company's strong quality management, the material positive impact related to the increased demand for test volumes due to climate change will also continue to be upheld. The analysis also accounted for the fact that the transition to a lower-carbon and resilient economy might lead to stricter regulations governing the deployment of technologies, as well as to changes in energy consumption and the energy mix. It was assumed that STRATEC would identify any such stricter regulations at an early stage and that, due to its transition plan for climate change mitigation (transition plan), it would be prepared for changes in energy consumption and the energy mix.

The material positive impacts on the company's own workforce are consolidated and reinforced by existing policies, actions, and corresponding targets. Furthermore, by adapting its policies and actions STRATEC is also able to address its social impacts on workers in the value chain.

STRATEC's resilience in terms of material impacts and opportunities related to product quality is made possible by its extensive quality management system and associated Quality Management Handbook.

The material positive impacts related to corruption and bribery are consolidated by existing policies and actions. The risks and opportunities related to the corporate culture are also addressed adequately, with great resilience assumed in this respect as well.

By their nature, the results of the resilience analysis involve uncertainties, as resilience also depends on external factors, such as geopolitical events. That is particularly true for climate-related impacts. In summary, the resilience analysis nevertheless shows that, with its targeted actions and strong quality management system, STRATEC is able to successfully manage the material impacts, risks, and opportunities and can thus safeguard a high level of resilience.

Management of impacts, risks, and opportunities

Disclosures on the materiality assessment process

Description of the processes to identify and assess material impacts, risks, and opportunities

In line with the requirements of ESRS 1, the process used to identify the topics material to STRATEC was conducted using the double materiality assessment method. Under this principle, a topic requires classification as material if STRATEC has material impacts on the environment or society (inside-out) or risks and opportunities are assessed as being material for STRATEC's financial situation (outside-in). STRATEC's materiality assessment was performed in the period between September 2023 and June 2024 in accordance with the CSRD and the requirements stipulated in the ESRS. This represents STRATEC's first materiality assessment in accordance with ESRS requirements. The materiality assessment was performed on Group level and covered the whole scope of consolidation. The materiality assessment was conducted centrally by the parent company.

The materiality assessment refers to the STRATEC Group. This comprises the parent company and all subsidiaries. In line with ESRS requirements, the materiality assessment considered both the company's own operations, as well as the whole of the upstream and downstream value chains. As a result, the whole value chain was accounted for when identifying and assessing impacts, financial risks, and opportunities, and thus in assessing the materiality of topics.

Extensive stakeholder analysis was performed for the materiality assessment. This analysis and the relevant stakeholders thereby identified formed the basis for selecting experts. These contributed stakeholder perspectives to the validation process in the materiality assessment. STRATEC does not involve external stakeholders. Stakeholders are rather accounted for by internal experts in the validation stage. When selecting the experts for the stakeholder perspective, due consideration was given to ensuring an objective assessment.

The materiality assessment was performed in three steps.

Step 1: Identification of potential material impacts, risks, and opportunities

The first step involved identifying the potential material impacts, risks, and opportunities (IROs) for the individual topics (longlist). To identify potential material impacts, risks, and opportunities, information was referred to from existing internal sources, such as the existing risk management process and previous reporting.

To identify climate-related risks, STRATEC performed a climate risk analysis. Impacts on climate change, such as greenhouse gas emissions, were identified and assessed as part of the materiality assessment. Within the climate risk analysis, the company's locations were reviewed to assess current and future physical and climate-related transition events. This review accounted for the whole value chain and included short-term (until 2030), medium-term (until 2060), and long-term (until 2090) time horizons.

In analyzing physical risks, STRATEC considered its own operations, including material assets and business activities, to assess potentially relevant climate-related risks. The selection of the climate-related risks to be investigated was based, among other sources, on freely available information and on information from the specialist departments responsible for the respective locations. The following climate-related risks were considered: cyclone/hurricane/typhoon, flooding, severe rain, flooding/storm tides, earthquakes, hail, heat-waves, cold snaps, drought, and severe wind/tornados. To ensure that the results are as reliable and dependable as possible, a risk-oriented assessment of extensive climate data was conducted. Using an external climate risk analysis tool, the probability, extent, and duration of the respective climate risks were investigated for the identified locations based on geographical coordinates for the defined time horizons through to 2090. The selection of the time horizons was guided by the lifetimes of the assets, strategic planning, and the capital allocation plan. The assessment was based on the IPCC's "high emission climate" scenario (SSP5-8.5). This assumes strong economic and population growth characterized by continued dependence on fossil fuels and low priority for climate protection measures. This results in high emissions and accelerated climate change that might lead to global temperatures rising by 5 °C by the end of the century. Application of this high-emissions trajectory enables the potential "worst case" risks to be identified for STRATEC.

The analysis of climate-related transition risks is based on the "net zero emissions by 2050" scenario (NZE2050) of the International Energy Agency. The version of the IEA scenario for 2050 hereby used is based on current scientific information and is compatible with the Paris Climate Agreement and the 1.5-degree target. Furthermore, the scenario accounts for new technological developments in the fields of renewable energies, energy storage, and carbon removal technologies. This scenario involves the strongest transitional impacts for STRATEC, which is why this analysis was used as the basis to assess climate-related transition risks along the whole of the value chain. The probability of occurrence, amount of damages, and duration of the respective impact were considered.

To determine the impacts, risks, and opportunities related to resource inflows, resource out-flows, and waste, the assets and operations were not reviewed beyond the process outlined here. No consultations were held with affected communities.

To ensure that the impacts, risks, and opportunities related to biodiversity and ecosystems received adequate consideration in the materiality assessment, the impact on biodiversity at the locations in Anif, Beringen, Birkenfeld, Budapest, Ronkonkoma, Shanghai, and New Jersey was analyzed and assessed by reference to the WWF Biodiversity Risk Filter (for further information, see https://riskfilter.org). The following areas with vulnerable biodiversity close to the locations were considered: the rivers Inn, Rhine, and Danube, and the North Atlantic, Yellow Sea, and East China Sea. The results of this analysis led to the conclusion that the activities connected to the locations considered do not present any increased risks for negative impacts in these areas. Based on these findings, no remedial actions are deemed necessary with regard to biodiversity. The analysis did not account for dependencies, transition risks, physical and systemic risks, or opportunities in connection with biodiversity and eco-systems and their performance. The analysis was conducted without consulting affected communities.

In addition to a description of the impacts identified as relevant for the materiality assessment, central additional information was also recorded in the materiality assessment. With regard to the impacts, this refers to:

- The time horizons for the impacts materializing
- The location of the impact in the value chain and/or own operations
- The differentiation between direct and indirect impacts
- The review whether the impact involves a negative human rights-related impact

The following additional information was recorded for the risks and opportunities identified as relevant for the materiality assessment:

- The time horizons for the respective risks or opportunities
- The location of the risk/the opportunity in the value chain and/or own operations
- The potential connection with identified impacts (interactions between inside-out and outside-in perspectives)
- The potential connection with dependencies on natural, human, or social resources.

Step 2: Assessment of identified impacts, risks, and opportunities

The second step involved assessing the IROs previously identified in terms of their materiality by reference to the criteria stipulated in ESRS 1. To this end, topic-specific workshops were held with the experts selected. Consideration was also given to the potential connection between the inside-out and outside-in perspectives. This was performed by analyzing for all topic areas the extent to which an impact leads to a financial opportunity or a financial risk. Conversely, it was also investigated whether financial opportunities or risks might lead to impacts. This way, it was ensured that the impacts, opportunities, and risks were defined and assessed both comprehensively and consistently.

With regard to the assessment criteria, a distinction is to be made between impact materiality (impacts) and financial materiality (risks and opportunities).

Inside-out perspective (impact materiality)

The materiality assessment based on the inside-out perspective makes a distinction between qualitative and quantitative assessments. The qualitative assessment of impacts describes their type (positive or negative, actual or potential), their cause (direct or indirect), their location in the value chain, and the time horizon over which they may arise.

In assessing impacts, the regulations initially require the severity of the impacts to be determined. Pursuant to ESRS 1.45, severity is subdivided into the three dimensions of scale, scope, and remediability. For potential impacts, the severity has to be multiplied by likelihood. A corresponding factor has to be used to state the likelihood. This is intended to ensure that a very severe impact with a low likelihood does not become immaterial. Pursuant to ESRS 1.45 and ESRS 1.46, the assessment of the impacts identified was therefore based on the following criteria:

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

The criteria considered are differentiated by type of impact:

- For potential negative impacts, all four dimensions in the above list are considered.
- For actual negative impacts, no likelihood is considered and the total score is obtained by adding the three criteria considered (scale, scope, remediability).
- For actual positive impacts, only the "scale" and "scope" criteria are considered. To obtain a result comparable with those impacts for which the "remediability" criterion is also considered, the sum of the first two criteria is multiplied by a factor of 1.5.
- For potential positive impacts, by analogy with potential negative impacts the criterion of likelihood is also considered.
- For human rights impacts, the severity pursuant to ESRS 1 (45) has priority over the likelihood. Such impacts are accounted for in the calculation method with a likelihood of 100%, even if the assessment of their likelihood is lower.

Outside-in perspective (financial materiality)
Pursuant to the requirements of ESRS 1.51, identified risks and opportunities are assessed by reference to the dimensions of the potential scale of the financial effect and its likelihood of occurrence. By analogy with impact materiality, the likelihood here also requires application of the corresponding likelihood factor.

The assessment of opportunities and risks is based on the risk management at the STRATEC Group. This is intended to ensure uniform and consistent valuation of risks, also outside the context of the materiality assessment. To this end, reference is made to the ranges used by risk management to assess risks and opportunities. These ranges are determined on the basis of the earnings strength (asset, financial, and earnings position) of the individual companies. As the materiality assessment is performed on Group level, application is made of the ranges for the STRATEC Group. Sustainability risks have not been prioritized over other types of risk outside the applied methodology.

In assessing opportunities and risks, the CSRD basically provides for the following calculation components:

- Financial scale of the opportunity or risk
- Likelihood of occurrence of the opportunity or risk

Risks are basically stated on a gross basis without accounting for mitigating measures.

In the year under report, the process used to identify, assess, and manage impacts and risks had not yet been integrated into general risk management processes.

Step 3: Conclusions on material information
In the third step, the results of the materiality assessment of the IROs are mapped back on to the (im-)materiality of the topics to be assessed. Pursuant to ESRS 1 (34) and (36), the extent to which information is material or necessary to meet the objective of the disclosure requirement may be assessed for information on parameters for material topics. In fulfilling the disclosure requirements, attention is therefore paid to the following points:

- The disclosure requirement is waived for reporting requirements on non-material sustainability aspects.
- The parameters can be allocated to the dimensions referred to in measuring the impacts and measuring the financial risks and opportunities. Accordingly, the results of the impact materiality and financial materiality assessments allow conclusions to be drawn as to the relevance of the parameters for the individual topics to be assessed. If, for example, for a given topic assessed (e.g. waste) the analysis identified only impact materiality, but no financial materiality (i.e. no material financial risks and opportunities were identified), then this means that only the parameters relating to the impacts for the STRATEC Group are material. Accordingly, the parameters allocable to the measurement of financial risks and opportunities are deemed immaterial.
- The parameters primarily refer to own operations and only in exceptional cases (e.g. Scope 3 emissions) to the value chain. If the parameters for a given topic refer to own operations, but the corresponding sustainability aspect has only been classified as material with regard to the value chain, then the corresponding parameters are classified as immaterial.
- In addition, there are individual reporting requirements that are only relevant if certain conditions are met. For example, it is only required to report on internal GHG pricing systems (E1–8) or on carbon removals and storage (E1–7, (58a) (58b)) if the company has corresponding systems or activities. If these conditions are not met, then the corresponding disclosure requirements are also deemed immaterial.

Pursuant to ESRS 1 (34b), the resultant data points were then assessed to determine the relevance of the information with regard to the objective of the disclosure requirement.

The resultant disclosure requirements are presented in the table below.

Disclosure requirements in ESRS covered by the undertaking's Sustainability Statement

ESRS 2 – General disclosures		Reference in CSRD report
BP-1	General basis for preparation of sustainability statements	ESRS 2 – General disclosures: Section – General basis for preparation of sustainability statements
BP-2	Disclosures in relation to specific circumstances	ESRS 2 – General disclosures: Section – Disclosures in relation to specific circumstances
GOV-1	The role of the administrative, management, and supervisory bodies	ESRS 2 – General disclosures: Section – The role of the administrative, management, and supervisory bodies
GOV-2	Information provided to and sustainability matters addressed by the undertaking's administrative, management, and supervisory bodies	ESRS 2 – General disclosures: Section – Information provided to and sustainability matters addressed by the undertaking's administrative, management, and supervisory bodies
GOV-3	Integration of sustainability-related performance in incentive schemes	ESRS 2 – General disclosures: Section – Integration of sustainability-related performance in incentive schemes
GOV-4	Statement on due diligence	ESRS 2 – General disclosures: Section – Statement on due diligence
GOV-5	Risk management and internal controls over sustainability reporting	ESRS 2 – General disclosures: Section – Risk management and internal controls over sustainability reporting
SBM-1	Strategy, business model, and value chain	ESRS 2 – General disclosures: Section – Strategy, business model, and value chain
SBM-2	Interests and views of stakeholders	ESRS 2 – General disclosures: Section – Interests and views of stakeholders
SBM-3	Material, impacts, risks, and opportunities, and their interaction with strategy and business model	ESRS 2 – General disclosures – Section: Ma-terial, impacts, risks, and opportunities, and their interaction with strategy and business model
IRO-1	Description of the processes to identify and assess material impacts, risks, and opportunities	ESRS 2 – General disclosures: Section – Description of the processes to identify and assess material impacts, risks, and opportunities
IRO-2	Disclosure requirements in ESRS covered by the undertaking's sustainability statement	ESRS 2 – General disclosures: Section – Disclosure requirements in ESRS covered by the undertaking's sustainability statement

ESRS E1 – Climate change		Reference in CSRD report
ESRS 2 GOV-3	Integration of sustainability-related performance in incentive schemes	ESRS E1 – Climate change: Section – Integration of sustainability-related performance in incentive schemes
E1-1	Transition plan for climate change mitigation	ESRS E1 – Climate change: Section – Transition plan for climate change mitigation
ESRS 2 SBM-3	Material impacts, risks, and opportunities, and their interaction with strategy and business model	ESRS E1 – Climate change: Section – Material impacts, risks, and opportunities, and their interaction with strategy and business model
ESRS 2 IRO-1	Description of the processes to identify and assess material climate-related impacts, risks, and opportunities	ESRS E1 – Climate change: Section – Description of the processes to identify and assess material climate-related impacts, risks, and opportunities
E1-2	Policies related to climate change mitigation and adaptation	ESRS E1 – Climate change: Section – Policies related to climate change mitigation and adaptation
E1-3	Actions and resources in relation to climate change policies	ESRS E1 – Climate change: Section – Actions and resources in relation to climate change policies
E1-4	Targets related to climate change mitigation and adaptation	ESRS E1 – Climate change: Section – Targets related to climate change mitigation and adaptation
E1-5	Energy consumption and mix	ESRS E1 – Climate change: Section – Energy consumption and mix
E1-6	Gross Scopes 1, 2, 3, and total GHG emissions	ESRS E1 – Climate change: Section – Gross Scopes 1, 2, 3, and total GHG emissions
E1-7	GHG removals and GHG mitigation projects financed through carbon credits	ESRS E1 – Climate change: Section – Reducing greenhouse gases

ESRS E5 – Resource use and circular economy		Reference in CSRD report
ESRS 2 IRO-1	Description of the processes to identify and assess material resource use and circular economy-related impacts, risks, and opportunities	ESRS E5 – Resource use and circular economy: Section – Description of the processes to identify and assess material resource use and circular economy-related impacts, risks, and opportunities
E5-1	Policies related to resource use and circular economy	ESRS E5 – Resource use and circular economy: Section – Policies related to resource use and circular economy
E5-2	Actions and resources related to resource use and circular economy	ESRS E5 – Resource use and circular economy: Section – Actions and resources related to resource use and circular economy
E5-3	Targets related to resource use and circular economy	ESRS E5 – Resource use and circular economy: Section – Targets related to resource use and circular economy
E5-4	Resource inflows, except 31 a-c	ESRS E5 – Resource use and circular economy: Section – Resource inflows & resource outflows
E5-5	Resource outflows, except 36 c	ESRS E5 – Resource use and circular economy: Section – Resource inflows & resource outflows

ESRS S1 – Own workforce		Reference in CSRD report
ESRS 2 SBM-3	Material impacts, risks, and opportunities, and their interaction with strategy and business model	ESRS S1 – Own workforce: Section – Material impacts, risks, and opportunities, and their interaction with strategy and business model
S1-1	Policies related to own workforce	ESRS S1 – Own workforce: Section – Policies related to own workforce
S1-2	Processes for engaging with own workers and workers' representatives about impacts	ESRS S1 – Own workforce: Section – Processes for engaging with own workers and workers' representatives about impacts
S1-3	Processes to remediate negative impacts and channels for own workers to raise concerns	ESRS S1 – Own workforce: Section – Processes to remediate negative impacts and channels for own workers to raise concerns
S1-4	Taking action on material impacts on own workforce, and approaches to mitigating material risks and pursuing material opportunities related to own workforce, and effectiveness of these actions	ESRS S1 – Own workforce: Section – Processes to remediate negative impacts and channels for own workers to raise concerns
S1-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	ESRS S1 – Own workforce: Section – Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities
S1-6	Characteristics of the undertaking's employees	ESRS S1 – Own workforce: Section – Characteristics of the undertaking's employees
S1-8	Collective bargaining coverage and social dialogue	ESRS S1 – Own workforce: Section – Collective bargaining coverage and social dialogue
S1-9	Diversity metrics	ESRS S1 – Own workforce: Section – Diversity metrics
S1-10	Adequate wages	ESRS S1 – Own workforce: Section – Adequate wages
S1-11	Social protection	ESRS S1 – Own workforce: Section – Social protection
S1-12	Persons with disabilities	ESRS S1 – Own workforce: Section – Persons with disabilities
S1-14	Health and safety metrics	ESRS S1 – Own workforce: Section – Health and safety metrics
S1-16	Compensation metrics (pay gap and total compensation)	ESRS S1 – Own workforce: Section – Compensation metrics (pay gap and total compensation)
S1-17	Incidents, complaints, and severe human rights impacts	ESRS S1 – Own workforce: Section – Incidents, complaints, and severe human rights impacts

ESRS S2 – Workers in the value chain		Reference in CSRD report
ESRS 2 SBM-3	Impacts, risks, and opportunities, and their interaction with strategy and business model	ESRS S2 – Workers in the value chain: Section – Impacts, risks, and opportunities, and their interaction with strategy and business model
S2-1	Policies related to value chain workers	ESRS S2 – Workers in the value chain: Section – Policies related to value chain workers
S2-2	Processes for engaging with value chain workers about impacts	ESRS S2 – Workers in the value chain: Section – Processes for engaging with value chain workers about impacts
S2-3	Processes to remediate negative impacts and channels for value chain workers to raise concerns	ESRS S2 – Workers in the value chain: Section – Processes to remediate negative impacts and channels for value chain workers to raise concerns
S2-4	Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those actions	ESRS S2 – Workers in the value chain: Section – Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those actions
S2-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	ESRS S2 – Workers in the value chain: Section – Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

ESRS S4 – Patient safety (company-specific)		Reference in CSRD report
ESRS 2 SBM-3	Material impacts, risks, and opportunities, and their interaction with strategy and business model	ESRS S4 – Patient safety (company-specific): Section – Material impacts, risks, and opportunities, and their interaction with strategy and business model
ESRS 2 MDR-P	Policies to address material sustainability aspects	ESRS S4 – Patient safety (company-specific): Section – Patient-related policies
ESRS 2 MDR-A	Actions and resources in relation to material sustainability aspects	ESRS S4 – Patient safety (company-specific): Section – Taking action on material impacts on patients, and approaches to managing material risks and pursuing material opportunities related to patients, and effectiveness of those actions
ESRS 2 MDR-T	Monitoring effectiveness of policies and actions by setting targets	ESRS S4 – Patient safety (company-specific): Section – Targets related to mitigating material negative impacts, promoting positive impacts, and addressing material risks and opportunities

ESRS G1 – Business conduct		Reference in CSRD report
ESRS 2 GOV-1	The role of the administrative, supervisory, and management bodies	ESRS G1 – Business conduct: Section – The role of the administrative, supervisory, and management bodies
ESRS 2 IRO-1	Description of the processes to identify and assess material impacts, risks, and opportunities	ESRS G1 – Business conduct: Section – Description of the processes to identify and assess material impacts, risks, and opportunities
G1-1	Corporate culture and business conduct policies	ESRS G1 – Business conduct: Section – Corporate culture and business conduct policies
G1-3	Prevention and detection of corruption and bribery	ESRS G1 – Business conduct: Section – Prevention and detection of corruption and bribery
G1-4	Incidents of corruption and bribery	ESRS G1 – Business conduct: Section – Violations of corruption and bribery regulations

List of datapoints in general and topic-related standards that result from other EU legislation

Disclosure requirement and related datapoint resulting from other EU legislation	Reference to other EU legislation
ESRS 2 GOV-1 § 21(d) Gender diversity in management and supervisory bodies	• SFDR: Indicator No. 13 in Annex I Table I • Benchmark regulation: Commission Delegated Regulation (EU) 2020/1816,
ESRS 2 GOV-1 § 21(e) Percentage of board members who are independent	• Benchmark regulation: Commission Delegated Regulation (EU) 2020/1816,
ESRS 2 GOV-4 § 30 Statement on due diligence	• SFDR: Indicator No. 10 in Annex I Table 3
ESRS 2 SBM-1 § 40(d) i. Involvement in activities related to fossil fuels	• SFDR: Indicator No. 4 in Annex I Table I • Pillar 3: Article 449a of Regulation (EU) No. 575/2013; Commission Implem Table 1: Qualitative information on Environmental risk and Table 2: Qualitat • Benchmark regulation: Commission Delegated Regulation (EU) 2020/1816,
ESRS 2 SBM-1 § 40(d) ii. Involvement in activities related to chemical production	• SFDR: Indicator No. 9 in Annex I Table 2 • Benchmark regulation: Delegated Regulation (EU) 2020/1816, Annex II
ESRS 2 SBM-1 § 40(d) iii. Involvement in activities related to controversial weapons	• SFDR: Indicator No. 14 in Annex I Table I • Benchmark regulation: Delegated Regulation (EU) 2020/1818, Article 12 (1) Delegated Regulation (EU) 2020/1816, Annex II
ESRS 2 SBM-1 § 40(d) iv. Involvement in activities related to cultivation and production of tobacco	• Benchmark regulation: Delegated Regulation (EU) 2020/1818, Article 12 (1) Delegated Regulation (EU) 2020/1816, Annex II
ESRS E1-1 § 14 Transition plan to achieve climate neutrality by 2050	• EU Climate Act: Regulation (EU) 2021/1119, Article 2 (1)
ESRS E1-1 § 16(g) Undertakings excluded from the Paris-aligned benchmarks	• Pillar 3: Article 449a Regulation (EU) No. 575/2013; Commission Implementing Regulation (EU) Template 1: Banking book – Climate change transition risk: credit quality of and residual maturity • Benchmark regulation: Delegated Regulation (EU) 2020/1818, Article 12 (1)
ESRS E1-4 GHG § 34 GHG emission reduction targets	• SFDR: Indicator No. 4 in Annex I Table 2 • Pillar 3: Article 449a Regulation (EU) No. 575/2013; Commission Implementing Regulation (EU) Template 3: Banking book – Climate change transition risk: Alignment metri • Benchmark regulation: Delegated Regulation (EU) 2020/1818, Article 6
ESRS E1-5 § 38 Energy consumption from fossil fuels disaggregated by sources (only high climate impact sectors)	• SFDR: Indicator No. 5 in Annex I Table I Indicator No. 5 in Annex I Table 2
ESRS E1-5 § 37 Energy consumption and mix	• SFDR: Indicator No. 5 in Annex I Table I
ESRS E1-5 § 40–43 Energy intensity associated with activities in high climate impact sectors	• `SFDR: Indicator No. 6 in Annex I Table I
ESRS E1-6 § 44 Gross Scopes 1, 2, 3, and total GHG emissions	• SFDR: Indicators No. 1 and 2 in Annex I Table I • Pillar 3: Article 449a Regulation (EU) No. 575/2013; Commission Implementing Regulation (EU) Template 1: Banking book – Climate change transition risk: credit quality of and residual maturity • Benchmark regulation: Delegated Regulation (EU) 2020/1818, Article 5 (1),
ESRS E1-6 § 53–55 Gross GHG emissions intensity	• SFDR: Indicator No. 3 Table I in Annex I • Pillar 3: Article 449a Regulation (EU) No. 575/2013; Commission Implemen Template 3: Asset book – Climate change transition risk: Alignment metrics • Benchmark regulation: Delegated Regulation (EU) 2020/1818, Article 8 (1)
ESRS E1-7 § 56 GHG removals and carbon credits	• EU Climate Act: Regulation (EU) 2021/1119, Article 2 (1)
ESRS E1-9 § 66 Exposure of the benchmark portfolio to climate-related physical risks	• Benchmark regulation: Delegated Regulation (EU) 2020/1818, Annex II Delegated Regulation (EU) 2020/1816, Annex II
ESRS E1-9 § 66(a) Disaggregation of monetary amounts by acute and chronic physical risk **ESRS E1-9 § 66(c)** Location of significant assets at material physical risk	• Pillar 3: Article 449a of Regulation (EU) No. 575/2013; Commission Implementing Regulation (EU) 2022/2453 of the Commission, Template 5: Banking book – Climate change physical risk: Exposures subject
ESRS E1-9 § 67(c) Breakdown of the carrying value of its real estate assets by energy-efficiency classes	• Pillar 3: Article 449a of Regulation (EU) No. 575/2013; Commission Implementing Regulation (EU) 2022/2453, Paragraph 34; Template 2: Banking book – Climate change transition risk: Loans collateral property – Energy efficiency of the collateral

	Reference in CSRD report (chapter)	Assessment of materiality ("material" / "immaterial")
Annex II	The role of the administrative, management, and supervisory bodies	**Material**
Annex II	The role of the administrative, management, and supervisory bodies	**Material**
	Statement on due diligence	**Material**
enting Regulation (EU) 2022/2453, ive information on Social risks Annex II		**Immaterial**
		Immaterial
		Immaterial
		Immaterial
	Transition plan for climate change mitigation	**Material**
2022/2453, exposures by sector, emissions, letters d to g and Article 12 (2)	Transition plan for climate change mitigation	**Material**
2022/2453, cs	Transition plan for climate change mitigation	**Material**
		Material
	Energy consumption and mix	**Material**
	Energy consumption and mix	**Material**
2022/2453, exposures by sector, emissions, Article 6, and Article 8 (1)	Gross Scopes 1, 2, 3, and total GHG emissions	**Material**
ting Regulation (EU) 2022/2453,	Greenhouse gas intensity	**Material**
	Greenhouse gas removals	**Material**
		Not reported (phase-in)
Paragraphs 46 and 47; to physical risk		**Not reported (phase-in)**
ized by immovable		**Not reported (phase-in)**

Disclosure requirement and related datapoint resulting from other EU legislation	Reference to other EU legislation
ESRS E1-9 § 69 Degree of exposure of the portfolio to climate-related opportunities	• Benchmark regulation: Commission Delegated Regulation (EU), 2020/1818,
ESRS E2-4 § 28 Amount of each pollutant listed in Annex II of the E-PRTR Regulation (European Pollutant Release and Transfer Register) emitted to air, water, and soil	• SFDR: Indicator No. 8 in Annex I Table 1 Indicator No. 2 in Annex I Table 2 Indica Annex I Table 2 Indicator No. 3 in Annex I Table 2
ESRS E3-1 § 9 Water and marine resources	• SFDR: Indicator No. 7 in Annex I Table 2
ESRS E3-1 § 13 Dedicated policy	• SFDR: Indicator No. 8 in Annex I Table 2
ESRS E3-1 § 14 Sustainable oceans and seas	• SFDR: Indicator No. 12 in Annex I Table 2
ESRS E3-4 § 28(c) Total water recycled and reused	• SFDR: Indicator No. 6.2 in Annex I Table 2
ESRS E3-4 § 29 Total water consumption in m3 per net revenue in own operations	• SFDR: Indicator No. 6,1 in Annex I Table 2
ESRS 2- SBM-3 - E4 § 16(a) I.	• SFDR: Indicator No. 7 in Annex I Table 1
ESRS 2- SBM-3 - E4 § 16(b)	• SFDR: Indicator No. 10 in Annex I Table 2
ESRS 2- SBM-3 - E4 § 16(c)	• SFDR: Indicator No. 14 in Annex I Table 2
ESRS E4-2 § 24(b) Sustainable land / agriculture practices or policies	• SFDR: Indicator No. 11 in Annex I Table 2
ESRS E4-2 § 24(c) Sustainable oceans / seas practices	• SFDR: Indicator No. 12 in Annex I Table 2
ESRS E4-2 § 24(d) Polices to address deforestation	• SFDR: Indicator No. 15 in Annex I Table 2
ESRS E5-5 § 37(d) Non-recycled waste	• SFDR: Indicator No. 13 in Annex I Table 2
ESRS E5-5 § 39 Hazardous and radioactive waste	• SFDR: Indicator No. 9 in Annex I Table 1
ESRS 2- SBM3 - S1 § 14(f) Risk of incidents of forced labor	• SFDR: Indicator No. 13 in Annex I Table 3
ESRS 2- SBM3 - S1 § 14(g) Risk of incidents of child labor	• SFDR: Indicator No. 12 in Annex I Table 3
ESRS S1-1 § 20 Human rights policy commitments	• SFDR: Indicator No. 9 in Annex I Table 3 Indicator No. 11 in Annex I Table 1
ESRS S1-1 § 21 Due diligence policies on issues addressed by the fundamental International Labour Organization Conventions 1 to 8	• SFDR: Reference regulation: Commission Delegated Regulation (EU) 2020/1816,A
ESRS S1-1 § 22 Processes and measures for preventing trafficking in human beings	• SFDR: Indicator No. 11 in Annex I Table 3
ESRS S1-1 § 23 Workplace accident prevention policy or management system	• SFDR: Indicator No. 1 in Annex I Table 3
ESRS S1-3 § 32(c) Grievance handling mechanism	• SFDR: Indicator No. 5 in Annex I Table 3
ESRS S1-14 § 88(b) and (c) Number of fatalities and number and rate of work-related accidents	• SFDR: Indicator No. 2 in Annex I Table 3 • Reference regulation: Commission Delegated Regulation (EU) 2020/1816,A
ESRS S1-14 § 88(e) Number of days lost to work-related injuries, accidents, fatalities, or illness	• SFDR: Indicator No. 3 in Annex I Table 3
ESRS S1-16 § 97(a) Unadjusted gender pay gap	• SFDR: Indicator No. 12 in Annex I Table 1 • Benchmark regulation: Commission Delegated Regulation (EU) 2020/1816,
ESRS S1-16 § 97(b) Excessive CEO pay ratio	• SFDR: Indicator No. 8 in Annex I Table 3
ESRS S1-17 § 103(a) Incidents of discrimination	• SFDR: Indicator No. 7 in Annex I Table 3
ESRS S1-17 § 104(a) Non-respect of UNGPs on Business and Human Rights and OECD Guidelines	• SFDR: Indicator No. 10 in Annex I Table 1 Indicator No. 14 in Annex I Table 3 • Benchmark regulation: Commission Delegated Regulation (EU) 2020/1816, Delegated Regulation (EU) 2020/1818 Article 12 (1)
ESRS 2- SBM3 – S2 § 11(b) Significant risk of child labor or forced labor in value chain	• SFDR: Indicators No. 12 and 13 in Annex I Table 3

	Reference in CSRD report (chapter)	Assessment of materiality (“material” / “immaterial”)
Annex II		**Not reported (phase-in)**
tor No. 1 in		**Immaterial**
		Immaterial
		Immaterial
		Immaterial
		Immaterial
		Immaterial
	Description of processes for materiality assessment	**Material**
	Description of processes for materiality assessment	**Material**
	Description of processes for materiality assessment	**Material**
		Immaterial
		Immaterial
		Immaterial
		Immaterial
		Immaterial
	Material impacts, risks, and opportunities, and their interaction with strategy and business model	**Material**
	Material impacts, risks, and opportunities, and their interaction with strategy and business model	**Material**
	Policies related to own workforce	**Material**
nnex II	Policies related to own workforce	**Material**
	Policies related to own workforce	**Material**
	Policies related to own workforce	**Material**
	Processes to remediate negative impacts and channels for own workers to raise concerns	**Material**
nnex II	Health and safety metrics	**Material**
	Health and safety metrics	**Material**
Annex II	Compensation metrics (pay gap and total compensation)	**Material**
	Compensation metrics (pay gap and total compensation)	**Material**
	Incidents, complaints, and severe human rights impacts	**Material**
Annex II,	Incidents, complaints, and severe human rights impacts	**Material**
	Material impacts, risks, and opportunities, and their interaction with strategy and business model	**Material**

Disclosure requirement and related datapoint resulting from other EU legislation	Reference to other EU legislation
ESRS S2-1 § 17 Human rights policy commitments	• SFDR: Indicator No. 9 in Annex I Table 3 Indicator No. 11 in Annex I Table 1
ESRS S2-1 § 18 Policies related to value chain workers	• SFDR: Indicators No. 11 and 4 in Annex I Table 3
ESRS S2-1 § 19 Non-respect of UNGPs on Business and Human Rights and OECD Guidelines	• SFDR: Indicator No. 10 in Annex I Table 1 • Benchmark regulation: Commission Delegated Regulation (EU) 2020/1816, Delegated Regulation (EU) 2020/1818 Article 12 (1)
ESRS S2-1 § 19 Due diligence policies on issues addressed by the fundamental International Labour Organization Conventions 1 to 8	• Benchmark regulation: Commission Delegated Regulation (EU) 2020/1816,
ESRS S2-4 § 36 Human rights issues and incidents connected to its upstream and downstream value chain	• SFDR: Indicator No. 14 in Annex I Table 3
ESRS S3-1 § 16 Human rights policy commitments	• SFDR: Indicator No. 9 in Annex I Table 3 Indicator No. 11 in Annex I Table 1
ESRS S3-1 § 17 Non-respect of UNGPs on Business and Human Rights and OECD Guidelines	• SFDR: Indicator No. 10 in Annex I Table 1 • Benchmark regulation: Commission Delegated Regulation (EU) 2020/1816, Delegated Regulation (EU) 2020/1818 Article 12 (1)
ESRS S3-4 § 36 Human rights issues and incidents	• SFDR: Indicator No. 14 in Annex I Table 3
ESRS S4-1 § 16 Policies related to consumers and end users	• SFDR: Indicator No. 9 in Annex I Table 3 Indicator No. 11 in Annex I Table 1
ESRS S4-1 § 17 Non-respect of UNGPs on Business and Human Rights and OECD Guidelines	• SFDR: Indicator No. 10 in Annex I Table 1 • Benchmark regulation: Commission Delegated Regulation (EU) 2020/1816, Delegated Regulation (EU) 2020/1818 Article 12 (1)
ESRS S4-4 § 35 Human rights issues and incidents	• SFDR: Indicator No. 14 in Annex I Table 3
ESRS G1-1 § 10(b) United Nations Convention against Corruption	• SFDR: Indicator No. 15 in Annex I Table 3
ESRS G1-1 § 10(d) Protection of whistleblowers	• SFDR: Indicator No. 6 in Annex I Table 3
ESRS G1-4 § 24(a) Fines for violation of anti-corruption and anti-bribery laws	• SFDR: Indicator No. 17 in Annex I Table 3 • Benchmark regulation: Commission Delegated Regulation (EU) 2020/1816,
ESRS G1-4 § 24(b) Standards of anti-corruption and anti-bribery laws	• SFDR: Indicator No. 16 in Annex I Table 3

	Reference in CSRD report (chapter)	Assessment of materiality ("material" / "immaterial")
	Policies related to value chain workers	**Material**
	Policies related to value chain workers	**Material**
Annex II,	Policies related to value chain workers	**Material**
Annex II	Policies related to value chain workers	**Material**
	Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those actions	**Material**
		Immaterial
Annex II,		**Immaterial**
		Immaterial
		Immaterial
Annex II,		**Immaterial**
		Immaterial
		Immaterial
	Business conduct and corporate culture policies	**Material**
Annex II	Violation of anti-corruption and anti-bribery laws	**Material**
	Business conduct and corporate culture, corruption and bribery (MDR)	**Material**

ESRS E1 – Climate Change

Integration of sustainability-related performance in incentive schemes

The Supervisory Board sets personal targets for the members of the Board of Management which cover both organizational and sustainability targets. In 2024, these also included climate-related targets, such as the development of new greenhouse gas reduction targets and the validation of these by the Science Based Targets initiative (SBTi).

These targets nevertheless do not constitute targets pursuant to the CSRD. The percentage of remuneration linked to climate-related considerations therefore amounts to 0% for 2024.

Strategy

Transition plan for climate change mitigation
One of the greatest risks and challenges facing the 21st century is the further advance in climate change and the resultant consequences for current and future generations. In view of this, STRATEC accords great priority to protecting the climate and the associated necessary reduction in greenhouse gas emissions. Back in the 2020 financial year, the STRATEC Group already set itself a science-based climate target based on the agreements reached in the Paris Climate Agreement to limit global warming to well below 2 °C. This target provided for reducing absolute greenhouse gas emissions (Scope 1 and Scope 2) by 30% by 2030 compared with their 2019 levels. Given the measures introduced in recent years, such as the almost complete conversion in the group-wide electricity supply to green electricity from alternative energy sources, proprietary electricity generation from photovoltaics systems, and the gradual electrification of the car pool, total Scope 1 and Scope 2 emissions in the 2024 financial year were already 36.4% lower than in 2019.

Against this backdrop and in response to the growing urgency of global climate protection, the Board of Management of STRATEC decided to further significantly extend the company's ambitions and targets for climate change mitigation. The reduction target for group-wide Scope 1 and Scope 2 emissions in place since 2020 was adapted to a 1.5-degree target (see the "Targets related to climate change mitigation and adaptation" section). In addition, in the 2024 financial year the company for the first time set targets for group-wide Scope 3 emissions, as well formulating new long-term targets that are also consistent with the 1.5-degree target in the Paris Climate Agreement. The targets hereby developed, which are presented in detail in the "Targets related to climate change mitigation and adaptation" section, are based on scientific insights. They were submitted to the SBTi for validation in September 2024 and validated by this organization after the balance sheet date on February 12, 2025. The company has thus obtained certification from an external body that its targets are actually compatible with the Paris Climate Agreement.

To align its strategy and business model to a sustainable economy and ensure that they are consistent with limiting global warming to 1.5°C in accordance with the Paris Climate Agreement, STRATEC has compiled a transition plan for climate change mitigation (transition plan). This sets out the strategic measures and steps required to reach the company's climate change mitigation targets.

The transition plan defines greenhouse gas emission reduction targets for the years 2032 and 2045. Due to the linear derivation of emission reductions, the SBTi's emission reduction pathway also includes reduction figures for 2025 and 2030. These have nevertheless not been formulated as explicit targets as, particularly for Scope 1 emissions, the respective reductions are not automatically expected to show a linear development.

STRATEC's potentially bound greenhouse gas emissions refer to the emissions reported in Scopes 3.2 and 3.11. These include emissions from purchased capital goods and from electricity consumed by sold products over the whole of their lifecycles. Compared with the total emissions of the STRATEC Group, Scope 3.2 only accounts for a low volume of emissions and is therefore of subordinate significance for achieving the emission reduction targets. By contrast, the CO_2 emissions in the Scope 3.11 category (use of sold products over the whole of their lifecycles) account for a not inconsiderable share of total emissions. As the products can be operated with electricity from renewable energy sources, however, the CO_2 emissions from sold products do not represent a significant risk to the achievement of the stipulated climate targets.

Due to its low degree of vertical integration, the only machines classifiable as energy intensive at STRATEC are those used in injection molding production. A large share of these machines is nevertheless operated with electricity from renewable energies.

To achieve the Scope 1 and Scope 2 emission reduction targets, the most important decarbonization levers involve increasing energy efficiency, using renewable energies, and electrifying the vehicle pool. For the Scope 3 target, the primary decarbonization lever involves cooperating with suppliers with regard to reducing emissions. STRATEC assumes that the contribution made by the decarbonization levers towards achieving greenhouse gas emission reduction targets in the individual categories (Scopes 1, 2, and 3) will approximately correspond to the total reductions expected from the respective action (see the "Actions and resources in relation to climate change policies" section).

Specific measures to achieve the Scope 1 and Scope 2 targets are described in the transition plan. These involve converting the electricity supply at the US locations to green electricity from alternative energy sources, replacing gas and oil-powered heating systems across the Group with heat pumps, and improving the efficiency of air-conditioning systems in the STRATEC Group's buildings. Furthermore, the predominant share of the vehicle park is to be electrified. With regard to Scope 3 targets, the most important action involves extending cooperation with suppliers and logistics service providers with regard to less CO_2-intensive solutions and production techniques in order to reduce emissions along the whole of the value chain.

Via the company values, climate protection is firmly embedded in the corporate strategy. The transition plan and the actions and targets set out therein have been approved by the Board of Management, as have the greenhouse gas emission reduction targets. The Board of Management sets corresponding targets for the first management level in order to embed the transition plan in and coordinate it with the business strategy. No expenditure in excess of the defined materiality threshold of € 1 million has been budgeted to implement the transition plan. STRATEC is not exempted by the criteria stated in the Regulation on Benchmarks for Climate-Related Change from the EU benchmarks coordinated with the Paris Climate Agreement.

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

This disclosure is reported in the chapter "ESRS 2 General disclosures – Interests and views of stakeholders".

Management of impacts, risks, and opportunities

Description of the processes to identify and assess material climate-related impacts, risks, and opportunities

This disclosure is reported in the chapter "ESRS 2 General disclosures – Interests and views of stakeholders".

Policies related to climate change mitigation and adaptation

STRATEC has embedded the sustainability aspects of "Energy", "Promoting climate change mitigation" and "Climate change adaptation" in internal policies. These are intended to implement the company's environmental targets and to promote/counter the potential and actual positive/negative impacts identified in the materiality assessment.

To achieve its sustainability targets, the company has introduced a special Environmental Policy. Among other aspects, this stipulates that STRATEC is endeavoring to reduce its greenhouse gas emissions by promoting the use of renewable energies. This therefore covers the sustainability aspects of "Energy" and "Climate change mitigation", as well as their current and negative impacts. Furthermore, the policy describes the company's cooperation with partners with regard to the "Climate change mitigation" sustainability aspect, as well as the associated material positive and negative impacts. STRATEC expects its suppliers to comply with environmental laws and directives and aims only to cooperate with suppliers who are also interested in ecological sustainability. As STRATEC is also endeavoring to minimize its Scope 3 emissions, the company has committed itself in its Environmental Policy to account for this aspect when selecting its partnerships.

In further promoting the positive impact of the "Climate change adaptation" sustainability aspect, continuous improvement of product quality is essential. The Quality Handbook is relevant in this respect. By continually improving quality standards and permanently monitoring new requirements, the handbook and the processes it sets out ensure that STRATEC is prepared to the best possible extent for the challenges presented by climate change. The "Climate change adaptation" sustainability aspect also harbors an opportunity for STRATEC. Scientific studies assume that the advance in global warming will be accompanied by greater prevalence of infectious diseases, leading to growing demand for diagnostics tests. The company is of course not proactively pursuing this opportunity. In view of this, it does not have any policies, actions, or targets in this respect.

The Environmental Policy and the Quality Management Handbook are described below.

The Environmental Policy sets out the overriding targets of continually improving the company's environmental performance, avoiding pollution, and complying with local regulations and policies. To achieve these targets, the policy sets a clear group-wide framework for action.

With this policy, STRATEC also commits itself to complying with all applicable local, national, and international environmental laws, regulations, and standards. Among others, these include Directives such as REACH, RoHS, WEEE, the Packaging and Packaging Waste Directive (PPWD), and battery regulations. In addition, the company will continually monitor any amendments in environmental legislation and update its policy as appropriate.

Furthermore, STRATEC's Environmental Policy describes the company's efforts to assume responsibility in the areas of climate protection, pollution avoidance, sustainable product design, and cooperation with partners. With this policy, STRATEC aims to achieve continuous improvements in environmental protection, sustainable product design, and energy efficiency. The principles set out in this policy provide the basis for the Board of Management to incorporate environmental aspects into all business decisions and activities. The global environmental targets and environmental policies are relevant to all STRATEC employees who are responsible for determining the company's environmental measures, initiatives, and programs.

The policy has been in force across the Group since October 18, 2024 and will be reviewed by the ESG Board every two years to ensure that its contents are up to date. Each new or revised version will be approved by the Board of Management of STRATEC SE and subsequently communicated to all employees and made available to stakeholders on the company's website. The Environmental Policy is applicable on a group-wide basis for STRATEC SE and its subsidiaries, including all members of the Board of Management and employees. It is also embedded in the Quality Management Handbook and the processes to monitor compliance with this.

The Quality Management Handbook, including the process descriptions and work instructions also applicable, provides a binding framework for all activities of all employees and managers at the Birkenfeld location and forms the basis for the company's quality management system. The scope of application covers the whole spectrum of design, manufacture, and marketing of systems and services at the company's headquarters and production location in Birkenfeld and is within the responsibility of the Board of Management. Each subsidiary has its own quality management handbook with contents adapted to the various circumstances in order to ensure optimal coverage of all relevant topics. The Quality Management Handbook is based on the requirements of the Directives and Regulations applicable in the EU, as well as on further national legislation.

Staff at the locations in Birkenfeld, Beringen, and Anif receive the Quality Management Handbook via a document management system as an information assignment and are required to confirm receipt. At other locations, the handbook is assigned using other means of communication. This way, it is ensured that staff acknowledge the handbook and commit to complying with the requirements set out therein. Furthermore, internal quality management audits are performed to review compliance with the standards and processes thereby stipulated.

Actions and resources in relation to climate change policies

STRATEC has introduced or upheld extensive actions to implement its Environmental Policy and the transition plan, and thus to achieve its emissions reduction targets.

One highly significant factor in achieving Scope 1 emission reduction targets involves the use of renewable energies. One planned action entails the group-wide replacement of gas and oil heating systems with heat pumps by 2045. At the locations in Birkenfeld and in Switzerland, this replacement is scheduled to take place by 2032 already. The replacement is expected to reduce emissions by 168.0 tonnes of CO_2e by 2032 and by 394.7 tonnes of CO_2e by 2045.

The gradual improvement in the efficiency of air-conditioning systems due to regular maintenance and, where appropriate, replacement of the systems at the buildings of the STRATEC Group and the reduction in the use of coolants by 60% by 2045 represent further important measures to enhance energy efficiency and reduce emissions. This action is expected to produce a reduction of 87.8 t CO_2e by 2045.

Furthermore, a concept to gradually electrify the company vehicle pool at the company's headquarters in Birkenfeld was compiled in the 2021 financial year. The aim was to increase the share of partly and fully electrical vehicles from 20% in 2021 to more than 50% by 2024. In the 2024 financial year, the share of partly and fully electrical vehicles rose from 48.9% in the previous year to 50.0%. The target was therefore met. A new, group-wide target for electrifying the vehicle pool was therefore formulated within the transition plan. By 2032, the vehicle pool should be fully electrified. This action has the potential to reduce Scope 1 emissions by 244.4 tonnes of CO_2e by 2032.

The aforementioned actions were developed and adopted during the 2024 financial year. As a result, no notable reductions were planned for the year under report compared with the 2023 base year, neither were such achieved.

With regard to reducing Scope 2 emissions, the transition plan provides for converting the electricity supply at the US locations to green electricity from renewable sources. This action is scheduled to be completed by 2032, and thus to contribute to the group-wide conversion to using renewable resources. This action should reduce emissions by 284.3 tonnes of CO_2e by 2032.

Furthermore, at its Birkenfeld location (DE), the company has generated green electricity with photovoltaics since 2011. Solar modules with total nominal capacities of more than 330 kWp are installed there. At the Beringen location (CH), renewable energy has been supplied since 2016 by a photovoltaics system with a nominal capacity of 95 kWp. These systems generated a total of 374 MWh of green electricity in the 2024 financial year. The proportion of own use amounted to 51.0%. This saved 46.5 tonnes of CO_2e in the year under report. The generation of green electricity is due to be continued in the years ahead. No additional reduction is to be expected in greenhouse gases compared with the base year defined in the transition plan, however, as this action had already been fully implemented in 2023.

Alongside proprietary generation of green electricity, the remaining electricity consumed is mostly procured in the form of green electricity. With the exception of the US locations, the Group converted nearly all of its electricity supply to green electricity from alternative energy sources in the 2020 financial year already. The procurement of green electricity is also firmly planned for the years ahead. No additional reduction is to be expected in greenhouse gases compared with the base year defined in the transition plan, however, as this action had already been fully implemented in 2023.

To achieve its reduction target for Scope 3 emissions, STRATEC is endeavoring to extend its engagement with suppliers and logistics service providers. Here, it is planned to extend cooperation on less CO_2-intensive solutions and production technologies. The total contribution to be made by this decarbonization lever towards achieving the emission reduction targets in Scope 3 has not yet been quantified.

To offset unavoidable emissions, STRATEC draws on the instrument of carbon offsetting. Overall, 1,800 tonnes of CO_2e were offset with investments in certified climate protection projects in the 2024 financial year. This action, which has been implemented on a group-wide basis, has been applied since 2020 and does not exceed the defined materiality threshold (see ESRS 2 – General disclosures: "Disclosures in relation to specific circumstances").

Due to the financial resources required, the risk of non-implementation of the planned Scope 1 and Scope 2 measures is assessed by the company as low. For Scope 3, by contrast, personnel resources must be available to cover the increased engagement with suppliers.

Metrics and targets

Targets related to climate change mitigation and adaptation

STRATEC has introduced targets related to climate change mitigation and adaptation.

Within its transition plan, the company has adopted targets for reducing group-wide greenhouse gas emissions that are compatible with the 1.5-degree target in the Paris Climate Agreement. These targets, which were developed with due consideration of the requirements for science-based target setting promulgated by the SBTi, were submitted for validation by the SBTi in September 2024. The SBTi is a joint initiative of the CDP, the United Nations Global Compact, the World Resources Institute (WRI), and the World Wide Fund for Nature (WWF). Furthermore, in setting the targets the company also took due account of the methods and requirements of various ESG rating agencies.

Specifically, without accounting for offsetting measures STRATEC aims to reduce its absolute greenhouse gas emissions (Scope 1 and Scope 2) by 50.4% by 2032 compared with their 2023 levels. Of these reductions, 74.3% are allocable to the Scope 1 category and 26.6% to the Scope 2 category. For Scope 2 emissions, the company has calculated the reductions using the market-based method. Scope 3 emissions are also to be reduced by 50.4% by 2032 compared with their 2023 levels. The greenhouse gases accounted for here are coherent with the greenhouse gas inventory reported under E1-6. The emissions include all greenhouse gases requiring consideration pursuant to the GHG Protocol (CO_2 CH_4, N_2O, SF_6, NF_3, HFCs, and PFCs). The long-term target, without accounting for offsetting measures, is to reduce the company's total emissions in Scope 1, Scope 2, and Scope 3 by 90% by 2045 and, in addition, to achieve net zero emissions in the whole of the value chain by 2045. Here too, 2023 is referred to as the base year. In selecting the benchmark and base year, it was ensured that such year was representative and not affected by any exceptional external or internal events. Furthermore, for 2023 STRATEC has significantly extended its CO2 balance sheet to include previously unaccounted for emission sources in Scope 3 and has thus for the first time compiled a complete CO2 balance sheet.

Fulfillment of the actions also depends on factors which STRATEC is unable to influence. This was accounted for when setting targets. Successful implementation of all the reduction targets expected under "Actions and resources in relation to climate change policies" and the exhausting of all reduction potential would therefore lead to the emission reduction targets being surpassed.

The following table presents the base values for the 2023 base year by scope and reduction target by 2032.

	Base value (2023)	Target value by 2032	Reduction target by 2032 in %	Target value by 2045	Reduction target by 2045 in %
Scope 1 (t CO_2e)	785.3	389.5	-50.4	–	–
Scope 2 (t CO_2e) (market-based)	284.3	141.0	-50.4	–	–
Scope 3 (t CO_2e)	69,823.6	34,632.5	-50.4	–	–
Total GHG emissions (t CO_2e)	**70,893.2**	**35,163.0**	**-50.4**	**7,089.3**	**-90.0**

STRATEC's climate targets were developed in accordance with SBTi criteria for achievement of the Paris 1.5-degree target.
These targets were submitted to the SBTi for validation in September 2024 and validated by the SBTi after the balance sheet date on February 12, 2025.

Energy consumption and mix[1]

	2024
Total energy consumption (MWh)	**11,308.4**
Total energy consumption from fossil sources (MWh)	**5,069.9**
Fuel consumption from coal and coal products (MWh)	–
Fuel consumption from crude oil and petroleum products (MWh)	23.8
Fuel consumption from natural gas (MWh)	2,515.4
Fuel consumption from other fossil sources (MWh)	961.6
Consumption of purchased or acquired electricity, heat, steam, or cooling from fossil sources (MWh)	1,569.1
Total energy consumption from nuclear sources (MWh)	–
Total energy consumption from renewable sources (MWh)	**6,238.5**
Fuel consumption from renewable sources (MWh)	46.5
Consumption of purchased or acquired electricity, heat, steam, or cooling from renewable sources (MWh)	6,001.3
Consumption of self-generated renewable energy not involving fuel (MWh)	190.7
Energy generation	**374.0**
Generation of non-renewable energy (MWh)	–
Generation of renewable energy (MWh)	374.0
Total energy consumption per net revenue from activities in high climate impact sectors (MWh/currency unit)[2]	0.000044

[1] The data was mostly calculated based on the invoices received from each energy supplier. Where no invoices were yet available for individual months due to the period involved, the values were estimated based on historic figures. To calculate the fuel consumption of the vehicle pool, in cases where no direct liter consumption figures were available consumption was estimated by calculating the liter consumption figure per 100 km for the respective vehicle type. Furthermore, in cases where no real-time kilometer figures were available, the annual kilometers driven were estimated by applying the kilometer allowance agreed in the lease contract. Apart from the external body responsible for quality assurance, the data were not validated by any further external body.
[2] All of STRATEC's activities are classifiable to NACE Code C "Manufacturing". No activities have therefore been allocated to high climate impact sectors. Net revenue for the financial year under report amounted to € 257,624k.

Gross Scopes 1, 2, 3, and total GHG emissions[1]

		Retrospective	
	Base year 2023	2024	2023
Scope 1 GHG emissions			
Gross Scope 1 GHG emissions (t CO_2e)	**785.3**	**813.9**	**785.3**
Proportion of Scope 1 greenhouse gas emissions regulated under emission trading schemes (in %)	–	–	–
Scope 2 GHG emissions			
Gross location-based Scope 2 GHG emissions (t CO_2e)	**1,376.7**	**1,466.8**	**1,376.7**
Gross market-based Scope 2 GHG emissions (t CO_2e)	**284.3**	**553.5**	**284.3**
Significant Scope 3 GHG emissions			
Total gross indirect (Scope 3) emissions (t CO_2e)	**69,823.6**	**48,802.1**	**69,823.6**
1 Purchased goods and services[3]	44,295.0	28,969.7	44,295.0
2 Capital goods	2,061.4	1,781.2	2,061.4
3 Fuel and energy-related activities (not included in Scope 1 or Scope 2)	192.4	250.4	192.4
4 Upstream transportation and distribution	1,345.2	1,301.2	1,345.2
5 Waste generated in operations	4.2	1.8	4.2
6 Business travel	818.5	902.9	818.5
7 Employee commuting[5]	2,761.0	2,468.8	2,761.0
8 Upstream leased assets[6]	–	–	–
9 Downstream transportation and distribution	1,355.6	1,307.1	1,355.6
10 Processing of sold products[6]	–	–	–
11 Use of sold products[4]	16,810.3	11,732.1	16,810.3
12 End-of-life treatment of sold products	180.0	86.9	180.0
13 Downstream leased assets[6]	–	–	–
14 Franchises[6]	–	–	–
15 Investments[6]	–	–	–
Total GHG emissions			
Total GHG emissions (location-based) (t CO_2e)	**71,985.6**	**51,082.8**	**71,985.6**
Total GHG emissions (market-based) (t CO_2e)	**70,893.2**	**50,169.5**	**70,893.2**

Explanatory comments on GHG emissions:

[1] GHG emissions were calculated in accordance with the GHG Protocol and cover all subsidiaries included in the scope of consolidation and all material emission categories. Activity
reference was made to spend-based data and corresponding emission factors. For Scope 3, this applied to the categories 1, 2, 4, 6, and 9. Emission factors from various sources were
calculated on the basis of primary data in 2024 amounted to 31.1 % (secondary data: 68.9 %). In this, the total emissions from individual Scope 3 categories were accounted for, unless
validated by any further external body.

[2] STRATEC has only set targets for 2032 and 2045. The figures for 2025 and 2030 were indirectly derived from linearized pathways.

[3] Spend-based emission factors were allocated to product groups with expenditure > € 10,000 (98.38 % of total expenditure). Based on these calculations, an average STRATEC-spec

[4] Based on benchmark products, the respective electricity consumption figures for different operating modes and the expected life times of the products were calculated. These cons

[5] The modal split was determined on the basis of an employee survey. Taking due account of the customary number of hours spent working from home, the total distance of travel p

[6] Emissions in this Scope 3 category are non-existent for STRATEC or, based on their estimated volume, of immaterial significance. They were therefore not included and do not req

	Milestones and target years				
% N / N-1	2032	2045	Annual average (%) on base year	2025[2]	2030[2]
+3.6	**389.5**	**–**	**-7.5**	**697.4**	**477.5**
–	–	–	–	–	–
+6.5	**–**	**–**	**–**	**–**	**–**
+94.7	**141.0**	**–**	**-7.5**	**252.5**	**172.9**
-30.1	**34,632.5**	**–**	**-7.5**	**62,003.0**	**42,453.0**
-34.6	–	–	–	–	–
-13.6	–	–	–	–	–
+30.1	–	–	–	–	–
-3.3	–	–	–	–	–
-57.1	–	–	–	–	–
+10.3	–	–	–	–	–
-10.6	–	–	–	–	–
–	–	–	–	–	–
-3.6	–	–	–	–	–
–	–	–	–	–	–
-30.2	–	–	–	–	–
-51.7	–	–	–	–	–
–	–	–	–	–	–
–	–	–	–	–	–
–	–	–	–	–	–
-29.0	–	–	–	–	–
-29.2	**35,163.0**	**7,089.3**	**-7.5 / -9.9**	**62,952.9**	**43,103.4**

y-based data and emission factors were referred to when calculating Scope 1 and Scope 2 emissions. Where no activity-based data were available for Scope 3 emissions, used for the calculation (sources used: IEA Emission Factor for Energy v.2024.01, Exiobase 3.8.2, Ecoinvent 3.10, DEFRA 2024). The share of Scope 3 GHG emissions s a not inconsiderable share of the data for these categories were based on primary data. Apart from the external body responsible for quality assurance, the data were not

cific emission factor was calculated, which was then allocated to the remaining 1.62 % of expenditure.
sumption figures were applied to estimated utilization rates in laboratories.
er means of transport was subsequently allocated to the respective emission factors.
uire report.

Greenhouse gas intensity

Greenhouse gas intensity	2024	2023	% N / N-1
Total GHG emissions (location-based) per net revenue (t CO_2e/€)	0.000198	0.000266	-25.5
Total GHG emissions (market-based) per net revenue (t CO_2e/€)	0.000195	0.000262	-25.7

Net revenue for the financial year under report amounted to € 257,624.

Contractual instruments[1]

Share of contractual instruments related to Scope 2 emissions	2024
Scope 2	
Share of contractual instruments used for the sale and purchase of energy that are bundled with attributes about energy generation or unbundled energy attribute claims	79.2 %
Share of contractual instruments used for the sale and purchase of energy that are bundled with energy generation attributes	48.3 %
Share of contractual instruments used for the sale and purchase of energy that are not bundled with energy attributes about energy generation	30.9 %

[1] The instruments used involve guarantees of origin (for electricity from hydropower) and green electricity rates with direct suppliers.

Greenhouse gas removals

STRATEC did not conduct any greenhouse gas removals in the 2024 financial year.

Cancelled carbon credits

Use of carbon credits in year under report	2024
Total volume of carbon credits cancelled in year under report (t CO_2e)	1,800
Share from removal projects (in %)	0 %
Share from reduction projects (in %)	100 %
Verra (in %)	72.2 %
Gold Standard (in %)	27.8 %
Share from projects within EU (in %)	0 %
Share of carbon credits that qualify as corresponding adjustments pursuant to Article 6 of Paris Agreement (in %)	0 %

The reduction projects relate to the following verified climate protection projects: clean drinking water, Cambodia (Gold Standard), and avoided deforestation in Madre de Dios REDD+, Peru (Verra).

Carbon credits planned to be cancelled in future

STRATEC currently has no carbon credits outstanding for cancellation.

Net-zero target and carbon neutrality

Based on SBTi criteria aligned to the 1.5-degree pathway, STRATEC is pursuing the target of reducing its total emissions in Scope 1, Scope 2, and Scope 3 by 90 % by 2045 (without accounting for offsetting measures) and in addition to achieve net-zero emissions in the whole value chain by 2045. It is thus planned, if necessary, to neutralize remaining greenhouse gas emissions (with a maximum of 10%) by way of permanent carbon removal and storage.

Internal carbon pricing

STRATEC currently does not apply any internal carbon pricing schemes.

ESRS E5 – Resource Use and Circular Economy

Impact, risk, and opportunity management

Description of processes to identify and assess material resource use and circular economy-related impacts, risks, and opportunities
This disclosure is reported in the chapter "ESRS 2 General disclosures – Interests and views of stakeholders".

Policies related to resource use and circular economy
During appliance development, STRATEC already ensures that its products have a resource-efficient design scheme and that they are made of forward-looking, environmentally-friendly materials. To do justice to these standards, STRATEC has established internal policies that have to be complied with over and above legal requirements.

One of these policies is the Environmental Policy, with is to be viewed in connection with the actual positive and negative impacts on the sustainability aspects of "Resource inflows, including resource use" and "Resource outflows related to products and services" identified in the materiality assessment.

With this policy, STRATEC commits itself to complying with all applicable local, national, and international environmental laws, regulations, and standards. Among others, these include Directives such as REACH, RoHS, WEEE, the Packaging and Packaging Waste Directive (PPWD), and battery regulations. In addition, the company continually monitors any amendments in environmental legislation and updates its policy as appropriate.

One core aspect of this commitment is the use of sustainable and resource-efficient product design, which includes the use of recyclable and environmentally-friendly materials. This avoidance of the use of primary resources, including a relative increase in the use of secondary (recycled) resources, is nevertheless not explicitly mentioned in the policy. STRATEC obliges its suppliers to comply with applicable environmental laws, regulations and standards and endeavors to work mainly with suppliers who also have an interest in sustainability. Furthermore, the policy stipulates that, where possible, environmentally friendly materials should be purchased in the procurement process.

A detailed description of the Environmental Policy is provided under "ESRS E1 Climate change – Policies related to climate change mitigation and adaptation".

The Environmental Policy is embedded in the Quality Management Handbook. Company staff are provided with the Quality Management Handbook (see also "ESRS E1 Climate change – Polices related to climate change mitigation and adaptation"), and thus also the Environmental Policy via the document management system as an information assignment and are required to confirm receipt. This way, it is ensured that staff acknowledge the handbook and the Environmental Policy and commit to complying with the requirements stipulated therein. Furthermore, internal quality management audits are conducted to review compliance with the stipulated standards and processes.

The topic of waste hierarchy and the prioritization of waste avoidance or minimization over waste treatment does not explicitly form part of the existing policies.

Actions and resources related to resource use and circular economy
In the year under report, STRATEC introduced or upheld two relevant actions related to resource use and the circular economy and to the positive and negative impacts identified in the materiality assessment.

One of these measures is the quality management system. This is relevant on the one hand for the positive impacts related to resource-efficient product design and the possibility of repairing or exchanging products. On the other hand, it addresses the negative impacts that arise due to the products being only partly recyclable as a result of customer requirements, patient safety precautions, or the composition of the respective materials.

The quality management system is relevant for the implementation of the Quality Management Handbook and thus of the constituent Environmental Policy. The quality management system pursues the target formulated in the Quality Management Handbook of safeguarding product quality on behalf of patients and contributes towards managing the positive and negative impacts identified in the materiality assessment. Furthermore, the quality management system ensures compliance with continually growing regulatory requirements in international markets and ever more extensive national requirements. The establishment of its quality management system enables STRATEC to fulfill the far-reaching requirements of international and national regulations. Moreover, the system is continually being improved by the Quality Management and Regulatory Affairs departments to ensure that it always meets the highest standards. The scope of application for the quality management system comprises STRATEC SE. The process is due to be largely harmonized and will account for specific circumstances at the individual locations. In addition, STRATEC staff from various locations will be pooled to form teams of experts for their respective specialist departments. These staff support each other with knowledge and experience, thus ensuring coordinated and efficient action. The implementation of the Quality Management Handbook by the quality management system is permanent and not subject to any time restrictions.

The STRATEC Group and/or individual subsidiaries are certified in accordance with the following standards: EN ISO 9001 certificate, EN ISO 13485 certificate, MDSAP certificate, QM System compliant with 21 CFR part 820, FDA registered establishment, NRTL registered (NEMKO), Compliance with GMP requirements of Taiwan (TCP participation), Foreign Manufacturer Accreditation in Japan, Compliance with QMS requirements in several other markets, Medical devices registered with UK MHRA.

One further action relates to the training provided in connection with the Environmental Policy. This is relevant for all positive and negative impacts identified in connection with resource use and the circular economy. Company staff, relevant business partners, and service providers are trained on the contents addressed in the policy. As the Environmental Policy was implemented at the end of the 2024 financial year, the training will only take place in 2025.

Participation in the training and awareness-raising programs is expected from all staff. Reporting of non-compliance with the policy is also required.

The provision of procurement training is a relevant action, particular with regard to the negative impacts resulting from the use of resources required for electronics appliances. The training is intended to provide an in-depth understanding of the topic of sustainable procurement. Among others, the learning objectives include:

- Creating an understanding for the relevance of a holistic worldview and its implications for sustainable development
- Communicating the importance of transparency in the upstream supply chain
- Conveying knowledge about fundamental process steps for the structured introduction of sustainable procurement
- Compiling a basis of argumentation relating to the need for sustainable action in procurement.

The training was held on a group-wide basis, with the relevant employees in the Procurement department receiving training. Furthermore, it is planned to continue providing this training on a regular basis.

Metrics and targets

Targets for resource use and circular economy

As an OEM supplier, STRATEC only has limited scope to determine the selection of input materials and product specifications. In addition, companies operating in the medical technology sector have to meet strict regulatory requirements. In view of this, STRATEC has not set any targets for resource use and the circular economy. The effectiveness of the Environmental Policy is suitably monitored where targets apply, for example for the topic of climate protection. As no targets have been set for resource use and the circular economy, however, the policies and actions are not explicitly monitored for the material impacts, risks, and opportunities relevant in this regard.

Resource inflows and outflows

Except in its production of polymer-based consumables, STRATEC works with a low degree of vertical integration. The predominant share of upstream production is outsourced to highly specialized contract suppliers. The final assembly and final testing of the systems are then performed at the production locations for instrumentation solutions. The inflows of resources to the STRATEC Group therefore predominantly comprise the following upstream products:

- Electronics (e.g. sensors, cables, electro-mechanical parts)
- Mechanical components (e.g. magnets, screws, sheet metal parts, springs)
- Production materials (e.g. coatings, plastic granulates, reagents)
- Computer and software (e.g. PCs, printers, software, and firmware)
- Capital goods (e.g. production tools [injection molds, thermoform molds], production machines [assembly technologies, mastering machines, loading systems])
- Consumer goods (cleaning products, office equipment, etc.)

As is the case for all electronics products, many of the aforementioned upstream products also include raw materials, and here especially metals such as copper, iron, or gold. The up-stream value chain therefore extends to mining, an activity which impacts both on the local natural world and on the affected workers.

For polymer-based consumables, the main resource inflow involves plastic granulate, which is processed in the injection molding activities at the locations in Anif (Austria) and New Jersey (USA). Due to high quality standards, specifications stipulated by customers, and the overriding objective of ensuring patient safety, the possibilities of procuring recyclable granulates are often limited in the medical technology industry. The products manufactured by STRATEC are shipped to customers in packaging which comprises different shares of wood, cardboard, and plastics.

Product characteristics[1]

	2024
Expected durability of products (% relationship to industry average)[2]	5–10 years
Reparability of products[3]	100 %

[1] The disclosures refer to analyzer systems, but not to polymer-based or liquid consumables.
[2] The durability of products was derived on the basis of experience values and on requirements and the product specifications determined in the development stage. STRATEC does not have any information indicating that the expected durability stated here differs from the sector average.
[3] Service and spare parts are available for the products. These are therefore classified as being 100% repairable.

ESRS S1 – Own Workforce

Strategy

Interests and views of stakeholders

This disclosure is reported in the chapter "ESRS 2 General disclosures – Interests and views of stakeholders".

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

Since its foundation more than 40 years ago, a responsible mindset and sustainable operations have been a core aspect of STRATEC's business model. By integrating sustainability topics in its corporate strategy, STRATEC is actively taking responsibility towards society. The material actual positive impacts identified in the materiality assessment for the own work-force relate to the sustainability aspects of "Working conditions" and "Equal treatment and opportunities for all", which represent core topics of STRATEC's corporate social responsibility. Metrics have been derived from the individual dimensions of STRATEC's corporate social responsibility. This way, the sustainability aspects of "Working conditions" and "Equal treatment and opportunities for all" are factored into and influence the strategy. The strategy is in turn embedded in the business model, as a result of which the business model is also influenced indirectly. The business model and the workforce are mutually dependent. The business model contributes to the impacts reported, while it itself simultaneously depends on the company's own workforce.

The company's own workforce includes directly employed full-time and part-time employees, members of the Board of Management, managing directors, trainees, interns, and student trainees. Furthermore, workers who are not directly employed, such as temporary employees or consultants employed at third-party companies or self-employed, are included in the company's own workforce if they are drawn on as temporary solutions. This staff is also included in the disclosures made pursuant to ESRS 2. Alongside the impacts due to own operations, consideration was also given to impacts related to the value chain. In its materiality assessment, STRATEC did not identify any material opportunities and risks related to its own workforce, neither did it ascertain any material negative impacts on its own workforce. Accordingly, no specific groups of staff at the company are classified as being at particular risk due to specific characteristics or activities or in connection with any specific context. For this reason, no material risks and opportunities resulting from impacts on specific groups of individuals within the company's own workforce were identified in this regard.

The material actual positive impacts on the sustainability aspects of "Working conditions" and "Equal treatment and opportunities for all" benefit all categories of company staff. One key reason for these positive impacts is the direct management of corporate social responsibility by the Board of Management. Together with members of the first management level, the Board of Management stipulates targets that are applicable both to these managers and to the management of subsidiaries.

In addition, STRATEC has established an ESG Board comprising managers from those company departments which are particular relevant for sustainability aspects (Procurement, Human Resources, Production, Legal & Compliance, Finance & Risk Management, Quality Management, Project Management, Investor Relations, Sustainability, Corporate Communications). Employees performing specialist functions are also involved.

STRATEC has compiled a transition plan to reduce negative impacts on the environment and implement climate-neutral activities. As this transition plan only came into effect in 2024, it has not yet been possible to observe any of its impacts on STRATEC's workforce. It can nevertheless be assumed that the contents of the transition plan will not have any material impacts on the workforce, as the actions planned do not require any changes to STRATEC's business model. A detailed description of the transition plan can be found under "ESRS E1 Climate change – Transition plan for climate change mitigation".

The company does not perform any activities involving a significant risk of child labor or forced labor. In view of this, no countries or geographical regions requiring classification as high risk have been identified in this respect.

Following detailed analysis, STRATEC did not identify any material risks or opportunities in the context of its materiality assessment.

Impact, risk, and opportunity management

Policies for own workforce

STRATEC accords high priority to ensuring good and safe working conditions for its staff. Alongside compliance with legal requirements, the company has therefore also established internal policies for this purpose. The Corporate Compliance Policy and the Quality Management Handbook are relevant in connection with the positive impacts identified in the materiality assessment for the sustainability aspects of "Working conditions" and "Equal treatment and opportunities for all". The Quality Management Handbook described in this report is only valid for the Birkenfeld location. The quality management handbooks at subsidiaries are based on the handbook at STRATEC SE and merely adapted as appropriate to local circumstances.

The Corporate Compliance Policy described below is nevertheless applicable across the whole of the company.

The Corporate Compliance Policy provides the foundation for ethical actions that conform to the law both within the company and in all external business relationships. The policy comprises the group-wide codes of conduct, ethical principles, and further guidelines and is binding for all company employees. Implementation is the responsibility of the topmost level of the Board of Management, the Supervisory Board, and the Global Head of Compliance. Each manager must organize his or her department in such a way that compliance with the regulations set out in the Corporate Compliance Policy and legal requirements is ensured at all times. This particularly involves communicating, monitoring, and enforcing the regulations relevant to his or her area of responsibility. The policy is freely accessible to everyone on the company's website. For employees, it is also available on the intranet and is provided to each new employee on their first day of work. Furthermore, all new employees receive training when they join the company in order to communicate the contents of the policy. For existing employees, refresher training courses are provided for every two years.

The Corporate Compliance Policy addresses a wide range of topics which, among others, also include the sustainability aspects of "Working conditions" and "Equal treatment and opportunities for all". The material positive impacts relating to these aspects are therefore also covered by the policy, a factor that is explained in further detail below:

On the one hand, the policy addresses the sustainability aspect of "Equal treatment and opportunities for all". The overriding objective here is to ensure equal professional opportunities at STRATEC and to promote equal rights and opportunities for all. Employees are to be made aware of this and encouraged to contact their manager without delay if the principles set out here are endangered or not adhered to. A further section addresses health and safety topics, which are related to the material positive impacts in the "Working conditions" sustainability aspect. The core goal here is to prevent work-related injuries and illnesses at the workplace, a factor which benefits both employees and suppliers, customers, and the general public. In addition, the Corporate Compliance Policy addresses conflicts of interest. The policy is intended to ensure that employees perform their work in the best interests of the company and in accordance with legal requirements and that any conflicts of interest between the private interests of employees and the interests of the company are avoided. This factor is also related to the positive impacts of the sustainability aspect of "Equal treatment and opportunities for all".

A further objective of the Corporate Compliance Policy involves eliminating any discrimination and harassment, promoting equal opportunities, and supporting further measures intended to promote diversity and inclusion. The policy explicitly refers to the following factors as grounds for potential discrimination: age, background, race, skin color, marital status, health condition, mental or physical disabilities, nationality, religious affiliation, gender, and sexual orientation. Furthermore, a program has been established to promote women and employees from various countries of origin. To this end, diversity training is provided and language courses supported. This program has been rolled out to all locations and is being continually maintained, albeit not as part of a specific process to combat discrimination. In connection with the implementation of the Corporate Compliance Policy, the whistleblower system was also implemented in order to support the objectives of the policy.

The positive impacts related to STRATEC's modern workplaces are also supported by the Quality Management Handbook, which sets out the factors underlying an ideal work environment and forming the basis for employees' performance capacity. Various aspects are addressed, including creative work methods, employee integration and safety, as well as lighting, noise levels, and cleanliness. All these factors impact on employees' motivation, satisfaction, and performance. The respective heads of department are responsible for creating ideal conditions, while the Board of Management is responsible for implementing worthwhile investments and improvement projects. A continuous improvement process, internal audits, and staff meetings also serve to ideally shape the work environment.

A detailed description of the Quality Management Handbook is provided under "ESRS E1 Climate change – Policies related to climate change mitigation and adaptation".

In addition, STRATEC has committed to complying with internationally recognized standards of human rights as formulated in the UN Global Compact. Respect for human rights, including workers' rights, is also anchored in the Corporate Compliance Policy and the company's human rights strategy. These are aligned towards the guiding principles of the UN (UN Guiding Principles on Business and Human Rights, Universal Declaration of Human Rights), the OECD (OECD Guidelines for Multinational Enterprises, Universal Declaration of Human Rights), and the principles of the ILO "Declaration on Fundamental Principles and Rights at Work of the International Labour Organization" and form the basis for our dealings with each other within STRATEC and our dealings with partners. Aspects of these guidelines have been taken over in instructions and codes of conduct and thus adapted to STRATEC. Furthermore, the topics of human trafficking, forced labor, and child labor are explicitly addressed in the company's Code of Conduct for Business Partners (hereinafter also referred to as the "Code of Conduct"). In addition, the company has an Accident Prevention Policy.

The company's workforce is involved by way of the Works Council at STRATEC SE and the ESG Board, which acts as the company's Human Rights Officer. Should any cases arise that are linked to breaches of human rights, then actions tailored to the specific case are taken. As no such cases have been identified to date, no standard measures are yet in place to deal with these issues.

STRATEC is not subject to any specific political obligations with regard to inclusion or measures to promote particularly vulnerable people. Depending on the location, STRATEC nevertheless provides its workforce with flexible working hours and flex-time models, as well as part-time models which account for the personal situation and health status of the respective employee.

Processes for engaging with own workers and workers' representatives about impacts

For STRATEC, cooperation with the Works Council is the core process drawn on to engage with its workforce. The "Agreement on Staff Involvement in STRATEC SE" Policy defines the topics discussed with the Works Council and lays down the frequency of such involvement. With regard to actual impacts on its own workforce, the company presents its findings to the Works Council and jointly discusses these. Information is regularly shared with the Works Council, a process that is supported by set meetings intended to ensure effective communication and collaboration. In addition, local works councils maintain an ongoing dialog with local HR teams which, depending on requirements, may vary in terms of their frequency from daily to weekly. This structure ensures that the Works Council is closely involved in relevant processes and that workforce interests are effectively represented. The highest-ranking position within the company with which the SE Works Council communicates is the Board of Management, which is also responsible for ensuring that any findings are integrated into the company's policy. This collaboration and exchange of information between the Board of Management and the SE Works

Council is structured very closely, making it possible to effectively weigh up mutual interests and also enabling the effectiveness of this collaboration to be safe-guarded and assessed.

When establishing a diversity program, the company obtained insights into the perspectives of people in underrepresented groups (women and ethnic minorities) by conducting a survey. The recommendations from these interviews were discussed with the other locations, supplemented with their own perspectives and circumstances, and then integrated into the Diversity Program. The survey was primarily conducted to devise a policy for the program. There are plans to perform a renewed survey in 2025 in order to review the effectiveness of the program.

In addition, awareness training was offered to all managers at all locations in 2023. This program, which addressed the topics of prejudice and discrimination at the workplace, was also continued in 2024. Specific training was provided on the topic of diversity for managers and training for women in management positions. Among other objectives, the aim here is to establish a working atmosphere which accounts for and includes the perspectives of women and other potentially marginalized groups.

Processes to remediate negative impacts and channels for own workers to raise concerns

STRATEC's staff members have the possibility of voicing any concerns or needs they may have directly to the company and of having these reviewed. Various channels are available for this purpose. Staff can turn to the HR department, the Compliance department, their managers, managing directors, or the Board of Management at any time by post, e-mail, telephone, or in person.

In addition, there are works councils at several locations and an SE Works Council. A company-internal whistleblower system is also available for anonymous notifications. These channels are supported by providing the necessary resources at the workplace. Moreover, regular compliance training ensures that staff are extensively informed about compliance processes. Furthermore, information about the Works Council is accessible locally, meaning that all employees can view the relevant structures and procedures. The respective HR contact partners are also known on location. It is nevertheless not explicitly checked whether staff are familiar with these structures or procedures or whether they trust them to communicate their concerns or needs and have these reviewed. The anonymized whistleblower system also offers protection against any potential reprisals ("whistleblower protection").

The compliance system has been introduced to process complaints related to employee concerns. To ensure more efficient processing, each location has a compliance officer responsible for his or her location.

As part of the internal compliance process, any complaints communicated via the aforementioned channels at STRATEC are processed and followed up by the compliance officer at the respective location. That involves implementing pre-determined steps to record, categorize, and follow up the given case. Should the processing procedure conclude that remediation is required, this is determined on an individual basis, with its effectiveness reviewed in the follow-up step. Information resulting from this compliance procedure is also included in the compliance report and communicated to the Board of Management, thus enabling it to safe-guard the effectiveness of the processes, and accordingly also of the channels. In this, STRATEC does not provide for integrating stakeholders who are envisaged as target users. Severe cases are subject to a process of escalation to ensure that they are dealt with and solved appropriately. Key information and developments are regularly communicated to the Supervisory Board to ensure effective monitoring. Furthermore, the Supervisory Board is provided with an overview of compliance cases at least once a year. For HR-related compliance topics, the HR department is also involved.

In its materiality assessment, STRATEC did not identify any negative impacts related to the company's own workforce. As a result, no corresponding remediation has been taken in this respect.

Taking action on material impacts on own workforce, and approaches to mitigating material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions

To address the sustainability aspects of "Working conditions" and "Equal treatment and opportunities for all", as well as the associated positive impacts on its own workforce, STRATEC has established two core measures: Its work safety management system and its diversity program.

The prime objective and expected results of the groupwide work safety management system involve protecting the company's workforce and creating a working environment that is free of injury and illness. To this end, a safety engineer has been appointed and work safety training and special health protection programs provided to first-aid and evacuation assistants. The Corporate Compliance Policy also ensures STRATEC's activities do not have or contribute to any material negative impacts on the company's own workforce. To further increase workplace safety and assess the effectiveness of the respective measures, work-related accidents are recorded and documented in templates to enable suitable case-related measures to be initiated. All STRATEC Group staff are obliged by the Corporate Compliance Policy to behave in accordance with the work health and safety policies and reflect the company's basic approach to these topics. Potential safety risks must be reported by staff immediately. With regard to health, the company also organizes preventative measures, programs, and courses, with specific offerings varying from location to location. Examples here include various sports programs. The company also offers medical checks tailored to individual workplaces and special vaccinations (COVID-19 and influenza) for its staff. These actions are performed on an ongoing basis.

STRATEC has also designed and implemented a diversity program intended to raise diversity in management positions. This entails training for women in management positions, for example, as well as training for all managers on "diversity awareness", and the compilation of a diversity portal with resources for all employees. With the exception of the Natech Group, which was acquired in 2023, and the locations newly founded in China and India in 2024, this program has been implemented at all locations and was further promoted in 2024. Moreover, this action is continuous and not subject to any time limits. Among other aspects, it will focus on introducing management groups to further raise diversity awareness. Diversity training and the promotion of language courses, for example, are offered within the program.

The effectiveness of this program is measured by reference to the diversity target set out in the "Targets" chapter.

STRATEC makes extensive resources available to manage impacts on the company's own workforce in connection with working conditions and equal opportunities for all. Examples here include the resources provided to procure height-adjustable desks, various heath and sports programs, flexible working hour regulations, mobile work options, and the provision of professional further development opportunities. In addition, there are HR managers at all locations who are available as contact partners.

The above disclosures cover all relevant actions in respect of material impacts related to the company's own workforce.

Metrics and targets

Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

With regard to the sustainability aspects of "Working Conditions" and "Equal treatment and opportunities for all", STRATEC SE has set itself a diversity target for the first and second management levels below the Board of Management.

Specifically, the target stipulates that the share of women should amount to 25% in the first management level and to 20% in the second management level. The target is set for the period from November 27, 2020 to December 31, 2024. The base year value for the first management level is dated December 31, 2019 and amounts to 21.4%. The base year value for the second management level is also dated December 31, 2019 and amounts to 10.0%.

These targets refer to STRATEC SE in Birkenfeld, the parent company of the STRATEC Group. As of the reporting date on December 31, 2024, women accounted for 21.4% of the first management level and for an 8% share of the second management level. Follow-up targets are due to be adopted in the 2025 financial year. STRATEC's diversity target for the first and second management level is related to the Corporate Compliance Policy. This target is intended to raise the share of women at STRATEC and thus boost gender diversity. The individual targets were set by the Supervisory Board and Board of Management incumbent upon the adoption of the respective resolution. The targets were compiled by reference to existing legal requirements governing the share of women. In setting these targets, monitoring target achievement, and identifying insights or proposed improvements, STRATEC did not work directly together with its workforce or worker representatives. The targets were rather formulated based on analysis of the organizational structure chart for the first and second management levels. The organizational structure chart is also referred to when determining the degree of target achievement.

STRATEC has also set itself a work safety target. This provides for reducing the number of work-related accidents with subsequent absence on the following day. This is measured by reference to the Lost Time Injury Frequency Rate (LTIFR), which records the number of work-related accidents resulting in absence on the following day per million hours worked and thus expresses accident frequency. The targeted maximum figure for the LTIFR amounts to 10. This work safety target was introduced in liaison with the Work Safety Officer. The definition of the metric corresponds to the definition of the ratio of work-related accidents requiring report provided in ESRS (S1 § 88c). This target is being implemented on a group-wide basis, with 2023 being referred to as the base year when assessing target achievement. The value for the base year stood at 8.2. From 2024, the target will be applied to each financial year and updated if needed to meet the latest requirements. Full-time equivalents (FTEs) have been calculated based on location disclosures in annual reporting. The total number of full-time equivalents is then multiplied by the planned working hours for full-time staff in the respective countries in order to determine the number of working hours relevant for the LTIFR calculation.

Characteristics of the company's employees

Employees by type of contract, broken down by region[1]

2024

	Europe	North America	Asia	**Total**
Number of employees	1,287	124	3	**1,414**
Number of permanent employees	1,261	124	1	**1,386**
Number of temporary employees	26	–	2	**28**
Number of non-guaranteed hours employees	1	–	–	**1**

[1] The figures were calculated using internal HR reporting. They reflect the actual number of people as of December 31, 2024.

Number of employees by country[1]

2024

Country	Number of employees
Germany	**540**
Hungary	**305**
Austria	**190**
Romania	**159**
US	**124**
Switzerland	**93**
China[2]	**3**

[1] The figures were calculated using internal HR reporting. They reflect the actual number of people as of December 31, 2024.
[2] Voluntary disclosure.

Employees by type of contract, broken down by gender[1]

2024

	Female	Male	Other	Not disclosed	Total
Number of employees	521	893	–	–	1,414
Number of permanent employees	510	876	–	–	1,386
Number of temporary employees	11	17	–	–	28
Number of non-guaranteed hours employees	1	–	–	–	1

[1] The figures were calculated using internal HR reporting. They reflect the actual number of people as of December 31, 2024.

Employee turnover

2024

Employee turnover (total)	
Rate of employee turnover (in %)[1]	16.8%

[1] The employee turnover rate is determined by stating staff exits in the year under report as a proportion of average staff totals (determined on a monthly basis). As well as staff resignations, staff exits also include employer terminations, retirement, and fatalities.

Collective bargaining coverage and social dialog

Percentage of company employees covered by collective bargaining agreements

As of December 31, 2024, the employees covered by collective bargaining agreements accounted for 15.8% of the total number of company employees.

Collective bargaining coverage and social dialogue

2024	Collective bargaining coverage	Social dialogue
Coverage	European Economic Area	Workplace representation (only EEA)
0–19%		
20–39%		
40–59%		
60–79%		
80–100%	Austria	Germany, Austria, Hungary, Romania

Diversity metrics

Gender distribution at top management level[1]

2024

	Female	Male	Diverse	Total (12.31.2024)
Gender distribution (number)	19	68	–	87
Gender distribution (in %)	21.8%	78.2%	–	100%

[1] For "top management level" the first two levels below the Board of Management were considered. The first level comprises managing directors and managers who report directly to the Board of Management. The members of the second level report directly to members of the first management level.

Distribution of employees by age group[1]

2024	
Share of employees under 30 years old (in %)	17.5%
Share of employees between 30 and 50 years old (in %)	58.9%
Share of employees over 50 years old (in %)	23.6%

[1] The figures were calculated using internal HR reporting. They reflect the actual number of people as of December 31, 2024.

Adequate wages

All of STRATEC's employees receive adequate remuneration. The appropriateness of remuneration has been assessed on the basis of country-specific benchmarks, such as external market statistics and standards, location-specific internal pay structures, and relevant pay comparisons taking due account of any legal requirements, such as the minimum wage.

Health and safety metrics

2024	
Health and safety management system[1]	
Percentage of own workforce who are covered by the company's health and safety management system based on legal requirements and/or recognized standards or guidelines	**100%**
Number of fatalities as a result of work-related injuries and work-related ill health	
Total number of fatalities as a result of work-related injuries and work-related ill health (own workforce)	–
Number and rate of recordable work-related accidents	
Work-related accidents (own workforce)[2]	18
Rate of recordable work-related accidents (own workforce)[3]	7.6

[1] Based on legal requirements and/or recognized standards or guidelines
[2] The number of recordable work-related accidents includes both accidents at the workplace and accidents on the way to the workplace, to the extent that legal requirements in the respective country require the latter category to be allocated to work-related accidents. Pursuant to ESRS requirements, the above figures do not include contract workers.
[3] Calculation based on the format stipulated by ESRS: Number of cases / total number of working hours performed by persons in the own workforce x 1,000,000

Remuneration metrics (pay gap and total remuneration)

Remuneration

The ratio of the annual total remuneration of the highest paid individual to the median annual total remuneration for all employees (FTEs) amounted to 25.5 in the 2024 financial year. Consistent with ESRS disclosure requirements, this metric was calculated using the following formula:

Annual total remuneration of the highest paid individual at the company / median annual total remuneration for all employees (excluding the highest-paid individual)

Pay gap

The gender pay gap amounted to 27.4% in the 2024 financial year. It should nevertheless be pointed out that the method used to calculate the pay gap pursuant to the ESRS is based on the following formula:

(Average gross hourly wage of male employees – average gross hourly wage of female employees) / average gross hourly wage of male employees x 100

The result of this formula presents the average pay gap between male and female employees as a percentage of the average pay level of male employees in all functions, countries, and salary groups. It therefore represents an unadjusted pay gap which, alongside gender aspects, is also influenced by numerous other factors. STRATEC believes that this circumstance reduces the meaningfulness of the reportable metric.

Incidents, complaints, and severe human rights impacts

Incidents / complaints submitted via the reporting channels[1]

2024	
Disciplinary measures	0
Total number of incidents of discrimination, including harassment, reported in the reporting period	0
Number of complaints filed through channels for people in the company's own workforce to raise concerns	21
Number of complaints filed by people in the company's own workforce through national contact points for OECD Multinational Enterprises	0
Number of severe human rights violations and incidents related to people in the company's own workforce	0
Number of severe human rights violations and incidents related to people in the company's own workforce that involve non-respect of the principles of the UN Global Compact or the OECD Guidelines for Multinational Enterprises	0

[1] The basis of data referred to particularly included the anonymized whistleblower system and the incident management system and corresponding reports in the Compliance department.

Total amount of fines, penalties, and compensation for damages as a result of incidents and complaints[1]

2024	
Total amount of fines, penalties, and compensation for damages as a result of incidents and complaints	0
Total amount of fines, penalties, and compensation for damages for human rights-related incidents connected to the company's own workforce	0

[1] The basis of data referred to particularly included the anonymized whistleblower system and the incident management system and corresponding reports in the Compliance department.

ESRS S2 – Workers in the Value Chain

Strategy

Interests and views of stakeholders
This disclosure is reported in the chapter "ESRS 2 General disclosures – Interests and views of stakeholders".

Impacts, risks, and opportunities, and their interaction with strategy and business model
Although STRATEC's suppliers are predominantly located in western industrialized economies with strict legal requirements governing workforce protection, due to its business model the company has material impacts on workers in the value chain.

The manufacturing of electronics products requires the use of conflict minerals, which involves a potential negative impact on workers in the value chain.

As a manufacturer of electronics appliances and accompanying reagents and consumables, in its production process STRATEC uses upstream products which may contain rare earths, conflict minerals such as tin and gold, and hazardous substances. As a result, the risk of child labor and forced labor, particularly in raw material extraction, cannot be comprehensively excluded.

The group of value chain workers that is potentially affected by the negative impact related to raw material extraction is therefore located in the upstream value chain. This relates above all to people involved in extracting raw materials and in manufacturing or other forms of processing hazardous substances, as these activities are frequently performed in regions with low legal standards and increased risk of child labor and other human rights violations. In these regions, the associated material potential negative impact is widespread and systemic.

Should any negative impacts such as human rights violations arise, then these may be detected more quickly by the system. Improved incident detection creates a signal effect that may lead to a long-term reduction in negative impacts of this nature. Accordingly those workers who, due to inherent or other characteristics, are particularly vulnerable to negative impacts (e.g. women and young workers or trade union members) and workers employed in regions with low legal standards may in particular stand to benefit from the established whistleblower system.

All of the workers in the value chain referred to here are covered by ESRS 2 disclosures.

Having performed in-depth analysis, STRATEC has not identified any material risks and opportunities in its materiality assessment that result from impacts and dependencies related to workers in the value chain.

Impact, risk, and opportunity management
Policies related to value chain workers
STRATEC is committed to preventing, terminating, and minimizing any negative impacts of its business activities on human rights to the greatest possible extent. With regard to material actual and potential impacts on workers in the value chain, STRATEC has implemented a human rights approach (Human-Rights-Approach@STRATEC) and introduced a Code of Conduct for Business Partners. Together with the process description for supplier management and the Corporate Compliance Policy, these policies are intended to prevent material potential negative human rights-related impacts in connection with raw material extraction for all workers in the value chain.

"Human-Rights-Approach@STRATEC", the company's value-based human rights approach, is described in the Policy Statement on Respect for Human Rights. This statement supplements and specifies the internal Corporate Compliance Policy with regard to the topic of human rights. With regard to human rights in the value chain, one core component of the Human-Rights-Approach@STRATEC is the Code of Conduct for Business Partners.

The Human-Rights-Approach@STRATEC is applicable to the whole of the STRATEC Group. Responsibility for implementing the approach is incumbent on the Board of Management and the ESG Board, with implementation being monitored in regular risk assessments. To take appropriate account of the interests of the company's most important stakeholders, the company works closely together with the SE Works Council, which plays a central role within the Human-Rights-Approach@STRATEC.

The Code of Conduct obliges business partners to comply with the principles and requirements set out herein. Furthermore, business partners are required to oblige their own suppliers and subcontractors to comply with the standards and requirements of the Code of Conduct. The Code of Conduct is applied on a Group-wide basis and relates to business partners within the upstream value chain. Compliance with the requirements is additionally reviewed by way of regular supplier audits. To ensure transparency and accessibility, the Code of Conduct is made available in both English and German on the company's website and on its intranet. All stakeholders therefore have access to the Code of Conduct. With regard to respect for human rights, core elements of the Code of Conduct include the prohibition of forced labor, child labor, and discrimination. The Code of Conduct also includes requirements concerning fair pay, appropriate working hours, safe working conditions, and upholding freedom of assembly. It is based on national laws and regulations (German Supply Chain Due Diligence Act – LkSG) and international standards (Universal Declaration of Human Rights of the United Nations, the Children's Rights and Business Principles, the United Nations Guiding Principles on Business and Human Rights, the international labor standards of the International Labour Organization and the United Nations Global Compact). The topic of human trafficking is not explicitly included in the Code of Conduct, but indirectly covered by the international standards referred to above (especially ILO).

A further policy in this context is the process description for supplier management, which forms part of the Quality Management Handbook.

The core element of this policy involves a description of the qualification, classification, monitoring, development, and phasing out of suppliers. Compliance with the Code of Conduct also forms part of supplier management. The process hereby prescribed also defines how compliance with the Code of Conduct is to be safeguarded, with implementation reviewed in the context of supplier audits.

The process description is applied at all STRATEC locations in Switzerland and Germany. By contrast, the locations in Hungary and Austria have separate process descriptions adjusted in line with country-specific requirements and conditions. For the locations of the Natech Group acquired in 2023 and the locations newly founded in India and China in 2023 and 2024 respectively, the Code of Conduct is applicable by way of the Corporate Compliance Policy, which is valid on a global basis. It is planned to specify and embed the process description as appropriate in the 2025 financial year.

The whistleblower system embedded in the Corporate Compliance Policy is of core significance, particularly for employees within the supply chain, as it defines various options to report incidents. To ensure that the system can be used by workers in the whole of the value chain, contact can also be taken up with the Compliance Officer via the external channels. A detailed description of the Corporate Compliance Policy is provided under "ESRS S1 Own workforce – Policies related to own workforce". The UN Global Compact also explicitly mentions the topics of forced labor and child labor in its ten principles. By signing up to the Compact and committing to adhere to its principles, STRATEC has incorporated these topics into its strategy. Human trafficking is indirectly covered via the international labor standards of the International Labour Organization and is therefore not explicitly mentioned again in the policy. Furthermore, all of STRATEC's policies which are relevant to workers in the value chain are based on the UN Guiding Principles on Business and Human Rights, the OECD Guidelines for Multinational Enterprises, the Universal Declaration of Human Rights, and the ILO conventions.

In addition, STRATEC has committed to respecting human and workers' rights by including these in its company-wide Corporate Compliance Policy. The prohibition of forced labor and child labor is also clearly defined in the Code of Conduct. Respect for these rights is reviewed within the compliance management system and the whistleblower system. Detailed information about the compliance management system can be found under "ESRS G1 Business conduct – Policies related to business conduct and corporate culture". Via the Code of Conduct, these obligations are also passed on to business partners in the upstream supply chain. Here, compliance with the Code of Conduct is monitored by auditing suppliers and supplier self-disclosures.

Consistent with these policies, no human rights violations were identified within the STRATEC Group and its supply chain in the 2024 financial year or in previous financial years.

Should any incidents of human rights violations occur, then measures suitable to the specific case would be taken. As no such cases have been identified to date, there are so far no standard measures for such matters.

Apart from the anonymous whistleblower system STRATEC has currently implemented no further measures to involve workers in the value chain.

Processes for engaging with value chain workers about impacts

STRATEC currently does not have any established process for directly engaging with workers in the value chain.

Processes to remediate negative impacts and channels for value chain workers to raise concerns

STRATEC takes measures on a case-by-case basis and therefore does not have any general approach towards remediation. No cases related to the material potential negative human rights-related impact have been identified to date, as a result of which no corresponding measures have yet been taken. Having said this, workers in the value chain have the possibility to voice their concerns and needs directly to STRATEC using the whistleblower system and to have these reviewed. This system was set up by an external company specifically for STRATEC.

The Corporate Compliance Policy provides extensive information about the various channels. This policy also points out that the whistleblower system can be accessed anonymously via the company's website. Apart from this, STRATEC does not have any specific policy to protect individual persons against reprisals. General information about the whistleblower system can also be found on the website. For internal users, additional information is provided on the intranet and in compliance training.

To safeguard their use, the channels are explained in detail both in the Corporate Compliance Policy and in associated training. In addition, the publication of information on the website means that value chain workers have the possibility to inform themselves about the relevant structures and procedures. To guarantee that any notifications received are suitably processed, an internal case-handling process has been established. At present, however, no specific measures are yet in place to review whether these channels are known to value chain workers or whether they trust such channels.

Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those actions

To avert any violations of human rights and reinforce the positive impacts of its whistleblower system, STRATEC has implemented training and other measures.

In 2024, STRATEC introduced group-wide training focusing on sustainable procurement. This training, which is planned to be repeated as a recurring measure in the years ahead, is intended to promote an in-depth understanding of sustainable procurement practices. The training was specifically developed for relevant staff in the Procurement department and has been implemented on a group-wide basis. Among others, the learning goals include understanding the relevance of a holistic worldview and the impacts of and need for sustainable procurement actions and recognizing the importance of transparency in the upstream supply chain. The overriding goal of the training is to continually raise awareness among staff working in this area and to increase their specialist knowledge and thus embed sustainability within procurement processes.

A further measure implemented in the 2024 year under report which referred to the potential negative impact on value chain workers in connection with human rights was the group-wide topical extension in supplier audits. All production-relevant suppliers are contractually obliged to comply with STRATEC's universally valid Code of Conduct for business partners. During the contract initiation stage, all new business partners are subject to sanctions list, watch list and black list screening. In 2023, the supplier audit process for existing business partners was extended to include additional aspects referring to respect for human rights. These have been applied since 2024. The objective is to promote respect for human rights in the supply chain and to reduce any human rights violations by stepping up checks. These measures are applied on a group-wide basis and refer to the upstream value chain.

Both of the aforementioned measures are intended to prevent material potential negative human rights-related impacts. To date, there is no separate process to check the effectiveness of the aforementioned measures.

A further initiative primarily intended to achieve positive impacts in areas including value chain workers is the company's membership in a leading provider of sustainability assessments. The transparency hereby created increases the pressure on companies to comply with sustainable business practices.

No human rights-related incidents or other material impacts have been reported to date within the STRATEC Group and its supply chain either for 2024 or for previous years. In view of this, no specific measures have yet been taken to remedy such matters. Should the company nevertheless gain awareness of any negative impacts on value chain workers, then the ESG Board would be notified as appropriate. This is the body which discusses material points of actual or potential human rights violations and develops measures for each individual case. The relevant departments involved are then engaged in processing the individual case. Furthermore, the availability and effectiveness of the process is safeguarded by clearly defined responsibilities.

Various preventative measures have been taken to ensure that the company's own practices continue not to have or contribute to any material negative impacts on value chain workers. Among others, these include sanctions list, watch list, and black list screening, as well as supplier management.

STRATEC has introduced various measures to manage actual or potential material impacts. The company launched operations with a whistleblower system based on externally procured software and puts this to effective use. In the 2024 financial year, further instruments and processes were launched to detect any potential human rights violations in the value chain at an early stage and to tackle these. Among others, these include the implementation of a database-assisted risk assessment software by the Procurement department. It is planned to extend and correspondingly revise internal processes for deployment of the new software in 2025.

Metrics and targets

Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

In the 2024 financial year, STRATEC further expanded its risk management related to suppliers and implemented new instruments. The analysis and interpretation of the resultant findings have not yet been fully completed. Upon completion of this process, the company expects to develop corresponding targets.

ESRS S4 – Company-Specific Disclosures: Patient Safety

Company-specific disclosures

In view of the company's products and business model, no material impacts, risks, or opportunities were identified for the target group of end-users / consumers relevant to S4. The CSRD defines consumers as "individuals who acquire, consume or use goods and services for personal use, either for themselves or for others, and not for resale, commercial or trade, business, craft or profession purposes" and end-users as "individuals who ultimately use or are intended to ultimately use a particular product or service". Mapped onto STRATEC's business model, end-users involve the group of persons who use the products, such as staff in diagnostics laboratories. STRATEC therefore does not refer to consumers as a group. With regard to end-users, no material IROs were identified. As a result, no topics relating to this user group have been included in this reporting. By contrast, patients are key stakeholders who are affected by material IROs. They are nevertheless not adequately covered by the ESRS and have therefore been reported under the "company-specific sustainability aspects" allocated to S4. Exceptions apply for the disclosures on S4-2 "Processes for engaging with consumers and end-users about impacts" and S4-3 "Processes to remediate negative impacts and channels for consumers and end-users to raise concerns", as this information is not significant with reference to patients. As an OEM partner and given the interim end-users, STRATEC does not have any direct contact to patients.

Strategy

Interests and views of stakeholders
This disclosure is reported in the chapter "ESRS 2 General disclosures – Interests and views of stakeholders".

Material impacts, risks, and opportunities, and their interaction with strategy and business model
STRATEC's overriding objective, which is also anchored in its mission statement, is to improve people's quality of life. It achieves this in cooperation with customers and by designing and manufacturing innovative medical technology products. The products designed by STRATEC meet the highest quality standards and are subject to the requirements of numerous regulatory approval authorities. Quality assurance is a factor of particular importance, as the quality of the company's products directly affects the wellbeing of patients. Specifically, the relevance of quality on patient impacts is reflected in the fact that STRATEC's products play a decisive role in healthcare provision, particularly in the field of in-vitro diagnostics. These processes are crucially important in modern healthcare systems and contribute to around 70% of all decisions as to how patients are to be treated.

As a result, all patients whose therapeutic decisions are dependent on STRATEC products benefit from the material positive impacts and are simultaneously potentially affected by negative impacts. Given the existing quality management system, any potential negative impacts on patients arising due to unexpected quality problems would be more likely attributable to individual rather than systemic incidents.

Due to its business model, STRATEC nevertheless does not have any more far-reaching information about those patients whose therapeutic decisions were reached on the basis of a STRATEC product. In view of this, no information is available on patient characteristics in terms of the risk of damages. No application is made of the disclosures relating to S4 Paragraph 10 a i.-iv.

The impacts of products on patients significantly influence the corporate strategy and its opportunities for future growth and profitability. This refers not only to a specific group of patients, but rather to the basic dependence of the business model on patients. Product quality is also a decisive lever for STRATEC to differentiate itself from competitors and thus plays a core role in the company's strategy.

Impact, risk, and opportunity management

Policies related to patients

STRATEC has a Quality Management Handbook to safeguard and continually improve its quality. This has a corresponding effect in promoting patient safety and the adequate handling of the impacts and opportunities identified in the materiality assessment (see table under "ESRS 2 General disclosures – Material impacts, risks, and opportunities, and their interaction with strategy and business model").

A detailed description of the Quality Management Handbook is provided under "ESRS E1 Climate change – Policies related to climate change mitigation and adaptation".

Taking action on material impacts on patients and approaches to managing material risks and pursuing material opportunities related to patients, and effectiveness of those actions

STRATEC has introduced an extensive quality management system to implement the requirements of its Quality Management Handbook and continually safeguard its quality. This system pursues the objective formulated in the Quality Management Handbook of safeguarding the quality of products for patients and thus contributes to managing the opportunities and impacts identified in the materiality assessment (see table under "ESRS General disclosures – Material impacts, risk, and opportunities, and their interaction with strategy and business model"). In addition, the quality management system ensures that the continually growing regulatory requirements of international markets and ever more extensive national requirements are complied with. A detailed description of the quality management system is provided under "ESRS E5 Resource use and circular economy – Actions and resources in relation to resource use and circular economy".

Metrics and targets

Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

The effectiveness of the Quality Management Handbook and the quality management system in respect of quality standards is continually monitored. This includes both their effectiveness in terms of the positive and potential negative impacts identified in the management assessment and their effectiveness in terms of resultant opportunities.

Responsibility for monitoring quality is incumbent on the Board of Management. The quality management system is evaluated by the Board of Management within its management review at least once a year. This evaluation is performed in the first quarter of the subsequent year. The data and information required for this evaluation are provided by the relevant departments.

Given the overriding goal of safeguarding patient safety and meeting regulatory requirements, any disaggregation into individually quantifiable metrics would only make limited sense. No targets within the meaning of the CSRD have therefore been set, not least due to the lack of a base year.

ESRS G1 – Business Conduct

Governance

The role of the administrative, management, and supervisory bodies

This disclosure is reported in the chapter "ESRS 2 General disclosures – Interests and views of stakeholders".

Impact, risk, and opportunity management

Description of the processes to identify and assess material impacts, risks, and opportunities

This disclosure is reported in the chapter "ESRS 2 General disclosures – Interests and views of stakeholders".

Business conduct and corporate culture, corruption and bribery

Among others, key topical focuses of the Corporate Compliance Company include shaping the corporate culture and tackling corruption and bribery. The Corporate Compliance Policy thus covers the material positive impacts, opportunities, and risks identified for these topics within the materiality assessment.

A detailed description of the Corporate Compliance Policy is provided under "ESRS S1 Own workforce – Policies related to own workforce".

On the one hand, the policy addresses the topics of corruption and bribery, with the overriding target being that of preventing corruption. That involves complying with the requirement for integrity in business dealings and is to be understood as a prohibition on all impermissible forms of exerting influence. The Corporate Compliance Policy also describes STRATEC's corporate culture, with great value being accorded in this respect to standards and rules of conduct. The policy also obliges all employees worldwide to behave lawfully and with respect towards employees, colleagues, business partners, customers, and the authorities.

A further core element involves compliance with the requirements of the law and official regulations. To this end, STRATEC has established a compliance management system that facilitates the effective implementation of all principles and core elements of the Corporate Compliance Policy. This compliance management system is also anchored in the Corporate Compliance Policy.

Key measures to communicate and implement the contents of the Corporate Compliance Policy include group-wide training and regular one-to-one talks between employees and their superiors, as well as if required between superiors and the relevant compliance officer. The compliance management system is continually being developed further, a process which may result in further actions. Initial training is provided when employees join the company. Subsequent to that, the contents are conveyed on an ongoing basis in refresher training sessions provided every 1 to 2 years.

Knowledge and understanding of the applicable regulations is a factor of great significance, particularly with regard to the topics of corruption and bribery. The implementation of the Corporate Compliance Policy and regular refreshment of its contents are of core relevance. To standardize the company-wide compliance culture, the local compliance managers at all STRATEC subsidiaries also receive regular targeted training.

The STRATEC Group has set itself the target of achieving a specified training quota in the field of corporate compliance. Setting this target is intended in particular to enable the company to gain an overview of the employees who have been trained. It is intended to reach a group-wide training quota of at least 85 % to 100 %. Target achievement will be measured from 2024, in which the quota stood at 82.7 %. The target should also apply for each subsequent financial year. Target achievement will generally be monitored and reviewed via the staff qualification management system, and in individual cases using otherwise defined reporting processes. As the target was set for the first time in 2024, it is not yet possible to report any changes in the targets or measurement methods. It is also not yet possible to document any progress made towards achieving the target.

Policies related to business conduct and corporate culture

The Corporate Compliance Policy and the compliance management system form the basis for addressing reports and concerns of unlawful conduct or of conduct that contravenes the Code of Conduct.

Such matters can be reported at any time to the compliance team, whether anonymously or including the name of the person making the report. Various channels are available for this purpose: by e-mail, via the compliance mailbox, via the whistleblower system, or in person to the local compliance officer. Former employees also have the possibility to report the aforementioned matters. The whistleblower system, the link to which they will be familiar with due to their previous activity at STRATEC, is available to them for this purpose. For all other stakeholders, the link to the whistleblower system is publicly accessible on the company's website.

The whistleblower system enables reports to be submitted anonymously. The anonymity thereby guaranteed ensures that the person submitting the report cannot be traced. Such person is therefore protected against any potential reprisals ("whistleblower protection").

Complaints are processed via the compliance management system. To enable such complaints to be processed more efficiently, each location has its own compliance officer. Cases reported are documented within the compliance team and dealt with in accordance with their relevance. Suitable investigations may then be launched to clarify the matters reported. If necessary, and following agreement with the Board of Management, such investigations may also be performed with external support. At the end of each year, an anonymized compliance report is compiled for each STRATEC company and presented in summarized form to the Supervisory Board. Furthermore, the company enables relevant experiences to be shared at its corporate compliance summits. The objective here is to cultivate a uniform compliance management system across the Group and to support those responsible on location in implementing this system.

All channels available to staff to submit reports are supported by provided the necessary resources at the workplace. Thanks to the aforementioned regular compliance training, it is ensured that staff are extensively informed about compliance processes. Those employees responsible for processing compliance-related incidents also receive targeted training enabling them to discharge this duty as well as possible.

Prevention and detection of corruption and bribery

The whistleblower system and associated incident processing procedure represent existing processes to prevent, detect, investigate, and follow up any incidents of corruption or bribery. Preventing such incidents forms part of the Corporate Compliance Policy.

The incident processing procedure is initiated upon receipt of notifications or any other occurrences reported. The objective is to investigate any incidents relating to business conduct, and in particular any incidents of corruption and bribery, without delay, independently, and objectively. The responsible local compliance officer is the first contact partner for compliance-related incidents and is not part of the management. For acute topics, the Board of Management and Supervisory Board are nevertheless involved without delay and otherwise informed once a year on an anonymous basis about any incidents arising.

A further action to prevent any incidents of corruption and bribery involves providing compliance training in which the contents of the Corporate Compliance Policy are communicated to staff. Among other matters, this regular training addresses the topics of corruption and bribery, as well as further topics relevant to compliance. The scope of training is aligned to the likelihood of corruption-related risks. Staff in the procurement departments and the Board of Management are particularly at risk in terms of corruption and bribery. According to the final assessment by the Compliance Officer, this is generally also the case for staff working in sales. The risk of corruption is nevertheless assessed as being low overall, as STRATEC does not market its products directly to end customers, but rather chiefly sells these to OEM customers. This assessment is further supported by the fact that most of the company's customers are located in countries with low corruption risk. The scope of compliance training relating to corruption is therefore comparatively small and does not play any superordinate role within the training program. This program covers 100% of the functions-at-risk, as participation in the training is mandatory for all staff and for the Board of Management.

Metrics and targets

Anti-corruption and bribery training

	2024
Functions-at-risk covered by training program (share in %)[1]	100%

[1] All staff receive compliance training upon joining the company, thus also covering 100% of functions-at-risk.

Violations of corruption and bribery laws

No convictions or fines were imposed in the 2024 financial year for violations of anti-corruption and anti-bribery laws.

Reporting pursuant to EU Taxonomy Regulation

One key objective of the EU's Action Plan on Sustainable Finance is to steer capital flows towards sustainable investments. Against this backdrop, Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the Establishment of a Framework to Facilitate Sustainable Investment and Amending Regulation (EU) 2019/2088 (hereinafter "Taxonomy Regulation") has taken effect. This provides a uniform and legally binding system of classification to determine which economic activities in the EU are to be considered as "environmentally sustainable".

STRATEC is obliged by § 289b (1) HGB in conjunction with § 315b HGB and Article 8 of the Taxonomy Regulation to report in accordance with the Taxonomy Regulation. STRATEC prepared its consolidated financial statements as of December 31, 2024 in accordance with IFRS as adopted by the European Union and the interpretations of the IFRS Interpretation Committee (IFRIC). The IFRS consolidated financial statements serve as the basis for determining the figures presented below. The consolidated financial statements include all fully consolidated and proportionately consolidated group companies. The following EU Taxonomy reporting has been prepared on the basis of Commission Delegated Regulation (EU) 2021/2178 and in accordance with the International Financial Reporting Standards (IFRS) applicable to the consolidated financial statements.

An economic activity is Taxonomy-eligible if it is listed in the EU Taxonomy and can thus potentially contribute to achievement of at least one of the environmental objectives listed in Article 9 of the Taxonomy Regulation:

a) Climate change mitigation
b) Climate change adaptation
c) Sustainable use and protection of water and marine resources
d) Transition to a circular economy
e) Pollution prevention and control
f) Protection and restoration of biodiversity and ecosystems.

In classifying an economic activity as "environmentally sustainable" as defined in the EU Taxonomy Regulation, a distinction has to be made between "Taxonomy eligibility" and "Taxonomy alignment". The first step involves checking whether the respective economic activity is described in the Delegated Regulation and thus Taxonomy-eligible. Only Taxonomy-eligible economic activities may count as Taxonomy-aligned, and thus as "environmentally sustainable" if specific criteria are met.

For the 2023 financial year, it was necessary to disclose the shares of sales (turnover), capital expenditure (CapEx), and operational expenditure (OpEx) that are attributable to Taxonomy-eligible and Taxonomy-non-eligible economic activities for all environmental objectives, as well as the respective shares of these key figures attributable to Taxonomy-aligned and Taxonomy-non-aligned economic activities for the first two environmental objectives of "Climate change mitigation" and "Climate change adaptation".

In addition to the previous requirements, for the 2024 financial year companies are also required to disclose the shares of Taxonomy-aligned and Taxonomy-non-aligned economic activities for all other environmental objectives (Sustainable use and protection of water and marine resources, Transition to a circular economy, Pollution prevention and control, Protection and restoration of biodiversity and ecosystems).

With regard to the templates pursuant to Annex XII of Delegated Regulation 2021/2178, the company does not have any activities in the fields of electricity generation, combined heat/cooling energy and power generation or heat/cooling energy generation from fossil gas or nuclear energy. There is therefore no requirement to report the gas and nuclear energy tables.

KPI: Turnover

The turnover key performance indicator presents the sales (turnover) from Taxonomy-eligible and Taxonomy-aligned economic activities (numerator) in a given financial year as a proportion of the total sales in this financial year (denominator). Here, the denominator corresponds to the sales reported in the IFRS consolidated financial statements and thus refers to net sales with goods or services, including intangible goods, pursuant to IAS 1.82(a).

The total sales of € 257.624k reported for the 2024 financial year represent the denominator in the turnover KPO and are presented in the Group's income statement.

The sales reported in STRATEC's consolidated income statement (see Notes to Consolidated Financial Statements) are investigated across all group companies to ascertain whether they were generated with Taxonomy-eligible economic activities pursuant to Annex I (Climate change mitigation) and Annex II (Climate change adaptation) to Delegated Regulation 2021/2139 and Delegated Regulation (EU) 2023/24, and pursuant to Annex I (Sustainable use and protection of water and marine resources), Annex II (Transition to a circular economy), Annex III (Pollution prevention and control), and Annex IV (Protection and restoration of biodiversity and ecosystems) of Environmental Delegated Regulation 2023/2486 to the Taxonomy Regulation.

In the first step of the analysis, based on the descriptions of all existing economic activities the extent to which STRATEC's economic activities are Taxonomy-eligible in terms of the six environmental objectives was investigated. Detailed analysis of their constituent items enables the respective sales to be clearly allocated to the Taxonomy-eligible economic activities.

By analogy with the previous year, STRATEC had sales-generating activities in the economic activities of 1.2 "Manufacture of electrical and electronic equipment", 5.1 "Repair, refurbishment and remanufacturing", and 5.2 "Sale of spare parts" which could be allocated to the "Transition to a circular economy" environmental objective. All other economic activities contributing to the "Transition to a circular economy" environmental objective are of no relevance to STRATEC. Furthermore, no economic activities from the other environmental objectives were identified as being Taxonomy-eligible.

This results in Taxonomy-eligible turnover of € 156.569k for the 2024 financial year, corresponding to a Taxonomy-eligible share of turnover amounting to 60.8%. The share of Tax-onomy-eligible turnover therefore fell slightly compared with the previous year's figure (66.6%). The amounts included in the numerator relate solely to the three economic activities referred to above and chiefly result from revenues from contracts with customers. STRATEC does not report any amounts for Taxonomy-eligible activities serving its own requirements under the economic activities. The economic activities associated with STRATEC's sales are unchanged on the previous year. The reduction in the turnover KPI is chiefly due to the fact that STRATEC generated a proportionately lower volume of sales with the aforementioned Taxonomy-eligible products in the 2024 financial year.

For an economic activity to count as Taxonomy-aligned, it must satisfy three superordinate criteria:

1. **Substantial contribution to an environmental objective:** The Taxonomy-eligible economic activity must make a substantial contribution to one of the defined environmental objectives.
2. **No significant harm of other environmental objectives:** The Taxonomy-eligible economic activity may not significantly harm any of the other environmental objectives.
3. **Compliance with minimum safeguards:** Compliance with the minimum safeguards must be ensured for the Taxonomy-eligible economic activities.

Taxonomy alignment review for economic activity 1.2. "Manufacture of electrical and electronic equipment"

Sales resulting from the sale of analyzer systems are allocable to this economic activity.

Substantial contribution
In the first step of the Taxonomy alignment analysis, a review is performed to ascertain whether the Taxonomy-eligible activities satisfy the criteria stipulated for a substantial contribution to one of the environmental targets.

Economic activity 1.2 is deemed to make a substantial contribution if the appliances (analyzer systems) manufactured within the Taxonomy-eligible economic activity satisfy all EU Ecolabel criteria applicable to that specific product category in accordance with Regulation (EC) No. 66/2010 of the European Parliament and of the Council. Furthermore, the operator of the activity must provide proof of compliance with all requirements listed in accordance with the verification criteria foreseen by the EU Ecolabel criteria.

Alternative: Where no product-specific EU Ecolabel criteria exist, or the operator of the activity has not used them, then the relevant products have to comply with detailed criteria in the following areas: design for long lifetime, design for repair and guarantee, design for reuse and remanufacturing, design for dismantlement, design for recyclability, proactive substitution of hazardous substances, information to customers, producer responsibility

For STRATEC's Taxonomy-eligible products there are no product-specific criteria for the EU Ecolabel. Following in-depth analysis, the Taxonomy alignment of these products was also excluded with regard to the alternative further criteria:

Criteria relating to design for repair and guarantee:
The criteria for this economic activity require the operator of the activity to be able to assess the extent to which any product repair presents health and safety risks. STRATEC's customers are responsible for deciding whether the product is decontaminated or not. In view of this, STRATEC cannot reliably state that significant health and safety risks presented by product repair can be excluded.

Irrespective of whether STRATEC can provide any assessment of the health and safety risks, the criteria require the disclosure of disassembly and repair instructions during the product lifetime. STRATEC does not currently make any such instructions publicly available.

For electrical and electronic equipment designed for use by consumers, the economy activity requires the operator of the activity to provide a commercial guarantee of at least three years at no extra charge in accordance with the requirements of Article 17 of Directive (EU) 2019/771 of the European Parliament and of the Council. Contractually agreed guarantee terms are in place at STRATEC, but these do not satisfy the stipulated minimum guarantee term of at least 3 years.

Criteria relating to design for dismantling:
STRATEC does not meet the requirements governing information on the product's end-of-life management over the lifetime of the products. Information is provided in the product service manual, but this is not publicly available. Furthermore, the information provided in the service manual does not fully meet the requirements of the aforementioned Directive 2012/19/EU.

Criteria relating to design for recycling:
STRATEC currently does not assess the recyclability of its products in accordance with the stated standard EN 45555:2019 or with any product-specific EN standard relying on EN 45555:2019.

Criteria relating to proactive substitution of hazardous substances:
All of STRATEC's products are designed in accordance with the requirements of REACH and ROHS. However, conformity with REACH and/or ROHS is not equivalent to demonstrated proactive substitution of hazardous substances. Proactive substitution of hazardous substances is not guaranteed upon manufacture or by the products themselves.

Given the explanatory comments provided above, STRATEC cannot reliably state that the relevant criteria for a substantial contribution in connection with economic activity 1.2. are satisfied.

Taxonomy alignment review for economic activity 5.1. "Repair, refurbishment, and remanufacturing"

The service and repair services performed by STRATEC are allocable to this economic activity.

Substantial contribution
Economic activity 5.1. is deemed to make a substantial contribution if the service and repair services result in an extension in product lifetime due the repair, refurbishment, or remanufacturing of products that have been used for the intended purpose before by a customer (physical person or legal person).

These services must also satisfy specific criteria. Firstly, the replaced parts, the refurbished products, or the remanufactured products must be covered by a sales contract where relevant and in accordance with provisions regards conformity of the product, liability of the seller (including the option of a shorter liability or limitation period for second-hand products), burden of proof, remedies for lack of conformity, the modalities for the exercise of those remedies, repair or replacement of the goods, and commercial guarantees. Secondly, a waste management plan must be implemented with the economic activity. This plan must ensure that the product's materials, particularly critical raw materials, and components that have not been reused in the same product are reused elsewhere, or, where reuse is not possible (due to damage, degradation, or hazardous substances), are recycled, or, only where reuse and recycling are not viable, are disposed of in accordance with applicable Union and national legislation. Furthermore, this waste management plan must be accessible to the public.

The service and repair services offered by STRATEC currently do not satisfy the listed criteria. As a result, economic activity 5.1. cannot be reported as Taxonomy-aligned. That is because responsibility for disposing of the materials in STRATEC's products is incumbent on the respective users. In addition, disposal is governed by relevant local legislation. Moreover, STRATEC has currently not implemented any proprietary waste management plan.

Taxonomy alignment review for economic activity 5.2. "Sale of spare parts"

Sales from the sale of spare parts are allocable to this economic activity.

Substantial contribution

For economic activity 5.2. to make a substantial contribution, the spare parts must also be covered by a sales contract in accordance with provisions as regards conformity of the product, liability of the seller (including the option of a shorter liability or limitation period for second-hand products), burden of proof, remedies for lack of conformity, modalities for the exercise of those remedies, repair or replacement of the goods, and commercial guarantees. Furthermore, each sold spare part for a product must replace, or intend to replace in the future, an existing part in order to restore or upgrade the product's functionality, in particular in cases where the existing part is broken. If the sale of spare parts includes the delivery of packaged products, also if the activity is operated as e-commerce, detailed requirements also apply to the primary and secondary packaging of the product.

At STRATEC, the sale of spare parts also involves the delivery of packaged products. Among other materials, the packaging used here comprises paper or cardboard made of non-recycled material. For these primary materials, STRATEC cannot demonstrate any of the certifications stipulated in the substantial contribution criteria, namely certification by the Forest Stewardship Council (FSC), by the Programme for the Endorsement of Forest Certification Schemes (PEFC International), or by equivalent recognized schemes. Furthermore, no declaration of compliance is compiled. As a result, economic activity 5.2. cannot be reported as a Taxonomy-aligned economic activity.

The third superordinate criterion for Taxonomy alignment involves compliance with minimum safeguards. This requirement, which applies equally to all economic activities, addresses compliance with human rights, social, and labor standards, as well as regulations governing the topics of fair competition, corruption, and tax discipline. Compliance with minimum safeguards can be documented both for individual economic activities and for the company as a whole. STRATEC has set itself the objective of meeting these requirements on group level. Article 18 of the Taxonomy Regulation stipulates the OECD Guidelines for Multinational Enterprises, the UN Guiding Principles on Business and Human Rights, the ILO Core Labour Standards, and the Universal Declaration of Human Rights as the frameworks underpinning compliance with minimum safeguards. In specifying these requirements, STRATEC is guided by the recommendations of the Platform on Sustainable Finance.

Minimum safeguards

The analysis of individual economic activities to assess their Taxonomy alignment, a process which is described in detail above, shows that Taxonomy alignment cannot be confirmed for any economic activity in the context of this report. In view of this, STRATEC has established processes to analyze the requirements of the minimum safeguards. At the date of this report, however, these processes were not fully complete. As a company that is aware of its responsibilities, STRATEC respects and promotes human rights, including labor and consumer rights. STRATEC explicitly endorses the goals of combating corruption and bribery and of promoting fair competition and fair taxation. This approach is reflected in our actions as a company. STRATEC is continually monitoring developments in the minimum safeguard requirements.

Key performance indicators:

To avoid double counting when calculating the key performance indicators, the entries for all identified economic activities were analyzed on single booking level and subsequently clearly allocated to an economic activity.

CapEx KPI

For the CapEx key performance indicator, the denominator comprises capital expenditure defined as additions to property, plant and equipment, intangible assets, and IFRS 16 right-of-use assets before depreciation and amortization and any remeasurements for the respective financial year and excluding any changes in fair values.

The CapEx KPI in turn requires calculation both for Taxonomy-eligible and for Taxonomy-aligned economic activities. Pursuant to Point 1.1.2.2. of Annex I to Delegated Regulation (EU) 2021/2178, the nominator presents that share of capital expenditure that

a) Relates to assets or processes that are associated with Taxonomy-aligned economic activities, or
b) Forms part of a plan to expand Taxonomy-aligned economic activities or to allow Taxonomy-eligible economic activities to become Taxonomy-aligned ("CapEx plan") under the conditions specified in the second subparagraph of this Point 1.1.2.2, or
c) Relates to the purchase of output from Taxonomy-aligned economic activities and individual measures enabling the target activities to become low-carbon or to lead to greenhouse gas reductions, notably activities listed in Points 7.3 to 7.6 of Annex I to the Climate Delegated Act, as well as to other economic activities listed in the delegated acts adopted pursuant to Article 10 (3), Article 11 (3), Article 12 (2), Article 13 (2), Article 14 (2), and Article 15 (2) of Regulation (EU) 2020/852 and provided that such measures are implemented and operational within 18 months.

Total capital expenditure amounted to € 20.477k in the 2024 financial year (see relevant disclosure in Group Asset Schedule).

Based on the respective project descriptions, capital expenditure was analyzed to ascertain the extent to which it might be allocated to one of these three categories. Of relevance to Category a) is that capital expenditure which can be fully allocated to the aforementioned economic activities 1.2., 5.1., and 5.2. from the environmental objective of "Transition to a circular economy". No relevant capital expenditure was identified for Category b), as the company did not have any CapEx plan meeting the Taxonomy definition in 2024. As no CapEx plan was in place, the disclosures on material information relating to the plan are not applicable. In terms of its capital expenditure, STRATEC has not identified any economic activities which contribute to several environmental objectives. Based on the following comments, it is apparent that, in line with the process described, STRATEC could clearly allocate its capital expenditure to economic activities which in turn are each clearly allocable to an environmental objective.

The Taxonomy-eligible CapEx in Category c) is supplemented by the purchase of Taxonomy-eligible services and products. These purchased items can be allocated to the economic activities "Transport by motorbikes, passenger cars, and light commercial vehicles" (Economic Activity 6.5), "Installation, maintenance, and repair of energy efficiency equipment" (Economic Activity 7.3), and "Acquisition and ownership of buildings" (Economic Activity 7.7) within the "Climate change mitigation" environmental objective and furthermore to the economic activity "Manufacture of electrical and electronic equipment" (Economy Activity 1.2.) in the "Transition to a circular economy" environmental objective. For all taxonomy-eligible capital expenditure in Category c), STRATEC's business partners were unable to provide the documentary evidence required for Taxonomy alignment. By ensuring a clear system of allocation, it was ensured that the capital expenditure relating to these economic activities was not also recorded when determining the capital expenditure relating to Taxonomy-eligible turnover.

Total Taxonomy-eligible capital expenditure amounted to € 8.731k, resulting in a Taxonomy-eligible capital expenditure share of 42.6%. The share of Taxonomy-eligible capital expenditure therefore increased compared with the previous year (15.0%). A quantitative breakdown for the amounts included in the numerator on aggregated economic activity level is provided in the reporting table for this KPI. The economic activities associated with STRATEC's capital expenditure are unchanged compared with the previous year. The increase in the CapEx KPI is largely due to STRATEC having a proportionately higher share of capital expenditure in connection with the relevant economic activities in the 2024 financial year.

No capital expenditure can be reported as Taxonomy-aligned CapEx for the 2024 financial year. The total amount of Taxonomy-aligned capital expenditure therefore amounted to € 0k, resulting in a Taxonomy-aligned CapEx share of 0%. The amount of Taxonomy-aligned capital expenditure has thus not changed since the previous year (0%).

OpEx KPI

For the OpEx key performance indicator, the denominator comprises direct, non-capitalized expenses relating to research and development, building renovation measures, maintenance and repairs, and short-term leases pursuant to IFRS 16. Total operational expenditure amounted to € 12,217k in the 2024 financial year. The OpEX KPI also requires calculation with regard to both Taxonomy-eligible and Taxonomy-aligned economic activities. Pursuant to Point 1.1.3.2 of Annex I to Delegated Regulation (EU) 2021/2178, the numerator presents that share of operational expenditure that

a) Relates to assets or processes associated with Taxonomy-aligned economic activities, including training and other human resources adaptation needs, and direct non-capitalized costs that represent research and development, or
b) Forms part of the CapEx plan to expand Taxonomy-aligned economic activities or allow Taxonomy-eligible economic activities to become Taxonomy-aligned within a predefined timeframe as set out in the second paragraph of this Point 1.1.3.2, or
c) Relates to the purchase of output from Taxonomy-aligned economic activities and to individual measures enabling the target activities to become low-carbon or to lead to greenhouse gas reductions as well as individual building renovation measures as identified in the delegated acts adopted pursuant to Article 10 (3), Article 11 (3), Article 12 (2), Article 13 (2), Article 14 (2), and Article 15 (2) of Regulation (EU) 2020/852 and provided that such measures are implemented and operational within 18 months.

To determine the numerator, the expenditure recorded in the relevant accounts was reviewed to ascertain its Taxonomy eligibility. Of relevance to Category a) is that operational expenditure which can be fully allocated to the aforementioned economic activities 1.2., 5.1., and 5.2. from the environmental objective of "Transition to a circular economy". No relevant capital expenditure was identified for Category b), as the company did not have any CapEx plan meeting the Taxonomy definition in 2024. As no CapEx plan was in place, the disclosures on material information relating to the plan are not applicable. With regard to Category c), purchases of Taxonomy-eligible products and services in connection with the economic activities "Transport by motorbikes, passenger cars and light commercial vehicles" (Economic Activity 6.5), "Installation, maintenance and repair of energy efficiency equipment" (Economic Activity 7.3), and "Acquisition and ownership of buildings" (Economic Activity 7.7) within the "Climate change mitigation" environmental objective and economic activity "Manufacture of electrical and electronic equipment" (Economic Activity 1.2) in the "Transition to a circular economy" environmental objective can be allocated to this category. For all taxonomy-eligible operational expenditure in Category c), STRATEC's business partners were unable to provide the documentary evidence required for Taxonomy alignment. By ensuring a clear system of allocation, it was ensured that this operational expenditure was not also recorded when determining the operational expenditure relating to Taxonomy-eligible turnover. Based on these comments, it is apparent that, in line with the process described, STRATEC could clearly allocate its operational expenditure to economic activities which in turn are each clearly allocable to an environmental objective.

Total Taxonomy-eligible operational expenditure amounted to € 575k, resulting in a Taxonomy-eligible operational expenditure share of 4.7%. The share of Taxonomy-eligible operational expenditure therefore fell slightly compared with the previous year (6.9%). A quantitative breakdown for the amounts included in the numerator on aggregated economic activity level is provided in the reporting table for this KPI. The economic activities associated with STRATEC's operational expenditure are unchanged compared with the previous year. The reduction in the OpEx KPI is largely due to STRATEC having a proportionately lower share of operational expenditure in connection with the relevant economic activities in the 2024 financial year.

No operational expenditure can be reported as Taxonomy-aligned OpEx for the 2024 financial year. The total amount of Taxonomy-aligned operational expenditure therefore amounted to € 0k, resulting in a Taxonomy-aligned OpEx share of 0%. The amount of Taxonomy-aligned operational expenditure has thus not changed since the previous year (0%).

Key performance indicators for EU Taxonomy – 2024 turnover

Economic activities	Codes	2024 Turnover (€ 000s)	2024 Proportion of turnover, year 2024 (%)	Substantial contribution criteria: Climate change mitigation (Y; N; N/EL)	Climate change adaptation (Y; N; N/EL)	Water and marine resources (Y; N; N/EL)	Circular economy (Y; N; N/EL)	Pollution (Y; N; N/EL)	Biodiversity (Y; N; N/EL)
A. Taxonomy-eligible activities									
A.1 Environmentally sustainable activities (taxonomy-aligned)									
		–	–	–	–	–	–	–	–
Turnover of environmentally sustainable activities (taxonomy-aligned) (A.1)		**0.0**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**
of which enabling (E)		0.0	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
of which transitional (T)		0.0	0.0%	0.0%					
A.2 Taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned activities)									
				(EL; N/EL)	**(EL; N/EL)**	**(EL; N/EL)**	**(EL; N/EL)**	**(EL; N/EL)**	**(EL; N/EL)**
Manufacture of electrical and electronic equipment	CE 1.2	81,564	31.7%	N/EL	N/EL	N/EL	EL	N/EL	N/EL
Repair, refurbishment and remanufacturing	CE 5.1	4,157	1.6%	N/EL	N/EL	N/EL	EL	N/EL	N/EL
Sale of spare parts	CE 5.2	70,848	27.5%	N/EL	N/EL	N/EL	EL	N/EL	N/EL
Turnover of taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned activities) (A.2)		**156,569**	**60.8%**	**0.0%**	**0.0%**	**0.0%**	**60.8%**	**0.0%**	**0.0%**
A. Turnover of taxonomy eligible activities (A.1+A.2)		**156,569**	**60.8%**	**0.0%**	**0.0%**	**0.0%**	**60.8%**	**0.0%**	**0.0%**
B. Taxonomy-non-eligible activities									
Turnover of taxonomy-non-eligible activities		101,055	39.2%						
Total (A+B)		**257,624**	**100.0%**						

Abbreviations in columns 5 to 10:
Y = Yes, Taxonomy-eligible and Taxonomy-aligned activity with the relevant environmental objective
N = No, Taxonomy-eligible but not Taxonomy-aligned activity with the relevant environmental objective
N/EL = not eligible, Taxonomy non-eligible activity for the relevant environmental objective
EL = Taxonomy eligible activity for the relevant objective

Table according to footnote (c) of Environmental DA Annex V

	Proportion of turnover/Total turnover: aligned per objective	eligible per objective
CCM	0.0%	0.0%
CCA	0.0%	0.0%
WTR	0.0%	0.0%
CE	0.0%	60.8%
PPC	0.0%	0.0%
BIO	0.0%	0.0%

DNSH criteria ("Does Not Significantly Harm")									
Climate change mitigation (Y/N)	**Climate change adaptation** (Y/N)	**Water and marine resources** (Y/N)	**Circular economy** (Y/N)	**Pollution** (Y/N)	**Biodiversity** (Y/N)	**Minimum safeguards** (Y/N)	**Proportion of taxonomy aligned (A.1) or eligible (A.2) turnover, year 2023** (%)	**Category (enabling activity)** (E)	**Category (transition activity)** (T)
–	–	–	–	–	–	–	–		
–	**–**	**–**	**–**	**–**	**–**	**–**	**–**		
–	–	–	–	–	–	–	–	**E**	
									T
							42.3 %		
							0.3 %		
							24.0 %		
							66.6 %		
							66.6 %		

Key performance indicators for EU Taxonomy – 2024 CapEx

Economic activities	Codes	CapEx (€ 000s)	Proportion of CapEx, year 2024 (%)	Climate change mitigation (Y; N; N/EL)	Climate change adaptation (Y; N; N/EL)	Water and marine resources (Y; N; N/EL)	Circular economy (Y; N; N/EL)	Pollution (Y; N; N/EL)	Biodiversity (Y; N; N/EL)
		2024		Substantial contribution criteria					
A. Taxonomy-eligible activities									
A.1 Environmentally sustainable activities (taxonomy-aligned)									
		–	–	–	–	–	–	–	–
CapEx of environmentally sustainable activities (taxonomy-aligned) (A.1)		**0.0**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**
of which enabling (E)		0.0	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
of which transitional (T)		0.0	0.0%	0.0%					
A.2 Taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned activities)									
				(EL; N/EL)	**(EL; N/EL)**	**(EL; N/EL)**	**(EL; N/EL)**	**(EL; N/EL)**	**(EL; N/EL)**
Manufacture of electrical and electronic equipment	CE 1.2	5,536	27.0%	N/EL	N/EL	N/EL	EL	N/EL	N/EL
Transport by motorbikes, passenger cars and light commercial vehicles	CCM 6.5	332	1.6%	EL	N/EL	N/EL	N/EL	N/EL	N/EL
Installation, maintenance and repair of energy efficiency equipment	CCM 7.3	8	0.0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL
Acquisition and ownership of buildings	CCM 7.7	2,855	13.9%	EL	N/EL	N/EL	N/EL	N/EL	N/EL
CapEx of taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned activities) (A.2)		**8,731**	**42.6%**	**15.6%**	**0.0%**	**0.0%**	**27.0%**	**0.0%**	**0.0%**
A. CapEx of taxonomy eligible activities (A.1+A.2)		**8,731**	**42.6%**	**15.6%**	**0.0%**	**0.0%**	**27.0%**	**0.0%**	**0.0%**
B. Taxonomy-non-eligible activities									
CapEx of taxonomy-non-eligible activities		11,746	57.4%						
Total (A+B)		**20,477**	**100.0%**						

Abbreviations in columns 5 to 10:
Y = Yes, Taxonomy-eligible and Taxonomy-aligned activity with the relevant environmental objective
N = No, Taxonomy-eligible but not Taxonomy-aligned activity with the relevant environmental objective
N/EL = not eligible, Taxonomy non-eligible activity for the relevant environmental objective
EL = Taxonomy eligible activity for the relevant objective

Table according to footnote (c) of Environmental DA Annex V

	Proportion of CapEx/Total CapEx	
	aligned per objective	**eligible per objective**
CCM	0.0%	15.6%
CCA	0.0%	0.0%
WTR	0.0%	0.0%
CE	0.0%	27.0%
PPC	0.0%	0.0%
BIO	0.0%	0.0%

DNSH criteria ("Does Not Significantly Harm")									
Climate change mitigation (Y/N)	**Climate change adaptation** (Y/N)	**Water and marine resources** (Y/N)	**Circular economy** (Y/N)	**Pollution** (Y/N)	**Biodiversity** (Y/N)	**Minimum safeguards** (Y/N)	**Proportion of taxonomy aligned (A.1) or eligible (A.2) CapEx, year 2023** (%)	**Category (enabling activity)** (E)	**Category (transition activity)** (T)
–	–	–	–	–	–	–	–		
–	**–**	**–**	**–**	**–**	**–**	**–**	**–**		
–	–	–	–	–	–	–	–	**E**	
									T
							4.4%		
							1.3%		
							9.3%		
							0.0%		
							15.0%		
							15.0%		

Key performance indicators for EU Taxonomy – 2024 OpEx

		2024		Substantial contribution criteria					
Economic activities	**Codes**	**OpEx** (€ 000s)	**Proportion of OpEx, year 2023** (%)	**Climate change mitigation** (Y; N; N/EL)	**Climate change adaptation** (Y; N; N/EL)	**Water and marine resources** (Y; N; N/EL)	**Circular economy** (Y; N; N/EL)	**Pollution** (Y; N; N/EL)	**Biodiversity** (Y; N; N/EL)
A. Taxonomy-eligible activities									
A.1 Environmentally sustainable activities (taxonomy-aligned)									
		–	–	–	–	–	–	–	–
OpEx of environmentally sustainable activities (taxonomy-aligned) (A.1)		**0.0**	**0.0 %**	**0.0 %**	**0.0 %**	**0.0 %**	**0.0 %**	**0.0 %**	**0.0 %**
of which enabling (E)		0.0	0.0 %	100.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
of which transitional (T)		0.0	0.0 %	0.0 %					
A.2 Taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned activities)									
				(EL; N/EL)	**(EL; N/EL)**	**(EL; N/EL)**	**(EL; N/EL)**	**(EL; N/EL)**	**(EL; N/EL)**
Manufacture of electrical and electronic equipment	CE 1.2	250	2.0 %	N/EL	N/EL	N/EL	EL	N/EL	N/EL
Transport by motorbikes, passenger cars and light commercial vehicles	CCM 6.5	82	0.7 %	EL	N/EL	N/EL	N/EL	N/EL	N/EL
Installation, maintenance and repair of energy efficiency equipment	CCM 7.3	41	0.3 %	EL	N/EL	N/EL	N/EL	N/EL	N/EL
Acquisition and ownership of buildings	CCM 7.7	201	1.6 %	EL	N/EL	N/EL	N/EL	N/EL	N/EL
OpEx of taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned activities) (A.2)		**575**	**4.7 %**	**2.7 %**	**0.0 %**	**0.0 %**	**2.0 %**	**0.0 %**	**0.0 %**
A. OpEx of taxonomy eligible activities (A.1+A.2)		**575**	**4.7 %**	**0.3 %**	**0.0 %**	**0.0 %**	**2.0 %**	**0.0 %**	**0.0 %**
B. Taxonomy-non-eligible activities									
OpEx of taxonomy-non-eligible activities		11,642	95.3 %						
Total (A+B)		**12,217**	**100.0 %**						

Abbreviations in columns 5 to 10:
Y = Yes, Taxonomy-eligible and Taxonomy-aligned activity with the relevant environmental objective
N = No, Taxonomy-eligible but not Taxonomy-aligned activity with the relevant environmental objective
N/EL = not eligible, Taxonomy non-eligible activity for the relevant environmental objective
EL = Taxonomy eligible activity for the relevant objective

Table according to footnote (c) of Environmental DA Annex V

	Proportion of OpEx/Total OpEx	
	aligned per objective	**eligible per objective**
CCM	0.0 %	2.7 %
CCA	0.0 %	0.0 %
WTR	0.0 %	0.0 %
CE	0.0 %	2.0 %
PPC	0.0 %	0.0 %
BIO	0.0 %	0.0 %

DNSH criteria ("Does Not Significantly Harm")									
Climate change mitigation (Y/N)	**Climate change adaptation** (Y/N)	**Water and marine resources** (Y/N)	**Circular economy** (Y/N)	**Pollution** (Y/N)	**Biodiversity** (Y/N)	**Minimum safeguards** (Y/N)	**Proportion of taxonomy aligned (A.1) or eligible (A.2) OpEx, year 2023** (%)	**Category (enabling activity)** (E)	**Category (transition activity)** (T)
–	–	–	–	–	–	–	–		
–	**–**	**–**	**–**	**–**	**–**	**–**	**–**		
–	–	–	–	–	–	–	–	**E**	
									T
							5.3 %		
							0.2 %		
							0.8 %		
							0.6 %		
							6.9 %		
							6.9 %		

Birkenfeld, May 16, 2025

STRATEC SE

The Board of Management

Marcus Wolfinger *Dr. Claus Vielsack* *Dr. Georg Bauer*

CONSOLIDATED FINANCIAL STATEMENTS FOR THE 2024 FINANCIAL YEAR OF STRATEC SE

CONTENTS

CONSOLIDATED BALANCE SHEET
as of December 31, 2024

Assets

€ 000s	Note	12.31.2024	12.31.2023 Retrospectively adjusted[1]	01.01.2023 Retrospectively adjusted[1]
Non-current assets				
Goodwill	(01)	50,975	51,158	36,655
Other intangible assets	(01)	62,889	61,329	50,200
Right-of-use assets	(02)	15,180	16,490	12,444
Property, plant and equipment	(03)	65,065	67,513	61,559
Non-current financial assets	(07)	3,472	3,583	3,539
Non-current contract assets	(05)	20,859	15,504	17,170
Deferred taxes	(11)	3,116	1,302	1,479
		221,556	**216,879**	**183,046**
Current assets				
Inventories	(04)	121,818	117,522	97,701
Trade receivables	(06)	41,578	58,059	51,730
Current financial assets	(07)	1,563	2,047	1,404
Current other receivables and assets	(08)	7,951	8,059	10,502
Current contract assets	(05)	1,209	10.,098	13,027
Income tax receivables	(11)	2,219	4,480	3,883
Cash	(26)	47,164	33,532	22,668
		223,502	**233,797**	**200,915**
Total assets		**445,058**	**450,676**	**383,961**

[1] Information on the effects of retrospective adjustments or corrections and retrospective changes in accordance with IAS 8 can be obtained from the notes to the consolidated financial statements.

Shareholders’ equity and debt

€ 000s	Note	12.31.2024	12.31.2023 Retrospectively adjusted[1]	01.01.2023 Retrospectively adjusted[1]
Shareholders’ equity	(09)			
Share capital		12,158	12,158	12,158
Capital reserve		37,131	36,273	35,145
Revenue reserves		192,267	187,867	184,288
Treasury stock		-35	-35	-35
Other equity		-3,988	830	-4,907
		242,533	**237,093**	**226,649**
Non-current debt				
Financial liabilities	(12)	88,695	97,453	83,187
Other liabilities	(14)	1,201	795	846
Contract liabilities	(15)	343	1,949	9,433
Provisions for pensions	(10)	5,338	4,317	3,152
Provisions	(16)	190	301	258
Deferred taxes	(11)	16,412	12,639	11,658
		112,179	**117,454**	108,534
Current debt				
Financial liabilities	(12)	45,565	47,881	8,029
Trade payables	(13)	18,447	23,391	14,037
Other liabilities	(14)	10,369	10,876	10,956
Contract liabilities	(15)	7,235	5,936	4,771
Provisions	(16)	760	1,201	1,033
Income tax liabilities	(11)	7,970	6,844	9,952
		90,346	**96,129**	**48,778**
Total shareholders' equity and debt		**445,058**	**450,676**	**383,961**

[1] Information on the effects of retrospective adjustments or corrections and retrospective changes in accordance with IAS 8 can be obtained from the notes to the consolidated financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the Period from January 1 to December 31, 2024

€ 000s	Note	2024	2023 Retrospectively adjusted[1]
Sales	(17)	257,624	270,414
Cost of sales	(18)	-181,237	-202,252
Gross profit		**76,387**	**68,162**
Research and development expenses	(19)	-11,612	-8,740
Sales-related expenses	(20)	-12,456	-11,952
General administration expenses	(21)	-24,445	-19,255
Income / Expenses from impairment of financial assets and contract assets	(06)	-1,202	-392
Other operating expenses	(22)	-6,037	-9,638
Other operating income	(22)	6,907	7,519
Earnings before interest and taxes (EBIT)		**27,542**	**25,704**
Financial income		320	110
Financial expenses		-5,902	-3,992
Other financial result		48	-276
Net financial result	(23)	**-5,534**	**-4,158**
Earnings before taxes (EBT)		**22,008**	**21,546**
Taxes on income	(11)	-5,987	-6,176
Consolidated net income		**16,021**	**15,370**
Items that may not be reclassified to profit or loss:			
Remeasurement of defined benefit pension plans	(09)	-640	-947
Items that may be subsequently reclassified to profit or loss:			
Currency translation differences from translation of foreign operations	(09)	-4,177	6,684
Other comprehensive income (OCI)		**-4,817**	**5,737**
Comprehensive income		**11,204**	**21,107**
Basic earnings per share in €	(24)	**1,32**	**1,26**
No. of shares used as basis (undiluted)		12,155,942	12,155,942
Diluted earnings per share in €	(24)	**1,32**	**1,26**
No. of shares used as basis (diluted)		12,155,942	12,158,841

[1] Information on the effects of retrospective adjustments or corrections and retrospective changes in accordance with IAS 8 can be obtained from the notes to the consolidated financial statements.

CONSOLIDATED CASH FLOW STATEMENT
for the 2024 Financial Year

€ 000s	Note	01.01. - 12.31.2024	01.01. - 12.31.2023 Retrospectively adjusted[1]
I. Operations			
Consolidated net income (after taxes)		16,021	15,369
Depreciation and amortization		19,434	17,626
Current income tax expenses	(11)	3,847	4,884
Income taxes paid less income taxes received		-622	-8,457
Financial income	(23)	-320	-110
Financial expenses	(23)	5,902	3,992
Interest paid		-6,303	-4,191
Interest received		319	337
Other non-cash expenses		4,093	4,088
Other non-cash income		-3,598	-6,333
Change in net pension provisions through profit or loss	(10)	1,037	1,022
Change in deferred taxes through profit or loss	(11)	2,140	1,292
Profit (-) / loss (+) on disposals of non-current assets		416	366
Increase (-) / decrease (+) in inventories, trade receivables and other assets		12,114	-10,405
Increase (+) / decrease (-) in trade payables and other liabilities		-5,768	-157
Cash flow from operating activities		**48,712**	**19,323**
II. Investments			
Incoming payments from disposals of non-current assets			
• Intangible assets		16	0
• Property, plant and equipment		2,203	229
• Financial assets		0	5
Outgoing payments for investments in non-current assets			
• Intangible assets	(01)	-8,308	-8,981
• Property, plant and equipment	(03)	-9,881	-8,342
Outgoing payments for acquisition of consolidated companies less cash thereby acquired		0	-26,965
Cash flow from investing activities		**-15,970**	**-44,054**
III. Financing			
Incoming funds from taking up of financial liabilities		16,000	60,000
Outgoing payments for repayment of financial liabilities	(12)	-26,336	-10,142
Outgoing payments for repayment of lease liabilities	(12)	-3,278	-2,626
Dividend payments		-6,687	-11,790
Cash flow from financing activities		**-20,301**	**35,442**
IV. Cash-effective change in cash (net balance of I – III)		**12,441**	**10,712**
Cash at start of period		33,532	22,668
Impact of exchange rate movements		1,191	152
Cash at end of period	(26)	**47,164**	**33,532**

[1] Information on the effects of retrospective adjustments or corrections and retrospective changes in accordance with IAS 8 can be obtained from the notes to the consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
for the 2024 Financial Year

€ 000s	Note	Share capital	Capital reserve
December 31, 2022	(09)	**12,158**	**35,145**
Adjustments in accordance with IAS 8			
January 1, 2023	(09)	**12,158**	**35,145**
Equity transactions with owners			
• Dividend payment			
Allocations due to stock option programs			1,128
Comprehensive income Retrospectively adjusted[1]			
December 31, 2023 Retrospectively adjusted[1]	(09)	**12,158**	**36,273**

[1] Information on the effects of retrospective adjustments or corrections and retrospective changes in accordance with IAS 8 can be obtained from the notes to the consolidated financial statements

€ 000s	Note	Share capital	Capital reserve
December 31, 2023 as previously stated	(09)	**12,158**	**36,273**
Adjustments in accordance with IAS 8			
December 31, 2023 Retrospectively adsjusted[1]	(09)	**12,158**	**36,273**
Equity transactions with owners			
• Dividend payment			
Allocations due to stock option programs			858
Comprehensive income			
Change in scope of consolidation			
December 31, 2024	**(09)**	**12,158**	**37,131**

[1] Information on the effects of retrospective adjustments or corrections and retrospective changes in accordance with IAS 8 can be obtained from the notes to the consolidated financial statements

			Other equity		
	Revenue reserves	Treasury stock	Pension plan	Currency translation	Group equity
	182,823	**-35**	**66**	**-4,973**	**225,184**
	1,465				**1,465**
	184,288	**-35**	**66**	**-4,973**	**226,649**
	-11,790				**-11,790**
					1,128
	15,369		-947	6,684	**21,106**
	187,867	**-35**	**-881**	**1,711**	**237,093**

			Other equity		
	Revenue reserves	Treasury stock	Pension plan	Currency translation	Group equity
	184,100	**-35**	**-881**	**1,711**	**233,326**
	3,767				**3,767**
	187,867	**-35**	**-881**	**1,711**	**237,093**
	-6,687				**-6,687**
					858
	16,021		-640	-4,177	**11,204**
	66				**66**
	197,267	**-35**	**-1,521**	**-2,466**	**242,534**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE 2024 FINANCIAL YEAR OF STRATEC SE

CONTENTS

A. GENERAL DISCLOSURES

General disclosures

STRATEC SE designs and manufactures fully automated analyzer systems for its partners in the fields of clinical diagnostics and biotechnology. Furthermore, the STRATEC Group (hereinafter also "STRATEC") provides complex consumables for diagnostics and medical applications. In this, the Company covers the entire value chain – from development and design through to production and quality assurance. The partners market the systems, software and consumables, in general together with their own reagents, as system solutions to laboratories, blood banks and research institutes around the world. STRATEC develops its products on the basis of its own, usually patented, technologies. Customers gain access to these STRATEC technologies by purchasing products or licenses.

STRATEC SE, whose legal domicile is at Gewerbestrasse 37, 75217 Birkenfeld, Germany, is a publicly listed corporation under European law and is registered in the Commercial Register in Mannheim, Germany, with the number HRB 732007.

These consolidated financial statements were approved for publication by the Board of Management of STRATEC SE on May 16, 2025.

Basis of preparation

The consolidated financial statements prepared by STRATEC SE as the ultimate parent company as of December 31, 2024 have been prepared with due application of § 315e (1) of the German Commercial Code (HGB) in accordance with the requirements of the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB), London, and the Interpretations of the International Financial Reporting Interpretations Committee (IFRS IC) valid and endorsed by the European Union as of the end of the reporting period, as well as with the supplementary requirements of German commercial law. The consolidated financial statements have been prepared on the basis of the cost principle, with the exception of share-based payments and derivative financial instruments, which are measured at fair value.

The consolidated financial statements have been compiled in thousand euros (€ 000s). Unless otherwise stated, the amounts reported in the notes to the consolidated financial statements are denominated in thousand euros (€ 000s). Due to numbers being rounded and presented in € 000s, individual figures in the consolidated financial statements of STRATEC SE may not add up exactly to the totals stated and percentage figures may not correlate exactly with the absolute figures to which they refer.

The financial year for the consolidated financial statements corresponds to the calendar year. The financial statements of all companies included in the consolidated financial statements have been prepared as of the end of the reporting period for the consolidated financial statements and based on uniform accounting policies.

The consolidated statement of comprehensive income has been prepared using the cost of sales method. This involves presenting sales revenue alongside the expenses incurred to generate such, which are generally allocated to the functional areas of production, research and development, sales, and general administration.

In the interests of clarity, individual items have been aggregated in the consolidated balance sheet, the consolidated statement of comprehensive income, the consolidated cash flow statement, and the consolidated statement of changes in equity. These are explained in the notes to the consolidated financial statements. The consolidated balance sheet has been structured in line with the maturities of the respective assets and liabilities. All assets and liabilities maturing or due to be sold within the next twelve months are classified as current. Assets and liabilities earmarked for realization in the Company's usual course of business are also classified as current, even when their maturities exceed twelve months. Liabilities for which STRATEC has a substantive right to defer settlement by at least twelve months after the the end of the reporting period are classified as non-current. Deferred taxes must generally be presented as non-current items.

Unless reported otherwise below, the accounting policies applied have not changed since the previous year.

Accounting standards requiring mandatory application for the first time in the current financial year

The following accounting standards and interpretations required mandatory application for the first time in the 2024 financial year:

Standard	Title	Effective date[1]	EU endorsement
New and amended standards and interpretations			
IAS 1	Amendments: Classification of Liabilities as Current or Non-Current Amendments: Disclosures on Non-Current Liabilities with Covenants	01.01.2024	12.19.2023
IFRS 16	Amendments: Lease Liability in a Sale and Leaseback	01.01.2024	11.20.2023
IAS 7 und IFRS 7	Amendments: Disclosures on Supplier Finance Arrangements	01.01.2024	05.15.2024

[1] For companies like STRATEC whose financial year corresponds to the calendar year

The application of these standards and interpretations in the 2024 financial year was consistent with the respective transition requirements. Unless explicitly required by individual standards and interpretations and explained separately below, the respective requirements have generally been applied retrospectively, i.e. the information has been presented as if the new accounting methods had always been applied in the past. In these cases – and where called for by the respective standard – the comparative figures have been adjusted accordingly.

The aforementioned amendments did not have any material implications for these consolidated financial statements.

Effects of retroactive adjustments or corrections and retroactive changes in accordance with IAS 8 (Accounting Policies, Changes in Accounting Estimates and Errors)

Several adjustments were made to the previous year's consolidated financial statements, which are presented below. The effects of retroactive adjustments or corrections and retroactive changes in accordance with IAS 8 (Accounting Policies, Changes in Accounting Estimates and Errors) on STRATEC's consolidated financial statements are explained below. The corresponding figures for the previous year in the notes to the consolidated financial statements have been adjusted accordingly.

Changes in 2023 without any impact on earnings

Changes in the presentation of balance sheet items

Compared with the previous year, we no longer present accrued trade payables under financial liabilities in the **consolidated balance sheet** under financial liabilities, but rather under trade payables. The previous year's line items were reduced or increased by a total of € 1,937k (12.31.2023) and € 3,173k (1.1.2023), respectively.

In addition, of the total provisions for guarantees and warranties previously reported under current provisions, € 301k (12.31.2023) and € 258k (1.1.2023) have now been reclassified to non-current provisions.

Furthermore, we have reclassified the deferred tax assets of € 2,706k (12.31.2023) and € 2,545k (1.1.2023), which were previously recognized in connection with the tax audit in Germany for the assessment periods 2014 – 2017 and relate to expected income tax reductions in Switzerland due to cross-border matters, to the line item income tax receivables.

Changes in the presentation of the consolidated statement of comprehensive income

Compared to the previous year, in addition to the corresponding disclosures in the notes to the consolidated financial statements, we have presented other operating income and expenses as well as financial income and finance costs on a gross basis in the **consolidated statement of comprehensive income**. The previous year's figures have been adjusted or corrected retrospectively as appropriate. In addition, impairments and reversals of impairments on financial assets and contract assets are no longer presented within sales-related expenses, but are disclosed separately. As a result, the sales-related expenses reported in the previous year, which included impairment losses on financial assets and contract assets, were reduced by € 392k.

Changes in the presentation of the consolidated statement of cash flows

In the **consolidated statement of cash flows**, the line item "cash outflows for the repayment of financial liabilities" has now been broken down into "cash outflows for the repayment of liabilities to banks" and "repayments of lease liabilities". The previous year's line item has been changed retroactively.

Changes to the notes to the consolidated financial statements

Compared to the previous year, we have reclassified the accrual of interest payable to banks, which was previously reported under other current financial liabilities in the **notes to the consolidated financial statements** in section "C. NOTES TO THE CONSOLIDATED BALANCE SHEET (12) Non-current and current financial liabilities," to current liabilities to banks. The previous year's line item was reduced or increased by a total of € 693k (12.31.2023) and € 68k (1.1.2023), respectively.

Change in the accounting treatment of obligations to grant non-cash discounts

In previous periods, obligations to grant non-cash discounts were recognized as provisions in accordance with IAS 37 (Provisions, Contingent Liabilities and Contingent Assets). These obligations were directly related to contractual performance obligations to a customer and should therefore be classified as contractual performance obligations within the meaning of IFRS 15.22 et seq., as the related delivery constitutes a distinct component of the contractually agreed consideration. Therefore, the presentation was adjusted/corrected retrospectively, and the consideration received for this delivery was recognized as a contract liability in accordance with IFRS 15 (Revenue from Contracts with Customers). The obligation to grant non-cash discounts ceased in the course of the 2023 financial year due to a new agreement reached with the customer. "Other operating income" recognized in the previous year in the consolidated statement of comprehensive income from the reversal of the provision described above was therefore also adjusted or corrected retrospectively and presented under sales revenue in accordance with IFRS 15 (Revenue from Contracts with Customers). The aforementioned retrospective adjustment/correction has resulted in the following changes to the amounts reported in the **consolidated balance sheet** as of December 31, 2023, December 31, 2022, and January 1, 2023, to the **consolidated statement of comprehensive income**, and to **consolidated net income** for the 2023 financial year. For the sake of clarity, only the line items affected by the change are presented in €k:

Items	12.31.2023	12.31.2023 01.01.2023
Other liabilities	0	-628
Contract liabilities	0	628
Sales revenue	628	
Other operating income	-628	
Consolidated net income	0	

The aforementioned retrospective adjustments, corrections, and changes had no impact on the previous year's consolidated net income or the consolidated equity of previous years.

Changes in 2023 with an impact on earnings

Inventory valuation (IAS 2)

In previous periods, what is known as a "write-down based on inventory turnover" was included as a routine valuation method when valuing inventories. This blanket write-down was eliminated in 2024, and the previous years were adjusted accordingly. The aforementioned retrospective adjustment/correction has resulted in the following changes to the amounts reported in the **consolidated balance sheet** as of December 31, 2023, December 31, 2022, and January 1, 2023, to the **consolidated statement of comprehensive income**, and to **consolidated net income** for the 2023 financial year. For the sake of clarity, only the line items affected by the change are presented in €k:

Items	12.31.2023	12.31.2023 01.01.2023
Inventories	2,705	2,037
Revenue reserves	1,479	1,479
Deferred tax liabilities	740	558
Cost of sales	668	
Taxes on income	-183	
Consolidated net income	485	

Recognition of development collaborations (IFRS 15, IAS 38, IAS 2)

In the past, sales revenue from development collaborations was recognized on a case-by-case basis, depending on the specific facts and circumstances, particularly with regard to the previous interpretation of IFRS 15.B9, which resulted in the subsequent recognition of sales revenue either at a point in time (at the end of the respective development phase) or over time (during development). Following a discussion with the newly appointed auditor for the 2024 financial year and a subsequent analysis conducted by us, sales revenue from development collaborations will now be recognized over time in the 2024 financial year, provided that the criteria of IFRS 15 (Revenue from Contracts with Customers) for this method of revenue recognition are met. When adjusting the amount of sales revenue, there are offsetting effects from customer contracts that had already been completed and from those that had not yet been completed and for which no sales revenue had been recognized to date. Contract fulfillment costs reported under inventories were retroactively derecognized. Similarly, a correction was made to the capitalization of development costs incurred from development collaborations that are not covered by payments from customers and for which the capitalization criteria of IAS 38 (Intangible Assets) were not met.

Items	12.31.2023	12.31.2023 01.01.2023
Other intangible assets	-801	-1,416
Deferred tax assets	-408	-366
Inventories	-27,808	-21,966
Contract assets	10,341	7,444
Revenue reserves	899	899
Contract liabilities	-22,232	-17,253
Deferred tax liabilities	713	50
Sales revenue	7,875	
Cost of sales	-5,226	
Taxes on income	-705	
Consolidated net income	1,944	

Recognition of unused tax losses (IAS 12)

During the preparation of the consolidated financial statements, it was determined that in previous periods, a deferred tax asset had been recognized at the level of the legal entity Diatron US for unused tax losses. In accordance with IAS 12.34, the extent to which this is permitted is limited to the extent that it is probable that future taxable income will be available against which the unused tax losses can be utilized. We have therefore made a retroactive adjustment/correction. The aforementioned retrospective adjustment/correction has resulted in the following changes to the amounts reported in the **consolidated balance sheet** as of December 31, 2023, December 31, 2022, and January 1, 2023, to the **consolidated statement of comprehensive income**, and to **consolidated net income** for the 2023 financial year. For the sake of clarity, only the line items affected by the change are presented in €k:

Items	12.31.2023	12.31.2023 01.01.2023
Deferred tax assets	-1,041	-914
Revenue reserves	-914	-914
Taxes on income	-127	
Consolidated net income	-127	

In summary, the aforementioned retroactive adjustments, corrections, and retroactive changes have resulted in the following changes to the amounts reported in the **consolidated balance sheet as of December 31, 2022, and January 1, 2023**. For the sake of clarity, only the line items affected by the change are presented in €k:

Items	12.31.2022 01.01.2023 (after adjustments)	Adjustments	12.31.2022 (reported)
Other intangible assets	50,200	-1,416	51,616
Deferred tax assets	1,479	-2,187	3,666
Inventories	97,701	-19,929	117,630
Contract assets	30,197	7,444	22,753
Income tax receivables	3,883	2,545	1,338
Revenue reserves	184,288	1,465	182,823
Deferred tax liabilities	11,658	2,246	9,412
Financial liabilities	91,216	-8,071	99,287
Trade payables	14,038	3,173	10,865
Other liabilities	11,802	4,270	7,532
Contract liabilities	14,203	-16,626	30,829

The effects on the items in the **consolidated balance sheet as of December 31, 2023** are, in turn, summarized as follows. For the sake of clarity, only the line items affected by the change are presented in €k:

Items	12.31.2023 (after adjustment)	Adjustments	12.31.2023 (reported)
Other intangible assets	61,329	-801	62,130
Deferred tax assets	1,302	-3,045	4,347
Inventories	117,522	-25,103	142,625
Contract assets	25,602	10,341	15,261
Income tax receivables	4,480	2,706	1,774
Revenue reserves	187,867	3,767	184,100
Deferred tax liabilities	12,639	2,564	10,076
Financial liabilities	145,334	-6,379	151,713
Trade payables	23,391	1,936	21,455
Other liabilities	11,671	4,441	7,230
Contract liabilities	7,885	-22,231	30,117

The effects of the aforementioned retroactive adjustments and corrections on the **consolidated income statement for the 2023 financial year** are summarized as follows. For the sake of clarity, only the line items affected by the changes are presented in €k:

Items	12.31.2023 (after adjustment)	Adjustments	12.31.2023 (reported)
Sales revenue	270,414	8,503	261,911
Cost of sales	-202,252	-5,186	-197,066
Sales-related expenses	-11,952	392	-12,344
Expenses from impairments on financial assets and contract assets	-392	-392	0
Taxes on income	-6,176	-1,014	-5,162
Consolidated net income	21,107	2,303	18,804

Based on the change in consolidated net income, the following adjustments resulted in the **consolidated statement of cash flows for the 2023 financial year**. For the sake of clarity, only the line items affected by the changes are presented in €k:

Items	12.31.2023 (after adjustment)	Adjustments	12.31.2023 (reported)
Consolidated net income (after taxes)	15,369	2,302	13,067
Depreciation and amortization	17,626	-67	17,693
Other non-cash expenses	4,088	-668	4,756
Change in deferred taxes recognized through profit or loss	1,292	1,014	278
Increase (–) / decrease (+) in inventories, trade receivables, and other assets	-10,405	2,296	-12,701
Increase (+) / decrease (–) in trade payables and other liabilities	-157	-4,979	4,822
Cash flow from operating activities	19,324	-101	19,425
Cash outflows for investments in non-current assets – intangible assets	-8,981	101	-9,082
Cash flow from investing activities	-44,054	101	-44,155

The effects of the aforementioned retroactive adjustments and corrections on the **consolidated statement of changes in equity for the 2023 financial year** are presented in the following table. For the sake of clarity, only the rows and columns affected by the changes are shown in €k:

Adjustments	Revenue reserves	12.31.2022 01.01.2023 Group equity	Revenue reserves	12.31.2023 Group equity
Inventory valuation (IAS 2)	1,479	1,479	1,964	1,964
Recognition of development collaborations (IFRS 15, IAS 38, IAS 2)	899	899	2,843	2,843
Recognition of unused tax losses (IAS 12)	-914	-914	-1,041	-1,041

Both basic and diluted earnings per share for the previous year were also adjusted. The adjustment of basic and diluted earnings per share resulted in an increase of € 0.19 per share in each case.

Accounting requirements already published but not yet applied

The IASB and IFRS IC have issued the following standards, amendments and revisions to standards and interpretations which do not yet require mandatory application. Application of the new and revised standards and interpretations is dependent, among other factors, on their acceptance by the European Union within its IFRS endorsement procedure.

Standard	Title	Effective date[1]	EU endorsement
New and amended standards and interpretations			
IAS 21	Amendments: Lack of Exchangeability	01.01.2025	outstanding
Various	Amendments: Annual Improvements to IFRS Accounting Standards – Volume 11	01.01.2026	outstanding
IFRS 9, IFRS 7	Amendments: Classification of Financial Assets, Derecognition, Disclosures on Equity Instruments	01.01.2026	outstanding
IFRS 18	Presentation and Disclosure in Financial Statements	01.01.2027	outstanding
IFRS 19	Subsidiaries without Public Accountability: Disclosures	01.01.2027	outstanding
IFRS 9, IFRS 7	Changes Relating to Contracts That Reference Nature-Dependant Electricity	01.01.2026	outstanding

[1] For companies like STRATEC whose financial year corresponds to the calendar year

STRATEC does not intend to make any voluntary, premature application of these standards and interpretations or of the relevant amendments.

In the interests of reporting efficiency, only those standards and interpretations have been outlined below which, based on the information currently available and given the business model and business transactions customary at STRATEC, are very likely to have implications for the accounting policies or for the reporting and disclosure of information in STRATEC's consolidated financial statements in future financial years.

IFRS 18 (Presentation and Disclosure in Financial Statements):

In April 2024, the IASB published the new accounting standard IFRS 18 (Presentation and Disclosure in Financial Statements). In general, the standard will result in changes to the presentation of income statements and to other disclosures in the notes. We are currently looking into how this will affect STRATEC's financial statements.

B. ACCOUNTING POLICIES APPLIED

Consolidation principles

Capital consolidation at STRATEC has been performed using the purchase method by offsetting the carrying amounts of investments against the prorated equity of the subsidiaries. This involves accounting for the assets and liabilities identifiable at the subsidiaries at the time of acquisition at fair value and for deferred taxes pursuant to IAS 12 (Income Taxes). Any remaining positive difference from capital consolidation is recognized as goodwill.

Intercompany profits and losses, sales revenue, income, and expenses have been eliminated, as have receivables and liabilities between the companies included in the consolidated financial statements. The income tax implications of consolidation entries have been accounted for by recognizing deferred taxes.

Scope of consolidation

In accordance with the requirements of IFRS 10 (Consolidated Financial Statements), the consolidated financial statements of STRATEC SE (parent company) basically include all companies controlled by STRATEC SE (subsidiaries).

Subsidiaries whose impact, both individually and in aggregate, is of immaterial significance for the Group's asset, financial, and earnings position are included in the consolidated financial statements at cost, less any impairments, and reported in the consolidated balance sheet as investments in affiliated companies. The financial data of those subsidiaries of immaterial significance may not, when aggregated, exceed 1% of consolidated sales revenue, consolidated equity, consolidated net income, and consolidated total assets. In the 2024 financial year, all subsidiaries were fully consolidated (previous year: non-consolidation of an immaterial subsidiary).

Subsidiaries are deconsolidated as soon as STRATEC SE can no longer exercise control. The assets and liabilities of the subsidiary are derecognized at this point in time.

In addition to STRATEC SE, the consolidated financial statements as of December 31, 2024 and as of December 31, 2023 include the following subsidiaries by way of full consolidation:

Company	Domicile	Shareholding % 12.31.2024	Shareholding % 12.31.2023
Germany			
STRATEC Capital GmbH	Birkenfeld, Germany	100%	100%
STRATEC PS Holding GmbH	Birkenfeld, Germany	100%	100%
European Union			
STRATEC Biomedical S.R.L	Cluj-Napoca, Romania	100%	100%
STRATEC Consumables GmbH	Anif, Austria	100%	100%
RE Medical Analyzers Luxembourg 2 S.à r.l.	Luxembourg, Luxembourg	100%	100%
Diatron Medicinai Instrumentumok Laboratóriumi Diagnosztikai Fejlesztö-Gyártó Zrt	Budapest, Hungary	100%	100%
Mod-n-More Kft.	Budapest, Hungary	100%	100%
Miscellaneous			
STRATEC Switzerland AG	Beringen, Switzerland	100%	100%
STRATEC Biomedical USA, Inc.	Medley, Florida, USA	100%	100%
STRATEC Services AG	Beringen, Switzerland	0%	100%
Medical Analyzers Holding GmbH	Zug, Switzerland	100%	100%
STRATEC Biomedical Inc.	Medley, Florida, USA	100%	100%
Diatron (US), Inc.	Medley, Florida, USA	100%	100%
Natech Plastics, Inc.	Ronkonkoma, New York, USA	100%	100%
Thal Precision Industries LLC	Clark, New Jersey, USA	0%	100%
Diatron MI APAC Private Limited	Delhi, India	100%	100%
STRATEC Biomedical (Taicang) Co. Ltd., Taicang, China	Taicang, China	100%	100%
STRATEC Biomedical Ltd. Shanghai	Shanghai, China	100%	0%

Under a merger agreement dated July 12, 2024, all of the assets and liabilities of STRATEC Services AG, Beringen, Switzerland, were acquired by STRATEC Switzerland AG, Beringen, Switzerland, with effect from January 1, 2024. The merger was completed with the deletion of STRATEC Services AG from the Swiss canton of Schaffhausen's commercial register on July 18, 2024.

Under a merger agreement dated October 1, 2024, all of the assets and liabilities of Thal Precision Industries LLC, Clark, New Jersey, USA, were acquired by Natech Plastics, Inc., Ronkonkoma, New York, USA, effective October 1, 2024.

STRATEC Biomedical Ltd., Shanghai, China, was officially incorporated on January 3, 2024, with the granting of its business license. The shares in STRATEC Biomedical Ltd. are held directly by STRATEC SE.

Effective January 1, 2024, STRATEC Biomedical (Taicang) Co. Ltd., Taicang, China, was fully consolidated for the first time due to increasing business relations with STRATEC subsidiaries. In the previous year, the shares in STRATEC Biomedical (Taicang) Co. Ltd., China, were reported at their acquisition cost of € 100k in the consolidated balance sheet under non-current financial assets.

Currency translation

Transactions in foreign currencies:

Transactions in foreign currencies have been translated into the functional currency using the rate on the date of the transaction. At the end of the reporting period, monetary items are translated using the reporting date rate, while non-monetary items are translated at the rate on the date of the transaction. Differences arising from currency translation are recognized through profit or loss in the consolidated statement of comprehensive income, provided that they do not form part of a net investment in a foreign operation.

Translation of financial statements of foreign group companies:

With the exception of Medical Analyzers Holding GmbH, Zug, Switzerland, whose functional currency is the euro, the functional currency of all other foreign group companies is the respective national currency, as the companies operate independently in financial, economic and organizational terms.

Assets and liabilities at Group companies with functional currencies other than the euro have been translated into euros at the rate at the end of the reporting period, while income and expenses have been translated into euros using annual average exchange rates. Equity components have been translated at historic rates upon the respective dates of addition from the Group's perspective. The translation difference arising compared with the exchange rates at the end of the reporting period is recognized directly in equity under the item "Other equity – Foreign currency translation."

The exchange rates between major currencies and the euro developed as follows:

1 €/		Rate at end of reporting period		Average rate	
		2024	2023	2024	2023
USD	**US**	1.039	1.105	1.082	1.081
CHF	**Switzerland**	0.941	0.926	0.953	0.972
RON	**Romania**	4.974	4.976	4.975	4.947
HUF	**Hungary**	411.350	382.800	395.300	381.850
INR	**India**	88.934	91.905	90.556	89.300
CNY	**China**	7.583	7.851	7.788	7.660

Other intangible assets

Other intangible assets are measured at cost upon initial recognition. The purchase costs of a separately purchased intangible asset particularly comprise the purchase price, less any reductions in the price, plus costs directly attributable to preparing the asset for its intended use. The construction costs of an internally generated intangible asset comprise all costs directly attributable to create, produce and prepare the asset to be capable of operating in the manner intended by the management.

Subsequent measurement is based on the cost model. As all other intangible assets apart from those not yet ready for use currently have limited useful lives, their cost has been amortized in accordance with these, generally using the straight-line method unless the actual decline in their value requires another form of amortization. Furthermore, account is also taken where necessary of impairments (see "Impairment tests"). If the reasons for impairment no longer apply, the respective assets are written back to a maximum of amortized cost.

Amortization of other intangible assets has been based on the following useful lives:

Useful life in years

	2024	2023
Acquired technologies	7–15	7–15
Internally generated intangible assets	5–12	5–12
Acquired patents	12–19	12–19
Acquired trademarks	10	10
Acquired customer relationships	5–12	5–12
Other rights and values		
Software and licenses	1–8	1–8
FDA certifications	8	8
Non-compete agreements	2	2

Government grants

Government grants that are used to promote investment and are directly attributable to the respective investments are deducted when the investment items are capitalized. Non-repayable grants received for research and development projects as part of project funding are expense-related and are initially deferred and offset against the related expenses in the consolidated statement of comprehensive income in the year in which the expenses are incurred.

Property, plant and equipment

Property, plant and equipment are measured upon initial recognition at cost in accordance with IAS 16.15 et seq.

Subsequent measurement is based on the cost model. Accordingly, in subsequent periods the costs recognized are reduced by depreciation, in general using the straight-line method, where the respective assets are depreciable. Furthermore, account is also taken where necessary of impairments (see "Impairment tests" below). If the reasons for impairment no longer apply, the respective assets are written back to a maximum of amortized cost.

Costs incurred to repair or maintain items of property, plant and equipment have generally been recognized through profit or loss. Costs incurred for measures expected to lead to an inflow of economic benefits in future have been capitalized as retrospective costs.

Depreciation of property, plant and equipment has been based on the following useful lives:

Useful life in years

	2024	2023
Buildings	12–33	12–33
Outdoor facilities	3–30	5–30
Technical equipment and machinery	3–20	3–20
Vehicles	4–6	3–6
Tools	2–8	3–7
IT components	2–5	2–5
Other plant and office equipment	1–25	1–25

Gains or losses incurred upon the sale, decommissioning or scrapping of items of property, plant and equipment have been recognized in other operating income or expenses in the amount of the difference between the potential proceeds on disposal and the residual carrying amount.

Leasing

A lease is a contract, or part of a contract, that conveys the right to use an identified asset for a period of time in exchange for consideration.

Accordingly, STRATEC, as the **lessee**, generally recognizes right-of-use assets for the leased items and liabilities for the payment obligations incurred in the consolidated balance sheet for all leases. In this context, STRATEC generally excludes intangible assets from the scope of IFRS 16 (Leases). In addition, STRATEC exercises its option under IFRS 16 (Leases) not to apply the standard to low-value leased items (an expense of € 76k was recognized for this in the 2024 financial year (previous year: € 0k) and short-term leases (an expense of € 236k was recognized for this in the 2024 financial year; previous year: € 84k). The lease installments payable for these leases are expensed on a straight-line basis in line with their allocation to individual functional areas in the consolidated statement of comprehensive income. For contracts including lease and non-lease components, STRATEC has drawn on the option of not separating these components. When determining the contract term, extension and termination options have only been accounted for when the exercising or non-exercising of such options is sufficiently certain.

As of the provision date, lease liabilities comprise the lease payments listed in IFRS 16.27 which have not yet been made. These are discounted using the interest rate implicit in the lease, where this can be determined, and otherwise using the lessee's incremental borrowing rate. Subsequent to the provision date, lease liabilities are increased by interest expenses and reduced by the lease payments made. Lease liabilities are revalued to account for changes in lease payments.

Right-of-use assets are measured at cost and, alongside the respective lease liabilities, also include the components listed in IFRS 16.24 as of the provision date. Subsequent measurement is carried out at amortized cost. Depreciation is recognized on a straight-line basis over the term of the respective contract.

Depreciation of right-of-use assets is based on the following useful lives:

Useful life in years

	2024	2023
Land and buildings	1–11	1–11
Vehicles	2–6	2–4
Other plant and office equipment	5	5
Technical equipment and machinery	1–4	1–4

In the land and buildings category, STRATEC chiefly leases production and office buildings, as well as warehouse and parking space. The lease agreements include terms and conditions that are generally in line with industry practices. The lease agreements partially include extension options, thereby providing STRATEC with maximum flexibility. Further future outflows of funds may arise due to lease payments which are indexed or based on utilization volumes.

Specifically, potential future outflows of funds not accounted for in the measurement of lease liabilities include:

	2024 (€ 000s)	2023 (€ 000s)
Due to variable lease payments	2,551	2,534
Due to low-value assets	0	0
Due to short-term leases	95	27
Total	**2,646**	**2,561**

STRATEC expects to exercise the extension options contained in the current lease agreements, meaning that the payments have been taken into account in the measurement of the lease liability.

Future outflows of funds for leases which STRATEC has entered into in its capacity as lessee, but which had not begun as of the end of the reporting period, amounted to € 152k (previous year: € 76k).

Further details about leases can be found in our comments in Section "C. NOTES TO THE CONSOLIDATED BALANCE SHEET (2) Right-of-use assets" and Section "C. NOTES TO THE CONSOLIDATED BALANCE SHEET (12) Non-current and current financial liabilities".

As in the previous year, STRATEC did not have any leases in which the Company acted as lessor as of December 31, 2024.

Impairment tests

Impairment tests pursuant to IAS 36 (Impairment of Assets) are performed on goodwill and other intangible assets with unlimited or indefinite useful lives, as well as on intangible assets not yet ready for use, at least once a year and, in the case of other intangible assets with limited useful lives and property, plant and equipment, if there are specific indications of impairment.

Impairment losses have been recognized through profit or loss in the consolidated statement of comprehensive income to the extent that the recoverable amount of the asset, i.e. the higher of its fair value less costs to sell and its value in use, falls short of its carrying amount.

A review is performed at least once a year to ascertain whether there is any indication that the reason for impairment losses already recognized no longer applies or that the amount of impairment has reduced. In this case, the recoverable amount is newly determined and the impairment losses already recognized, unless they involve goodwill, are correspondingly reversed.

In principle, the recoverable amount has been determined for each individual asset where such asset generates cash flows that are largely independent of those generated by other assets. Where this is not possible, the recoverable amount has been determined on the basis of a group of assets representing a cash generating unit.

In assessing whether the cash flows are largely independent, STRATEC accounts for various factors, including the questions as to how the management manages the Company's activities or how the management reaches decisions concerning the continuation or retirement of assets or the discontinuation of company activities. Since the **2023 financial year**, STRATEC has been managed as a single-segment entity due to the extensive integration of its business divisions, which is also reflected in Group-wide, centralized coordination, corporate management, and monitoring, and corresponding Board of Management departments. In line with this, the definition of the previous cash-generating unit was also reviewed to determine whether cash inflows are still largely independent of one another. Based on this assessment and consistent with the technology and system approach, management concluded that this was no longer the case for the key value drivers (technologies, systems, products, and types of services). Since then, the STRATEC Group as a whole has been regarded as a single cash-generating unit: "STRATEC." The Natech Group, which was acquired on July 1, 2023, will continue to be excluded from this, as management believes that it has a different customer structure and additional target markets compared to STRATEC, and will continue to be defined as the cash-generating unit "Natech," as in the previous year.

As a result, the cash-generating units "STRATEC" and "Natech" remain unchanged from the end of the previous year's reporting period with regard to the **goodwill** impairment test for the 2024 financial year.

The recoverable amount for the cash generating units as of December 31, 2024 (previous year: December 31, 2023) has been determined by reference to their value in use, defined as the present value of future net inflows of cash. The forecast future net inflows of cash have been based on STRATEC's current budgets. As in the previous year, the detailed budget period covers five years. Future net inflows of cash are budgeted in the functional currency. The budgets have, in turn, been based on assumptions concerning future sales volumes and sales prices, as well as on expected costs. Raw materials prices are accounted for on their given terms. Net inflows of cash beyond the detailed budget period have been presented as perpetuity, taking due account of growth rates based on current market information. Should the value in use fall short of the carrying amount of the cash generating unit, then the fair value less costs to sell has to be determined.

Net inflows of funds have been discounted at capital cost rates. The capital costs of cash generating units have been calculated as the weighted average of their equity and debt capital costs (WACC). To calculate the weighted capital costs, reference has been made on the one hand to the costs of equity, which comprise the risk-free base rate and the risk premium (market risk premium, multiplied by a beta factor based on a peer group analysis) and on the other hand on the cost of borrowing, which corresponds to the average cost of borrowing at the peer group companies. Equity and debt capital costs have been weighted based on the average capital structure at the peer group companies. Given the risk and return profiles of the cash generating units thereby reviewed, the costs of capital have been calculated on an individual basis. The key parameters are as follows:

Cash-generating unit	**Pre-tax WACC % 2024**	**Pre-tax WACC % 2023**
STRATEC	10.61	11.73
Natech	11.37	12.10

The recognized **goodwill** of € 50,975k (previous year: € 51,158k) resulted from business acquisitions made by STRATEC. The change compared to the previous year is due to currency translation. For impairment testing purposes, the goodwill has been allocated to those cash generating units benefiting from the synergies.

As of December 31, goodwill has therefore been allocated as follows:

€ 000s	STRATEC		Natech		Total	
	2024	**2023**	**2024**	**2023**	**2024**	**2023**
Carrying amount of goodwill	36,315	37,376	0	0	36,315	37,376
	13,997	13,159	663	623	14,660	13,782
	50,312	**50,535**	**663**	**623**	**50,975**	**51,158**

As in the previous year, in line with IAS 36 (Impairment of Assets) STRATEC performed the annual impairment test for these goodwill items as of December 31. Also as in the previous year, this did not lead to the recognition of any impairment loss in the year under report.

The following key assumptions have been used to determine the recoverable amounts of these cash generating units:

„STRATEC“

The budget for the recoverable amount has been based on average sales revenue growth of 8.5% (previous year: 10.8%) and a budgeted average free cash flow margin of 10.6% (previous year: 9.8%). This assumption reflects past management experience. In perpetuity, a projected growth rate of 1.0% has been assumed (previous year: 1.0%).

„Natech“

Average sales revenue growth of 10.3% (previous year: 12.1%) and a budgeted average free cash flow margin of 12.2% (previous year: 9.0%) have been assumed. This assumption reflects past management experience. In perpetuity, a growth rate of 1.5% has been assumed (previous year: 1.5%).

As in the previous year, the sensitivity analysis assumed a reduction in the future cash flow and an increase in weighted costs of capital by 10% each, as changes on this scale would appear reasonable and possible, especially from a long-term perspective. On this basis, STRATEC concluded that there were no indications of any potential impairment in the goodwill reported for any of the cash generating units at STRATEC.

Inventories

Inventories include assets held for sale in the normal course of business (finished products and merchandise), assets currently in the process of being manufactured for sale (unfinished products), and assets consumed during the manufacturing process or in the performance of services (raw materials and supplies).

Inventories are measured at cost or, if lower, at net realizable value.

The acquisition costs of raw materials, supplies, and merchandise are based on average procurement prices. The manufacturing costs for unfinished and finished products include both directly allocable manufacturing wage and material expenses and a prorated share of material and production overheads, including depreciation. Administration expenses are also included to the extent that they can be directly allocated to production. Sales-related expenses are not included.

Financial instruments

A financial instrument is a contract that gives rise to a financial asset of one entity and simultaneously to a financial liability or equity instrument of another entity.

Financial assets or financial liabilities are recognized in the consolidated balance sheet as soon as STRATEC becomes a party to the contractual requirements of the financial instrument. Trade receivables are recognized at the time at which they arise.

First-time measurement of financial assets and financial liabilities is based on their respective fair values. Transaction costs are accounted for, unless the financial instrument is measured at fair value through profit or loss. Trade receivables without any significant financing component are measured at their respective transaction prices.

Depending on its allocation upon first-time recognition to the various categories provided for by IFRS 9 (Financial Instruments), a financial asset (debt or equity instruments) is subsequently measured either at amortized cost or at fair value. The allocation to the categories provided for by IFRS 9 (Financial Instruments) is based in each case on the objectives of the business model and characteristics of the respective cash flows.

Unless it is designated as fair value through profit and loss (FVTPL), a debt instrument is measured at amortized cost (AC debt instrument) when it is held within a business model whose objective involves holding financial assets to collect contractual cash flows and the contractual terms result in cash flows at fixed times that are solely payments of interest and principal on the principal amount outstanding. In accordance with the requirements of IFRS 9 (Financial Instruments), amortized cost is determined using the effective interest method and taking account of any expected impairments. Interest income, exchange rate gains and losses, impairments, and gains and losses on derecognition are recognized through profit or loss.

Unless it is designated as FVTPL, a debt instrument is measured at fair value with any changes in its fair value being recognized through other comprehensive income (FVTOCI debt instrument) when it is held within a business model whose objective involves holding financial assets both to collect contractual cash flows and to sell these and its contractual terms result in cash flows at fixed times that are solely payments of interest and principal on the principal amount outstanding. Interest income, exchange rate gains and losses, and impairments are recognized through profit or loss. Other net gains or losses are recognized in other comprehensive income. The risk provision is therefore not recognized against the carrying amount. Upon retirement, the accumulated OCI is reclassified to profit or loss.

Unless it is held for trading, an equity instrument is measured at fair value with any changes in its value being recognized through other comprehensive income (FVTOCI equity instrument) if STRATEC has irrevocably elected upon initial recognition to present subsequent changes in the fair value of the equity instrument in other comprehensive income. This election may be made on a case-by-case basis for each equity instrument. Dividends are generally recognized as income through profit or loss. Other net gains or losses are recognized in other comprehensive income. Upon retirement, accumulated OCI is reclassified to revenue reserves.

Financial assets (debt or equity instruments) not measured at amortized cost or at FVTOCI are measured at fair value with any changes in their value being recognized through profit or loss (FVTPL). Measurement also includes derivative financial instruments, except for those designated as hedging instruments and effective as such, and financial assets held or managed for trading and whose value changes are assessed by reference to their fair values. Furthermore, upon initial recognition companies may irrevocably designate financial assets that otherwise meet the conditions for measurement at amortized cost or at FVTOCI as measured at FVTPL ("fair value option"). As in the previous year, STRATEC did not exercise this option. Net gains and losses, including all interest and dividend income, are recognized through profit or loss.

Financial liabilities are measured at amortized cost unless they are measured at fair value through profit or loss (FVTPL). Measurement at fair value through profit or loss begins as soon as a financial liability is classified as held for trading, a derivative financial instrument is in place, except for those designated as hedging instruments and effective as such, or is designated as such upon initial recognition. Net gains or losses, including interest expenses, are recognized through profit or loss. Other financial liabilities are measured at amortized cost using the effective interest method. Interest expenses and exchange rate gains and losses are recognized through profit or loss. Gains or losses arising upon derecognition are also recognized through profit or loss.

Financial assets are derecognized when the contractual rights to payment from the financial assets no longer exist or the financial asset has been transferred with all of its material risks and rewards. Financial liabilities are derecognized when the contractual obligations have been settled, rescinded or have expired.

Financial assets and liabilities are netted and presented in the consolidated balance sheet as net amounts when STRATEC currently has a legally enforceable right to offset the amounts thereby recognized and intends either to obtain settlement on a net basis or to simultaneously settle the liability upon recovery of the respective asset.

STRATEC deploys derivative financial instruments, and particularly foreign exchange forward contracts, to reduce its currency risks. Derivatives are measured at fair value both upon initial recognition and when measured subsequently. Changes in their fair value are recognized directly through profit or loss in other operating income or expenses, as STRATEC has to date not designated any derivative financial instruments as hedge instruments.

Fair value hierarchy

To ensure the comparability and consistency of fair value measurements and related disclosures, IFRS 13 (Fair Value Measurement) stipulates a fair value hierarchy that allocates the input factors used in valuation methods to calculate fair value to three levels. The hierarchy grants the highest priority to prices (taken over without amendment) on active markets for identical assets or liabilities (Level 1 input factors) and the lowest priority to non-observable input factors (Level 3 input factors). The following specific definitions apply:

Input factors: Assumptions that would be used by market participants when determining the price of an asset or liability, including risk assumptions, such as:

a) The risk involved in a specific valuation method used to calculate fair value (such as a price model), and
b) The risk involved in the input factors used in the valuation method.

Input factors may be observable or non-observable.

Level 1 input factors: Listed prices (taken over without amendment) on active markets for identical assets or liabilities to which the the Company has access on the valuation date.

Level 2 input factors: Input factors other than the listed prices included in Level 1 that are either directly or indirectly observable for the asset or liability.

Level 3 input factors: Input factors not observable for the asset or liability.

Observable input factors: Input factors derived from market data, such as publicly available information about actual events or transactions, which reflect those assumptions that would be used by market participants when determining the price of the asset or liability.

Non-observable input factors: Input factors for which no market data is available and which are derived from the best information available concerning the assumptions that would be used by market participants when determining the price of the asset or liability.

Income taxes

Taxes levied on taxable profit in individual countries and changes in deferred tax items are reported as taxes on income. The income taxes reported have been calculated in accordance with the country-specific tax legislation valid or enacted as of the end of the reporting period, and in the amount at which they are expected to be paid or refunded. Other taxes levied on items other than income have been recognized within the individual functional areas in the consolidated statement of comprehensive income and in other operating expenses.

Deferred taxes have been calculated using the liability method for temporary differences between the amounts recognized for assets and liabilities in the IFRS and tax balance sheets (except for goodwill), as well as for consolidation entries and tax-reducing claims on loss carryovers likely to be recoverable in subsequent years.

Deferred tax assets on temporary differences and tax loss carryovers have only been capitalized to the extent that sufficient future taxable income will likely be available to utilize these deferred tax assets. The assessment of the recoverability of deferred tax assets has been based on the impact on earnings of reversing taxable temporary differences, short and medium-term forecasts concerning the future earnings situation of the respective group company, and potential tax strategies. In making this assessment, STRATEC is further bound by the tax law norms valid or enacted as of the end of the reporting period. Future legislative amendments could therefore make it necessary to adjust these figures through profit or loss.

Deferred taxes on temporary differences of € 4,758k (previous year: € 4,179k) relating to interests in subsidiaries were not recognized, as STRATEC is able to control the timing of any reversal of these differences and these are unlikely to be reversed in the foreseeable future.

Current and deferred tax assets and liabilities have been reported on a net basis in cases where they refer to the same taxable entity and the same tax authority. Where gains and losses have been recognized directly in equity, the same applies for the relevant deferred tax assets and liabilities.

The way in which tax law is applicable to a specific transaction or circumstance is potentially unclear. Whether a specific tax treatment is acceptable under tax law may potentially remain unknown until the relevant tax authority or court reaches a decision at a later point in time. Any decision by the tax authority to contest or review a specific tax treatment may therefore impact on STRATEC's financial reporting in respect of its current or deferred tax assets or liabilities. In this regard, STRATEC continually assesses the likelihood of a tax authority accepting an uncertain tax treatment. When addressing the question as to whether an uncertain tax treatment should be viewed separately or together with one or several other uncertain tax treatments, STRATEC selects that method which is better suited to predicting the manner in which the uncertainty will be resolved. In particular, STRATEC takes account of the manner in which it prepares its income tax returns and how this fits the tax treatments, and how STRATEC believes that the tax authority/authorities will perform their review and resolve any problems potentially arising thereby.

Provisions for pensions and similar obligations

Pension benefits at STRATEC include both defined contribution and defined benefit plans and are based on the statutory provisions in the various countries as well as on individually agreed benefits.

In defined contribution pension schemes, STRATEC is obligated to pay contributions to state or private pension companies in accordance with statutory or contractual requirements. Apart from these contributions, STRATEC is not subject to any further payment obligations. Current contributions have been recognized as expenses in the consolidated statement of comprehensive income.

At STRATEC, the defined benefit pension schemes take a variety of forms due to the different country-specific requirements in Germany, Austria, and Switzerland. To cover the commitments made, STRATEC makes contributions to external plan assets in some cases. In line with IAS 19 (Employee Benefits), the present value of pension obligations has been calculated using the projected unit credit method. This involves future obligations being measured using actuarial methods. STRATEC's calculation is based on demographic assumptions such as personnel turnover, mortality, and disability rates, as well as assumptions regarding the discount rate and benefit levels, in particular those resulting from future increases in the beneficiaries' income and pensions. The determination of the discount rate and, consequently, the calculation of net interest on the net liability from defined benefit obligations is based on the yields of high-quality, fixed-interest corporate bonds available in the market as of the end of the reporting period. The currency and terms of the underlying bonds are congruent with the currency and expected maturities of the post-employment pension obligations to be satisfied. The fair value of the plan assets has been deducted from the present value of the pension obligations. The obligations and plan assets are measured annually. Actuarial calculations are performed as of the end of the reporting period. Remeasurements for actuarial items are recognized directly in "Other comprehensive income."

Other provisions

Other provisions have been recognized to cover legal or constructive obligations to third parties resulting from past events which are likely to lead to a future outflow of resources and for which the expected amount of the obligation can be reliably estimated.

Such obligations have been recognized at the present values of the expected outflow of resources where this is expected to occur later than in the following year. Refund claims due from third parties have been recognized separately from provisions to the extent that their realization is virtually certain.

At STRATEC, other provisions include those stated for obligations resulting from guarantees and warranties. The calculation of the scope of obligation for guarantees and warranties has been based on the sales revenue involving such guarantees thereby generated, on the respective contractual warranty periods, as well as on past empirical values, which are adapted on the basis of the implications of currently observable information and data, thus supplementing the implications of historic values by reference to current information and data.

Share-based payment transactions

IFRS 2 (Share-based Payment) makes a distinction between transactions that are cash-settled and those that are equity-settled. In the financial year under report, STRATEC recognized the following arrangements that are within the scope of IFRS 2 (Share-based Payment):

Cash-settled stock appreciation rights (SARs) and equity-settled stock options for employees.

Goods and services received for cash-settled share-based payments (stock appreciation rights – SARs) are measured at the end of each reporting period and settlement date at the fair value of the respective liability, which is determined using recognized option pricing models. Changes in fair value are recognized through profit or loss.

Given the lack of a separately determinable fair value for the services involved, goods and services received for equity-settled share-based payments (stock options, employee participation program) have been measured at the fair value of the equity instruments as of the grant date and, in the case of stock options, using recognized option pricing models. Where the exercising of equity instruments granted or of the right to cash payment is dependent on the performance by the contractual party of a specific period of service, it is assumed that the services to be performed by the counterparty as consideration will be received during the vesting period in future. The payment expenses are therefore recognized over the vesting period within which the beneficiaries acquire an unrestricted claim to the instruments thereby committed.

Contingent liabilities

Contingent liabilities are potential obligations resulting from past events whose existence is conditional on the materialization or otherwise of one or several uncertain future events not fully within STRATEC's control. Such obligations are not recognized in the balance sheet, as the outflow of resources is deemed unlikely or the scope of obligations cannot be reliably estimated.

Recognition of sales revenue, cost of sales, research and development expenses

The core principles governing the recognition of sales revenue, as well as of cost of sales and research and development expenses, in respect of STRATEC's business model are as follows:

If they relate to **development projects without a customer contract** (proprietary development projects), the development expenses incurred in this context are generally recognized as expenses in the period in which they are incurred, with the exception of research and development projects acquired within the framework of company acquisitions and development expenses cumulatively meeting the criteria stipulated in IAS 38.57. Capitalized development expenses are tested for impairment at least once a year in line with IAS 36 (Impairment of Assets) in cases where they are not yet ready for their intended use. Impairment losses are recognized when the carrying amount of the capitalized assets exceeds the recoverable amount. Once ready for their intended use, assets relating to "proprietary development projects" are generally amortized over a period of five to twelve years.

In the 2024 financial year, development expenses in connection with aforementioned development projects were capitalized as internally generated intangible assets in an amount of € 7,969k (previous year: € 8,916k).

Pursuant to IAS 38.54, expenses attributable to research expenses are recognized as expenses in the period in which they are incurred.

Our own development projects are divided into the development of components (hardware, modules, and software), which are incorporated into both customer and STRATEC platform projects. Within the scope of platform projects, STRATEC independently develops analyzer systems and sells them to various customers. Sales revenue from the sale of analyzer systems, service parts, and consumables is recognized when STRATEC transfers the respective component to a (platform) customer.

Furthermore, development collaborations ("OEM partnering business") play a significant role in STRATEC's business model, both in quantitative and qualitative terms. Within the scope of development collaborations, STRATEC develops and supplies analyzer systems and recognizes sales from development and other services as well as from the sale of analyzer systems, service parts, and consumables. These are based on STRATEC's customer contracts and the performance obligations contained therein, which are individually identified and presented separately for the purpose of recognizing sales revenue. Sales revenue is recognized when or as STRATEC transfers control over goods or services to customers, either at a given point in time or over a given period of time. Sales of analyzer systems, service parts, and consumables are generally recognized as sales revenue at the point in time when the sales revenue is earned, taking into account the transfer of ownership and the transfer of risks and rewards. In development collaborations that include a minimum purchase quantity, revenue is recognized over time using an output-based method (based on analyzer systems delivered). Revenue from licenses is generally recognized at a point in time upon the transfer of control, as the customer obtains an unrestricted right to use the intellectual property at the time the license is granted. Sales revenue from other services is generally recognized over the time in which the services are performed in accordance with the percentage of completion.

Sales revenue from development service obligations within the scope of development collaborations is generally recognized over a period of time due to the contractual arrangements in STRATEC's business model. In addition to the development of an analyzer system, the development service obligation also includes the delivery of prototypes, verification, and validation systems, as their delivery cannot be separated from the development service. In most cases, customers pay for development services through milestone payments during or at the end of the period in which the development services are provided. In addition, the transaction price may also be allocated further to the development obligation by allocating elements of the consideration from the purchase of an agreed minimum quantity of analyzer systems. In addition to the performance obligations, some development collaborations encompass further performance components, such as the sale of tools that are used by STRATEC in the production of the analyzer system. Customers can generally use these tools independently or through third parties without STRATEC having to perform any integration work. Accordingly, these contract components are recognized as separate performance obligations.

The accounting principles and critical accounting judgments in connection with STRATEC's performance obligations are summarized below:

The performance obligations arising from the delivery of analyzer systems, service parts, and consumables within the scope of development collaborations and platform projects are generally fulfilled upon delivery. Payment targets vary from advance payment to a maximum payment term of 120 days. The performance obligations arising from development and other services are generally fulfilled over a specific period of time, taking due account of the respective customer contracts. As a general rule, customers make non-refundable milestone payments during the development phase. The payment targets for invoiced development work usually amount to between 30 and 60 days.

At the time at which a contract is agreed, STRATEC does not recognize an asset or liability for the resultant pending transaction. Only when one of the parties to the contract meets its obligation does STRATEC recognize a contract asset or contract liability in its consolidated balance sheet. A contract liability exists when the customer has already paid all or part of the consideration due for the promised services before STRATEC has transferred these to the customer. In the event that STRATEC provides its services and the customer has not yet paid consideration, STRATEC reviews whether its claim to payment of the consideration is conditional or unconditional. A conditional claim leads to the recognition of a contract asset, while an unconditional claim leads to the recognition of a trade receivable. In STRATEC's business model, this may be the case for a development performance obligation satisfied over time for which the costs of satisfying the development performance obligation exceed the consideration paid by the customer during the period in which the service is performed. Furthermore, the arising of an unconditional payment claim in connection with the development service obligation may also depend on the satisfaction of further contractually agreed performance obligations. If the customer makes milestone payments during the development phase that exceed STRATEC's service performance as of the end of the reporting period, STRATEC recognizes the portion of the milestone payments exceeding the progress of performance as contract liabilities.

Sales revenue is recognized in the amount which STRATEC expects to receive for satisfying the performance obligations. Variable consideration is included in the transaction price when it is highly likely that no significant cancellations will arise for the cumulative sales revenue thereby recognized and as soon as the uncertainty underlying the variable consideration no longer applies. Variable consideration is determined using the expected value method or the most probable amount method. Both the determination of variable consideration and the assessment of the likelihood of potential revenue cancellations are subject to key judgments. Fee components that have to be withheld for third parties, such as sales taxes and revenue reductions, e.g. discounts and bonuses, are deducted from the sales revenue recognized. STRATEC adjusts the amount of promised consideration to account for the effects of significant financing components when the period between satisfaction of a performance obligation and payment for such is expected to amount to more than one year. At STRATEC, significant financing components may typically exist when development service obligations are fulfilled over a period of time and the corresponding consideration is not received until after the development has been completed. Financing components are evaluated for each contract and are only significant when factors such as a lower cash purchase price and the combined effect of the passage of time and market interest rates give reason to expect a significant variance from the agreed consideration. STRATEC recognizes a provision for its obligation to repair or replace defective products under warranty and guarantee conditions.

Additional contract acquisition costs are directly expensed when the amortization period does not amount to more than one year. As a general rule, STRATEC does not incur any additional costs that would not have arisen without corresponding contractual agreements. The costs incurred by STRATEC to acquire contracts are therefore recognized as expenses at the time at which they are incurred.

Should STRATEC be contractually obligated to transfer several performance obligations to a customer, the contractually promised consideration is divided on the basis of the standalone selling price at the time at which the contract was concluded. Standalone selling prices are not directly observable within STRATEC's development collaboration business model, i.e., STRATEC does not separately transfer similar goods and services to similar customers. In this case, the standalone selling price for a good or service must be estimated using a suitable method. For this purpose, STRATEC generally applies the "expected-cost-plus-a-margin" approach. STRATEC recognizes sales revenue from performance obligations satisfied over time based on the stage of completion. Particularly given the project-specific, cost-dependent nature of these development services, the cost-to-cost method (i.e., an input-based approach) is an appropriate measure for determining the stage of completion. The incurred costs reliably reflect the actual consumption of resources and project progress, thereby ensuring the proper recognition of sales revenue over time.

Key judgments and forward-looking assumptions

The preparation of the consolidated financial statements requires a certain degree of key judgments and forward-looking assumptions to be made that affect the presentation and measurement of recognized assets and liabilities, expenses and income, as well as contingent liabilities.

The key judgments and forward-looking assumptions that may give rise to a significant risk of requiring a material adjustment to the recognized assets and liabilities within the next financial year are presented in more detail below:

Key judgments

1. **Capitalization of internally generated intangible assets in connection with the development, or development stage, of a proprietary development project**
   The assessment as to whether the requirements for capitalization have been met in each individual case is subject to significant key judgments. Given the empirical values available in the fields of development and project management, STRATEC assumes that the estimates in terms of technical feasibility, expected overall costs and market conditions are sufficiently reliable.

2. **Recognition of development collaborations and recognition of sales**
   With regard to the key judgments related to the accounting of development collaborations and sales revenue recognition in accordance with IFRS 15 (Revenue from Contracts with Customers), we refer to our comments under "Recognition of sales revenue, cost of sales, research and development expenses" in this section.

3. Allocation of goodwill to cash-generating units for impairment testing purposes

The allocation of goodwill acquired upon company acquisitions to cash-generating units for impairment testing purposes pursuant to IAS 36 (Impairment of Assets) is subject to significant key judgments. From the acquisition date onwards, STRATEC allocates the goodwill resulting from any company acquisition to each cash-generating unit at the Company intended to benefit from the synergies expected to arise on account of the business combination. STRATEC works with appropriate key figures to determine the potential synergies expected in each case.

4. Determination of functional currency

In determining the functional currency of a foreign operation and deciding whether its functional currency is identical to that of the reporting entity, certain indicators in accordance with IAS 21 (The Effects of Changes in Foreign Exchange Rates) must be considered. If the aforementioned indicators provide a mixed picture and the functional currency is not clearly evident, STRATEC exercises its best judgment to determine the functional currency that most faithfully reflects the economic effects of the underlying transactions, events, and conditions. In the case of foreign Group companies, the respective national currencies have accordingly been chosen as the functional currencies with the exception of Medical Analyzers Holding GmbH, Zug, Switzerland, whose functional currency is the euro.

5. Assessment of whether the exercise or non-exercise of an extension or termination option under a lease is reasonably certain

Numerous lease contracts, particularly for buildings, include extension and termination options. The extensions to terms resulting from the exercising or non-exercising of such options may only be accounted for when determining the lease contract term if they are sufficiently certain. The assessment of whether the exercise or non-exercise of such options is sufficiently certain is subject to key judgments. In this process, STRATEC accounts for all significant facts and circumstances that would provide the Company with an economic incentive to exercise or not exercise the respective option, as well as for decisions taken in the past.

Forward-looking assumptions

1. Determination of the recoverable amount when testing goodwill for impairment under IAS 36 (Impairment of Assets)

Due to the large number of variables involved, as well as to dynamic developments in the underlying framework, the goodwill impairment test (carrying amount as of December 31: € 50,975k; previous year: € 51,158k) is subject to a difficult assessment involving a significant degree of uncertainty in the estimates used. The principal assumptions underlying the impairment test performed at the end of each reporting period are outlined under "Impairment tests" in this section. When performing sensitivity analyses for goodwill impairment tests, a reduction in the future cash flow and an increase in the weighted costs of capital by 10% each has been assumed, as changes on this scale would appear possible from a long-term perspective. On this basis, STRATEC has concluded that there are no indications of potential impairment in the goodwill of any of its cash-generating units.

2. Determination of the recoverable amount when testing other intangible assets for impairment under IAS 36 (Impairment of Assets)

Other intangible assets (e.g. capitalized development expenses) are tested for impairment either upon the occurrence of a triggering event (where the respective assets are subject to scheduled amortization) or at least once a year (where the respective assets are not subject to scheduled amortization) (carrying amount as of December 31: € 62,889k; previous year: € 61,329k). These impairment tests are also generally subject to the same difficulties and estimation uncertainties as the goodwill impairment test. When performing sensitivity analyses for these impairment tests, a reduction in the future cash flows and an increase in the weighted costs of capital by 10% each has been assumed, as changes on this scale would appear possible from a long-term perspective. Based on the sensitivity analyses conducted as part of the impairment test, STRATEC concluded that there are no indications of a potential impairment of these assets.

3. Determination of expected credit losses upon subsequent measurement of financial assets

STRATEC calculates expected credit losses in the subsequent measurement of trade receivables (carrying amount as of December 31: € 41,578k; previous year: € 58,059k) using a differentiated approach that considers the debtor's creditworthiness, the number of days past due, and trade credit insurance policies concluded to mitigate default risk. Due to dynamic changes in the economic environment, determining the impairment rates to be applied to impaired trade receivables is subject to considerable estimation uncertainty.

4. Determination of the interest rate implicit in a lease

To determine the Company's lease liability (carrying amount as of December 31: € 15,578k; previous year: € 16,331k), future lease payments must be discounted using an interest rate. This interest rate corresponds to the interest rate implicit in the lease, where this can be determined. If this is not possible, the lessee should use its own incremental borrowing rate.

Often, however, the interest rate underlying the lease agreement is not available to the lessee. In many cases, lessees therefore have to make use of their own incremental borrowing rate (hereinafter also referred to as "IBR"). The IBR is an interest rate that is specific to each company and, as a rule, specific to each individual lease agreement and legal entity. For this purpose, comparable leased items may be aggregated into groups of leased items, such as lease agreements for comparable vehicles on comparable terms and in a comparable setting. The main factors determining the IBR are the term of the lease, the currency in which it is executed, the creditworthiness of the lessee, the credit amount, the economic environment in which the leased item is deployed, collateral by way of the leased item, the specific characteristics of the leased item, and the valuation date.

STRATEC generally determines its IBR using the build-up approach and calculates this rate as the total of the following components:

(a) A term-specific, risk-free base rate based on the yields of government bonds (mostly based on an established currency with a reliable basis of data)
(b) Premiums for country risks in cases where the country is different to that of the base rate
(c) Premiums based on the creditworthiness of the individual lessee (legal entity), for example based on rating-specific credit spreads
(d) Discounts based on the collateral provided by way of the leased item

In determining the term-specific base rate, STRATEC took due account of the fact that the yields on government bonds with congruent terms cannot simply be applied without further reflection. Due to the interest payments made during the term and repayment of the nominal amount at the end of the term, such bonds have payment structures that differ from those of typical leases, which involve constant payments each year of the term. To account for this, duration-adequate discount rates were applied to derive the IBR. Significant estimation uncertainties still apply, particularly when determining the premiums, not least as relatively little reliable empirical data is available.

5. **Measurement of the stock appreciation rights (SARs) granted and determination of the resultant personnel expenses pursuant to IFRS 2 (Share-based Payment)**
   The stock appreciation rights (SARs) granted (carrying amount as of December 31: € 335k; previous year: € 434k) have been measured by an independent surveyor specializing in option valuations. This surveyor uses the binomial tree method to measure the SARs. The principal parameters subject to estimates (term, expected volatility, risk-free interest rate) have been presented in section "C. NOTES TO THE CONSOLIDATED BALANCE SHEET (14) Other liabilities – Stock appreciation rights (SARs)".

6. **Measurement of post-employment defined benefit plans pursuant to IAS 19 (Employee Benefits))**
   The defined benefit plans pursuant to IAS 19 (Employee Benefits) (carrying amount as of December 31: € 5,338k; previous year: € 4,317k) have been measured by an independent company specializing in employee benefits. These measurements are based on actuarial assumptions which, given the long-term nature of these plans, involve uncertainties. With regard to the significant assumptions used in this respect, reference is made to the information provided in Section "C. NOTES TO THE CONSOLIDATED BALANCE SHEET (10) Provisions for pensions".

7. **Calculation of provision for guarantee and warranty obligations pursuant to IAS 37 (Provisions, Contingent Liabilities and Contingent Assets)**
   When calculating the provision for guarantee and warranty obligations (carrying amount as of December 31: € 950k; previous year: € 1,502k), STRATEC takes into account empirical data from the past, which is adjusted based on the effects of currently observable information and data in order to supplement the effects of the historical environment in relation to this current information and data. The insights gained in the 2024 financial year led to a change of € 552k (previous year: € 211k) in the provision for guarantee and warranty obligations. Actual expenses in future financial years may deviate from the estimated figures.

8. **Recognition of deferred taxes for temporary differences and tax loss carryovers pursuant to IAS 12 (Income Taxes) and uncertainties in income tax treatment**
   In its assessment that the – predominantly short-term – differences between the figures recognized for tax purposes and the figures recognized in the consolidated financial statements will reverse in subsequent financial years, pursuant to IAS 12 (Income Taxes), STRATEC is bound by the requirements of tax law valid or enacted as of the end of the reporting period. Future legal changes could therefore make it necessary to adjust these figures through profit or loss.

In assessing the recoverability of recognized deferred tax assets on tax loss carryforwards (carrying amount as of December 31: € 2,576k; previous year: € 2,710k), STRATEC relies, among other things, on short-term and medium-term forecasts. The actual realization of future earnings is based on estimates subject to uncertainties. The carrying amounts of the deferred tax assets and liabilities recognized and not recognized in the consolidated financial statements, as well as their materialization and changes in the 2024 financial year compared with the previous year have been explained in detail in Section "C. NOTES TO THE CONSOLIDATED BALANCE SHEET (11) Taxes on income".

STRATEC is subject to income taxation in Germany and in various countries outside Germany ("foreign jurisdictions"). The assessment of tax positions in the individual countries is subject to significant key judgments, particularly in the case of cross-border matters. In the normal course of business, there are numerous transactions and calculations for which the definitive tax assessment is uncertain. STRATEC recognizes provisions for tax uncertainties based on estimates of whether, and to what extent, additional taxes (i.e., income taxes) will be incurred, and adjusts them as facts and circumstances change, such as from new insights or the results of (ongoing) tax audits. Taxes on income (current tax expense and deferred tax expenses or income), as well as the balance sheet line items of income tax receivables (carrying amount as of December 31: € 2,219k; previous year: € 4,480k), income tax liabilities (carrying amount as of December 31: € 7,970k; previous year: € 6,844k), deferred tax assets (carrying amount as of December 31: € 3,116k; previous year: € 1,302k), and deferred tax liabilities (carrying amount as of December 31: € 16,412k; previous year: € 12,639k), account for the impact of provisions, and of changes in such, as well as for the implications which STRATEC deems appropriate when assessing the uncertainty surrounding the respective income tax treatments.

In addition to changes in tax laws and ordinances, administrative practices, interpretations, and tax audits on the part of the tax authorities may also impact on the uncertainties surrounding the respective income tax treatment.

In this context, the uncertainties surrounding tax treatment primarily relate to cross-border matters. In Germany, an external tax audit for the assessment periods 2014 – 2017 was concluded in the 2023 financial year in this context. The findings and agreements reached in this context were also used by STRATEC as the basis for reassessing its income tax position for subsequent assessment periods. The assessments made in this context were fundamentally confirmed in the course of an agreement procedure under the double taxation agreement between Germany and Switzerland, which was concluded in September 2023 with an agreement between the two countries for the assessment periods 2014 – 2020. The implementation of the agreement procedure was completed in Switzerland with the final assessment for the assessment periods 2014 – 2020 in April 2024 and the payment of tax and interest claims in May 2024.

9. Determination of the amortization period and amortization method for internally generated intangible assets capitalized from proprietary development projects

For intangible assets with a finite useful life (carrying amount as of December 31: € 62,889k; prior year: € 61,329k), IAS 38.97 requires the amortizable amount to be allocated over the respective useful life. According to the definition provided in IAS 38.8, the **useful life** is the period over which the asset is expected to be of use to the entity. Pursuant to IAS 38.97, the **method of amortization** has to correspond to the expected pattern of use for the future economic benefits accruing to the Company from the asset. In accordance with IAS 38.98, various amortization methods may be used for the systematic allocation of the amortizable amount. Based on empirical data, product life cycles of the devices are generally assumed to be between 12 and 15 years.

There are no other significant forward-looking assumptions and sources of uncertainty concerning estimates at the end of the reporting period which involve any substantial risk of material adjustments being required in the assets and liabilities thereby recognized within the coming financial year.

C. NOTES TO THE CONSOLIDATED BALANCE SHEET

(1) Goodwill and other intangible assets

Intangible assets changed as follows in the 2024 financial year:

	Goodwill € 000s	Acquired technologies € 000s	Internally generated intangible assets € 000s	Acquired patents € 000s	Acquired trademarks € 000s	Acquired customer bases € 000s	Other rights and assets € 000s	Advance payments € 000s	Total € 000s
Acquisition and manufacturing costs Balance on 01.01.2024	**51,158**	**25,539**	**75,587**	**5,023**	**2,425**	**24,829**	**8,075**	**53**	**192,689**
Additions	0	0	7,969	0	0	0	339	0	8,308
Retirements	0	0	0	0	0	0	283	0	283
Reclassifications	0	0	0	0	0	0	0	0	0
Currency differences	-183	-276	-680	0	-169	-585	3	-4	-1,894
Balance on 12.31.2024	**50,975**	**25,263**	**82,876**	**5,023**	**2,256**	**24,244**	**8,134**	**49**	**198,820**

	Goodwill € 000s	Acquired technologies € 000s	Internally generated intangible assets € 000s	Acquired patents € 000s	Acquired trademarks € 000s	Acquired customer bases € 000s	Other rights and assets € 000s	Advance payments € 000s	Total € 000s
Accumulated depreciation and impairments Balance on 01.01.2024	**0**	**15,626**	**29,564**	**2,499**	**1,879**	**23,494**	**7,140**	**0**	**80,202**
Additions to depreciation	0	1,082	3,396	333	235	600	415	0	6,061
Impairments	0	0	332	0	0	0	0	0	332
Retirements	0	0	0	0	0	0	266	0	266
Reclassifications	0	0	0	0	0	0	0	0	0
Currency differences	0	-662	80	0	-140	-613	-37	0	-1,372
Balance on 12.31.2024	**0**	**16,046**	**33,372**	**2,832**	**1,974**	**23,481**	**7,252**	**0**	**84,957**
Carrying amounts on 12.31.2024	**50,975**	**9,217**	**49,504**	**2,191**	**282**	**763**	**882**	**49**	**113,863**

The goodwill resulted from the acquisitions of the companies in the Diatron Group, the Natech Group, STRATEC Consumables GmbH, STRATEC Biomedical USA, Inc., STRATEC Biomedical UK, Ltd., and STRATEC Molecular GmbH.

The carrying amount of technologies includes the technologies relating to technical solutions for decentralized laboratory analyses in the field of hematology and clinical chemicals identified upon the acquisition of the Diatron Group, the technologies for smart consumables, particularly in the fields of nanostructuring, microstructuring, coating, and plastics production, identified upon the acquisition of STRATEC Consumables, and the technologies for highly complex polymer-based consumables focusing on medical applications and the associated tool production for injection molds identified upon the acquisition of the Natech Group.

The internally generated intangible assets primarily comprise the development of technologies and processes that are used across different platforms in various consumables or analyzer system families. Of the internally generated intangible assets, € 35,366k (previous year: € 31,198k) are in development.

The carrying amount of other rights and assets of € 882k (previous year: € 935k) includes acquired software and licenses, as well as FDA certifications and non-compete agreements identified in connection with the acquisition of the Natech Group.

In the 2024 financial year, as in the previous year, no borrowing costs were capitalized as a component of cost in accordance with IAS 23 (Borrowing Costs).

In the consolidated statement of comprehensive income, the scheduled amortization of internally generated intangible assets, technologies, and other rights and assets is presented under cost of sales or, based on the cause of the expense, within the respective functional divisions.

In the 2024 financial year, an impairment loss of € 332k (prior year: € 0k) was recognized on an internally generated intangible asset as a result of the early discontinuation of a technology; this was recognized under cost of sales.

The individual intangible assets with a carrying amount of more than € 2.0 million as of the end of the reporting period, December 31, 2024, and thus of material significance to STRATEC's consolidated financial statements, in addition to goodwill and the intangible assets acquired in connection with the acquisitions of the Diatron Group, STRATEC Consumables GmbH, and the Natech Group, include capitalized development expenses for platform projects used in molecular and immunodiagnostics, as well as modular components and software solutions for use in automation systems. STRATEC's innovative strength and market position are based on proprietary intellectual property (IP and technology) developed in-house as part of these projects and represent a key competitive advantage.

Of the intangible assets, € 38,016k (prior year: € 36,925k) are located in STRATEC SE's home country, and € 75,848k (prior year: € 75,562k) are located in other countries. The other countries with a material amount of intangible assets include Hungary with € 31,257k (prior year: € 30,477k), the United States with € 28,650k (prior year: € 27,587k), and Austria with € 13,673k (prior year: € 14,947k).

Intangible assets changed as follows in the 2023 financial year:

	Goodwill € 000s	Acquired technologies € 000s	Internally generated intangible assets € 000s	Acquired patents € 000s	Acquired trademarks € 000s	Acquired customer bases € 000s	Other rights and assets € 000s	Advance payments € 000s	Total € 000s
Acquisition and manufacturing costs Balance on 12.31.2022	**36,655**	**18,207**	**68,837**	**5,023**	**2,316**	**23,892**	**7,179**	**51**	**162,160**
Adjustments in accordance with IAS 8	0	0	-676	0	0	0	0	0	-676
Acquisition and manufacturing costs Balance on 01.01.2023	**36,655**	**18,207**	**68,161**	**5,023**	**2,316**	**23,892**	**7,179**	**51**	**161,484**
Company acquisitions	14,015	6,978	0	0	0	522	786	0	22,301
Additions	0	0	8,825	0	0	0	65	0	8,890
Retirements	0	0	1,633	0	0	0	15	0	1,648
Currency differences	488	354	234	0	109	415	60	2	1,662
Balance on 12.31.2023	**51,158**	**25,539**	**75,587**	**5,023**	**2,425**	**24,829**	**8,075**	**53**	**192,689**

	Goodwill € 000s	Acquired technologies € 000s	Internally generated intangible assets € 000s	Acquired patents € 000s	Acquired trademarks € 000s	Acquired customer bases € 000s	Other rights and assets € 000s	Advance payments € 000s	Total € 000s
Accumulated depreciation and impairments Balance on 01.01.2023	**0**	**14,011**	**27,134**	**2,166**	**1,563**	**22,504**	**6,511**	**0**	**73,889**
Additions to depreciation	0	1,193	3,454	333	243	567	573	0	6,363
Impairments	0	0	0	0	0	0	0	0	0
Retirements	0	0	984	0	0	0	15	0	999
Currency differences	0	422	-40	0	73	423	71	0	949
Balance on 12.31.2023	**0**	**15,626**	**29,564**	**2,499**	**1,879**	**23,494**	**7,140**	**0**	**80,202**
Carrying amounts on 12.31.2023	**51,158**	**9,913**	**46,023**	**2,524**	**546**	**1,335**	**935**	**53**	**112,487**

(2) Right-of-use assets

The right-of-use assets changed as follows in the 2024 financial year:

	Land and buildings € 000s	Technical equipment and machinery € 000s	Other equipment, plant and office equipment		Total € 000s
			Vehicles € 000	Office equipment € 000s	
Cost of acquisition Balance on 01.01.2024	**24,019**	**286**	**1,122**	**121**	**25,548**
Additions	2,039	0	249	0	2,288
Retirements	106	112	226	121	565
Currency differences	-348	11	-13	0	-350
Balance on 12.31.2024	**25,604**	**185**	**1,132**	**0**	**26,921**

	Land and buildings € 000s	Technical equipment and machinery € 000s	Other equipment, plant and office equipment		Total € 000s
			Vehicles € 000	Office equipment € 000s	
Accumulated depreciation Balance on 01.01.2024	**8,447**	**73**	**422**	**116**	**9,058**
Additions	2,948	134	350	4	3,436
Retirements	106	112	220	120	558
Currency differences	-191	3	-7	0	-195
Balance on 12.31.2024	**11,098**	**98**	**545**	**0**	**11,741**
Carrying amount on 12.31.2024	**14,506**	**87**	**587**	**0**	**15,180**

For information about the corresponding lease liabilities, please see Section "C. NOTES TO THE CONSOLIDATED BALANCE SHEET (12) Non-current and current financial liabilities".

Of the right-of-use assets, € 666k (prior year: € 807k) are located in STRATEC SE's home country, and € 14,514k (prior year: € 15,683k) are located in other countries. The other countries with a material amount of right-of-use assets include Hungary with € 5,638k (prior year: € 6,067k), the United States with € 3,888k (prior year: € 4,295k), and Austria with € 4,347k (prior year: € 4,774k).

The right-of-use assets changed as follows in the 2023 financial year:

	Land and buildings € 000s	Technical equipment and machinery € 000s	Other equipment, plant and office equipment: Vehicles € 000	Other equipment, plant and office equipment: Office equipment € 000s	Total € 000s
Cost of acquisition Balance on 01.01.2023	**18,447**	**0**	**603**	**121**	**19,171**
Company acquisitions	4,128	291	0	0	4,419
Additions	1,561	0	699	0	2,260
Retirements	419	0	189	0	608
Currency differences	302	-5	9	0	306
Balance on 12.31.2023	**24,019**	**286**	**1,122**	**121**	**25,548**

	Land and buildings € 000s	Technical equipment and machinery € 000s	Other equipment, plant and office equipment: Vehicles € 000	Other equipment, plant and office equipment: Office equipment € 000s	Total € 000s
Accumulated depreciation Balance on 01.01.2023	**6,389**	**0**	**245**	**93**	**6,727**
Additions	2,185	74	298	23	2,580
Retirements	216	0	123	0	339
Currency differences	89	-1	2	0	90
Balance on 12.31.2023	**8,447**	**73**	**422**	**116**	**9,058**
Carrying amounts on 12.31.2023	**15,572**	**213**	**700**	**5**	**16,490**

(3) Property, plant and equipment

Property, plant and equipment changed as follows in the 2024 financial year:

	Land and buildings € 000s	Technical equipment and machinery € 000s	Other equipment, plant and office equipment € 000s	Prepayments made and assets under construction € 000s	Total € 000s
Acquisition and manufacturing costs Balance on 01.01.2024	**45,382**	**22,933**	**50,016**	**11,023**	**129,354**
Additions	10	1,071	978	7,822	9,881
Retirements	0	404	819	2,530	3,753
Reclassifications	1,255	353	2,284	-3,892	0
Currency differences	-338	179	-275	-42	-476
Balance on 12.31.2024	**46,309**	**24,132**	**52,184**	**12,381**	**135,006**

	Land and buildings € 000s	Technical equipment and machinery € 000s	Other equipment, plant and office equipment € 000s	Prepayments made and assets under construction € 000s	Total € 000s
Accumulated depreciation and impairments Balance on 01.01.2024	**11,457**	**14,098**	**36,286**	**0**	**61,841**
Additions to depreciation	1,590	3,074	4,943	0	9,607
Retirements	0	404	736	0	1,140
Reclassifications	27	0	-27	0	0
Currency differences	-111	14	-270	0	-367
Balance on 12.31.2024	**12,963**	**16,782**	**40,196**	**0**	**69,941**
Carrying amounts on 12.31.2024	**33,346**	**7,350**	**11,988**	**12,381**	**65,065**

In the 2024 financial year, as in the previous year, no borrowing costs were capitalized as a component of cost in accordance with IAS 23 (Borrowing Costs).

As in the previous year, it was not necessary to recognize any impairment losses in the 2024 financial year.

Of the property, plant and equipment, € 41,698k (prior year: € 42,031k) are located in STRATEC SE's home country, and € 23,367k (prior year: € 25,483k) are located in other countries. The other countries with a material amount of property, plant and equipment include Switzerland with € 7,332k (prior year: € 8,025k), the United States with € 4,565k (prior year: € 5,239k), and Austria with € 5,256k (prior year: € 6,178k).

Property, plant and equipment changed as follows in the 2023 financial year:

	Land and buildings € 000s	Technical equipment and machinery € 000s	Other equipment, plant and office equipment € 000s	Prepayments made and assets under construction € 000s	Total € 000s
Acquisition and manufacturing costs Balance on 01.01.2023	**44,565**	**15,508**	**43,659**	**10,934**	**114,666**
Company acquisitions	0	4,965	1,095	0	6,060
Additions	40	765	3,203	4,334	8,342
Retirements	0	23	604	281	908
Reclassifications	0	1,730	2,265	-3,995	0
Currency differences	777	-12	398	31	1,194
Balance on 12.31.2023	**45,382**	**22,933**	**50,016**	**11,023**	**129,354**

	Land and buildings € 000s	Technical equipment and machinery € 000s	Other equipment, plant and office equipment € 000s	Prepayments made and assets under construction € 000s	Total € 000s
Accumulated depreciation and impairments Balance on 01.01.2023	**9,610**	**12,033**	**31,464**	**0**	**53,107**
Additions to depreciation	1,566	2,050	5,067	0	8,683
Retirements	0	5	599	0	604
Currency differences	281	20	354	0	655
Balance on 12.31.2023	**11,457**	**14,098**	**36,286**	**0**	**61,841**
Carrying amounts on 12.31.2023	**33,925**	**8,835**	**13,730**	**11,023**	**67,513**

(4) Inventories

Inventories are structured as follows:

	12.31.2024 € 000s	12.31.2023 € 000s
Raw materials and supplies	95,858	96,052
Work in progress and services	8,569	8,708
Finished products	11,230	10,891
Merchandise	1,967	1,032
Prepayments made	4,194	839
Total	**121,818**	**117,522**

In the 2024 financial year, income of € 197k (prior year: € 9k) and expenses of € 444k (prior year: € 612k) were recognized through profit or loss under cost of sales from changes in impairments on raw materials, consumables, and supplies. The income in the 2024 financial year and the previous year was attributable to changes in impaired material inventories.

In the 2024 financial year, income of € 3k (previous year: expense of € 37k) from changes in impairments on work in progress was recognized through profit or loss under cost of sales.

In the 2024 financial year, income of € 14k (prior year: € 91k) and expenses of € 168k (prior year: € 49k) from changes in impairments on finished goods were recognized through profit or loss under cost of sales. The income in the 2024 financial year and the previous year was attributable to changes in impaired material inventories.

Of the items recognized within inventories, the overwhelming share is expected to be realized within a period of twelve months after the end of the reporting period.

(5) Contract assets

The contract assets of € 22,068k (prior year: € 25,602k) relate to STRATEC's rights to consideration for services not yet completed as of the end of the reporting period. Contract assets are reclassified as trade receivables when such rights become unconditional.

The contract assets decreased by € 3,534k in the 2024 financial year. This resulted from the receipt of milestone payments under development collaborations, the reduction of contract assets due to minimum purchase obligations underlying transaction price allocations upon delivery, and the remeasurement of contract assets based on revised assessments of completion levels. In contrast, the addition of contract assets from the performance of development service obligations over time under development collaborations had an offsetting effect.

(6) Trade receivables

Of total trade receivables (€ 41,578k; prior year: € 58,059k), € 41,578k (prior year: € 58,059k) are due within one year. Customer credit balances in the amount of € 83k (prior year: € 98k) were recognized under financial liabilities.

The previous year's trade receivables included receivables from affiliated companies in the amount of € 149k. Due to the full consolidation of STRATEC Biomedical (Taicang) Co. Ltd. as of January 1, 2024, the intragroup receivables from this company have been eliminated in the consolidated financial statements since the 2024 financial year.

The loss allowance account for trade receivables and contract assets changed as follows:

	2024 € 000s	2023 € 000s
Cumulative allowances as of 01.01.	1,705	1,292
Expenses in reporting period	1,470	901
Reversal	-268	-509
Currency differences	20	21
Cumulative allowances as of 12.31.	**2,927**	**1,705**

The cumulative loss allowance as of December 31 relates to contract assets in the amount of € 34k (previous year: € 43k).

In the 2024 financial year, as in the previous year, no write-offs of trade receivables were recognized through profit or loss for the complete derecognition of trade receivables.

From the 2024 financial year on, all expenses and income from changes in loss allowances and the derecognition of trade receivables and contract assets are presented separately in the consolidated statement of comprehensive income under the line item "Income or expenses from impairments on financial assets and contract assets."

The gross carrying amounts of trade receivables by maturity bands and the recognized loss allowance for expected credit losses are as follows:

€ 000s	Gross carrying amount	Gross carrying amount not impaired by credit risk	Gross carrying amount impaired by credit risk
12.31.2024	44,471	38,124	6,347
12.31.2023	59,572	54,544	5,028

STRATEC calculates expected credit losses in the subsequent measurement of trade receivables using a differentiated approach that considers the debtor's creditworthiness, the number of days past due, and trade credit insurance policies concluded to mitigate default risk.

(7) Financial assets

Financial assets are structured as follows:

	12.31.2024 € 000s	12.31.2023 € 000s
Investments in associates	0	100
Shares in listed companies	731	683
Foreign exchange forward contracts	0	22
Other	4,304	4,825
Total	**5,035**	**5,630**

Other financial assets are reported under non-current financial assets in the amount of € 3,472k (previous year: € 3,483k). Due to the full consolidation of STRATEC Biomedical (Taicang) Co. Ltd. as of January 1, 2024, the shares in STRATEC Biomedical (Taicang) Co. Ltd. held by STRATEC SE in the amount of € 100k have been offset against the proportionate equity of the company as of the 2024 financial year.

Shares in listed companies

Shares in listed companies have been measured at their closing prices at the end of the reporting period on the stock market with the highest trading volumes.

As in the previous year, STRATEC neither acquired nor disposed of any shares in listed companies in the 2024 financial year.

The net income (previous year: expenses) of € 48k (previous year: € 276k) resulting from the measurement of shares in listed companies at the exchange rates at end of the reporting period was recognized in profit or loss under "Other financial result" in the consolidated statement of comprehensive income.

Other

The "Other" line item mainly includes payments received in the amount of € 3,000k (previous year: € 3,000k) as collateral for trade receivables. These payments received are subject to contractually agreed restrictions on disposal, as a result of which STRATEC may only access the funds if certain conditions materialize. Corresponding liabilities of the same amount have been recognized under non-current financial liabilities. In addition, the item includes rental deposit receivables of € 530k (previous year: € 516k), plan assets for part-time early-retirement agreements of € 510k (previous year: € 478k), receivables from employees of € 58k (previous year: € 73k), loans of € 10k (previous year: € 15k), and customer credit balances of € 46k (previous year: € 44k).

(8) Other receivables and assets

Other receivables and assets are structured as follows:

	12.31.2024 € 000s	12.31.2023 € 000s
Sales tax	5,081	4,715
Deferred expenses	2,477	2,634
Other	393	710
Total	**7,951**	**8,059**

Prepaid expenses mainly include advance payments for services.

(9) Shareholders' equity

The individual components of shareholders' equity, how they changed in 2023 and 2024, as well as the dividends distributed, have been presented in the consolidated statement of changes in equity.

Share capital

The share capital of STRATEC SE amounted to € 12,158k as of the end of the reporting period (previous year: € 12,158k). The share capital is divided into 12,157,841 no-par value bearer shares (previous year: 12,157,841). The shares have been paid up in full and are registered shares. Each share entitles its holder to one voting right. The notional value of each no-par value share amounts to € 1.00.

Authorized capital

Pursuant to § 4 (4.5) of the Articles of Association, the Board of Management is authorized, subject to approval by the Supervisory Board, to increase the Company's share capital on one or more occasions prior to June 7, 2025 by a maximum amount of up to € 2,400,000.00 by issuing up to a maximum of 2,400,000 new shares in return for cash and/or non-cash contributions (**Authorized Capital 2020/I**). In this context, shareholders generally must be granted subscription rights. In specific circumstances outlined in the Articles of Association, however, the Board of Management is entitled to exclude such subscription rights for a total amount of up to 10% of existing share capital upon this authorization becoming effective or, if lower, of the equivalent amount upon this authorization being drawn on. Authorized Capital amounted to € 2,400,000.00 as of December 31, 2024.

Conditional capital

§ 4 (4.6) Paragraph 1 of the Articles of Association provides for **Conditional Capital VI/2013**. This conditional capital increase serves to grant subscription rights (stock options) up to June 5, 2018 on the basis of the resolution adopted by the Annual General Meeting on June 6, 2013. Pursuant to the resolution adopted by the Annual General Meeting on May 30, 2018, Conditional Capital VI/2013 was reduced to € 190,000.00 and the authorization to grant stock options dated June 06, 2013 was rescinded to the extent that no further new option rights may be granted; only existing option rights may be exercised. The conditional capital increase will only be carried out to the extent that holders of stock options exercise their subscription rights. The new shares participate in profits from the beginning of the financial year in which they are issued. Conditional Capital VI/2013 amounted to € 1,500.00 as of December 31, 2024.

Furthermore, § 4 (4.6) Paragraph 2 of the Articles of Association provides for **Conditional Capital VIII/2018**. This conditional capital increase serves to grant subscription rights (stock options) up to May 29, 2023 on the basis of the resolution adopted by the Annual General Meeting on May 30, 2018. Pursuant to the resolution adopted by the Annual General Meeting on May 17, 2023, Conditional Capital VIII/2018 was reduced to € 220,000.00 and the authorization to grant stock options dated May 30, 2018 was rescinded to the extent that no further new option rights may be granted; only existing option rights may be exercised. The conditional capital increase is only executed to the extent that bearers of stock options exercise their subscription rights. The new shares have profit entitlement from the beginning of the financial year in which they are issued. Conditional Capital VIII/2018 amounted to € 162,936.00 as of December 31, 2024.

§ 4 (4.6) Paragraph 3 of the Articles of Association provides for **Conditional Capital X/2023**. This conditional capital increase serves to grant subscription rights (stock options) up to May 16, 2028 on the basis of the resolution adopted by the Annual General Meeting on May 17, 2023. The conditional capital increase is only executed to the extent that bearers of stock options exercise their subscription rights. The new shares have profit entitlement from the beginning of the financial year in which they are issued. Conditional Capital X/2023 amounted to € 750,000.00 as of December 31, 2024.

Furthermore, § 4 (4.7) of the Articles of Association provides for **Conditional Capital IX/2020** of € 800,000.00. This conditional capital increase serves exclusively to grant up to 800,000 new shares to the bearers or creditors of convertible or warrant bonds issued by the Company or by direct or indirect majority shareholdings of the Company by June 7, 2025 on the basis of the resolution adopted by the Annual General Meeting on June 8, 2020. Conditional Capital IX/2020 amounted to € 800,000.00 as of December 31, 2024.

Total conditional capital amounted to € 1,714,436.00 as of December 31, 2024 (previous year: € 1,729,436.00).

Stock option programs

The Company had three (previous year: three) stock option programs (equity-settled share-based payment) in place as of December 31, 2024. These programs are especially well suited to provide a sustainable performance incentive for members of the Board of Management, employees of STRATEC SE, and for members of the management and employees of companies associated with STRATEC SE. They thus help increase the value of the Company in the interests both of the Company and of its shareholders.

The following specific conditions apply in respect of qualifying periods, performance targets, lapsing, caps, and exercise windows:

The stock options granted may be exercised in full at the earliest following the expiry of a **qualifying period of four years** and provided that the following market conditions are fully met:

- Increase in STRATEC's share price by at least 20% compared with the exercise price between the date of the option rights being granted and the date marking the expiry of the qualifying period.
- If this performance target is not met after expiry of the four-year waiting period, the stock options granted may be exercised through to the end of their terms if, on the day preceding the respective exercise date, the closing price of STRATEC's share on the final trading day on the electronic trading system of the Frankfurt Stock Exchange (XETRA) has risen by an average of 0.417% of the exercise price per completed calendar month since the date of the option dates being granted.

Following the expiry of a **seven-year term** after being granted, the stock options lapse without compensation.

Where stock options are granted to the members of the Board of Management, a cap also applies if, on the stock market trading day preceding the respective exercise date for the stock options, the closing price of STRATEC's share on the electronic trading system of the Frankfurt Stock Exchange (XETRA) exceeds the exercise price by more than 200%; in this case the exercise price is increased to the extent that the difference only amounts to 200% of the original exercise price.

If the qualifying period and performance target requirements have been met, the stock options may in each case only be exercised on the ten trading days on the electronic trading system of the Frankfurt Stock Exchange (XETRA) subsequent to the holding of the Annual General Meeting, or the publication of the definitive 6-month results, should such publication occur after the Annual General Meeting for the respective preceding financial year, or of the 9-month results (exercise windows). In these cases, the stock options may be exercised independently of each other in several of the aforementioned exercise windows.

The individual stock option programs, calculations using Monte Carlo simulations, and the calculation of the related personnel expenses in the individual periods (taking due account of personnel turnover) have mainly been based on the following key parameters (with expected volatility derived from historic volatility figures):

Granted in:	2024	2023	2022	2021	2020	2019	2018
Option rights granted (number of shares)	33,700	35,650	45,132	43,850	43,100	47,350	47,850
Weighted exercise price (in €)	38.62	48.40	101.59	119.66	76.81	59.76	60.05
Expected share price volatility in %	41.83 to 43.48	40.44 to 41.15	39.79 to 40.83	39.29 to 40.40	35.63 to 38.39	35.78 to 36.20	33.72 to 35.83
Expected dividend yield in %	1.26 to 2.29	1.13 to 2.25	0.69 to 1.07	0.60 to 0.78	0.66 to 1.28	1.11 to 1.54	1.09 to 1.45
Risk-free interest rate in %	2.02 to 2.31	2.23 to 2.78	-0.25 to 2.03	-0.68 to -0.44	-0.77 to -0.51	-0.70 to -0.07	0.08 to 0.34
Assumed turnover of subscription beneficiaries in %	7.00	7.00	0.50 to 7.00	0.50 to 5.00	0.50 to 5.00	0.50 to 5.00	0.50 to 5.00
Fair value of option rights at grant date (in € 000s)	455	575	1,398	1,608	1,016	731	787

Within the Monte Carlo simulation, the aforementioned market conditions and cap were accounted for as appropriate in the calculation of the fair value of the stock options.

The weighted average fair value of the stock options granted in the 2024 financial year amounts to € 13.49 (previous year: € 16.12).

The weighted average share price taken into account when calculating the fair value of the stock options granted in the 2024 financial year was € 36.45 (previous year: € 51.04).

In respect of the exercise behavior shown by the program participants, it has been assumed that they will exercise their options in line with their economic interests.

The following options schedule provides an overview of how the stock options changed in the 2023 to 2024 financial years:

	Board of Management		Employees		Total	
Stock options	**No. of options**	**Weighted exercise price in €**	**No. of options**	**Weighted exercise price in €**	**No. of options**	**Weighted exercise price in €**
Outstanding on 12.31.2023	**39,557**	**87.35**	**169,029**	**79.78**	**208,586**	**81.21**
thereof exercisable	0	n/a	0	n/a	0	n/a
Granted	0	0.00	33,700	38.62	33,700	38.62
Exercised	0	0.00	0	0.00	0	0.00
Lapsed	0	0.00	0	0.00	0	0.00
Forfeited	10,000	87.69	6,000	84.80	16,000	86.60
Outstanding on 12.31.2024	**29,557**	**87.24**	**196,729**	**72.57**	**226,286**	**74.49**
thereof exercisable	0	n/a	0	n/a	0	n/a

	Board of Management		Employees		Total	
Stock options	**No. of options**	**Weighted exercise price in €**	**No. of options**	**Weighted exercise price in €**	**No. of options**	**Weighted exercise price in €**
Outstanding on 12.31.2022	**39,557**	**87.35**	**143,379**	**88.54**	**182,936**	**88.29**
thereof exercisable	0	n/a	8,504	59.82	8,504	59.82
Granted	0	0.00	35,650	48.40	35,650	48.40
Exercised	0	0.00	0	0.00	0	0.00
Lapsed	0	0.00	0	0.00	0	0.00
Forfeited	0	0.00	10,000	93.60	10,000	93.60
Outstanding on 12.31.2023	**39,557**	**87.35**	**169,029**	**79.78**	**208,586**	**81.21**
thereof exercisable	0	n/a	0	n/a	0	n/a

Stock options granted to individual members of the Board of Management prior to their appointment to the Board of Management have not been reclassified and therefore continue to be recognized in the disclosures on employee stock options.

The fair value of the stock options is recognized as an expense on a straight-line basis over the vesting period and results in an equivalent increase in the capital reserve. For the 2024 financial year, an expense of € 858k (previous year: € 1,128k) was recognized from share-based payments settled with equity instruments.

As of December 31, 2024, as in the previous year, no stock options were exercisable due to the non-fulfillment of the required market conditions or minimum vesting period.

In the 2024 financial year, as in the previous year, no stock options were exercised.

The weighted exercise prices and weighted average remaining contractual terms of the stock options outstanding at the end of the reporting period are presented in the following table:

2024

Range in €	Number of stock options	Weighted exercise price in €	Weighted remaining contractual term in months
35.01 – 40.00	48,250	38.40	77.0
40.01 – 45.00	11,600	42.69	76.1
50.01 – 55.00	2,000	50.82	67.9
55.01 – 60.00	29,704	56.19	15.6
60.01 – 65.00	28,750	62.42	26.7
65.01 – 70.00	14,150	67.89	20.0
70.01 – 75.00	1,500	71.18	1.0
80.01 – 85.00	3,800	80.84	50.6
85.01 – 90.00	16,275	85.57	59.4
100.01 – 105.00	13,500	105.00	50.3
110.01 – 115.00	27,500	113.00	38.8
115.01 – 120.00	10,057	117.25	49.6
120.01 – 125.00	2,800	120.48	33.4
125.01 – 130.00	8,850	125.90	38.0
130.01 – 135.00	6,050	134.08	46.7
135.01 – 140.00	1,500	138.84	37.5
Total	**226,286**	**74.49**	**46.1**

2023

Range in €	Number of stock options	Weighted exercise price in €	Weighted remaining contractual term in months
35.01 – 40.00	24,350	39.69	83.2
40.01 – 45.00	2,800	43.58	82.2
50.01 – 55.00	2,000	50.82	80.1
55.01 – 60.00	32,204	56.32	27.6
60.01 – 65.00	32,250	62.35	38.3
65.01 – 70.00	15,150	67.75	32.6
70.01 – 75.00	1,500	71.18	13.2
80.01 – 85.00	3,800	80.84	62.8
85.01 – 90.00	17,275	85.58	71.7
100.01 – 105.00	13,500	105.00	62.5
110.01 – 115.00	30,000	113.00	51.0
115.01 – 120.00	13,557	117.25	61.8
120.01 – 125.00	2,800	120.48	45.6
125.01 – 130.00	8,850	125.90	50.2
130.01 – 135.00	6,050	134.08	58.9
135.01 – 140.00	2,500	138.84	49.7
Total	**208,586**	**81.21**	**51.8**

Capital reserve

The capital reserve of € 37,131k (previous year: € 36,273k) mainly includes the premium from the issuance of shares, less equity transaction costs after taxes. In addition, it includes the expense recognized for the benefit from the granting of stock options and the employee participation program, as well as the difference resulting from the repurchase and reissue of treasury shares.

Revenue reserves

Revenue reserves include accumulated net income generated in the past, to the extent that this has not been distributed, transfers from other equity, as well as free revenue reserves. The free revenue reserves resulted from allocations made within the scope of the statutory authorization for the appropriation of profits by the Board of Management and Supervisory Board of STRATEC SE in accordance with § 58 (2) of the German Stock Corporation Act (AktG).

Revenue reserves are thus structured as follows:

	12.31.2024 € 000s	12.31.2023 € 000s
Free revenue reserves	19,392	19,392
Accumulated net income	177,875	168,475
Total	**197,267**	**187,867**

Accumulated net income changed as follows in the financial year:

	€ 000s
Accumulated net income as of 12.31.2023	168,475
Consolidated net income in 2024	16,021
Change in the scope of consolidation in 2024	66
Distribution (dividend for 2023)	-6,687
Accumulated net income as of 12.31.2024	**177,875**

Other equity

Other equity in the amount of € -3,988k (previous year: € 830k) includes the currency translation reserve, accumulated actuarial gains and losses from the remeasurement of pensions, and the resulting deferred taxes.

The currency translation reserve reported as of the end of the reporting period in the amount of € -2,466k (previous year: € 1,711k) mainly relates to translation differences from the conversion of the separate financial statements of entities whose functional currency is not the euro, as well as to the translation of intragroup net investments within equity as of the end of the reporting period. The change is presented in the consolidated statement of comprehensive income under the item translation differences from the translation of foreign operations.

The amounts recognized in equity through other comprehensive income (OCI) are composed as follows:

	Balance as of 01.01.2024 € 000s	OCI € 000s	Balance as of 12.31.2024 € 000s
Pensions	-1,094	-779	-1,873
Deferred taxes	213	139	352
Currency reserve	1,725	-4,141	-2,416
Deferred taxes	-14	-37	-51
Total	**830**	**-4,818**	**-3,988**

	Balance as of 01.01.2023 € 000s	OCI € 000s	Balance as of 12.31.2023 € 000s
Pensions	59	-1,153	-1,094
Deferred taxes	7	206	213
Currency reserve	-4,950	6,675	1,725
Deferred taxes	-23	9	-14
Total	**-4,907**	**5,737**	**830**

Treasury shares

By resolution of the Annual General Meeting held on June 8, 2020, STRATEC SE was authorized until June 7, 2025 to acquire treasury shares on one or several occasions and in total or in partial amounts up to a total of ten percent of existing share capital as of June 8, 2020 and to use these for every purpose permitted within the statutory limitations and consistent with the respective conditions. This authorization may not be used for trading in treasury shares. Together with the treasury shares already acquired on the basis of previous authorizations and still possessed by the Company, the treasury shares acquired on the basis of this authorization may not at any time account for more than ten percent of the respective share capital. The treasury shares may be acquired on the stock market, through a public purchase offer, by means of a public invitation to submit offers for sale, or through the granting of tender rights to shareholders.

As in the previous year, STRATEC SE did not use this authorization to acquire treasury shares in the 2024 financial year. The Company currently has no plans to retire the shares already acquired, but rather intends to retain the financial scope to make acquisitions and safeguard its growth strategy. Furthermore, STRATEC SE reserves the right to use the treasury shares already acquired for other purposes consistent with the authorization provided by the Annual General Meeting.

As in the previous year, STRATEC SE held 1,899 treasury shares at the end of the reporting period. The treasury shares are reported separately in equity at cost in the total amount of € 35k (previous year: € 35k).

Appropriation of earnings

Under the German Stock Corporation Act (AktG), dividends distributed to shareholders are calculated based on the net income reported in STRATEC SE's annual financial statements, which are prepared in accordance with the provisions of the German Commercial Code (HGB).

In the 2024 financial year, a dividend of € 0.55 per dividend-entitled share (previous year: € 0.97) was paid for the 2023 financial year, corresponding to a total dividend distribution of € 6,687k (previous year: € 11,790k).

With the approval of the Supervisory Board, the Board of Management proposes that, of the net income of € 113,232k calculated for STRATEC SE in line with the German Commercial Code, an amount of € 7,293,565.20, equivalent to € 0.60 per dividend-entitled share, should be distributed to shareholders, and that the remaining amount of € 105,938k should be carried forward. The proposed dividend is dependent on approval by the Annual General Meeting and has not been recognized as a liability in the consolidated financial statements.

As in the previous year, upon preparing the annual financial statements of STRATEC SE in line with the German Commercial Code (HGB) as of December 31, 2024, the Board of Management and Supervisory Board did not allocate any amount from the net income for 2024 to the free revenue reserves.

(10) Provisions for pensions

Occupational pension plans can generally be classified as either defined contribution plans or defined benefit plans.

In the case of **defined contribution plans**, STRATEC does not assume any further legal or constructive obligations beyond the obligation to pay contributions to an external public or private pension provider. These ongoing contributions are recognized in personnel expenses when due. These amounted to € 5,454k in the 2024 financial year (previous year: € 5,266k). This amount includes employer contributions to the statutory pension insurance system in Germany of € 2,959k (previous year: € 2,829k) and contributions for severance-related benefits in Austria of € 1.814k (previous year: € 1.662k).

Furthermore, as of the end of the reporting period, there are also defined benefit plans in place for members of the Board of Management in Germany and for employees in Austria and Switzerland. Pension obligations in Germany are financed and guaranteed partly through reinsurance policies and partly through a reinsured support fund (Unterstützungskasse). The pension plans in Switzerland are executed in accordance with legal requirements on the basis of an external pension fund. In connection with defined benefit plans, STRATEC is exposed not only to general actuarial risks, such as interest rate risk, pension and income growth risk, as well as risks resulting from rising life expectancy, but also to capital market risks resulting from the investment of plan assets.

The pension obligation is offset in the consolidated balance sheet against the corresponding plan assets.

The present value of pension obligations is calculated using the actuarial procedure known as the projected unit credit method. This method involves measuring future obligations on the basis of the prorated vested claims attained by the end of the financial year, taking due account of assumed trends.

The calculation of the present value of pension obligations has been based on the following actuarial assumptions:

	Germany 12.31.2024	Austria 12.31.2024	Switzerland 12.31.2024
Discount rate	3.39%	3.17%	1.00%
Future income increases	n.a.	3.00%	2.00%
Future pension increases	1.40%	n.a.	n.a.
Personnel turnover rate	1.50%	0.00%	*
Average duration	16.3 years	9.4 years	**

	Germany 12.31.2023	Austria 12.31.2023	Switzerland 12.31.2023
Discount rate	3.19%	3.13%	1.50%
Future income increases	n.a.	3.00%	1.80%
Future pension increases	1.40%	n.a.	n.a.
Personnel turnover rate	1.50%	0.00%	*
Average duration	17.3 years	10.5 years	**

* Personnel turnover rate broken down by gender and age. Pursuant to the Swiss Federal Act on Retirement, Dependant Care, and Invalidity Pensions (BVG), the turnover rate for men ranges, as in the previous year, from 1.66% to 31.00%; the rate for women ranges, as in the previous year, from 2.15% to 27.58%.

** Taking into account the merger between STRATEC Switzerland AG and STRATEC Services AG effective January 1, 2023, the average duration ranges from 17.0 years (previous year: 15.9 years).

As in the previous year, the main life expectancy assumptions for Germany have been taken from the biometric "2018 G Guidelines" published by Prof. Dr. Klaus Heubeck. For Austria, also as in the previous year, these assumptions have been based on the "AVÖ 2018-P Pagler & Pagler Generationentafel".

The assumptions used to calculate the present value of pension obligations as of the end of the previous year's reporting period are also applied to calculate interest expenses and current service cost in the following financial year.

The present value of the vested defined benefit obligations (DBO) and plan assets changed as follows in the financial year under report:

	2024 € 000s	2023 € 000s
Present value of defined benefit obligations (DBO) as of 01.01.	**17,332**	**14,591**
Transfers due to change of employer	-1,447	-957
Current service cost	994	809
Retrospective service cost	151	-48
Compounding of pension obligations	325	386
Payments made	0	0
Employee contributions to pension plan	567	585
Remeasurement of pension obligations Actuarial gains (-) / losses (+) due to changes in		
• financial assumptions	757	1.126
• demographic assumptions	0	-5
• empirical adjustments	-855	86
Currency differences	-210	759
Present value of defined benefit obligations (DBO) as of 12.31.	**17,614**	**17,332**

	2024 € 000s	2023 € 000s
Fair value of plan assets as of 01.01.	**13,015**	**11,439**
Transfers due to change of employer	-1,447	-957
Employer contributions to plan assets	968	974
Employee contributions to plan assets	567	585
Interest income on plan assets	230	295
Remeasurement of plan assets • Expenses for plan assets (excluding interest income)	-877	54
Currency differences	**-180**	625
Fair value of plan assets as of 12.31.	**12,276**	**13,015**

To calculate the financing status and the net obligation, the present value of the externally financed obligations is compared with the fair value of the plan assets.

	12.31.2024 € 000s	12.31.2023 € 000s
Pension plans in Germany		
• Present value of pension obligations	3,234	2,848
• Fair value of plan assets	2,729	2,450
Financing status = net obligation	**505**	**398**
Pension plans in Austria		
• Present value of pension obligations	1,685	1,504
• Fair value of plan assets	0	0
Financing status = net obligation	**1,685**	**1,504**
Pension plans in Switzerland		
• Present value of pension obligations	12,695	12,980
• Fair value of plan assets	9,547	10,565
Financing status = net obligation	**3,148**	**2,415**
Total		
• Present value of pension obligations	17,614	17,332
• Fair value of plan assets	12,276	13,015
Financing status = net obligation	**5,338**	**4,317**

The net obligation changed as follows:

	2024 € 000s	2023 € 000s
Net obligation as of 01.01.	**4,317**	**3,152**
Share of pension expenses recognized in income statement	1,240	852
Amounts recognized in OCI	779	1,153
Payments made	0	0
Employer contributions to plan assets	-968	-974
Currency differences	-30	134
Net obligation as of 12.31.	**5,338**	**4,317**

The pension expenses recognized through profit or loss in the income statement for defined benefit commitments in the period under report comprise the following items:

	2024 € 000s	2023 € 000s
Current service cost	994	809
Retrospective service cost	151	-48
Compounding of pension obligations	325	386
Interest income on plan assets	-230	-295
Share of pension expenses recognized in income statement	**1,240**	**852**

The current and deferred service cost is included in the individual functional areas, while other components of the share of pension expenses recognized in the consolidated statement of comprehensive income are included in the financial income or financial expense line items within net financial expenses.

The following amounts have been recognized in equity under "Other comprehensive income" in the consolidated statement of comprehensive income:

	2024 € 000s	2023 € 000s
Remeasurement of net obligation:		
Income from plan assets (excluding interest income)	877	-54
Actuarial gains (-) / losses (+) due to changes in • financial assumptions • demographic assumptions • empirical adjustments	 757 0 -855	 1.126 -5 86
Amounts recognized in OCI	**779**	**1.153**

The plan assets relate to pension plans in Germany and Switzerland. In Germany, these reinsurance policies predominantly invest in fixed-income securities. When selecting such securities, the rating and equity resources of the issuer are accounted for, among other factors. The investment strategy predominantly aims to generate ongoing interest income and to preserve capital while maintaining a low degree of volatility. No prices listed on an active market are available for the reinsurance policies. The companies in Switzerland are covered by the fully insured contract of the Allianz Suisse BVG collective foundation, and there is a reinsurance contract in place between the collective foundation and Allianz Suisse Life Insurance Company.

Depending on the specific country, the key actuarial assumptions used to calculate STRATEC's pension obligations include the parameters presented in the sensitivity analyses below, namely the discount rate, future income increases, and the interest rate on retirement assets. The sensitivity analyses show how the defined benefit obligation would have been influenced by potential changes in the corresponding assumptions if all other assumptions had remained unchanged.

In Germany, any variation in the respective parameters by 50 base points would result in the following sensitivities in the present value of the defined benefit obligation:

Germany	2024 € 000s	2023 € 000s
Discount rate +0,50 %	-241	-225
Discount rate -0,50 %	269	253

In Austria, any variation in the respective parameters by 50 base points would result in the following sensitivities in the present value of the defined benefit obligation:

Austria	2024 € 000s	2023 € 000s
Discount rate +0,50 %	-75	-74
Discount rate -0,50 %	80	85
Future income increases +0,50 %	79	79
Future income increases -0,50 %	-75	-74

In Switzerland, any variation in the respective parameters by 25 base points would result in the following sensitivities in the present value of the defined benefit obligation:

Switzerland	2024 € 000s	2023 € 000s
Discount rate +0,25 %	-513	-488
Discount rate -0,25 %	554	528
Future income increases +0,25 %	119	93
Future income increases -0,25 %	-116	-92

For the following 2025 financial year, STRATEC expects to contribute € 1,418k (previous year: € 1,613k) to plan assets. No outgoing payments from plan assets are expected.

(11) Taxes on income

Taxes on income comprise the income taxes paid or owed and deferred taxes in the individual countries. Interest on tax-related back payments and reimbursements are recognized under other liabilities or receivables and under net financial expenses.

For information about the implications of income tax treatment uncertainties in the 2024 financial year, please see Section "B. ACCOUNTING POLICIES APPLIED, Forward-looking assumptions, 8. Recognition of deferred taxes for temporary differences and tax loss carryovers pursuant to IAS 12 (Income Taxes) and uncertainties in income tax treatment."

Income tax expenses can be broken down in terms of their origin as follows:

	2024 € 000s	2023 € 000s
Current tax expense	3,847	4,884
Deferred tax expense	2,140	1,292
Total	**5,987**	**6,176**

The deferred tax expense of € 2,140k (previous year: € 1,292k) recognized in the consolidated statement of comprehensive income resulted from expenses of € 2,009k (previous year: € 2,039k) due to temporary valuation differences and from expenses of € 131k (previous year: income of € 747k) from changes in deferred tax assets on tax loss carryforwards recognized through profit or loss.

The changes in the deferred tax assets on tax loss carryovers are structured as follows:

	2024 € 000s	2023 € 000s
Income from recognition	-139	-1,209
Income (previous year: expenses) from adjustment	-24	2
Income (previous year: expenses) from tax rate changes	-25	244
Expenses due to utilization	1,042	260
Income from reversals	-723	-44
Income (previous year: expenses) from adjustment	131	-747
Currency translation	3	41
Total	**134**	**-706**

In the 2024 financial year, for two subsidiaries (previous year: four subsidiaries) deferred tax assets on tax loss carryforwards in the amount of € 2,576k (previous year: € 2,710k) were recognized. In the 2024 financial year, additions of € 723k (previous year: € 44k) were made to deferred tax assets on tax loss carryforwards, which, as in the previous year, related to STRATEC Consumables GmbH. The deferred taxes recognized at STRATEC Consumables GmbH are considered realizable due to the existence of offsetting deferred tax liabilities and partly due to a tax planning calculation. The nominal value of tax loss carryforwards for which no deferred tax assets were recognized amounted to € 12,521k (previous year: € 15,484k). The unused tax loss carryforwards for which no deferred tax assets were recognized in the consolidated balance sheet resulted from STRATEC Biomedical USA, Inc., STRATEC Consumables GmbH, RE Medical Analyzers Luxembourg 2 S.à r.l., Diatron (US), Inc., Diatron MI APAC Private Limited, STRATEC Biomedical (Taicang) Co. Ltd., Taicang, and STRATEC Biomedical Ltd., Shanghai. Their eligibility to be carried forward is as follows:

	1 to 10 years € 000s	11 to 15 years € 000s	16 to 20 years € 000s	Unlimited € 000s	Total € 000s
Loss carryover	4,761	3,156	526	4,078	12,521
(previous year)	(2,677)	(5,228)	(536)	(7,043)	(15,484)

In the 2024 financial year, one subsidiary that had incurred losses in the current or previous year had excess deferred tax assets from temporary differences, tax loss carryforwards, and unused tax credits totaling € 1,020k (previous year: € 343k). They were deemed recoverable, as the losses resulted from identifiable one-time events following the business acquisition.

The reported tax expense for the 2024 financial year of € 5,987k (previous year: € 6,176k) deviates by € 39k (previous year: € -277k) from the expected tax expense of € 6,026k (previous year: € 5,899k), which would result from the application of STRATEC SE's overall tax rate of 27.38% (previous year: 27.38%) to the Group's earnings before taxes. The overall tax rate is composed of the corporate income tax rate of 15.00% (previous year: 15.00%), the solidarity surcharge of 5.50% (previous year: 5.50%) on corporate income tax, and an average trade tax rate of 11.55% (previous year: 11.55%).

The difference between the tax expenses expected and those reported is attributable to the following items:

	2024 € 000s	2023 € 000s
Consolidated net income before taxes on income	22,008	21,546
Applicable tax rate	27.38%	27.38%
Expected tax expenses (-) / income (+)	**-6,026**	**-5,899**
Differences from local tax rates	1,236	1,116
Changes in deferred taxes due to changes in tax rates	18	-300
Tax-free income (+) / expenses (-) from investments, capital gains/losses on securities, and dividends	87	-72
Tax effects due to non-deductible operating expenses or tax-exempt income	-701	-228
Personnel expenses (stock options)	-197	-309
Current and deferred tax expense (–) / income (+) from previous years	-575	105
Additions (+) / reductions (–) of deferred tax assets	723	44
Miscellaneous	-552	-633
Reported tax expenses (-) / income (+)	**-5,987**	**-6,176**

Of the "Other" item, € -359k (previous year: € -342k) resulted from a differing tax base for purposes of local corporate taxation in Hungary. The local corporate tax is levied by municipalities and amounts to 2% of total net sales revenue less the cost of goods sold, purchased services, material costs, intermediary services, and research and development (R&D) expenses.

Income tax receivables of € 2,219k (previous year: € 4,480k) result from advance payments and income tax refunds. Income tax liabilities of € 7,970k (previous year: € 6,844k) relate to current income tax obligations.

Deferred taxes result from the following balance sheet items and circumstances:

	12.31.2024		12.31.2023	
	Deferred tax assets € 000s	**Deferred tax liabilities** € 000s	**Deferred tax assets** € 000s	**Deferred tax liabilities** € 000s
Intangible assets	3,533	13,185	2,985	13,140
Right-of-use assets	0	2,797	0	3,019
Property, plant and equipment	185	889	219	897
Financial assets	0	572	76	590
Other receivables and assets	39	0	54	0
Contract assets	156	3,429	0	3,688
Inventories	5,233	1,036	7,238	1,053
Trade receivables	332	163	844	776
Receivables from affiliated companies	67	1,706	45	895
Financial liabilities	2,908	0	3,311	1,528
Provisions for pensions	971	57	836	65
Contract liabilities	1,432	0	361	6,549
Liabilities to affiliated companies	1,131	209	1,138	236
Other liabilities	132	7,725	1,408	0
Provisions	5	108	92	203
Tax loss carryovers	2,576	0	2,710	0
Net investment in foreign operation	30	116	98	82
Currency translation	263	223	194	223
Sundry	2	78	0	0
Subtotal	**18,997**	**32,293**	**21,608**	**32,945**
Offsetting	-15,881	-15,881	-20,306	-20,306
Amount presented in the consolidated balance sheet	**3,116**	**16,412**	**1,302**	**12,639**

(12) Non-current and current financial liabilities

Non-current financial liabilities are structured as follows:

	12.31.2024 € 000s	12.31.2023 € 000s
Liabilities to banks	73,371	80,800
Lease liabilities	12,246	13,536
Other	3,078	3,117
Total	**88,695**	**97,453**

Current financial liabilities are structured as follows:

	12.31.2024 € 000s	12.31.2023 € 000s
Liabilities to banks	41,586	44,933
Lease liabilities	3,331	2,795
Other	648	153
Total	**45,565**	**47,881**

Financial liabilities to banks

Liabilities to banks include amounts of € 52.0 million (previous year: € 54.0 million) in connection with a master credit facility with a revolving credit line of up to € 75.0 million (previous year: € 55.0 million), which the Company entered into with four banks and which has a term until January 22, 2027. In addition, € 36.0 million (December 31, 2023: € 39.0 million) related to liabilities under a credit facility with a revolving credit line of up to € 50.0 million (December 31, 2023: € 50.0 million), which was concluded with an existing bank to finance the acquisition of the Natech Group and other investment opportunities, and has a term until June 20, 2025. In each of these cases, the interest payable on the amount effectively drawn down from the master credit facility is based on customary market reference rates plus a margin. If certain financial targets are not met, the margin increases by a surcharge. A commitment fee is payable on amounts not drawn down from the master credit facility.

For the predominant share of financial liabilities to banks (€ 105,867k in 2024; previous year: € 114,790k), the relevant financing agreements include covenants concerning compliance with specific key financial performance indicators, particularly the dynamic debt-to-equity (gearing) ratio (December 31, 2024: 4.0; December 31, 2023: 4.0) and the equity ratio (December 31, 2024: 30%; December 31, 2023: 30%). The financial indicators must be determined at the end of each quarter, half-year, and full year, and reported to the lending banks. In addition, there are information and reporting obligations in place requiring the submission of the audited consolidated financial statements and the audited separate financial statements by April 30 of each year. If the aforementioned financial performance indicators or the information and reporting obligations are not met, the lending banks have the right to terminate the loan agreements. The lending banks granted an extension of the deadline for the submission of the audited annual and consolidated financial statements until May 31, 2025. For the 2024 financial year, the information and reporting obligations were fulfilled in accordance with the agreement in effect at the respective time. Furthermore, the Company has entered into various obligations in this regard involving restrictions on assets and provisos concerning further borrowing. In particular, no collateral securities exceeding an amount of € 10 million may be provided to third parties (or specific Group companies not party to the guarantee concept for the financing arrangement) unless securities in the same amount are provided to the financing banks.

Lease liabilities

In the 2024 financial year, lease liabilities of € 3,278k (previous year: € 2,626k) and interest of € 842k (previous year: € 727k) were repaid in connection with lease agreements. In the 2024 financial year, total cash outflows related to leases amounted to € 5,007k (previous year: € 4,031k). With regard to the interest expenses recognized for lease liabilities under net financial expenses in the 2024 financial year, reference is made to the information provided in section "C. NOTES TO THE CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (23) Net financial expenses".

In the 2024 financial year, expenses for variable lease payments amounting to € 575k (previous year: € 581k) were not included in the measurement of lease liabilities.

In the 2024 financial year, interest expenses from lease liabilities amounting to € 842k (previous year: € 727k) were recognized in net financial expenses.

Other

The line item "Other" includes the corresponding liabilities from payments received as collateral for trade receivables. In addition, the item financial liabilities included € 262k from foreign exchange forward contracts used to hedge currency risk. The losses from the measurement at the end of the reporting period (previous year: gains) amounting to € 280k (previous year: € 816k) were recognized through profit or loss in the consolidated statement of comprehensive income under "Other operating expenses" (previous year: "Other operating income").

(13) Trade payables

Trade payables of € 18,447k (previous year: € 23,391k) predominantly resulted, as in the previous year, from goods and services received in November and December 2024. Also as in the previous year, these items are due for payment within one year.

The trade payables in the previous year included payables to affiliated companies in the amount of € 45k. Due to the full consolidation of STRATEC Biomedical (Taicang) Co. Ltd. as of January 1, 2024, intragroup payables to this company have been eliminated since the 2024 financial year.

(14) Other liabilities

Non-current other liabilities consisted exclusively of liabilities for personnel-related items in the amount of € 1,201k (previous year: € 795k).

Current other liabilities are structured as follows:

	12.31.2024 € 000s	12.31.2023 € 000s
Liabilities for personnel-related items	7,205	7,169
Other tax liabilities	1,080	1,195
Social security liabilities	1,503	1,602
Other	581	910
Total	**10,369**	**10,876**

Liabilities for personnel-related items

Liabilities for personnel-related items mainly included obligations from profit-sharing arrangements amounting to € 3,502k (previous year: € 3,555k), obligations from a post-contractual non-compete agreement of € 484k (previous year: € 0k), liabilities for outstanding leave (€ 2,513k; previous year: € 2,287k), and obligations from employee working time credits (€ 867k; previous year: € 1,148k).

The profit-sharing obligations related to short-term performance-based remuneration for employees (€ 1,647k; previous year: € 1,423k) and to short-, medium-, and long-term performance-based remuneration for the Board of Management (€ 1,855k; previous year: € 2,132k). The obligations from long-term performance-based remuneration for the Board of Management (€ 335k; previous year: € 434k) correspond to the fair value of the expected payouts from the granted stock appreciation rights (SARs). The fair value has been determined using the binomial tree method based on the measurement principles of a risk-neutral valuation using the Black/Scholes method.

Stock appreciation rights (SARs)

The stock appreciation rights are structured such that they refer to a payment to be made by the Company to the respective bearer of the rights, with the amount of payment being determined by reference to the share price performance of STRATEC SE (reference share) as documented in XETRA trading on the Frankfurt Stock Exchange over a predefined period. The term for the tranches from the 2021 and 2022 financial years is five years from the grant date, whereby the value of the stock appreciation rights may be claimed for the first time only after a minimum vesting period of two years. By contrast, the term for the tranches from the 2023 and 2024 financial years is seven years from the grant date, with a minimum vesting period of four years. The stock appreciation rights vest immediately upon grant. The payment entitlement is determined based on the increase in the XETRA closing price of a reference share by the end of the term (calculated using a 30-day average price plus dividends) compared to the XETRA closing price on the grant date (reference price). The annual share price increase – without considering interim price movements during the term – must be at least eight percent for the tranches from the 2021 and 2022 financial years, and at least five percent for the tranches from the 2023 and 2024 financial years (payment threshold). If the term of the rights does not correspond to a full year, the increase in share price is determined on a time-proportionate basis.

The fair value of the stock appreciation rights (SARs) was determined as of the measurement date, December 31, 2024, using the binomial tree method based on the following assumptions:

Stock appreciation rights (SARs) model parameters	Tranche I 2024 financial year	Tranche I 2023 financial year	Tranche I 2022 financial year	Tranche I 2021 financial year
Issue date	01.19.2024	01.23.2023	01.25.2022	03.08.2021
Average share price on issue date	€ 40.50	€ 84.70	€ 114.40	€ 107.20
Term				
Overall term	84.0 months	84.0 months	60.0 months	60.0 months
Remaining term as of 12.31.	72.7 months	60.7 months	24.8 months	14.3 months
Minimum vesting period				
Overall term	48.0 months	48.0 months	24.0 months	24.0 months
Remaining term as of 12.31.	36.7 months	24.7 months	0.0 months	0.0 months
Share price on measurement date	€ 29.80	€ 29.80	€ 29.80	€ 29.80
Expected volatility	41.22%	40.14%	39.07%	39.07%
Risk-free interest rate	2.06%	2.06%	2.02%	2.12%
Fair value on issue date	**€ 12.60**	**€ 31.35**	**€ 37.45**	**€ 38.05**
Fair value as of 12.31.	**€ 8.25**	**€ 2.45**	**€ 0.09**	**€ 0.01**

The following table presents the changes in the number of stock appreciation rights (SARs) during the reporting period:

Absolute figures	Balance on 01.01.2024	Granted	Exercised, lapsed, forfeited	Balance on 12.31.2024	– of which exercisable
Tranche I 2021	30,000	0	-7,500	22,500	0
Tranche I 2022	30,000	0	-7,500	22,500	0
Tranche I 2023	47,940	0	-9,570	38,370	0
Tranche I 2024	0	48,800	-8,460	40,340	0
Total	**107,940**	**48,800**	**-33,030**	**123,710**	**0**

As in the previous year, the income recognized in the 2024 financial year from cash-settled share-based remuneration amounted to € 99k (previous year: € 536k).

Other tax liabilities

The other tax liabilities relate to transaction taxes and employee payroll settlement.

Social security liabilities

Social security liabilities chiefly relate to social security contributions still to be transferred.

Other

In the 2024 financial year, STRATEC received government grants in the amount of € 924k (previous year: € 430k). These grants relate to funding for research purposes. The total government grants deferred as liabilities amount to € 174k (previous year: € 221k).

(15) Contract liabilities

Contract liabilities mainly relate to prepayments received from customers for development services and product deliveries. In line with their respective maturities, the overwhelming share of contract liabilities will be recognized as sales in subsequent financial years.

Contract liabilities were structured as follows:

	12.31.2024 € 000s	12.31.2023 € 000s
Development and services	5,083	2,674
Miscellaneous	2,495	5,211
Total	**7,578**	**7,885**

(16) Provisions

Current provisions relate to warranty and guarantee obligations amounting to € 950k (previous year: € 1,502k).

Provisions changed as follows:

	2024 € 000s	2023 € 000s
01.01.	1,502	1,291
Added	15	233
Reversed	-541	-87
Utilized	0	0
Currency differences	-26	65
Total	**950**	**1,502**

There is uncertainty in respect of the amount and maturity of the provisions recognized. This has been duly accounted for by way of best estimates.

D. NOTES TO THE CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(17) Sales revenue

The sales revenue generated from contracts with customers is presented below, broken down by the type of goods or services, geographical regions, and point or period of time at which the respective sales revenue is recognized.

Sales revenue from contracts with customers is structured as follows:

	2024 € 000s	2023 € 000s
Type of goods or services		
Analyzer systems	82,671	114,467
Service parts and consumables	110,429	96,169
Development and services	63,228	57,573
Miscellaneous	1,296	2,205
Total	**257,624**	**270,414**
Geographical regions		
Germany	27,824	51,526
European Union	82,973	96,263
Miscellaneous	146,827	122,625
– thereof US	120,141	97,440
Total	**257,624**	**270,414**
Time at which sales revenue is recognized		
Recognized at a point in time	230,031	234,567
Recognized over time	27,593	35,847
Total	**257,624**	**270,414**

Sales revenue from license sales is included in sales revenue from development and services..

For analyzer systems, service parts, and consumables, the allocation of sales revenue to geographical regions is based on the delivery locations from STRATEC's perspective. In view of the fact that STRATEC's customers partly supply their country outlets and customers from central distribution centers, however, this breakdown of sales revenue does not necessarily reflect the final operating locations of the analyzer systems, service parts, and consumables supplied by STRATEC.

List of major customers pursuant to IFRS 8.34: Financial year: two customers with sales revenue of € 67.3 million and € 50.5 million (previous year: € 47.6 million, € 43.8 million, and € 27.6 million). These figures in all cases include sales revenue from several analyzer system lines, development activities, and services and consumables.

Sales revenue includes the following amounts:

	2024 € 000s	2023 € 000s
Sales revenue from amounts included in contract liabilities at the beginning of the financial year	2,498	6,252
Sales revenue from performance obligations satisfied in previous financial years	0	190
Total	**2,498**	**6,442**

The total transaction price allocated to performance obligations under customer contracts that are not yet satisfied or only partially satisfied represents contractually agreed but not yet recognized sales revenue and amounted to € 461,948k as of December 31, 2024 (previous year: € 318,977k). This includes amounts recognized as contractual liabilities and agreed payments from customers that are not yet due. The unsatisfied or partially satisfied performance obligations comprise development service obligations amounting to € 57,370k (previous year: € 68,865k), as well as performance obligations related to minimum purchase commitments for analyzer systems amounting to € 403,887k (previous year: € 250,112k). STRATEC expects to satisfy these unsatisfied or partially satisfied performance obligations for development services within one to four years, and for fulfilling minimum purchase commitments for analyzer systems within one to ten years.

For all performance obligations from development collaborations, services, and delivery obligations with a period of no more than one year, the transaction price allocated to these unsatisfied performance obligations is not disclosed.

(18) Cost of sales

Cost of sales amounting to € 181,237k (previous year: € 202,252k) includes production-related manufacturing expenses incurred for the products, maintenance, and spare parts sold, and for development and services.

(19) Research and development expenses

Research and development expenses that do not meet the capitalization criteria according to IAS 38 (Intangible Assets) amounted to € 11,612k (previous year: € 8,740k) and mainly relate to personnel and material expenses.

Gross development expenses were structured as follows:

	2024 € 000s	2023 € 000s
Research and development expenses	55,405	55,360
– thereof development expenses recognized as sales revenue or capitalized	-43,793	-46,620
Total	**11,612**	**8,740**

In the financial year under report, an amount of € 971k from grants was recognized as a reduction to research and development expenses (previous year: € 334k).

(20) Sales-related expenses

Sales-related expenses of € 12,456k (previous year: € 11,952k) included both direct and indirect selling costs. These generally include all expenses incurred for personnel, materials, and other expenses for sales (including prorated depreciation and amortization). Part of these expenses relate to costs incurred in connection with product launches.

(21) General administrative expenses

Administrative expenses of € 24,445k (previous year: € 19,255k) include the personnel and material expenses incurred in central administrative departments (including corporate management, controlling, finance and accounting, legal affairs, investor relations, and personnel) that are not directly attributable to production, sales, or research and development.

(22) Other operating expenses and income

Other operating expenses are structured as follows:

	2024 € 000s	2023 € 000s
From exchange rate losses	5,569	9,554
From foreign exchange forward contracts	280	0
Other	188	84
Total	**6,037**	**9,638**

Other operating income is structured as follows:

	2024 € 000s	2023 € 000s
From exchange rate gains	6,411	5,690
From foreign exchange forward contracts	0	816
From reversals of provisions and liabilities	89	635
Other	407	378
Total	**6,907**	**7,519**

With regard to other operating income from foreign exchange forward contracts, please refer to the information provided in section "C. NOTES TO THE CONSOLIDATED BALANCE SHEET (12) Non-current and current financial liabilities".

Other than that, other operating income and other operating expenses also include numerous standalone items which, viewed individually, are only of subordinate significance.

(23) Net financial expenses

Financial income is structured as follows:

	2024 € 000s	2023 € 000s
Interest income from cash and cash equivalents	54	66
Other financial income	266	44
Total	**320**	**110**

Die Finanzaufwendungen gliedern sich wie folgt:

	2024 € 000s	2023 € 000s
Interest expenses on loan liabilities to banks	4,899	3,157
Interest expenses for leases	842	727
Net interest from pension provisions	95	91
Interest expenses for compounding of liabilities and provisions	13	2
Interest expenses for tax-related back payments	36	0
Other interest expenses	17	15
Total	**5,902**	**3,992**

Other financial result includes expenses and income from financial assets and financial liabilities that are measured at fair value through profit or loss.

(24) Earnings per share

Earnings per share have been calculated pursuant to IAS 33 (Earnings per Share) by dividing the consolidated net income by the average weighted number of shares in STRATEC SE in circulation in the past financial year.

The treasury shares held by STRATEC AG have been excluded from the calculation of the number of shares in circulation. The year-on-year increase in the number of shares was due to the issue of new shares upon the exercising of option rights within stock option programs. Changes in the number of shares within the financial year have been accounted for by weighting the respective figures on a prorated basis. The weighted average number of outstanding shares used to calculate basic earnings per share amounted to 12,155,942 shares (previous year: 12,155,942 shares).

Pursuant to IAS 33 (Earnings per Share), the consolidated net income of € 16,021k (previous year: € 15,370k) reported in the consolidated statement of comprehensive income has been used as the unaltered basis for the calculation.

Due to the outstanding stock options as of December 31, 2024, both basic (€ 1.32; previous year: € 1.26) and diluted (€ 1.32; previous year: € 1.26) earnings per share were calculated. This is based on the assumption that all outstanding, unexercised options are exercised, provided that all conditions for exercise were met at the end of the reporting period and the average market price of the common shares during the financial year exceeded the exercise price of the options. Earnings per share figures reported for previous years are not retrospectively adjusted for changes in the market price of common shares. The number of additional shares to be accounted for is calculated by comparing the proceeds generated by such exercising of options with the proceeds which could theoretically be generated by issuing new shares on customary market terms.

The allocation or exercising of stock options within the financial year has been accounted for using prorated weighting. The resulting weighted average number of outstanding shares with a diluting effect accounted for in the calculation of (diluted) earnings per share amounts to 12,155,942 (previous year: 12,158,841).

(25) Additional disclosures on the consolidated statement of comprehensive income

Cost of materials

The functional divisions include the following cost of materials:

	2024 € 000s	2023 € 000s
Costs of raw materials and supplies	96,520	115,009
Costs of purchased services	3,113	2,467
Total	**99,633**	**117,476**

Personnel expenses

The functional divisions include the following personnel expenses:

	2024 € 000s	2023 € 000s
Wages and salaries	81,538	79,380
Social security contributions	7,759	9,433
Expenses for pension and support plans	5,454	5,266
Total	**94,751**	**94,079**

In addition, expenses for wages and salaries for temporary employees (personnel leasing) amounted to € 1,816k (previous year: € 669k).

Number of employees

The **average number** of individuals employed by the Group during the financial year (including temporary employees from personnel agencies) was as follows:

	2024 Number	2023 Number
Employees	1,416	1,514
Trainees	20	19
Employees in permanent employment	1,436	1,533
Temporary employees	32	26
Total	**1,468**	**1,559**

Of permanent employees, 530 (previous year: 552) were in Germany, and 886 (previous year: 962) abroad. Of temporary employees, 17 (previous year: 8) were in Germany, and 15 (previous year: 18) abroad.

Disclosures concerning the auditor's fee pursuant to § 314 (1) No. 9 HGB

The total fees calculated in the financial year for the Group auditor pursuant to § 314 (1) No. 9 of the German Commercial Code (HGB) are structured as follows:

	2024 € 000s	2023 € 000s
Fee for		
a) Auditing	438	274
- thereof for the previous year	0	0
b) Other assurance services	44	42
c) Tax advisory services	0	0
d) Other services	2	27
Total	**484**	**343**

The other services relate to the provision of a study on executive remuneration.

E. NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT

General disclosures

The consolidated cash flow statement shows how the liquidity of the STRATEC Group has changed due to inflows and outflows of funds during the financial year. A distinction is made between the cash flows from operating, investing and financing activities.

The amounts reported for foreign group companies have generally been translated at annual average exchange rates. One exception involves cash which, like in the consolidated balance sheet, has been recognized at the exchange rate at the end of the reporting period. The impact of changes in exchange rates on cash is presented separately.

The outflows of funds for leases are divided, with the amount attributable to the capital repayments share of lease liabilities being allocated to the cash flow from financing activities and the interest portion of lease liabilities being allocated to the cash flow from operating activities. Outflows of funds for low-value leases, short-term leases, and for variable lease payments not accounted for when measuring the lease liabilities are allocated to the cash flow from operating activities.

Inflow / outflow of funds from operating activities

The cash flow from operating activities has been calculated using the indirect method. This involves eliminating non-cash earnings components from consolidated net income after taxes.

Interest income and expenses have been allocated to operating activities, as have the components of the "Other financial result". Dividend payments are presented in the cash flow from financing activities.

Tax payments have been reported under operating activities in their entirety, as their allocation to individual business divisions is not practically feasible.

The interest paid/received and income taxes paid/refunded items in the cash flow from operating activities have been presented using the direct method. In the first stage, this involves adjusting consolidated net income to account for income and expenses recognized in the consolidated statement of comprehensive income. After this, the interest and income taxes paid or received are reported separately.

Change in liabilities for financing activities

	Balance on 01.01.2024 € 000s	Company acquisitions € 000s	Cash-effective changes € 000s	Interest: Expense € 000s	Interest: Paid € 000s	Non-cash-effective changes: Exchange rates € 000s	Non-cash-effective changes: New leases € 000s	Non-cash-effective changes: Other[1] € 000s	Balance on 12.31.2024 € 000s
Non-current liabilities to banks	80,800	0	-2,401	4,899	-5,393	37	0	-5,065	73,371
Current liabilities to banks	44,933	0	-7,935			17	0	5,065	41,586
Non-current lease liabilities	13,536	0	0	842	-842	260	1,782	-3,332	12,246
Current lease liabilities	2,795	0	-3,278			-19	501	3,332	3,331
Total	**142,064**	**0**	**-13,614**	**5,741**	**-6,235**	**295**	**2,283**	**0**	**130,534**

[1] The "Other" column includes the effects of reclassifications from the non-current share of liabilities for financing activities arising due to the passage of time.

	Balance on 01.01.2023 € 000s	Company acquisitions € 000s	Cash-effective changes € 000s	Interest: Expense € 000s	Interest: Paid € 000s	Non-cash-effective changes: Exchange rates € 000s	Non-cash-effective changes: New leases € 000s	Non-cash-effective changes: Other[1] € 000s	Balance on 12.31.2023 € 000s
Non-current liabilities to banks	68,696	1,365	16,000	3,157	-2,531	-13	0	-5,248	80,800
Current liabilities to banks	4,993	215	33,858			-7	0	5,248	44,933
Non-current lease liabilities	11,368	3,335	0	727	-727	-72	1,700	-2,795	13,536
Current lease liabilities	2,158	203	-2,626			0	265	2,795	2,795
Total	**87,215**	**5,118**	**47,232**	**3,884**	**-3,258**	**-92**	**1,965**	**0**	**142,064**

[1] The "Other" column includes the effects of reclassifications from the non-current share of liabilities for financing activities arising due to the passage of time.

(26) Financial assets

Cash and cash equivalents comprise cash holdings and demand deposits at banks. Cash and cash equivalents amounted to € 47,164k as of December 31, 2024 (previous year: € 33,532k).

F. SEGMENT REPORTING

STRATEC is a single-segment entity within the meaning of IFRS 8 (Operating Segments), as its business activities focus on the development and manufacture of automation solutions for partners in the field of in-vitro diagnostics. Internal reporting focuses on key value drivers such as technologies and systems related to these automation solutions. Accordingly, STRATEC is managed as a single reporting unit by its chief operating decision makers, who make decisions and allocate resources at this level.

The following is a summary of the key figures from the consolidated statement of comprehensive income:

	2024 (€ 000s)	2023[1] (€ 000s)	Change
Summary of key figures from the consolidated statement of comprehensive income			
Sales revenue	257,624	270,414	-4.7% (cc: -4.9%)
Adjusted EBITDA	49,214	44,826	9.8%
Adjusted EBITDA margin	19.1	16.6	250 bp
Adjusted EBIT	33,459	30,388	10.1%
Adjusted EBIT margin	13.0	11.2	180 bp
Adjusted consolidated net income	20,496	19,009	7.8%
Adjusted earnings per share (€)	1.69	1.56	7.8%
Earnings per share (€)	1.32	1.26	4.8%

[1] Restated retrospectively

bp = basis points
wb = constant currency

For comparison purposes, the earnings figures for the 2024 financial year were adjusted for depreciation from purchase price allocations related to acquisitions, other special effects (advisory costs and restructuring expenses related to M&A activities), and one-time personnel expenses.

The reconciliation of adjusted earnings before interest, taxes, depreciation, and amortization (EBITDA) to earnings before taxes (EBT) reported in the consolidated statement of comprehensive income is as follows:

	2024 (€ 000s)	2023 (€ 000s)
Adjusted earnings before interest, taxes, depreciation, and amortization (EBITDA)	**49,214**	**44,826**
Scheduled depreciation and amortization excluding purchase price allocation (PPA)	-15,755	-14,438
Adjusted earnings before interest and taxes (EBIT)	**33,459**	**30,388**
Amortization and depreciation PPA	-3,679	-3,188
Advisory costs and restructuring expenses related to M&A activities	-298	-1,081
One-time personnel expenses	-1,940	-415
Earnings before interest and taxes (EBIT)	**27,542**	**25,704**
Net financial expenses	-5,534	-4,158
Earnings before taxes (EBT)	**22,008**	**21,546**

G. FINANCIAL INSTRUMENTS

The following table presents the carrying amounts for each valuation category as well as the fair values for each measurement class of financial instruments in accordance with IFRS 9 (Financial Instruments), and reconciles these with the corresponding balance sheet items. As of the end of the reporting period, neither netting was applied to the financial items nor were offsetting rights available.

Abbreviations for measurement categories:

AC	Measured at amortized cost
FVTPL	Measured at fair value through profit or loss
n/a	Not attributable to any measurement category

12.31.2024 (12.31.2023)	**IFRS 9 category**	**Carrying amount** € 000s	**Amortized cost** € 000s	**Fair value** **thereof Level 1** € 000s	**thereof Level 2** € 000s	**thereof Level 3** € 000s	**Not attributable to any measure-ment category** € 000s	**Total** € 000s
Non-current assets								
Financial assets								
Investments in associates	n/a	0 (100)					0 (100)	0 (100)
Other financial assets	AC	3,472 (3,483)	3,472 (3,483)					3,472 (3,483)
Current assets								
Trade receivables	AC	41,579 (58,059)	41,579 (58,059)					41,579 (58,059)
Financial assets								
amortized cost	AC	832 (1,342)	832 (1,342)					832 (1,342)
fair value through profit or loss	FVTPL	731 (705)		731 (683)	0 (22)			731 (705)
Financial assets	AC	47,164 (33,532)	47,164 (33,532)					47,164 (33,532)
Total financial assets								
thereof at amortized cost	AC		93,047 (96,416)	0 (0)	0 (0)	0 (0)		93,047 (96,416)
thereof at fair value through profit or loss	FVTPL		0 (0)	731 (683)	0 (22)	0 (0)		731 (705)

12.31.2024 (12.31.2023)	**IFRS 9 category**	**Carrying amount** € 000s	**Amortized cost** € 000s	**Fair value** **thereof Level 1** € 000s	**thereof Level 2** € 000s	**thereof Level 3** € 000s	**Not attributable to any measure-ment category** € 000s	**Total** € 000s
Non-current debt								
Financial liabilities								
amortized cost	AC	88,695 (97,453)	76,448 (83,917)				12,246 (13,536)	88,694 (97,453)
Current debt								
Financial liabilities								
amortized cost	AC	45,304 (47,881)	41,972 (45,086)				3,331 (2,795)	45,303 (47,881)
fair value through profit or loss	FVTPL	262 (0)	0 (0)		262 (0)		0 (0)	262 (0)
Trade payables	AC	18,447 (23,391)	18,447 (23,391)				0 (0)	18,447 (23,391)
Total financial liabilities								
thereof at amortized cost	AC		136,867 (152,394)	0 (0)	0 (0)	0 (0)		136,867 (152,394)
thereof at fair value through profit or loss	FVTPL		0 (0)	0 (0)	262 (0)	0 (0)		262 (0)

Fair value hierarchy

As in the previous year, no items were reclassified within the three input factor levels in the 2024 financial year. In the case of reclassifications into or out of the levels of the fair value hierarchy, these are made at the end of the reporting period. The financial assets allocated to Level 1 involve shares in listed companies, which have been measured at the closing price on the stock market with the highest trading volumes as of the end of the reporting period. The financial assets and liabilities classified as Level 2 relate to foreign exchange forward contracts used to hedge against currency risk.

In this context, the fair value of financial instruments is determined as the present value of future cash inflows or outflows. Discounting is based on a market interest rate with a congruent term and risk structure. For financial instruments measured at fair value, a quoted price in an active market is used, if available. For short-term financial assets and liabilities not measured at fair value, the fair values approximate their carrying amounts due to the short remaining terms. For non-current other financial assets measured at amortized cost, the carrying amount also approximates fair value due to deposits with banks and the correspondingly very low credit risk. The fair value of non-current financial liabilities measured at amortized cost amounted to € 72,368k (previous year: € 79,826k) and was classified as Level 3.

The net results on financial instruments broken down into their respective measurement categories were as follows:

2024	IFRS 9 category	From dividends € 000s	From subsequent measurement: From interest € 000s	From subsequent measurement: Fair value through profit or loss € 000s	From subsequent measurement: Currency translation € 000s	From subsequent measurement: Impairment € 000s	From disposals € 000s	Net results € 000s
Financial assets measured at amortized cost	AC	0	56	0	3,274	-1,738	0	**1,592**
Financial assets and liabilities measured at fair value (not designated)	FVTPL	8	0	-232	0	0	0	**-224**
Financial liabilities measured at amortized cost	AC	0	-4,899	0	-2,432	0	0	**-7,331**
Total		8	-4,843	-232	842	-1,738	0	**-5,963**

2023	IFRS 9 category	From dividends € 000s	From subsequent measurement: From interest € 000s	From subsequent measurement: Fair value through profit or loss € 000s	From subsequent measurement: Currency translation € 000s	From subsequent measurement: Impairment € 000s	From disposals € 000s	Net results € 000s
Financial assets measured at amortized cost	AC	0	99	0	-5,681	-392	0	**-5,974**
Financial assets and liabilities measured at fair value (not designated)	FVTPL	8	0	541	0	0	0	**549**
Financial liabilities measured at amortized cost	AC	0	-3,157	0	1,817	0	0	**-1,340**
Total		8	-3,058	541	-3,864	-392	0	**-6,765**

The net gains/losses from financial instruments measured at fair value amounted to € 48k (previous year: -€ 275k) and was recognized under Other financial result, as well as € 280k (previous year: € 816k) recognized within "Other operating expenses" (previous year: "Other operating income").

Expenses and income arising from the translation of financial assets and liabilities at foreign exchange spot rates at the end of the reporting period, recognized through profit or loss, are presented together with interim translation results under other operating income or expenses. Translation of cash and cash equivalents at the end of the reporting period resulted in foreign exchange gains recognized through profit or loss of € 0k (previous year: € 12k), which are reported under other operating income. Foreign exchange losses of € 691k (previous year: € 343k) from the translation of cash and cash equivalents at the end of the reporting period were recognized under other operating expenses. The total net interest result of € 4,873k (previous year: € 3,075k) consists of interest income from financial assets measured at amortized cost of € 56k (previous year: € 99k) and interest expenses from financial liabilities measured at amortized cost of € 4,899k (previous year: € 3,157k).

H. RISK MANAGEMENT

Risk management principles

STRATEC's assets, liabilities and future activities are subject to liquidity risks, default risks, and market risks resulting from changes in exchange rates, interest rates and stock market prices. The objectives and methods used by STRATEC to deal with the financial risks listed below form the object of the Group's risk management activities.

The objective of financial risk management is to limit these risks primarily by means of its operating activities. In assessing individual risks, the Board of Management takes account of the volume of such risks arising across the Group as a whole. These activities are supplemented by finance-based measures. The primary objective is to limit the risks of relevance to the cash flow. The basic principles of the Company's financial policy are reviewed by the Board of Management annually and revised to account for new developments. The Supervisory Board is informed at regular intervals of the financial position of the Group and the assessments made by the Board of Management.

The following risks could, in principal, arise for STRATEC in connection with financial instruments:

Liquidity risks

For STRATEC, liquidity risks involve the risk of not being able to meet payment obligations due to insufficient cash. To safeguard the Company's solvency, sufficient liquid funds and fixed-term credit lines are reserved via STRATEC SE on the basis of rolling liquidity planning which provides current information as to the expected development in liquidity on company and currency level.

As of the end of the reporting period, STRATEC held cash and cash equivalents amounting to € 47,164k (previous year: € 33,532k). As of December 31, 2024, STRATEC had total committed but undrawn credit lines exceeding € 37 million (previous year: € 12 million) available.

Maturity analysis

The liquidity risk to which STRATEC is exposed in connection with its financial instruments consists of obligations due to future interest and principal payments for financial liabilities. Future payments are structured as follows:

€ 000s	Carrying amount 12.31.2024	Cash flows 2025		Cash flows 2026		Cash flows 2027 – 2028		Cash flows 2029 and later	
		Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal
Financial liabilities	134,260	4,255	56,654	3,115	11,491	2,876	65,756	329	11,448
• thereof liabilities to banks	114,957	3,545	41,386	2,581	5,089	498	60,016	114	8,266
• thereof lease liabilities	15,577	710	3,331	534	3,374	2,378	5,700	215	3,172
• thereof Other – derivatives	262	0	11,551	0	0	0	0	0	0
• thereof Other – collateral	3,464	0	386	0	3,028	0	40	0	10
Trade payables	18,447	0	18,447	0	0	0	0	0	0
Total	**152,705**	**4,255**	**75,101**	**3,115**	**11,491**	**2,876**	**65,756**	**329**	**11,448**

€ 000s	Carrying amount 12.31.2023	Cash flows 2024		Cash flows 2025		Cash flows 2026 – 2027		Cash flows 2028 and later	
		Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal
Financial liabilities	145,334	5,729	47,188	3,837	11,178	4,296	69,547	673	16,728
• thereof liabilities to banks	125,733	4,955	44,240	3,209	5,259	3,506	63,620	270	11,921
• thereof lease liabilities	16,331	774	2,795	628	2,844	790	5,896	403	4,796
• thereof Other – derivatives	0	0	0	0	0	0	0	0	0
• thereof Other – collateral	3,270	0	153	0	3,075	0	31	0	11
Trade payables	23,391	0	23,391	0	0	0	0	0	0
Total	**168,725**	**5,729**	**70,579**	**3,837**	**11,178**	**4,296**	**69,547**	**673**	**16,728**

Default risks

The main default risks relate to counterparties failing to meet their payment obligations to STRATEC. This primarily concerns the balance sheet items "trade receivables," "contract assets," and "cash and cash equivalents." The default risk is managed within the credit risk management framework through continuous monitoring of the relevant risk positions and, in particular, through trade credit insurance for trade receivables. Remaining default risks are accounted for with suitable allowances for expected credit losses.

The maximum default risk is represented by the carrying amounts of the financial assets recognized in the consolidated balance sheet and amounts to € 115,845k (previous year: € 122,674k).

The breakdown by counterparty for the balance sheet items "Trade receivables" and "Contract assets" as of December 31, 2024 was as follows:

- With an investment grade rating: € 89,724k (previous year: € 87,518k)
- Without a rating or rated as non-investment grade: € 26,122k (previous year: € 35,156k)

The largest individual exposure to a single counterparty as of December 31, 2024, amounted to:

- With an investment grade rating: € 17,214k (previous year: € 20,060k)
- Without a rating or rated as non-investment grade: € 10,693k (previous year: € 14,967k)

To secure the largest individual exposure to a counterparty without a rating or with a non-investment grade rating, STRATEC holds payments of € 3,000k (previous year: € 3,000k) from the counterparty, which are subject to contractual restrictions on disposal, allowing STRATEC access only upon the occurrence of certain conditions. Cash and cash equivalents are invested exclusively with credit institutions that have an investment grade rating or with credit institutions in Germany that are members of institutional protection systems, such as the Sparkassen-Finanzgruppe ("Savings Banks Financial Group"). Therefore, the default risk associated with these investments is considered negligible.

Foreign currency risks

On account of its international business activities, STRATEC is exposed to foreign currency risks resulting from the impact of exchange rate movements on business transactions and the foreign currency receivables and liabilities as of the end of the reporting period (transaction risks). Furthermore, the translation of the financial statements of foreign subsidiaries into the group currency (€) also involves foreign currency risks (translation risks).

The principal foreign currency transactions performed by STRATEC relate to export transactions and the payment of development services in US dollars and intragroup loan relationships in US dollars.

As in the previous year, STRATEC used foreign exchange forward contracts to hedge against currency risk. With regard to the accounting treatment, reference is made to the information in section "B. ACCOUNTING POLICIES APPLIED – Financial Instruments".

Sensitivity to exchange rate movements (transaction risk)

At the end of the reporting period, the transaction risk exposure of STRATEC's consolidated earnings before income taxes was as follows:

Risk exposure in € 000s

Local currency	Foreign currency	2024	2023
EUR	USD	18,631	7,611
CHF	EUR	1,588	4,315
CHF	USD	12,801	14,049
HUF	USD	7,996	5,570
HUF	EUR	-18,736	-11,753
Total		**22,280**	**19,792**

At the end of the reporting period, STRATEC's transaction risk exposure related to other comprehensive income (recognized directly in equity) was as follows:

Risk exposure in € 000s

Local currency	Foreign currency	2024	2023
EUR	USD	2,105	1,979
CHF	USD	5,252	5,338
Total		**7,357**	**7,317**

The following sensitivity analysis shows the significant impact of a change in foreign currency against the local currency on consolidated net income before taxes on income. The changes in the carrying amounts of financial assets and liabilities denominated in foreign currencies, as reported at the ends of the respective reporting periods, resulting from exchange rate fluctuations are taken into account. Hedging transactions existing at the end of the reporting period are included in the sensitivity analysis. Differences caused by exchange rates when financial statements are converted into the Group currency are not taken into account.

STRATEC had the following transaction risk exposure as of the end of the reporting period:

Effects of a 10% change in foreign currency against the local currency in € 000s

Local currency	Foreign currency	2024		2023	
		10%	-10%	10%	-10%
EUR	USD	-668	816	297	-363
CHF	EUR	-144	176	-392	479
CHF	USD	-1,164	1,422	-1,277	1.561
HUF	USD	-727	888	-506	619
HUF	EUR	-1.703	2,082	-1,068	1,306
Total		**-4,406**	**5,385**	**-2,947**	**3.602**

The following sensitivity analysis shows the significant impact of a change in foreign currency against the local currency on other comprehensive income (recognized directly in equity). The changes in the carrying amounts of financial assets denominated in foreign currencies, as reported at the ends of the respective reporting periods, resulting from exchange rate fluctuations are taken into account. This specifically concerns intragroup net investments, whose translation differences are reported in the corresponding item in the consolidated statement of comprehensive income.

Effects of a 10% change in foreign currency against the local currency in € 000s

Local currency	Foreign currency	2024		2023	
		10%	-10%	10%	-10%
EUR	USD	-191	234	-180	220
CHF	USD	-477	584	-485	593
Summe		**-669**	**817**	**-665**	**813**

In the 2024 financial year, foreign currency translation gains totaling € 6,411k (previous year: € 5,690k) and foreign currency translation losses totaling € 5,569k (previous year: € 9,554k) were recognized through profit or loss and reported under other operating income and other operating expenses, respectively.

Interest rate risks

Interest rate risks involve the risk of fluctuations in the value of a financial instrument or in future cash flows as a result of changes in market interest rates.

STRATEC is subject to interest rate risks in terms of its interest-bearing/interest-charging financial instruments.

STRATEC reported the following interest-bearing assets and interest-charging liabilities as of the end of the reporting period:

	12.31.2024 € 000s	12.31.2023 € 000s
Interest-bearing financial assets	10	15
• of which with floating interest rates	0	0
• of which with fixed interest rates	10	15
Interest-charging financial liabilities	114,757	125,040
• thereof with variable interest rates	88,000	93,000
• thereof with fixed interest rates	26,757	32,040

Sensitivity of fair values for fixed-interest financial instruments

Changes in market interest rates have no implications for the measurement of fixed-interest financial instruments at STRATEC as of the end of the reporting period, as these items are measured at amortized cost using the effective interest method.

Sensitivity of cash flows for variable-interest financial instruments

Changes in market interest rates have no implications for the measurement of variable-interest financial instruments at STRATEC as of the end of the reporting period, as these items are measured at amortized cost using the effective interest method. However, unlike fixed-interest financial liabilities, variable-interest financial liabilities are exposed to the risk of fluctuations in future cash flows from interest payments due to changes in market interest rates. As of the end of the reporting period, December 31, 2024, STRATEC had financial liabilities subject to variable interest rates with a nominal value of € 88,000k (previous year: € 93,000k). A change of +100 basis points or –100 basis points would impact earnings before taxes on income by -€ 880k (previous year: -€ 930k) or +€ 880k (previous year: +€ 930k), respectively.

Cash and cash equivalents subject to variable interest rates, unlike cash and cash equivalents subject to fixed interest rates, are exposed to the risk of fluctuations in future cash flows from interest payments due to changes in market interest rates. As of the end of the reporting period, December 31, 2024, STRATEC had cash and cash equivalents subject to variable interest rates with a nominal value of € 3,120k (previous year: € 0k). A change of +100 basis points or –100 basis points would impact earnings before taxes on income by +€ 31k (previous year: € 0k) or -€ 31k (previous year: € 0k), respectively.

Other price risks

The financial assets requiring measurement in Level 1 of the fair value hierarchy are subject in particular to share price risks. If their fair values increased (decreased) by 10% compared to the levels at the end of the reporting period, consolidated net income before taxes on income would increase (decrease) by € 73k (previous year: € 68k).

Capital management

The objectives of capital management at STRATEC are:

(a) To safeguard the Company's continued existence to enable it to continue generating income for shareholders and benefits for other stakeholders, and

(b) (b) To generate an appropriate return for shareholders by setting prices for products and services that are suitable to the market and the degree of risk involved.

STRATEC determines its level of capital in proportion to risk. To this end, the Company manages its capital structure and makes adjustments to be able to react to changes in the macroeconomic framework and the risk characteristics of its underlying assets. To maintain or adjust its capital structure, STRATEC may adjust the level of dividends paid to its shareholders, repay capital to its shareholders, issue new shares, or reduce debts by making repayments or selling assets.

The main key figures referred to by the management are the equity ratio and the dynamic gearing ratio (net financial liabilities as a proportion of EBITDA). The equity ratio as of December 31, 2024, stood at 54.5% (previous year: 52.6%). The current target range for this metric is between 50 and 75 percent.

I. OTHER DISCLOSURES

Related party disclosures

Closely related companies and persons as defined in IAS 24 (Related Party Disclosures) are persons and companies in a position to exert influence on STRATEC SE and/or its subsidiaries or subject to control or significant influence by STRATEC SE or its subsidiaries. This particularly includes STRATEC SE's directors and officers.

As a result of the full consolidation of the subsidiary STRATEC Biomedical (Taicang) into the consolidated financial statements of STRATEC SE with effect from January 1, 2024, there are no longer any receivables or liabilities to or from unconsolidated subsidiaries to be reported as of the end of the reporting period, nor were any services rendered or received in the financial year. Receivables and payables existing as of the end of the 2023 financial year's reporting period are disclosed in the respective balance sheet items. In the 2023 financial year, STRATEC SE received services from STRATEC Biomedical (Taicang) Co. Ltd. with a value of € 70k and generated sales revenue of € 137k from services provided to STRATEC Biomedical (Taicang) Co. Ltd. Mod-n-More Kft. received services from STRATEC Biomedical (Taicang) Co. Ltd. with a value of € 64k in the 2023 financial year.

Directors and officers

The **Board of Management of STRATEC SE** comprises the following members:

- **Marcus Wolfinger,** Remchingen, Germany
  (CEO)
  Graduate in Business Administration

- **Dr. Robert Siegle**, Birkenfeld, Germany
  (Director of Finance and Human Resources);
  left the Board on August 31, 2024
  Attorney-at-law

- **Dr. Claus Vielsack**, Birkenfeld, Germany
  (Director of Product Development)
  Graduate in Chemistry

- **Dr. Georg Bauer,** Salzburg, Austria
  (Director of Sales)
  Graduate in Biochemistry

The members of the Board of Management are each authorized to represent the Company alone.

Marcus Wolfinger has been a member of the management of STRATEC Capital GmbH since November 2015 and a member of the management of STRATEC PS Holding GmbH since May 2016.

Dr. Claus Vielsack has been a member of the management of STRATEC PS Holding GmbH since May 2016.

Oliver Albrecht assumed the duties of Dr. Robert Siegle, who is serving as interim CFO, effective July 4, 2024.

The remuneration of the members of the Board of Management consists of fixed base remuneration and variable components.

The fixed base remuneration includes the fixed annual base salary, fringe benefits, as well as a defined contribution or defined benefit pension plan. For further information on defined benefit plans, please refer to section "C. NOTES TO THE CONSOLIDATED BALANCE SHEET (10) Pension provisions."

The variable components include both a short-term incentive (STI) and a long-term incentive (LTI). The STI comprises a performance-based bonus with a one-year measurement period which based on the achievement of a specific consolidated EBITDA target for the STRATEC Group. The LTI, in turn, includes remuneration dependent on the achievement of targets set over a four-year period (MVR), as well as long-term share price-based remuneration (LSR), which encompasses the granting of stock options or stock appreciation rights. The exercise of stock options and stock appreciation rights requires, among other things, the achievement of performance targets determined during the vesting period. For further information, please refer to section "C. NOTES TO THE CONSOLIDATED BALANCE SHEET (9) Equity – Stock option programs" and section "C. NOTES TO THE CONSOLIDATED BALANCE SHEET (14) Other liabilities – Stock appreciation rights."

In addition, the Supervisory Board may grant a special payment (recognition bonus) each year for exceptional performance.

The members of the Board of Management received total remuneration of € 3,612k in the 2024 financial year pursuant to section 314 no. 6 of the German Commercial Code (HGB) (previous year: € 4,420k). This includes the granting of 40,340 (previous year: 47,940) stock appreciation rights with a fair value at the grant date of € 532k (previous year: € 1,602k). Former members of the Board of Management received total remuneration of € 1,683k in the 2024 financial year (previous year: € 0k).

The total personnel expenses recorded in the 2024 financial year for members of the Board of Management amounted to € 4,262k (previous year: € 2,543k) and are broken down as follows:

	2024 € 000s	2023 € 000s
Short-term benefits	1,995	2,137
Post-employment benefits	287	336
Benefits upon termination of employment	1,683	0
Other long-term liabilities	372	382
Share-based remuneration	-75	-312
Total	**4,262**	**2,543**

In connection with the disclosures required under IAS 24 (Related Party Disclosures) regarding the remuneration of Board of Management members, we have made a retrospective correction to the disclosures. We have adjusted the disclosures on the remuneration of the Board of Management members for the 2024 and 2023 financial years to an approach that now presents the expenses (or income) incurred in each financial year in the respective categories as remuneration.

As of December 31, 2024, outstanding balances owed to members of the Board of Management comprised profit-sharing obligations of € 1,855k (previous year: € 2,132k), pension obligations of € 3,234k (previous year: € 2,848k), and a post-contractual non-compete obligation of € 484k (previous year: € 0k), which is paid out monthly in equal installments of € 60k during the 2025 financial year.

Oliver Albrecht was seconded to STRATEC SE by ATREUS Interim Management GmbH, which received remuneration of € 374k for this service. As of December 31, 2024, trade payables to ATREUS Interim Management GmbH amounted to € 152k.

The **Supervisory Board of STRATEC SE** comprises the following individuals:

- **Prof. Dr. Georg Heni**, Freudenstadt, Germany
  Auditor, Tax Advisor, Graduate in Business Administration, Self-Employed
  (Member and Chair of Supervisory Board since May 20, 2022)

- **Dr. Frank Hiller**, Feldafing, Germany
  Chair of the Board of Management of BayWa AG, Munich, Germany
  (Supervisory Board member since May 29, 2019; Deputy Chair of Supervisory Board since November 26, 2020)

- **Dr. Rolf Vornhagen**, Langen, Germany
  Biologist
  (Supervisory Board member since July 21, 2020)

- **Dr. Patricia Geller**, Heidelberg, Germany
  Member of the Management Board of Limbach Gruppe SE, Heidelberg, Germany
  (Supervisory Board member since June 10, 2022)

The Supervisory Board member Prof. Dr. Georg Heni holds the following further memberships of other supervisory boards and supervisory bodies as defined in § 125 (1) Sentence 5 of the German Stock Corporation Act (AktG):

- Baader Bank AG, Unterschleißheim, Germany
- IWL AG, Ulm, Germany
- Wölfel Holding GmbH, Höchberg, Germany
- Theben AG, Haigerloch, Germany

Dr. Frank Hiller, member of the Supervisory Board, holds the following additional memberships in other supervisory boards and supervisory bodies as defined in § 125 (1) Sentence 5 of the German Stock Corporation Act (AktG):

- Muhr & Bender KG, Attendorn, Germany

The Supervisory Board members Dr. Rolf Vornhagen and Dr. med. Patricia Geller do not hold positions on any other supervisory boards or supervisory bodies as defined in § 125 (1) Sentence 5 of the German Stock Corporation Act (AktG).

The permanent **Audit Committee of STRATEC SE** established by the Supervisory Board comprises the following members:

- Dr. Rolf Vornhagen (Member and Chair from January 28, 2021 until May 17, 2024)

- Prof. Dr. Georg Heni (Member and Deputy Chair since June 21, 2022)

- Dr. Frank Hiller (Member since January 28, 2021; Chair since May 17, 2024)

- Dr. Patrica Geller (Member since May 17, 2024)

The permanent **Remuneration Committee of STRATEC SE** established by the Supervisory Board comprises the following members:

- Prof. Dr. Georg Heni
  (Member and Chair since December 18, 2023)

- Dr. Frank Hiller (Member since December 18, 2023)

- Dr. Patricia Geller
  (Member since December 18, 2023)

In the 2024 financial year, the members of the Supervisory Board received total remuneration of € 279k (previous year: € 163k) pursuant to § 314 No. 6 of the German Commercial Code (HGB) for their activities on the Supervisory Board, the Audit Committee, and the Remuneration Committee. In this context, the total remuneration corresponds to the expenses reported for members of the Supervisory Board.

In addition to this total remuneration, each member of the Supervisory Board receives reimbursement of expenses and the benefits of a financial loss liability insurance policy taken out by the Company on their behalf at market conditions and on reasonable terms.

Contractual obligations not recognized in the balance sheet

The unrecognized contractual obligations mainly involve master agreements with suppliers.

The unrecognized contractual obligations mature as follows:

	2024 € 000s	**2023** € 000s
Due within one year	64,259	115,916
Due in between one and five years	32,709	25,639
Due in more than five years	0	0
Total	**96,968**	**141,555**

As of the end of the reporting period, unrecognized contractual obligations involving obligations for orders placed amounted to € 96,056k (previous year: € 140,558k).

Of the contractual obligations not recognized in the balance sheet, € 438k (previous year: € 0k) relate to property, plant and equipment and € 474k (previous year: € 997k) relate to intangible assets.

Contingent assets and liabilities

As in the previous year, STRATEC has no contingent assets or liabilities.

Disclosures pursuant to § 160 (1) No. 8 AktG at STRATEC SE

STRATEC SE received the following voting right notifications from shareholders who hold 3% of the voting rights or who exceeded, fell short of, or reached the 3% threshold:

Notifying party	Date on which threshold was met	Share of voting rights in %	Share of voting rights absolute	Allocable voting right share of at least 3%
Herdor GmbH & Co. KG, Unterschleißheim, Germany	04/27/2014	25.40	2,990,000	Tanja van Dinter, Bettina Siegle and Ralf Leistner
Herdor Beteiligungs GmbH, Unterschleißheim, Germany	04.27.2014	25.40	2,990,000	Herdor GmbH & Co. KG, Tanja van Dinter, Bettina Siegle and Ralf Leistner
Hermann Leistner, Germany	04.27.2014	25.79	3,035,456	Herdor GmbH & Co. KG, Herdor Beteiligungs GmbH, Tanja van Dinter, Bettina Siegle and Ralf Leistner
Doris Leistner, Germany	04.27.2014	25.74	3,030,235	Herdor GmbH & Co. KG, Herdor Beteiligungs GmbH, Tanja van Dinter, Bettina Siegle and Ralf Leistner
Tanja van Dinter, Germany	04.27.2014	29.53	3,476,286	Herdor GmbH & Co. KG, Bettina Siegle and Ralf Leistner
Bettina Siegle, Germany	04.27.2014	29.68	3,493,954	Herdor GmbH & Co. KG, Tanja van Dinter and Ralf Leistner
Ralf Leistner, Germany	04.27.2014	29.73	3,499,343	Herdor GmbH & Co. KG, Tanja van Dinter and Bettina Siegle
Juno Investment Partners B.V., Den Haag, Netherlands	05.20.2020	3.017	362,998	
Brown Capital Management, LLC, Baltimore, USA	02.05.2021	5.01	605,802	
Union Investment Privatfonds GmbH, Frankfurt am Main, Germany	10.25.2024	3.29	400,000	
Invesco Ltd., Hamilton, Bermuda	01.22.2025	1.49	180,571	
AIM International Mutual Funds (Invesco International Mutual Funds), Wilmington, Delaware, USA	01.22.2025	1.48	179,785	
JPMorgan Chase & Co., Wilmington, Delaware, USA	01.22.2025	5.12	622,347	J.P. Morgan Securities plc
JPMorgan Chase & Co., Wilmington, Delaware, USA	01.24.2025	4.99	606,534	J.P. Morgan Securities plc
JPMorgan Chase & Co., Wilmington, Delaware, USA	01.28.2025	3.96	481,428	
Union Investment Privatfonds GmbH, Frankfurt am Main, Germany	01.28.2025	5.84	710,000	
JPMorgan Chase & Co., Wilmington, Delaware, USA	03.03.2025	3.53	429,051	J.P. Morgan Securities plc
Union Investment Privatfonds GmbH, Frankfurt am Main, Germany	03.27.2025	3.82	464,951	

Information about voting right notifications can also be found in the Investors section of the Company's website at www.stratec.com.

Events after the reporting period

No events of particular significance expected to materially impact on the Company's net assets, financial position, and results of operations have occurred since the end of the reporting period. At the time of preparing the consolidated financial statements, the Company's internal analyses regarding the potential impacts of current U.S. trade policies were still ongoing

Disclosures pursuant to § 313 (2) No. 8 HGB

STRATEC SE is the entity that prepares the consolidated financial statements for both the largest and the smallest scope of consolidation within its Group structure.

Declaration in Accordance with the German Corporate Governance Code

The declaration in accordance with the German Corporate Governance Code ("Declaration of Compliance") required by § 161 of the German Stock Corporation Act (AktG) has been submitted by the Board of Management and Supervisory Board of STRATEC SE and made permanently available to shareholders in the Investors section of the Company's website (www.stratec.com).

Birkenfeld, May 16, 2025

STRATEC SE

The Board of Management

Marcus Wolfinger *Dr. Claus Vielsack* *Dr. Georg Bauer*

RESPONSIBILITY STATEMENT

To the best of our knowledge, and in accordance with the applicable reporting principles for financial reporting, the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group, and the management report of the Group includes a fair review of the development and performance of the business and the position of the Group, together with a description of the principal opportunities and risks associated with the expected development of the Group.

Birkenfeld, May 16, 2025

STRATEC SE

The Board of Management

Marcus Wolfinger *Dr. Claus Vielsack* *Dr. Georg Bauer*

OPINION OF THE INDEPENDENT AUDITOR

To STRATEC SE, Birkenfeld

Report on the audit of the consolidated financial statements and the group management report

Audit assessments

We have audited the consolidated financial statements of STRATEC SE, Birkenfeld, and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at December 31, 2024 , the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the financial year from January 1, to December 31, 2024 , and notes to the consolidated financial statements, including a summary of significant accounting policies. In addition, we have audited the group management report of STRATEC SE for the financial year from January 1, to December 31, 2024 . In accordance with the German legal requirements, we have not audited the content of the non-financial group statement for the compliance with §§ 315b to 315c HGB.

In our opinion, based on our audit of

- the accompanying consolidated financial statements comply, in all material respects, with the IFRS Accounting Standards issued by the International Accounting Standards Board (IASB) (hereinafter referred to as "IFRS Accounting Standards") as adopted by the EU and the additional requirements of German commercial law pursuant to Section 315e (1) HGB and, in compliance with these requirements, give a true and fair view of the assets, liabilities and financial position of the Group as at December 31, 2024 and of its financial performance for the financial year from January 1, to December 31, 2024 and
- the accompanying Group management report as a whole provides a suitable view of the Group's position. In all material respects, this Group management report is consistent with the consolidated financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development. Our opinion on the group management report does not cover the content of the non-financial group statement referred to above.

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

Basis for the audit opinions

We conducted our audit of the consolidated financial statements and of the group management report in accordance with 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 Group Management Report" section of our auditor's report at. We are independent of the Group companies in accordance with the requirements of European law and German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. In addition, in accordance with Article 10 (2) (f) of the EU Audit Regulation, we declare that we have not provided non-audit services prohibited under Article 5 (1) of the EU Audit Regulation. We believe that the audit evidence we have obtained is sufficient and appropriate to provide basis for our audit opinions on the consolidated financial statements and on the group management report..

Key audit matters in the audit of the consolidated financial statements

Key audit matters are those matters that, in our professional 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, and we do not provide a separate opinion on these matters. In our opinion, the following matters were of most significance in our audit:

1. Recoverability of goodwill
2. Accounting for development cooperation agreements

We have structured our presentation of these key audit matters as follows:

1. Facts and problem definition
2. Audit approach and findings
3. Reference to further information

The key audit matters are presented below:

1. Recoverability of goodwill
1. Goodwill totaling EUR 50,975k (21.0% of equity) is reported in the company's consolidated financial statements. Goodwill is subjected to an impairment test by the company once a year or on an ad hoc basis in order to determine a possible need for amortization. The impairment test is carried out at the level of the cash-generating units to which the respective goodwill is allocated. As part of the impairment test, the carrying amount of the respective cash-generating units, including goodwill, is compared with the corresponding recoverable amount. The recoverable amount is generally determined on the basis of the value in use. The measurement is regularly based on the present value of future cash flows of the respective group of cash-generating units. The present values are determined using discounted cash flow models. The Group's approved medium-term planning forms the starting point, which is extrapolated using assumptions about long-term growth rates. Expectations about future market developments and assumptions about the development of macroeconomic factors are also taken into account. Discounting is carried out using the weighted average cost of capital of the respective group of cash-generating units. No need for impairment was identified as a result of the impairment test.

The result of this valuation is highly dependent on the estimates of the executive directors with regard to the future cash flows of the respective group of cash-generating units, the discount rate used, the growth rate and other assumptions and is therefore subject to considerable uncertainty. Against this background and due to the complexity of the valuation, this matter was of particular significance in the context of our audit.

2. As part of our audit, we assessed, among other things, the methodology used to perform the impairment test. After comparing the future cash flows used in the calculation with the Group's approved medium-term planning, we assessed the appropriateness of the calculation, in particular by reconciling it with general and industry-specific market expectations. In addition, we assessed the appropriate consideration of the costs of Group functions. With the knowledge that even relatively small changes in the discount rate used can have a material impact on the amount of the enterprise value determined in this way, we dealt intensively with the parameters used to determine the discount rate applied and evaluated the calculation method. In order to take account of the existing forecast uncertainties, we reviewed the sensitivity analyses prepared by the company. In doing so, we determined that the carrying amounts of the cash-generating units, including the allocated goodwill, are sufficiently covered by the discounted future cash flows, taking into account the information available.

The valuation parameters and assumptions applied by the legal representatives are generally in line with our expectations and are also within what we consider to be reasonable ranges.

3. The company's disclosures on goodwill are contained in section "B. Accounting policies applied/impairment tests" of the notes to the consolidated financial statements.

2. Accounting for development cooperation agreements

1. STRATEC SE concludes development cooperation agreements with its customers. These are aimed in particular at developing fully automated analyzer systems for customers in the fields of diagnostics and biotechnology. Within these contracts, STRATEC SE undertakes to fulfill various performance obligations. STRATEC SE recognized contract assets totaling EUR 22,859k and contract liabilities totaling EUR 7.578k for these performance obligations in its consolidated financial statements as of December 31, 2024. Furthermore, the Group recognized development and service revenues of EUR 63,228k in the 2024 financial year.

Contracts for development cooperations are accounted for in accordance with the provisions of IFRS 15 "Revenue from Contracts with Customers". The contract and the performance obligations agreed therein must be identified. In addition, the transaction price must be determined and allocated to the individual performance obligations. Furthermore, when the contract is concluded, it must be determined whether the performance is to be fulfilled over a certain period of time or at a certain point in time. Revenue is recognized over a period of time, for example, if an asset is created that has no alternative use for STRATEC SE and there is a legal claim to payment for the services already rendered.

When revenue from development services is recognized over a period of time, revenue is recognized on the basis of the percentage of completion, which is calculated as the ratio of the actual contract costs incurred to the expected total costs. In view of complex production processes, revenue recognition over time requires, in particular, an effective internal budgeting and reporting system, including project costing and a functioning internal control system. Against this background, the correct application of the accounting standard for revenue recognition must be considered complex and is based in part on estimates and assumptions by the legal representatives. Therefore, this matter was of particular significance for our audit.

2. Taking into account the knowledge that there is an increased risk of misstatements in the financial reporting due to the complexity and the estimates and assumptions to be made, we first assessed the processes and controls established by the Group, including the IT systems used to record revenue from development cooperations, as part of our audit.

In addition, we analyzed the significant development contracts. In doing so, we identified in particular the performance obligations agreed in the contracts and traced the transaction price. We also assessed whether the individual performance obligations are fulfilled over a certain period of time or at a certain point in time. To audit the determination of the cost of sales, we first assessed the design, establishment and effectiveness of internal controls, including the functionality of IT-based controls. In addition, as part of our substantive audit procedures, we obtained evidence (in particular customer contracts, invoices and incoming payments) regarding the existence of revenue from development cooperations in order to assess whether the recognized revenue was based on a corresponding business transaction. Furthermore, we assessed the derivation of the cost of sales from the financial accounting as part of substantive audit procedures. We also verified the project calculations underlying the customer-specific contracts and the determination of the stage of completion.

We were able to satisfy ourselves that the procedure for revenue recognition and the recognition of contract assets and liabilities is appropriate for the proper accounting of the development cooperation contracts

3. The company's disclosures on development cooperations are contained in section "B.Accounting Policies Applied/Contract assets" and "B. Accounting Policies Applied/Recognition of sales revenues, cost of sales, research and development expenses" of the notes to the consolidated financial statements.

Other information

The legal representatives are responsible for the other information. The other information comprises the non-financial Group statement on compliance with Sections 315b to 315c HGB as a non-audited component of the Group management report.

The other information also includes

- the corporate governance declaration in accordance with Section 289f HGB and Section 315d HGB
- all other parts of the annual report - excluding cross-references to external information - with the exception of the audited consolidated financial statements, the audited group management report and our auditor's report

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

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

- are materially inconsistent with the consolidated financial statements, with the group management report information audited for content or our knowledge obtained in the audit, or
- otherwise appear to be materially misstated.

Responsibility of the legal representatives and the Supervisory Board for the consolidated financial statements and the Group management report

Management is responsible for the preparation of the consolidated financial statements that comply, in all material respects, with IFRSs as adopted by the EU and the additional requirements of German commercial law pursuant to Section 315e (1) HGB and that the consolidated financial statements, in compliance with these requirements, give a true and fair view of the assets, liabilities, financial position and financial performance of the Group. In addition, management is responsible for such internal control as they have determined necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud (i.e. accounting fraud or error) or error.

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

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

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

Auditor's responsibilities for the audit of the consolidated financial statements and of the group management report

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error , and whether the group management report as a whole provides an appropriate view of the Group's position and, in all material respects, is consistent with the consolidated financial statements and the knowledge obtained in the audit, complies with the German legal requirements and appropriately presents the opportunities and risks of future development, as well as to issue an auditor's report that includes our opinions on the consolidated financial statements and on the group management report.

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

We exercise professional judgment and maintain professional skepticism throughout the audit. In addition

- Identify and assess the risks of material misstatement of the consolidated financial statements and of the group management report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than the risk of not detecting a material misstatement resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- an understanding of internal control relevant to the audit of the consolidated financial statements and of arrangements and measures relevant to the audit of the group management report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control or on the effectiveness of these arrangements and measures.
- Evaluate the appropriateness of accounting policies used by the executive directors and the reasonableness of accounting estimates and related disclosures made by the executive directors.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the consolidated financial statements and in the group management report or, if such disclosures are inadequate, to modify our respective opinions. We draw our conclusions on the basis of the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to be able to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements present the underlying transactions and events in a manner that the consolidated financial statements give true and fair view of the assets, liabilities, financial position and financial performance of the Group in compliance with IFRSs as adopted by the EU and the additional requirements of German commercial law pursuant to Section 315e (1) HGB.
- We 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 express opinions on the consolidated financial statements and on the group management report. We are responsible for the direction, supervision and review of the audit activities performed for the purpose of the audit of the consolidated financial statements. We bear sole responsibility for our audit opinions.
- Evaluate the consistency of the group management report with the consolidated financial statements, its conformity with German law, and the view of the Group's position it provides.
- Perform audit procedures on the prospective information presented by the legal representatives in the group management report. On the basis of sufficient appropriate audit evidence we evaluate, in particular, the significant assumptions used by management as a basis for the prospective information, and evaluate the proper derivation of the prospective information from these assumptions. We do not express a separate opinion on the forward-looking statements or on the underlying assumptions. There is a significant unavoidable risk that future events will differ materially from the forward-looking statements.

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

We provide those charged with governance with a statement that we have complied with the relevant independence requirements, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, the actions taken or safeguards applied to address independence threats.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter.

Other statutory and other legal requirements

Report on the audit of the electronic reproduction of the consolidated financial statements and the group management report to be prepared for publication purposes in accordance with Section 317 (3a) HGB

Declaration of non-issuance of an audit opinion
We were engaged to perform a reasonable assurance engagement in accordance with § 317 Abs. 3a HGB to obtain reasonable assurance about whether the reproduction of the consolidated financial statements and the group management report (hereinafter also referred to as "ESEF documents") prepared for publication purposes complies in all material respects with the requirements of § 328 Abs. 1 HGB for the electronic reporting format ("ESEF format").

We do not express an opinion on the ESEF documents. Due to the significance of the matter described in the "Basis for not expressing an opinion" section, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for our opinion on the ESEF documents.

Basis for the declaration of non-issuance of an audit opinion
Since the legal representatives have not submitted any ESEF documents to us for audit up to the date of the auditor's report, we do not express an opinion on the ESEF documents.

Responsibility of the legal representatives and the Supervisory Board for the ESEF documents
The executive directors of the company are responsible for the preparation of the ESEF documents including the electronic reproduction of the consolidated financial statements and the group management report in accordance with Section 328 (1) sentence 4 no. 1 HGB and for the tagging of the consolidated financial statements in accordance with Section 328 (1) sentence 4 no. 2 HGB.

Furthermore, the company's management is responsible for such internal control as they have determined necessary to enable the preparation of ESEF documents that are free from material non-compliance, whether due to fraud or error, with the requirements of Section 328 (1) HGB for the electronic reporting format.

The Supervisory Board is responsible for overseeing the process of preparing the ESEF documents as part of the financial reporting process.

Responsibility of the auditor of the consolidated financial statements for the audit of the ESEF documents
Our responsibility is to perform an assurance engagement on the ESEF documents in accordance with Section 317 (3a) HGB and IDW Auditing Standard: Assurance in Accordance with Section 317 (3a) HGB on the Electronic Reproduction of Financial Statements and Management Reports Prepared for Publication Purposes (IDW PS 410 (06.2022)) and the International Standard on Assurance Engagements 3000 (Revised). As a result of the matter described in the section "Basis for our opinion", we have not been able to obtain sufficient appropriate audit evidence to provide a basis for our opinion on the ESEF documents.

Other information pursuant to Article 10

We were elected as auditor of the consolidated financial statements by the annual general meeting on May 17, 2024 . We were engaged by the supervisory board on September 16, 2024 We have been the auditor of the consolidated financial statements of STRATEC SE, Birkenfeld, without interruption since the financial year 2024.

We declare that the audit opinions expressed in this auditor's report are consistent with the additional report to the audit committee pursuant to Article 11 of the EU Audit Regulation (audit report).

Responsible auditor

The German Public Auditor responsible for the engagement is Carsten Palm.

Saarbrücken, May 16, 2025

PricewaterhouseCoopers GmbH
Wirtschaftsprüfungsgesellschaft

Carsten Palm
German Public Auditor
(Wirtschaftsprüfer)

ppa. Johann Horz
German Public Auditor
(Wirtschaftsprüfer)

AUDITOR'S REPORT OF THE INDEPENDENT AUDITOR

ON AN OPERATIONAL AUDIT FOR LIMITED ASSURANCE WITH RESPECT TO THE NON-FINANCIAL GROUP DECLARATION

To STRATEC SE, Birkenfeld

Audit opinion

We have performed a limited assurance engagement on the Non-Financial Group Declaration of STRATEC SE, Birkenfeld, (hereinafter the 'Company') for the financial year from January 1 to Decem-ber 31, 2024 (hereinafter the 'Group Sustainability Statement') included in the section 'Non-financial Group Statement' of the group management report. The Group Sustainability Statement was pre-pared to meet the requirements of Directive (EU) 2022/2464 of the European Parliament and of the Council of December 14, 2022 (Corporate Sustainability Reporting Directive, CSRD) and Article 8 of Regulation (EU) 2020/852 as well as Sections 315b to 315c of the German Commercial Code (HGB) for a non-financial Group statement.

Based on the assurance procedures performed and assurance evidence obtained, nothing has come to our attention that causes us to believe that the accompanying Group Sustainability Statement is not prepared, in all material respects, in accordance with the requirements of the CSRD and Article 8 of Regulation (EU) 2020/852, Section 315c in conjunction with Sections 289c to 289e HGB for a non-financial group statement and with the substantiating criteria presented by the legal representatives of the Company. This opinion includes that no matters have come to our attention that cause us to presume that the consolidated financial statements are free from material misstatement,

- that the accompanying Group Sustainability Statement does not comply, in all material respects, with the European Sustainability Reporting Standards (ESRS), including that the process undertaken by the Company to identify information to be included in the Group Sustainability Statement (the materiality analysis) is not in accordance, in all material respects, with the description set out in section "ESRS 2 - General Disclosures" of the Group Sustainability Statement, or
- that the disclosures contained in the "Reporting pursuant to EU Taxonomy Regulation" section of the Group Sustainability Statement do not comply in all material respects with Article 8 of Regulation (EU) 2020/852.

Basis for the audit opinion

We conducted our audit in accordance with the International Standard on Assurance Engagements (ISAE) 3000 (Revised): Assurance Engagements Other Than Audits or Reviews of Historical Financial Information, issued by the International Auditing and Assurance Standards Board (IAASB).

In an audit to obtain limited assurance, the audit procedures performed differ in nature and timing and are less extensive than in an audit to obtain reasonable assurance. Consequently, the level of as-surance obtained is significantly lower than the assurance that would have been obtained had a reasonable assurance audit been performed.

Our responsibilities under ISAE 3000 (Revised) are further described in the "Auditor's Responsibili-ties for the Assurance Engagement on the Group Sustainability Statement" section.

We are independent of the Company in accordance with the requirements of European law and Ger-man commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. Our audit practice has implemented the quality assurance system requirements of the IDW Quality Management Standard issued by the Institut der Wirtschaftsprüfer (IDW): Requirements for Quality Management in the Auditing Practice (IDW QMS 1 (09.2022)) applied. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibility of the legal representatives and the Supervisory Board for the Group Sustainability Statement

The legal representatives are responsible for the preparation of the Group Sustainability Statement in accordance with the requirements of the CSRD and the relevant German legal and other European regulations as well as with the substantiating criteria presented by the legal representatives of the company and for the design, implementation and maintenance of internal controls that they have deemed necessary to enable the preparation of a Group Sustainability Statement in accordance with these requirements that is free from material misstatement, whether due to fraud (i.e. manipulation of the Group Sustainability Statement) or error.

This responsibility of the legal representatives includes establishing and maintaining the materiality analysis process, selecting and applying appropriate methods for preparing the Group sustainability statement, making assumptions and estimates and determining forward-looking information on individual sustainability-related disclosures.

The Supervisory Board is responsible for overseeing the process of preparing the Group Sustainability Statement.

Inherent limitations in the preparation of the Group Sustainability Statement

The CSRD and the relevant German statutory and other European regulations contain formulations and terms that are subject to considerable interpretation uncertainty and for which no authoritative comprehensive interpretations have yet been published. As such formulations and terms can be interpreted differently by regulators or courts, the legality of measurements or assessments of sustainability issues based on these interpretations is uncertain.

These inherent limitations also apply to the audit of the Group sustainability statement.

Auditor's Responsibility for the Audit of the Group Sustainability Statement

Our objectives are to express a limited assurance conclusion based on our audit as to whether any matters have come to our attention that cause us to believe that the Group Sustainability Statement has not been prepared, in all material respects, in accordance with the CSRD and the relevant German legal and other European requirements and the substantiating criteria presented by the Company's management, and to issue an auditor's report that includes our opinion on the Group Sustainability Statement.

As part of a limited assurance engagement in accordance with ISAE 3000 (Revised), we exercise professional judgment and maintain professional skepticism. In addition

- we gain an understanding of the process used to prepare the Group Sustainability Statement, including the materiality analysis process carried out by the company to identify the disclosures to be reported in the Group Sustainability Statement.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those disclosures, and obtain limited assurance evidence to support our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than the risk of not detecting a material misstatement resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. In addition, the risk of not detecting a material misstatement of value chain information from sources not under the control of the Company (value chain information) is generally higher than the risk of not detecting a material misstatement

of value chain infor-mation from sources under the control of the Company, as both the Company's management and we as auditors are generally subject to restrictions on direct access to sources of value chain information.
- we assess the forward-looking information, including the appropriateness of the underlying assumptions. There is a significant unavoidable risk that future events will differ materially from the forward-looking information.

Summary of the activities performed by the auditor

An audit to obtain limited assurance involves performing procedures to obtain evidence about the sustainability information. The nature, timing and extent of the procedures selected depend on our judgment.

In performing our limited assurance engagement, we, among other things:

- assessed the overall suitability of the criteria presented by the legal representatives in the Group sustainability statement.
- The legal representatives and relevant employees involved in the preparation of the Group Sustainability Statement were asked about the preparation process, including the materiality analysis process carried out by the company to identify the disclosures to be reported in the Group Sustainability Statement, and about the internal controls relating to this process.
- assessed the methods used by the legal representatives to prepare the Group Sustainability Statement.
- Evaluate the reasonableness of the estimates and related disclosures made by the executive directors. If the executive directors estimate, in accordance with the ESRS, the value chain information to be reported in a case where the executive directors are unable to obtain the value chain information despite reasonable efforts, our audit is limited to assessing whether the executive directors have made these estimates in accordance with the ESRS and the reasonableness of these estimates, but not to identify value chain information that the executive directors were unable to obtain.
- analytical audit procedures and inquiries of selected information in the Group Sustainability Statement.
- the presentation of the information in the Group sustainability statement.
- assessed the process for identifying taxonomy-eligible and taxonomy-compliant economic activities and the corresponding disclosures in the Group Sustainability Statement.

Restriction on the use of the endorsement

We would like to point out that the audit was carried out for the purposes of the company and that the report is only intended to inform the company about the results of the audit. The report is therefore not intended to be used by third parties to make (asset) decisions. Our responsibility is solely to the company. We do not assume any responsibility, duty of care or liability towards third parties.

Saarbrücken, May 16, 2025

PricewaterhouseCoopers GmbH
Wirtschaftsprüfungsgesellschaft

Carsten Palm German Public Auditor (Wirtschaftsprüfer)	ppa. Johann Horz German Public Auditor (Wirtschaftsprüfer)

FINANCIAL CALENDAR

05	**05**	**06**
05.19.2025 Annual Financial Report 2024	**05.30.2025** Quarterly Statement Q1|2025	**06.27.2025** Virtual Annual General Meeting
08	**11**	**11**
08.19.2025 Half-year Financial Report H1|2025	**11.07.2025** Quarterly Statement 9M|2025	**11.25.2025** German Equity Forum (Analyst conference)

Subject to amendment

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Notice

Forward-looking statements involve risks: This annual report contains various statements concerning the future performance of STRATEC. These statements are based on both assumptions and estimates. Although we are convinced that these forward-looking statements are realistic, we can provide no guarantee of this. This is because our assumptions involve risks and uncertainties which could result in a substantial divergence between actual results and those expected. It is not planned to update these forward-looking statements.

This annual report contains various disclosures that from an economic point of view are not required by the relevant accounting standards. These disclosures should be regarded as a supplement, rather than a substitute for the IFRS disclosures.

Apparent discrepancies may arise throughout this annual report on account of mathematical rounding up or down in the course of addition.

This annual report is available in both German and English. Both versions can be downloaded from the company's website at www.stratec.com. In the event of any discrepancies between the two, the German report is the definitive version.

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