BASLER

Annual Report 2024

Key Figures

In € m*	2024	2023	2022	Changes to previous year
Sales revenues	183.7	203.1	272.2	-10 %
Incoming orders	192.4	166.9	248.4	15 %
Gross results	84.0	85.7	131.8	-2 %
Gross profit margin	45.7 %	42.2 %	48.4 %	3.5 Pp.
Full costs for research and development	28.6	33.0	33.5	-13 %
Research and development ratio	15.6 %	16.2 %	12.3 %	-0.6 Pp.
EBITDA	10.0	1.7	45.8	>100 %
EBIT	-9.8	-21.9	28.9	55 %
EBT	-12.0	-20.2	28.3	41 %
EBT Margin	-6.5 %	-9.9 %	10.4 %	3.4 Pp.
Net income	-13.8	-13.8	21.4	0 %
Weighted average number of shares	30,740,144	30,346,651	29,878,360	1 %
Result per share (€)	-0.45	-0.45	0.71	0 %
Cash flow from operating activities	14.3	3.9	12.4	>100 %
Cash flow from investing activities	-12.9	-13.1	-44.2	2 %
Free Cash flow	1.4	-9.2	-31.8	>-100 %

In € m*	12/31/2024	12/31/2023	31.12.2022	Changes to previous year
Total assets	233.6	255.8	265.5	-9 %
Long-term assets	132.7	136.7	130.9	-3 %
Equity	114	139.2	141.5	-11 %
Liabilities	109.2	116.6	124.0	-6 %
Equity ratio	53.3 %	54.4 %	53.3 %	-1.1 Pp.
Net cash	-31.2	-29.0	-27.0	-8 %
Working Capital	51.9	55.6	70.6	-7 %
Number of employees for the period (full time equivalents)	881	1.059	1.047	-17 %
Share price (XETRA) in €	6.12	11.64	29.55	-47 %
Number of shares in circulation	30,743,000	30,736,812	29,833,531	0 %
Market capitalization	188.1	357.8	881.6	-47 %

*unless otherwise stated

Content

Report of the Management Board

Dear shareholders, customers, employees and business partners of the Basler Group,

After many successful years of reliable and profitable growth and expansion of our market position, in 2024 we had to accept setbacks for the second year in a row. Our restructuring program in the 2023 financial year had a significant impact. The improved gross profit margin and lower personnel costs are particularly noteworthy. However, these significant improvements and a wide range of new product innovations were not sufficient to compensate for the continued weakness of demand in our markets. As the positive development of incoming orders and sales in the first two quarters did not continue in the third quarter, we were forced to revise our forecast for the year. We responded decisively to the slowdown in demand by implementing a second cost reduction program in the last few months of the year including further headcount reductions to lower the break-even point for the coming financial year and to ensure that we can return to profitability even if the market does not recover.

In the 2024 financial year, our customers in the semiconductor equipment industry, consumer electronics, laboratory automation, medical technology and traffic engineering were largely confronted with declining demand.

In addition, our customers had increased inventories of Basler products, which further dampened the already low demand for our products. It was only with customers in the field of online logistics that we recorded an increase in sales.

We closed the financial year in line with our revised forecast, with sales of € 183.7 million and a pre-tax loss of € 12.0 million. This loss includes one-time special charges of € 6.9 million for the cost reduction program.

In the course of the 2024 financial year, our employees made a decisive contribution to overcoming the crisis, despite the very difficult situation caused by weak demand, salary waivers, short-time working, restructuring and staff reductions. Our values and corporate culture were put to a tough test and at the same time provided the emotional glue that held us together as a team and made the sometimes radical adjustments possible in a short period of time. We would therefore like to take this opportunity to thank our employees for their hard work, loyalty and resilience. We are confident that successfully overcoming this crisis will strengthen us in the long term.

We would also like to thank our supervisory board and our financial partners for their confidence and active support during the crisis.

We say goodbye to our colleague on the board, Alexander Temme, who left the company on December 31, 2024. Dear Alex, thank you very much for the many years of trusting and successful cooperation! At the same time, we warmly welcome our new colleague, Ines Brückel, who has joined our management team as our new Chief Financial Officer since the beginning of 2025. Dear Ines, we look forward to working with you!

Report of the Management Board

We would also like to thank our shareholders for their trust in our company and in us as a management team. You can be sure that we will do everything in our power to return the Basler Group to the profitable growth path of the pre-crisis years as quickly as possible and to restore confidence in the Basler Group through measurable progress and transparency. We kindly request your understanding and support for our decision to recommend to the 2025 annual general meeting not to pay a dividend for the past financial year 2024. This is due to the losses incurred in 2024 and to conserve liquidity.

Despite the reduction in personnel, we invested approximately € 28.6 million in research and development in 2024 to underpin our strategy with a broader technology and product portfolio and to inspire our customers with innovative products. Our Basler pylon software suite is increasingly becoming the core of our product range. What started out as a camera configuration tool has gradually developed into a universal tool for solving image processing problems. Last year, we added AI functionalities to pylon to make the added value of this technology available to our customers and to benefit from this megatrend in the years to come.

Our well-aligned and increasingly broad portfolio of image processing components and development tools enables our customers to significantly reduce their development times, get to market faster, and purchase more products from a single source. A very attractive cost-performance ratio and the highest quality continue to be essential components of our value proposition.

In addition to our own development activities in the area of 3D computer vision, in the middle of the financial year we acquired a stake in Munich-based Roboception GmbH, which develops and markets 3D computer vision components for applications in robotics. In the past financial year, we also completed the integration of our acquired distribution partner in France and, as planned, took over the outstanding shares in the summer to become the sole owner. Our direct market access in the USA, Germany, Italy, France, Korea, Taiwan, and China is the second crucial pillar for our transformation into a full-range computer vision provider, alongside the expansion of our product portfolio.

We start the new financial year with a break-even point reduced to approximately € 180 million in sales, a solid order backlog for the first quarter, a broad product portfolio and a globally strong market access.

The solid order backlog is due to a number of major projects that were won just before the turn of the year and will lead to growth in sales in the first quarter. Despite these positive signals, we remain cautious due to the negative experience of the last two years and the high level of geopolitical uncertainties.

Report of the Management Board

Based on current information, we assume for the financial year 2025 a sales corridor of between € 186 million and € 198 million for the group. Depending on the level of sales, we expect a consolidated EBT margin of between 0 % and 5 %. The first quarter of 2025 will close above the forecasted yield corridor due to the major projects won. For the further course of the year visibility is still very limited, and geopolitical uncertainties make an outlook difficult.

In the medium to long term, we expect the computer vision market to continue to grow at a high single-digit percentage rate. For Basler AG, the computer vision market thus continues to offer attractive growth potential in the future. However, it is still unclear when the important customer markets for computer vision technology will return to their normal growth path. Assuming that the market situation will not improve until 2026, we adjust our medium-term outlook. We have set ourselves the goal of achieving group sales of at least € 275 million by 2028, with an EBT margin of 12 %.

In addition to these financial goals, we also pursue social and ecological objectives as part of sustainable corporate development. In doing so, we strive to combine the three aspects of economy, ecology, and social responsibility in the most synergetic way possible and to contribute to improving the quality of life with computer vision technology. We aim to be carbon neutral in Scope 1 and 2 by 2030.

We have taken the sales and earnings crisis of the past two years as an opportunity to identify and address internal weaknesses. The lessons we have learned and the actions we have taken will make us stronger, more resilient, and more competitive in the future. With this in mind, we look forward to continuing to shape the sustainable growth of the Basler Company together with you in the future.

We hope you gain valuable insights into the 2024 financial year!

Ahrensburg, March 2025

The management board

Dr. Dietmar Ley	**Hardy Mehl**	**Ines Brückel**
CEO	CCO/COO	CFO

Report of the Supervisory Board

Report of the Supervisory Board

Dear Ladies and Gentlemen,
In the elapsed fiscal year 2024, the supervisory board has fulfilled its incumbent obligations according to the law, the German Corporate Governance Code, the articles of incorporation and the rules of procedure of the supervisory board and has continuously monitored and advised the management board in its management activities. The management board has provided the supervisory board with written and oral reports on the economic position of the Basler Group, its foreign subsidiaries, and its divisions on a monthly basis and has discussed the business and economic situation in detail with the chairman of the supervisory board.

In fiscal year 2024, five ordinary and four extraordinary meetings of the supervisory board were held, three of which were in person and six of which were hybrid meetings. In addition, two ordinary meetings of the audit and sustainability committee were held in person. All members of the supervisory board attended the supervisory board and audit committee meetings in accordance with their committee membership. The nomination committee held one meeting, which was attended by all members of the committee.

The management board and the supervisory board cooperate closely for the benefit of the company. The basis for this cooperation is frank and trusting discussions. The management board has coordinated the company's strategic orientation with the supervisory board and has reported in regular intervals to the supervisory board about the state of implementation. The management board has informed the supervisory board at regular intervals about all relevant issues concerning the company's business development and risk situation. The chairman of the supervisory board is in regular contact with the CEO and was informed timely about developments and unusual occurrences and passed them on accordingly to the other members of the supervisory board. The supervisory board consented to those business dealings which, according to the law and the company's articles of incorporation, required its consent. This applies to decisions and measures of fundamental importance to the company's situation with regard to assets, finances, and revenue.

Report of the Supervisory Board

Significant issues the supervisory board dealt with in the elapsed fiscal year were inter alia:

- Consultation on and conclusion of the annual balance sheet for 2023 and the proposals for the shareholders meeting
- Dividends for fiscal year 2023 including the proposal for the shareholders meeting
- Economic, macroeconomic, and market-specific developments
- Situation of the relevant markets and the Basler Group’s position in these markets
- Restructuring
- Advancement of the corporate strategy
- New Business Development
- M&A activities
- Further development of the company organization
- Investments
- Liquidity and working capital
- Company taxes
- Investor Relations
- Corporate planning and budget for the group for fiscal year 2025
- Correctness and effectiveness of the internal control system (ICS)
- Correctness and effectiveness of the risk management system (RMS)
- Correctness and effectiveness of the compliance management system (CMS)
- Correctness and effectiveness of the internal audit system
- Changes of legal requirements
- Preparation and audit of the sustainability reporting
- Commitment to and amendments of the Corporate Governance Code
- Selection procedure for the statutory auditor
- Personnel development of the management board
- Remuneration of the management board
- Remuneration of the supervisory board
- Efficiency of the supervisory board’s work
- Update of the rules of procedures of the supervisory board
- Update of the rules of procedures of the sustainability and audit committee
- Personnel development of the supervisory board
- Articles of association issues

Report of the Supervisory Board

Deloitte GmbH Wirtschaftsprüfungsgesellschaft, Hamburg, which was selected as annual auditor by the shareholders’ meeting on May 13, 2024, was commissioned by a letter of July 3, 2024, by the chairman of the supervisory board’s sustainability and audit committee, Prof. Dr. Mirja Steinkamp, to audit the annual and consolidated financial statements of the Basler Company including the summarized management report of the Basler Company and the voluntary audit of the sustainability report in partial compliance with the ESRS for the financial year 2024. The annual auditor participated in the supervisory board meeting on March 27, 2025, in which the annual and consolidated financial statements, including the summarized management report, the sustainability report, and the key audit results were discussed.

The accounting records, the annual financial statements, and the consolidated financial statements for the year ended December 31, 2024, including the summarized management report, have been audited by Deloitte GmbH Wirtschaftsprüfungsgesellschaft, Hamburg, and found to be in accordance with the law and the articles of association. The voluntary review of the sustainability report in partial compliance with the ESRS did not lead to any reservations. The supervisory board approved the results of the audit.

For its part, the supervisory board examined the annual and consolidated financial statements for the year ended December 31, 2024, including the summarized management report, in accordance with the statutory requirements, and the sustainability report in partial compliance with the ESRS. No objections were raised. The supervisory board approved the annual financial statement and the consolidated financial statement as of December 31, 2024, including the summarized management report of Basler AG, and thus adopted the annual financial statement including the summarized management report.

In accordance with the Corporate Governance Code, the supervisory board regularly reviewed the efficiency of its work and made appropriate adjustments. In addition, the supervisory board took responsibility for the training and development required to fulfil its responsibilities.

Tanja Schley and Alexander Jürn have completed the “Qualified Supervisory Board Member (QAIF)” course offered by Interfin Forum GmbH and certified by Deutsche Börse. In addition, Alexander Jürn successfully completed the 'Financial Expert' course for supervisory board members at Interfin Forum GmbH, which is also certified by Deutsche Börse. Tanja Schley was trained by Interfin Forum GmbH to become "Supervisory Board Specialist for Sustainability and ESG".

Report of the Supervisory Board

Norbert Basler attended the 'Circle Excellence Programme, Strategy Retreat for Supervisory and Management Boards (QAIF)' at Interfin Forum GmbH. Horst W. Garbrecht, Prof. Dr. Mirja Steinkamp and Lennart Schulenburg attended the 'Refresher Course for Qualified Supervisory Board Members (QAIF)' offered by Interfin Forum GmbH. This was confirmed by a certificate issued by Deutsche Börse, which is valid for three years.

Since January 2021, Norbert Basler is a member of the advisory board of AT Holding GmbH. AT Automation Technology GmbH - a company that offers infrared and 3D camera technology - operates under the umbrella of AT Holding GmbH and is thus to be considered as a market participant. This advisory board is not a decision-making body but only acts in an advisory capacity. The acceptance of the mandate was coordinated with the management board in advance and was deemed to be non-critical. The other members of the supervisory board do not perform any advisory or executive functions for customers, suppliers, lenders, or other business partners.

The report compiled by the management board according to § 312 of the Stock Corporation Act (AktG) on relations with affiliate companies was audited by the annual auditor and furnished with the following audit certificate:

"Following our duly performed audit and evaluation we herewith confirm that

- the actual information given in the report is correct and
- the company's performance was not inappropriately high for the legal transactions specified for the reporting year".

The supervisory board took consenting note also of this audit report of the annual auditor. The supervisory board states after the concluding result of its own audit that no objections are to be raised regarding the management board's statements on relations with affiliate companies.

Market recovery delayed – Restructuring process concluded

With a loss for the second year in a row, the 2024 financial year was a disappointing one for the Basler Group and its stakeholders. This was due to the fact that, contrary to both general and our own expectations, not only did the recovery in our industry continue to be delayed, but the economic situation actually deteriorated during the year. The decision to make substantial structural adjustments was therefore all the more correct. With a significant cost reduction immediately after the recognition of the crisis in 2023 and a further cost reduction at the end of the last financial year, the Basler Group has now reached a profit threshold that will allow positive operating results even if the market remains weak. Our performance program to increase internal efficiency is making good progress. One example is the significant increase in gross profit margin compared to 2023.

In addition to the now completed restructuring process and the ongoing performance program, the transformation to a solutions provider is well underway. The measures taken will safeguard the operating result if the market environment remains weak, promise solid profitability as soon as the markets recover, and enable a successful return to the strategic growth path of the past 15 years. The volume of incoming orders, which is significantly higher than our sales revenues, gives us confidence that we will return to profitability in 2025 and that business performance will be more satisfactory for all stakeholders.

Report of the Supervisory Board

In the new financial year, the task for the management board and the supervisory board will be to regain the trust that has been lost. For the capital market, this means reporting positive results, managing growth and achieving our forecasts. Internally, we will initiate a process, based on our values, to further develop our company culture to reflect and support the many changes taking place both inside and outside the company.

After many years of great continuity in the composition of the management board, the supervisory board decided last year to implement changes. After 23 years with the company, our Chief Commercial Officer Alexander Temme left the management board by mutual agreement at the end of last year. We would like to thank Alexander Temme for his outstanding contribution to the company's success in recent years and wish him every success and all the best for the future. The responsibility for sales was taken over by Hardy Mehl, which meant that the position of the Chief Financial Officer also had to be filled. Since January 1, 2025, this has been the responsibility of Ines Brückel. The supervisory board wishes Ines Brückel every success in her new role as Chief Financial Officer.

All in all, 2024 was a year of great challenges, severe setbacks and many changes for the entire Basler team. However, the progress made in reducing costs and implementing our performance program, as well as the increase in incoming orders in the fourth quarter, strengthen our conviction that the changes we have initiated for 2025 will bear fruit. This progress would not have been possible without the extraordinary commitment, team spirit, and willingness of the entire Basler team to be part of the necessary change.

With this in mind, the supervisory board would like to thank all employees, managers, and members of the management board of the Basler Company and its subsidiaries for their passion, motivation and unwavering belief in the success of our common endeavor.

Norbert Basler
Chairman of the Supervisory Board

Horst W. Garbrecht
Deputy Chairman of the Supervisory Board

Prof. Dr. Mirja Steinkamp
Member of the Supervisory Board

Lennart Schulenburg
Member of the Supervisory Board

Tanja Schley
Member of the Supervisory Board

Alexander Jürn
Member of the Supervisory Board

The Basler Share

The Basler Share

The Basler AG share opened the year 2024 at a price of € 11.74 and fell below € 10.00 between the end of January and mid-February. With the publication of the annual report at the end of March 2024, together with a positive forecast for the 2024 financial year, the share price began to rise, reaching its high for the year of € 12.92 on March 18. The first quarter closed with a share price of € 10.80.

Despite the positive announcement of the investment in Roboception in mid-June, the second quarter saw no major fluctuations in a price range between just under € 11.00 and € 12.00, with a slight decline towards the end of the quarter. This led to a closing price of € 10.62 at the end of June.

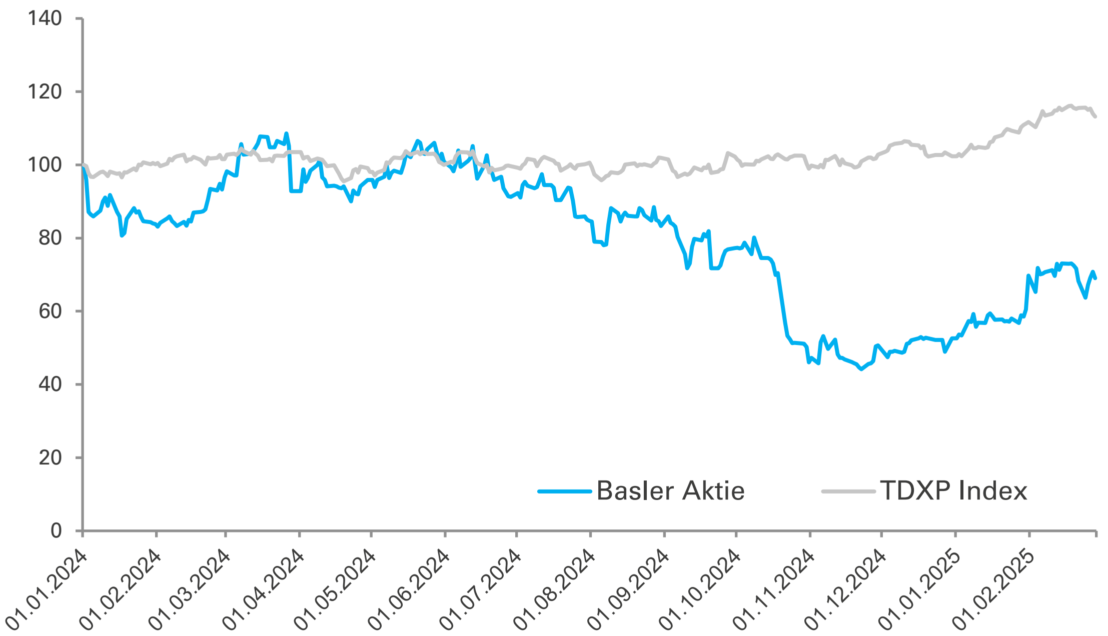
The month of July was similar, before the share price fell at the end of the month and dropped below € 10.00 again. The publication of the half-year report on August 8 led to a slight short-term recovery but was unable to support the share price in the longer term. The share price closed the third quarter at € 8.99.

The previously positive trend at Basler Group did not continue in the third quarter. The industries and regional markets important to Basler weakened again in the summer months, and the expected recovery failed to materialize. In view of this renewed weakening, Basler announced further cost-cutting measures to the capital market on October 21, together with preliminary 9-months results and a revised forecast for the year. The share price reacted sensitively and fell considerably in October. The share closed the month at a price of € 5.50. The share price remained at this level for the remaining weeks of the year, closing at € 5.12 on November 22, the lowest price of the year.

The share price recovered only slightly in the capital markets at the end of the year, closing the year at € 912. This represents a negative performance of 48 % over the year.

In addition to Basler-specific effects, geopolitical and macroeconomic events in the 2024 financial year also led to a high level of uncertainty and volatility in the capital markets in the past financial year.

Relative share price development 2024 compared to the TecDax



The Basler Share

Annual General Meeting

The annual general meeting took place on May 13, 2024, as an in-person event at the Hamburg Chamber of Commerce. The registered shareholders were informed by the management board about the company's strategic direction and business performance in 2023 as well as the outlook for the 2024 financial year as part of a comprehensive company presentation. Following the general debate, the resolutions proposed by the management on the various agenda items were approved by a large majority of the votes present. Detailed information on the 2024 annual general meeting can be found at www.baslerweb.com/en/investors/annual-general-meeting

The 2025 annual general meeting is scheduled for May 23 as an in-person event at the Hamburg Chamber of Commerce.

Share Buyback Program

On May 26, 2023, the company was again authorized by the annual general meeting to buy back its own shares until May 26, 2028. On May 3, 2023, the company announced the early termination of the share buyback program to the capital market and sold 894,000 treasury shares in the same year. Except for the share remuneration components of the members of the management board, no transactions involving treasury shares took place during the 2024 financial year.

As at the reporting date of December 31, 2024, the company held 757,000 treasury shares or 2.42 % of the share capital of 31.5 million shares.

Dividend and Appropriation of Profit

The management board and supervisory board of Basler AG have decided not to recommend the distribution of a dividend to the 2025 annual general meeting due to the negative business development in the 2024 financial year.

The company's dividend strategy provides for approximately 30 % of net profit to be paid out as a dividend each year. However, the amount distributed will always depend on business performance and planned investments in the company's growth and future.

Capital Market Communication

Continuous and open communication with all capital market participants is very important to Basler. The company attaches great importance to direct contact with analysts, investors, and private shareholders. Institutional investors are informed in conference calls, one-on-one meetings, and roadshows as well as at capital market conferences. Private investors are provided with information on the company's performance at the annual general meeting and in direct discussions.

In the past fiscal year, Basler AG participated in two (previous year: two) roadshows and seven (previous year: six) capital market conferences. Furthermore, a number of investors sought direct contact with the company. This interest was primarily addressed via telephone and video conferences, but also via visits to the Ahrensburg headquarters.

The Basler Share

As a listed family business, IR work in 2024 again focused on investors with a long-term strategy who are also familiar with a limited trading volume. Thanks to the long-term relationships and high level of transparency, contacts on the capital market were maintained despite the challenging course of business. This provides a sound basis for a recovery in demand for the Basler shares as soon as the business returns to profitability and the outlook becomes more positive.

In the past year, analysts from Warburg Research, Berenberg Bank, Jeffries and until the half-yearly reporting Hauck & Aufhäuser regularly prepared studies on Basler AG (previous year: five). Some of these recommendations can be viewed at www.baslerweb.com/investors in the Share >> Analyst recommendations section.

In addition, the Basler Company offers extensive information via the Internet: Quarterly, half-yearly, and annual financial reports as well as analyst presentations and press releases are published at www.baslerweb.com/investors, including the financial calendar for the current year with all important publication dates and the date of the annual general meeting. https://www.baslerweb.com/en/investors/financial-calendar

The Basler Share

Contact us

If you have any questions regarding the company or the Basler share, please contact the Investor Relations department using the following contact details:

Tel. 04102 463 0
ir@baslerweb.com
www.baslerweb.com

Regular information

If you would like to receive regular information about our company, please contact the Investor Relations department directly at www.baslerweb.com/en/investors/contact.

Information on the share

ISIN: DE0005102008

Abbreviation: BSL

Prime Standard Sector: Electronics and electrics

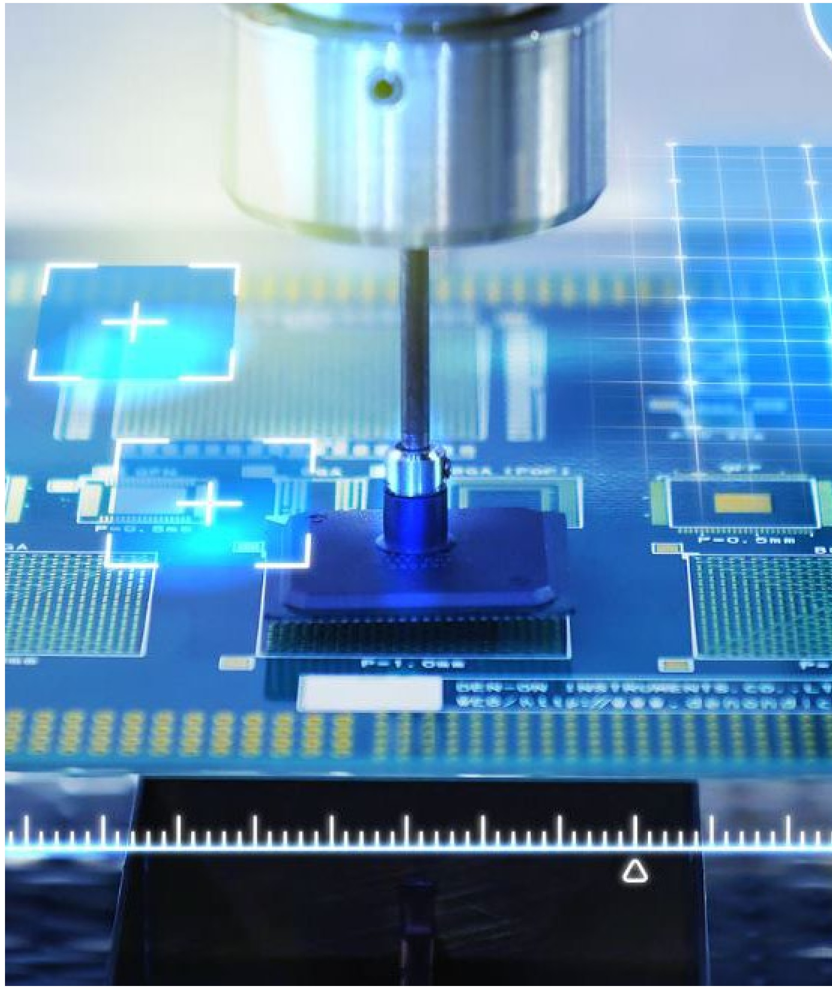
Prime Standard Sector: Industrial

Admission segment: Prime Standard / Regulated Market

Designated Sponsor: M. M. Warburg, Hamburg

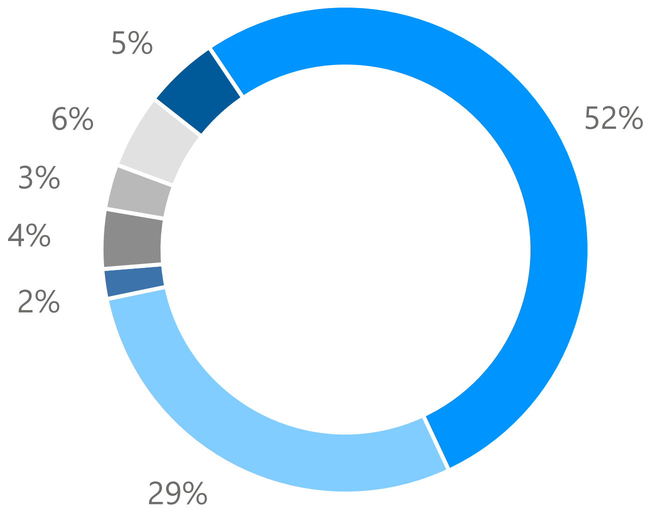
Number of shares issued: 31,500,000

Member of the indices: CDax, Prime All Share (performance and price index), DAXsubsector Advanced Industrial Equipment (performance and price)



The Basler Share

Shareholder Structure as of e/o February 2025



Key Data on Share Price	2024	2023	2022	2021
Market capitalization in € million (as at 12/31)	188.1	357.8	881.6	1.573.4
Year-end price in € (as at 12/31)	6.12	11.64	29.55	158.80
Highest price in € over the course of the year	12.92	38.90	53.73	171.20
Lowest price in € over the course of the year	5.12	7.51	22.30	75.00
Annual development	-48 %	-61 %	-45 %	+121 %

Basler Management's Shareholdings	Shareholdings 12/31/2024	Shareholdings 12/31/2023
Supervisory Board		
Norbert Basler	-	-
Horst W. Garbrecht	30,000	10,000
Alexander Jürn	-	-
Tanja Schley	-	-
Lennart Schulenburg	-	-
Prof. Dr. Mirja Steinkamp	12,793	12,793
Management Board		
Arndt Bake (until 12/31/2023)	-	7,311
Dr. Dietmar Ley	1,168,049	1,143,669
Hardy Mehl	54,146	33,373
Alexander Temme (until 12/31/2024)	4,533	3,400

CORPORATE GOVERNANCE REPORT

Corporate Governance

The Basler Group is a global organization with an international shareholder structure. The management board and the supervisory board attach particular emphasis on responsible and transparent management and control of the company that is oriented to sustainable value increase. A meaningful and transparent company communication, the respect for shareholders' interest, a forward-looking approach to changes and risks, as well as an efficient and responsible cooperation between the management board and the supervisory board are major aspects of good corporate governance. The latter promotes the trust of the shareholders, business partners, and employees. At the same time, these principles are important orientation standards for managing and controlling the group.

The corporate governance report pursuant to § 289f and § 315d HGB (German Commercial Code) is part of the combined management report. Pursuant to § 317 (2) sentence 6 HGB, the auditor's examination of the disclosures pursuant to § 289f and § 315d HGB is to be limited to whether the disclosures have been made. As part of the corporate governance report, the management board and supervisory board also report on the corporate governance of the company.

Corporate Governance

Declaration of Conformity with the German Corporate Governance Code

The management board and the supervisory board of the Basler Company declare after due examination that in the elapsed fiscal year 2024, the Basler Company complied with the recommendations of the German Corporate Governance Code pursuant to the version of April 28, 2022 (hereinafter called “code”) with the following exceptions:

B. Composition of the management board
B.1

On January 1, 2025, there was a change in the management board. Mr. Alexander Temme left the company on December 31, 2024. Ms. Ines Brückel was appointed to the management board of the Basler Company on January 1, 2025, and now forms the management board together with Mr. Dietmar Ley and Mr. Hardy Mehl.

B.3

Mr. Alexander Temme was appointed to the management board for a term of four years, starting on January 1, 2021, and ending on December 31, 2024. In this way, the company ensured that the contracts of the members of the management board expire at different times and that decisions do not have to be made at any time about two personnel matters in this body at the same time.

C. Composition of the supervisory board

C.2

The supervisory board does not set an age limit for supervisory board members in accordance with section C.2 of the German Corporate Governance Code, as the supervisory board – in agreement with the management board – does not consider it appropriate for certain candidates to be excluded from the selection of candidates solely on the basis of their age, even though they otherwise appear to be best suited for the position in the specific decision-making situation.

Corporate Governance

G. Remuneration of the management board and the supervisory board

G.1

The remuneration system of the Basler Company provides for financial performance criteria for the granting of variable remuneration components. Non-financial performance criteria are used in corporate management, but they are not used as a basis for determining the variable remuneration components.

G.6, G.7, G.10

The remuneration system of the management board is based on a „bonus bank system" which is set up as follows:

The total target achievement (-100 % to 400 %) is multiplied by a defined variable component of the target salary (25 % of the agreed target salary) and results in the amount in Euro for the bonus entitlement of the respective member of the management board for the elapsed fiscal year. Accordingly, the bonus entitlement can amount from -25 % (malus) to +75 % of the target salary.

The bonus entitlement calculated in that way is not paid immediately. To satisfy the required long-term and multi-year assessment basis, the bonus amounts are paid out on a delayed basis by a bonus bank and are subject to the interim risk of a substantial reduction due to a subsequent deterioration in performance. A separate account is kept for the bonus claims of each member of the management board.

The bonus or malus calculated for the elapsed fiscal year is booked to the individual account. Allowing for the previous balance this results in a current account balance. If this account balance is positive one third will be paid out. Two thirds will be forwarded to a new account and be considered in the next year. Negative balances must be compensated by positive balances or bonus deposits before payouts can be made by the bonus bank.

To create a special performance incentive for the management board and to motivate its members to work in the long run on increasing the value of the company, the supervisory board decided to convert a part of the bonus into shares. Since 2018, an individually fixed percentage part of the respective future claim for variable remuneration above 100 % of target achievement will be granted in shares. In this case, the bonus bank procedure as described above will also come into effect.

Corporate Governance

The total remuneration consists of the fixed salary (75 % of the target salary) and the payment made by the bonus bank.

If the targets agreed upon concerning profitability and growth are achieved on average over several years, the actual total remuneration will be in the amount of the target salary. If the targets are clearly missed for a long time, only the fixed salary will be paid out (75 % of the target salary) in the long term.

In case of significant overachievement of the profitability and the growth target over several years, total compensation will gradually increase to a maximum of 175 % of target salary.

The supervisory board considers the remuneration system appropriate and long-term oriented. It also prevents conflicts of interest and misaligned incentives in the best possible way. A detailed description of the remuneration system can be found in the annual remuneration report. In many aspects it is oriented at the DCGC German Corporate Governance Code), however, it slightly deviates from the recommendations of the Corporate Governance Code in points G.6, G.7, and G.10:

G.6 and G.7

These recommendations are deliberately not complied with. Instead, a profound strategy process is conducted every year in which the supervisory board and the management board agree upon the medium and long-term company targets and derive hereof the short-term oriented targets for the variable renumeration.

G.10

The company considers a ratio of 50 % of the variable component exceeding the target (over-performance) as a payout in shares to be appropriate. The transfer to the bonus bank as well as the payout are conducted analogously to the process for the variable renumeration in money. One third of the resulting annual balance is paid out and two thirds are carried forward.

Company website

The declaration of conformity pursuant to § 161 of the German Stock Corporation Act (AktG) is available on the internet at www.baslerweb.com/en/company/investors/corporate-governance.

The declarations of conformity and the corporate governance reports for previous years can also be viewed there.

Corporate Governance

Relevant disclosures regarding corporate governance practices exceeding legal requirements and where they are made available to the public

The Basler Group is to be perceived as a responsible globally acting company with high ethical and legal standards.

The joint basis for acting is the culture of the Basler Group. It is reflected in the fair and respectful treatment of colleagues towards each other and towards third parties and is further characterized by the willingness to deliver results, open communication, integrity, trustworthiness, and the conservation of natural resources.

These principles are summarized in the "Code of Conduct" as well as in the sustainability strategy of the Basler Group. This code of conduct is binding for all employees regardless of their function or position within the group. A constant reflection of these values and their incorporation into our daily activities represents a clear commitment to the company's culture and ensures its long-term business success. The "Code of Conduct" can be found on the company's website:

www.baslerweb.com/en/company/investors/sustainability.

Further information on corporate management is provided in the group management report under 1.2 Management System.

Compliance as well as opportunities and risks report

The principles of responsible corporate governance include a continuous and responsible balancing of opportunities and risks. The aim of opportunities and risks management is to develop a strategy and set up targets that create an even balance between growth and profitability targets on the one hand and the risks linked herewith on the other hand. Details of the opportunities and risks management system of the Basler Group can be found in the group management report under 5. Opportunities and Risks Report.

The close interlinking of the internal control system, risk management system, and compliance system is to ensure the highest possible degree of effectiveness with regard to the avoidance and management of risks. Key features of our risk management and internal control system can be found in sections 6 and 7 of the management report.

Compliance

The compliance of business activities with all relevant laws and standards as well as within the company's internal principles is a basic prerequisite for sustainable successful business. Thus, the Basler Group's success is not only based on good business policies, but also on an economically ethical integrity, trust and the open and fair treatment of employees, customers, business partners, shareholders, and other stakeholders.

Corporate Governance

Compliance culture and targets

Compliance has always been a major part in risk prevention and company culture of the Basler Group. The aim is to always act in compliance with all relevant laws, norms, international standards, and internal guidelines. The Basler Group pursues a preventive compliance approach and strives for a corporate culture that raises awareness and educates the employees in order to prevent potential violation of the rules. By doing so, the management board and the managers bear a special responsibility. Within their area of responsibility, they are role models and urged to ensure observation of the compliance requirements, to clearly communicate the expectations to all employees and to consistently set an example of compliant and ethical behavior.

Compliance organization

The compliance activities are closely linked with the risk management and the internal control system. The legal department controls the compliance activities within the group by creating appropriate structures and processes as well as by giving support for an efficient implementation of compliance measures. In addition, the legal department is available as a contact for individual questions from the organization.

Compliance program and communication

The compliance structures and measures to ensure the observation of laws, guidelines, and ethical principles are consequently aligned to the risk situation of the group and continuously developed further. The compliance activities' starting point for all employees is the binding code of conduct of the group. In addition to the company website, employees can access the code of conduct and further company guidelines via the group's intranet platform.

Compliance reporting channels, reviews, and further development

Reliable reporting channels and the protection of internal whistleblowers from sanctions are major elements for the identification of compliance risks. In addition to direct contact with their supervisors, employees of the Basler Group can also report possible violations of laws or policies via a whistleblowing system set up for this purpose without disclosing their identity. All reported cases and violations are timely investigated and evaluated; if necessary, appropriate measures and sanctions are taken. The management board and the supervisory board are regularly informed about facts relevant for compliance as well as about the expansion of the compliance structures and planned compliance measures.

Corporate Governance

With the integrated governance, risk, and compliance approach, the management board has created and implemented a control framework for Basler that aims at an adequate and effective internal control and risk management. The measures implemented within the framework of this approach aim at the effectiveness and adequacy of the internal control and risk management and are explained in more detail in the opportunity and risk report. Independent monitoring and audits, in the form of internal audits and their reporting to the management board and the audit committee of the supervisory board in particular, as well as other external audits, are essential in this respect. Based on its involvement with the internal control and risk management system and the reports from the internal audits, the management board is not aware of any circumstances that would question the appropriateness and effectiveness of these systems.

Corporate Governance

Description of method of work of management board and supervisory board

The Basler Company is a German stock corporation acting in line with the dual management and control structure of the two organs: management board and supervisory board.

Management Board

Appointed by supervisory board

Appoints the management board

Controls the management board

Advises the management board

Reports to the supervisory board

Supervisory Board

Elected by the annual general meeting, chairman elected by supervisory board

Management board

Composition

Pursuant to § 7 of the Articles of Association the management board consists of at least two members. The members of the management board are appointed by the supervisory board. Together with the management board it ensures long-term succession planning. The age limit for management board members is 70 years. A minimum age does not exist.

Dr. Dietmar Ley

Chief Executive Officer – with Basler since 1993

Hardy Mehl

Chief Commercial Officer / Chief Operations Officer – with Basler since 1999

Ines Brückel

Chief Financial Officer - with Basler since 2025

The members of the management board do not hold any other mandates in other statutory supervisory boards or comparable domestic or foreign supervisory bodies.

Corporate Governance

Method of Work

The supervisory board has issued rules of procedure for the management board that govern both the cooperation within the management board and the cooperation between the management board and the supervisory board. In line with the interests of the company, the management board performs its management duties aiming for a sustainable increase in the value of the company.

The management board bears overall responsibility for the management of the Basler Group. The management board decides jointly on all matters that are of particular importance and scope for the company or its subsidiaries. The management board is responsible for the preparation of the quarterly statements, the half-year financial report as well as for the preparation of the annual and consolidated financial statements and the combined management report of the Basler Group. The management board reports to the supervisory board regularly, promptly, and comprehensively in written and verbal form on all relevant issues relating to business development, corporate planning, strategic alignment, opportunity and risk management, and compliance.

The supervisory board is involved in a timely manner in all decisions that may have a significant impact on the net assets, financial position, and results of operations of the company and is kept fully informed by the management board. In the case of acquisition projects, the management board provides detailed information on the progress and status of the project at an early stage and coordinates the acquisition and integration process closely with the supervisory board.

SUPERVISORY BOARD

Composition

Since the election at the annual general meeting on May 13, 2024, the supervisory board consists of the following six members:

Norbert Basler, Chairman of the supervisory board
Horst W. Garbrecht, Member of the supervisory board
Prof. Dr. Mirja Steinkamp, Member of the supervisory board
Lennart Schulenburg, Member of the supervisory board
Tanja Schley, Employee representative in the supervisory board
Alexander Jürn, Employee representative in the supervisory board

The members of the supervisory board are elected by the annual general meeting or by the employees. The chairman or chairwoman of the supervisory board is elected by the supervisory board from among its members. He or she coordinates the work of the supervisory board and represents the interests of the supervisory board externally.

Information on other mandates held by members of the supervisory board can be found in the notes to the consolidated financial statements. The compensation of the members of the supervisory board is commented in the group’s remuneration report. From April 14, 2025, on, this report is open to the public and subject to approval by the annual general meeting on May 23, 2025, at www.baslerweb.com/en/investors/corporate-governance/#remuneration-report.

General Requirements / Competence Profile

In line with the German Corporate Governance Code, the supervisory board agreed upon concrete targets for its composition and resolved on a competence profile for the supervisory board of the Basler Group. Accordingly, each member of the supervisory board must fulfill the legal and statutory requirements for membership of the supervisory board (§ 100 (1) to (4) AktG). Each member of the supervisory board must have the knowledge and skills required to properly perform the duties incumbent upon him or her by law and under the Articles of Association. The members of the supervisory board must be familiar with the sector in which the company operates (§ 100 (5) AktG). Each member of the supervisory board must be sufficiently available and willing to devote the necessary time and attention to the office. In addition to these general requirements, the entire body should meet the following requirements in particular:

1. Each member should have a general understanding of the Basler Group's business, in particular the global market environment, individual business areas, customer needs, the regions in which the company operates, and the strategic alignment of the company.
2. At least one member should have expertise in the fields of accounting or auditing.
3. At least one member should have expertise in sustainability issues that are significant to the company.
4. One or more members should particularly fulfill the criterion of international exposure or have acquired operational experience in internationally active companies.
5. One or more members should have expertise in the field of business administration.
6. The full board should include one or more members with experience in governance, compliance and risk management.
7. All members should have operational experience in personnel management.

Corporate Governance

Qualification Matrix of the Supervisory Board		Basler GER	Garbrecht GER	Steinkamp GER	Schulenburg GER
Affiliation	Member since	2002	2015	2017	2022
	Elected until	2028	2027	2026	2025
Diversity	Gender	M	M	F	M
	Year of birth	1963	1965	1970	1989
Competences	Financial Expert, Supervision / Control	●	●	●	●
	Strategy, Sales / Marketing	●	●	●	●

		Basler GER	Garbrecht GER	Steinkamp GER	Schulenburg GER
Competences	Technology / Innovation, Operational Excellence, Industry	●	●		●
	Digital Expertise	●	●	●	●
Experiences	Supervisory Board, Business Management, Internationality, Corporate Governance Systems, Sustainability	●	●	●	●
	Capital Market	●	●	●	
	Organisational Development, Personnel and Remuneration Issues, Business Model, Restructuring	●	●	●	●
	Image Processing Industry, Target Industries, Research and Development	●	●		●
	M&A, Disruption / Transformation, Growth Management, IT as Value Driver	●	●	●	●

Corporate Governance

The supervisory board of the company currently considers the aforementioned objectives for the composition of the supervisory board to have been met.

The proposals to the annual general meeting for the election of supervisory board members are based on the competence profile of the supervisory board and the objectives for the composition of the entire body. Against this background, the supervisory board has not currently set an age limit for supervisory board members.

The length of service of the individual supervisory board members can be viewed on the following website:

www.baslerweb.com/en/company/supervisory-board/

The individual supervisory board mandates of the supervisory board members are listed in the Notes to the Annual Report. The shareholdings of the members of the management board and the supervisory board are listed in the share report of the Annual Report.

Independence of Members of the Supervisory Board

The shareholder representatives in the supervisory board have determined what they consider to be an appropriate number of independent shareholder representatives in the supervisory board, taking into account the ownership structure of the company. The supervisory board in its current composition complies with this determination. The number and names of the shareholder representatives are shown in the table below at: www.baslerweb.com/en/company/supervisory-board

The supervisory board essentially bases its assessments of independence on the indicators mentioned in the current version of the Corporate Governance Code dated April 28, 2022. More detailed explanations are required for the classification of the chairman of the supervisory board Norbert Basler as „independent" of the company and its management board. Norbert Basler is considered independent by the other shareholder representatives on the supervisory board despite his twenty-three-year membership of the company's supervisory board and his (indirect) shareholder position. In his activities as a member of the supervisory board, he has never given cause to doubt that he always performed his duties on the supervisory board in a dutiful and proper manner. The other shareholder representatives on the supervisory board are therefore convinced of his independence. There were and are no significant business relationships between Norbert Basler and the company or any of its dependent companies. Neither is Norbert Basler a close family member of a member of the Basler Group's management board.

Corporate Governance

Method of Work

The supervisory board assists the management board in an advisory capacity, monitors the management board in its management of the company, and reviews all significant business transactions by inspecting the relevant documents on the basis of the German Stock Corporation Act, the company's Articles of Association, and the rules of procedure for the supervisory board and management board. The supervisory board is also informed by the management board about business developments outside the regular supervisory board meetings. In this way, it can accompany the operating business with advice and recommendations on an appropriate basis.

The supervisory board supplements the management board's rules of procedures by determining a catalogue of transactions requiring consent. The supervisory board acts on the basis of own rules of procedures shown at www.baslerweb.com/en/investors/corporate-governance/#articles-of-association. Furthermore, the supervisory board adopts the annual financial statements and approves the consolidated financial statements. Each year, the chairman of the supervisory board explains the activities of the supervisory board in his report to the shareholders as part of the annual report. He is also available to answer questions at the annual general meeting. Additional information on the management board and supervisory board, in particular on their working methods and the mandates held by their members, can be found in the report of the supervisory board, the notes to the consolidated financial statements, and the management report.

Together with the management board, the supervisory board also ensures long-term succession planning. For doing so, the supervisory board regularly exchanges views with the management board. Together, the management board and supervisory board evaluate the suitability of potential successor candidates and discuss how suitable internal candidates can be developed further. The supervisory board also reviews on an ongoing basis whether the composition of the management board continues to be optimal. To this end, the chairman of the supervisory board discusses with the management board in particular what knowledge, experience, and professional and personal competencies should be available on the management board, also with a view to the strategic development of the company, and to what extent the management board is already composed in accordance with these requirements.

Corporate Governance

Committees of the Supervisory Board

The rules of procedure of the supervisory board provide for the formation of two committees working in accordance with the contents of the rules of procedure of the supervisory board:

The Audit and Sustainability Committee prepares negotiations and resolutions of the supervisory board regarding the following:

- accounting and reporting with regard to financial and sustainability reporting in accordance with HGB (German Commercial Code), IFRS, and ESRS
- the adequacy and effectiveness of corporate governance systems (internal control system, risk management system including the early risk detection system), the compliance management system, and the internal audit system
- the auditing of the sustainability reporting
- the reviewing of the proposed dividend
- the selection of the auditor and the audit of the auditor's independence
- the issuing of the audit mandate to the auditor
- the determining additional key audit matters related to auditing the annual and consolidated financial statements
- the assessment of the quality of the audit by the auditor and the additional non-audit services provided by him

The chairwoman of the audit and sustainability committee is independent. The chairman of the supervisory board is a member, but not chairman, of the audit and sustainability committee.

Composition of the Audit and Sustainability Committee:

Prof. Dr. Mirja Steinkamp is a tax consultant, certified public accountant, and professor of auditing and corporate accounting at HAW (Hamburg University of Applied Sciences). For several years, she worked as an audit manager at the international auditing firm Ernst & Young GmbH and then spent 14 years as an authorized signatory and manager at a global trading company. Since 2022, she has been a lecturer at Interfin Forum GmbH, which offers the courses "Qualified Supervisory Board" and "Specialist Supervisory Board in the Audit Committee/Financial Expert".

Corporate Governance

Mirja Steinkamp has many years of experience as chairwoman of the audit and sustainability committee and as deputy chairwoman of supervisory boards of listed and non-listed companies. As an auditor, tax advisor, and audit committee chairwoman, she has particular knowledge and experience in the application of accounting principles according to the German Commercial Code (HGB), the German Income Tax Act (EStG) and IFRS, the auditing of internal control and risk management systems (including compliance management systems), the internal audit system, and the auditing of sustainability reporting. Since 2018, Mirja Steinkamp has been certified by Deutsche Börse AG as a "Qualified Supervisory Board Member and Specialist Supervisory Board Member in the Audit Committee/Financial Expert", and since 2023 as a Specialist Supervisory Board Member Interfin Forum - Sustainability / ESG and is also certified by TÜV NORD as a Sustainability Manager since 2023.

Norbert Basler, member of the audit and sustainability committee with knowledge of internal control and risk management systems as well as knowledge of sustainability reporting and auditing.

Lennart Schulenburg, member of the audit and sustainability committee with expertise in the field of accounting, knowledge and experience in the application of accounting principles, and knowledge in the field of sustainability reporting and its audit.

The **Nomination Committee** seeks suitable candidates for the supervisory board, whom it recommends to the supervisory board for its election proposal to the annual general meeting. It is composed exclusively of shareholder representatives.

Composition of the Nomination Committee:

Norbert Basler, Chairman of the Nomination Committee

Horst W. Garbrecht, Member of the Nomination Committee

Prof. Dr. Mirja Steinkamp, Member of the Nomination Committee

Self-assessment of the Supervisory Board’s Work

The supervisory board regularly assesses the effectiveness of the performance of its duties as entire body and in its committees. The assessment is based on a catalogue of criteria developed by the supervisory board.

Corporate Governance

Remuneration of the Management Board and the Supervisory Board

In accordance with the recommendations of the German Governance Code, Basler has been reporting the remuneration of all members of the management board and supervisory board on an individualized basis for some time. The remuneration of the management board includes various components. On the basis of the contracts concluded with them, the members of the management board are entitled to a fixed and an annual variable remuneration as well as fringe benefits. Part of the variable remuneration is paid in shares. The structure of the remuneration system for the management board and the appropriateness of the remuneration are regularly reviewed and determined by the supervisory board.

In line with customary market practice, the company grants all members of the management board additional benefits fixed in their management board contracts, some of which are regarded as non-cash benefits and taxed accordingly, in particular the use of a company car and the granting of accidental insurance coverage. As a rule, sideline activities are subject to approval.

The Basler Group commissioned a study on the remuneration of the management board and supervisory board in fiscal year 2022. This confirms the appropriateness of the system, and the level of compensation compared to listed peer companies with a similar number of employees and similar sales not belonging to any indices. Comparable companies in the SDAX with a similar number of employees, sales, or comparable market capitalization tend to compensate the management board members more than the Basler Group. The study also provides suggestions for the further development of the remuneration system. The remuneration system is essentially unchanged.

According to the recommendations of the German Corporate Governance Code (GCGC), the members of the supervisory board receive a fixed remuneration. Since the beginning of fiscal year 2022, each member of the supervisory board shall additionally receive an attendance fee of € 1,000.00 (one thousand euros) per meeting for participating in a meeting of the supervisory board or a committee (in each case lasting at least 2 hours or more) - whether physically, by telephone or by other means, but not for mere participation in the passing of resolutions.

The remuneration report 2024 for the management board and the supervisory board, the applicable remuneration system pursuant to § 87 a Sec 1 and 2, sent. 2 Aktiengesetz (Stock Corporation Act) as well as the auditor's report pursuant to § 162 Aktiengesetz (Stock Corporation Act) are open to the public with reservation from April 14, 2025, on until approval of the annual general meeting on May 23, 2025, at: www.baslerweb.com/en/investors/corporate-governance/#remuneration-report.

Corporate Governance

In line with the legal changes introduced by the Act Implementing the Second Shareholders' Rights Directive (ARUG II), which came into force on January 1, 2020, the supervisory board has further developed the existing management board remuneration system. The existing system, which was approved by the annual general meeting in May 2021, also essentially complies with the recommendations of the German Corporate Governance Code (GCGC) in the version of April 28, 2022.

Target rate for proportions of women, §§ 76 para. 4, 111 para. 5 aktg (stock corporation act) and diversity concept

Pursuant to Section 111 (5) AktG, the supervisory board must set targets for the female quota in the supervisory board and the management board.

To date, there is no written diversity concept for the supervisory board and the management board. The management board is made up of experienced managers who all worked in different areas of the company for a number of years before becoming members of the management board, have the corresponding experience, professional backgrounds, and areas of focus complementing each other very well. The individual professional CVs can be found at www.baslerweb.com/en/company/board.

In the event of a change, the supervisory board has set a target of 25 % female representation within the next 4-5 years. The target has been achieved as a result of the change in the management board on January 1, 2025, and the appointment of Ms. Ines Brückel as Chief Financial Officer.

The supervisory board has decided that, until further notice, an increase of the female quota in the supervisory board would be desirable but need not be achieved. Two positions on the supervisory board are currently held by women. The female quota in the supervisory board is 33 %.

In its proposals to the general meeting, the supervisory board will continue to observe legal requirements and give priority to women in case of equal qualification. The decision on the candidates which the supervisory board considers to be the most appropriate is to be taken whenever a new election is scheduled. The supervisory board and the management board do not consider it useful to be bound to pre-formulated abstract targets for selecting candidates instead of freely deciding on a person which is available and seems to be best suited for the position.

In January 2022, the supervisory board and the management board decided that a female quota of 30 % of senior executives and department heads should be achieved or maintained in the group by the end of 2025.

The first level of management beneath the management board is the divisional management and below it the department management follows. On December 31, 2024, 20 % (previous year: 8.33 %) of the Basler group divisional managers and 22.67 % (previous year: 19.54 %) of its department managers were female.

Corporate Governance

The targets for promoting the participation of women in management positions have not yet been met at the end of the reporting period. This is due to the M&A transactions of smaller companies which had mostly males in management positions in the past five years. Since organic growth stalled in the past two years, the opportunities for further development using this lever were limited. In addition, almost 250 jobs were cut in the last two financial years and only a few new hires were made.

Further disclosures on corporate governance

Accounting and Auditing

Basler AG prepares its consolidated financial statements and consolidated interim reports in accordance with the International Financial Reporting Standard (IFRS). The Basler Group's annual financial statements (separate financial statements) are prepared in accordance with the provisions of the German Commercial Code (HGB). The consolidated financial statements are prepared by the management board, audited by the auditor, and approved by the supervisory board. Deloitte GmbH Wirtschaftsprüfungsgesellschaft was elected by the annual general meeting as auditor/consolidated financial statements auditor for the fiscal year 2024. Deloitte took part in the supervisory board's discussions on the annual financial statements and consolidated financial statements on March 27, 2025, and reported on the results of this audit. In addition, the auditors were available to the supervisory board to provide additional information and answer questions on the audit.

Transparency and Communication

Basler attaches great importance to open and trusting communication with shareholders and other stakeholders and maintains a fair, timely, and reliable dialog. All information relevant to the capital market is published simultaneously in German and English and made available on the Company's website. This includes annual and quarterly reports, corporate news and insider information, information on the Annual General Meeting and company presentations but also voting rights notifications. The financial calendar with the relevant publication and event dates can also be found there.

Shareholders and Annual General Meeting

At the annual general meeting, shareholders can exercise their rights and cast their votes. The management board presents the consolidated and annual financial statements, explains the company's prospects and, together with the supervisory board, answers shareholders' questions. In accordance with the provisions of stock corporation law, the invitation to the annual general meeting and the associated documents and information will be made available on the website of the Basler Group or displayed for inspection at the company's offices on the day the meeting is convened. In exercising voting rights, Basler supports its shareholders by appointing proxies who vote in accordance with the shareholders' instructions.

Corporate Governance

Directors' Dealings, Voting Rights, and Stock Option Plan

The Basler Group provides information on trading in shares of the company by members of the management board and supervisory board (Directors' Dealings) in accordance with Art. 19 MAR, as well as on reported changes in shareholdings if the voting rights thresholds defined in the German Securities Trading Act are reached, exceeded, or fallen below. Information on the shareholdings of the management board and the supervisory board can be found in the Basler share report. The Basler Group currently has no stock option plan.

Ahrensburg, March 27, 2025

Dr. Dietmar Ley
CEO

Hardy Mehl
CCO/COO

Ines Brückel
CFO

Norbert Basler
Chairman of the Supervisory Board

Horst W. Garbrecht
Deputy Chairman of the Supervisory Board

Lennart Schulenburg
Member of the Supervisory Board

Tanja Schley
Member of the Supervisory Board

Alexander Jürn
Member of the Supervisory Board

Prof. Dr. Mirja Steinkamp
Member of the Supervisory Board

Group Management Report

Content

Group Management Report

1. Fundamentals of the Basler Group and Basler Aktiengesellschaft

1.1 Group Structure

Basler Aktiengesellschaft (hereinafter referred to as the "Company"), with its registered office in Ahrensburg, is the parent company of the Basler Group (hereinafter referred to as the "Group") and is obliged to prepare consolidated financial statements. The company's annual financial statements are prepared in accordance with the provisions of the German Commercial Code (HGB) and the supplementary provisions of the German Stock Corporation Act (AktG). The consolidated financial statements are prepared in accordance with IFRS Accounting Standards, issued by the International Accounting Standards Board (IASB), as applicable in the European Union (EU). Furthermore, the supplementary provisions for companies reporting in accordance with IFRS in Germany pursuant to Section 315e (1) HGB have been taken into account. A summarized management report will be pre-pared for the first time for the 2024 financial year.

In addition to the company, the scope of consolidation includes the subsidiaries Basler Inc. (Exton, USA), Basler Vision Technology (Beijing) Co. Ltd. (Beijing, China), Basler Italy s.l.r. (Milan, Italy), Basler France SA (Bordeaux, France), Basler Poland sp. z o.o. (Krakow, Poland) and the subgroup Basler Asia Pte. Ltd. (Singapore, Singapore). In addition to the parent company in Singapore, the Basler Asia Pte. Ltd. subgroup comprises the subsidiaries Basler Vision Technologies Taiwan Inc. (Jhubei City/Taiwan), Basler Korea Inc. (Jungwongu/South Korea) and Basler Basler Japan KK (Tokyo, Japan). There are also representative offices in the United Kingdom, Finland, France, Malaysia and the Netherlands. Basler France was fully consolidated for the first time on July 2, 2024.

In addition, there is a minority interest of 25.1 % in Roboception GmbH (Munich, Germany). The minority interest in Roboception GmbH is included in the consolidated financial statements using the equity method.

1.2 Business model

The Group develops, produces and sells computer vision capital goods (machine vision technology) for professional users worldwide. Digital cameras, which are primarily used in industrial mass production, medical applications, traffic control and logistics, currently account for the majority of sales. The Group is continuously expanding its product range towards a full range of hardware and software components and is thus gradually developing into a solution provider for computer vision applications. Basler products and vision solutions are characterized by innovation, high reliability, simple integration and an attractive price-performance ratio. Target customers are national and international manufacturers of capital goods (OEM customers) who integrate image processing components and solutions into their own systems and devices and market these to end users. Customers are mainly served by the Group's own direct sales organization or via regional sales partners (distributors).

The Group's product range is generic and can be used in many industries and applications. After successful integration by the OEM customer, the Basler solution or Basler components become an integral part of the respective customer solution as part of its own product development (so-called design-in). As OEM customers do not normally change their suppliers over the life cycle of their own product, the customer's development phase is followed by a stable business relationship lasting several years.

The subsidiaries and dependent branches provide primarily sales-related services. There is also a production facility in Singapore to supply the local Asian market. Customized adaptations for the Asian market are also developed in Taiwan and Korea. A software development center is located in Poland.

External factors influencing the Group's business model are the general macroeconomic situation and the demand situation in the regional sales markets of Asia, Europe and North America. Due to the focus on capital goods customers, the economic situation in the mechanical and plant engineering sector, particularly in the semiconductor and electronics sector, is of particular importance for the Group's business development. As a result of the expansion into markets outside of factory automation, e.g. medical and transport technology and logistics, which began in previous years, the Group is tapping into further growth potential and reducing the cyclicality of its business. The Group participates in advances in computer vision technology and at the same time drives them forward.

Through increasing performance, price reduction, simpler application and digitalization, computer vision is growing step by step into further areas of application.

1.3 Control system

The Group is pursuing a profitable growth strategy. Organic growth is the main focus but is supplemented by company acquisitions. Group management is based on an annual strategy process in which the focus is defined in terms of target markets, positioning, service program, technologies and sales strategy.

The strategy process leads to qualitative and quantitative medium and long-term planning as well as the budget for the coming financial year. Financial and non-financial performance indicators are identified, defined and summarized in a balanced scorecard system (BSC) with derived scorecards for key value creation processes. Of these, the most important financial performance indicators for which a forecast is made on the capital market are Group sales and the Group pre-tax margin (hereinafter EBT margin = Earnings Before Tax / Sales). Other financial performance indicators used to manage the Group are incoming orders, inventories, the gross profit margin on sales (sales less cost of sales/sales) and the Group's free cash flow.

Group Management Report

At operational level, there is also what is known as "daily management" or "shop floor management", which is used to manage daily work progress and continuous improvements. The key figures of the BSC and the underlying scorecards are updated monthly and discussed by the management team. Deviations from the target are thus recognized at an early stage at various hierarchical levels and addressed through countermeasures and preventative measures.

In addition to these financial performance indicators, there are non-financial indicators managing social and environmental aspects within the Group. These include, in particular, employee satisfaction and the company's carbon footprint, which is calculated once a year. The progress of the implementation of cost-saving measures is monitored during the year. In addition, a large number of data points are collected in the non-financial area and listed in detail in a separate combined non-financial report. Please refer to the combined non-financial report at this point.

The Group has a globally implemented quality management system (QM system) to ensure the high quality and reliability of the products manufactured and the value creation processes defined within the company. A quality management review takes place regularly, in which the Management Board, together with the process owners and the quality management officer, examines the effectiveness of the management system and ensures continuous improvement. During the year, internal audits are conducted to check whether the processes in operational practice are in line with the process descriptions of the QM system. An external audit is carried out once a year to check whether the QM system is being applied in accordance with the provisions of ISO 9001:2015.

Group Management Report

1.4 Research and development

As a technology company, the Group is dependent on recognizing new technological trends at an early stage and quickly incorporating them into product developments. As image processing technology is developing dynamically and the company is pursuing a growth strategy, an average of around 13-15 % of Group turnover is invested in research and development (R&D) each year. R&D activities are organized according to their maturity and maturity level as follows:

- Controlled innovation management
- Pre-development of new technologies
- Development of new platform architectures for future product lines and the necessary production technologies
- Development of new product lines or products on existing product platforms
- Customized adaptations of products and integrated image processing solutions
- Technical product maintenance over the life cycle of the products

As part of innovation management, innovation ideas are collected, evaluated, tested and selected ac-cording to a defined process. The innovation process follows the "fail fast, learn fast" principle. As part of the process, technological and commercial aspects as well as aspects of sustainability are taken into account so that, if successful, the innovation process results in a qualified product or business idea that can be scaled up by applying classic product development processes.

Pre-development analyses technologies that appear useful for use in future products and vision solutions. The Group endeavors to understand new technologies as far as possible in advance of plat-form or product development in order to have adequately analyzed potential risks. In this way, sub-sequent product developments can be carried out more efficiently and with greater planning reliability. In order to obtain customer and market feedback at an early stage, new technologies are presented to selected customers during the pre-development phase.

Group Management Report

The following projects were significant within platform and product development in the 2024 financial year:

- Development of new platform technologies:
  - Extension of the pylon software suite with rule-based image analysis functions for the creation of computer vision solutions
  - Expansion of the pylon software suite to include AI-based image analysis functions for the creation of computer vision solutions
  - Expansion of the pylon software suite to include functions to support various new hardware products
  - Expansion of the ace 2 and boost camera platforms to include additional sensor families and the 5GigE and CXP interfaces
  - Development of a new line scan camera platform racer 2
  - Expansion of the dart camera platform to include a GigE (Gigabit Ethernet) interface
  - Development of a modular product platform for applications in the field of 3D stereo vision

- Product development:
  - Expansion of the ace 2, boost and dart product lines with new CMOS sensors and additional firmware functionalities
  - Expansion of the 3D-TOF (Time-of-Flight) product platform blaze with new product variants
  - Expansion of the ace 2 product lines with new SWIR (short-wave infrared) sensors with increased resolution to cover applications outside the visible light spectrum
  - New products in the frame grabber range
  - New releases of the VisualApplets software for image pre-processing on frame grabber products
  - Development and qualification of new accessory products in the field of image generation (especially in the area of cables, lighting, lenses and interface cards)
  - Development of customized product adaptations and product variants

For reasons of confidentiality, this report will not go into more detail on innovations and preliminary developments.

Due to the reduction in personnel in the 2023 and 2024 financial years, the full costs for R&D fell significantly compared to the previous year from € 33.0 million to € 28.8 million and amounted to 15.6 % (previous year: 16.2 %) of Group sales. As at 31 December 2024, the Group's R&D organization had 219 full-time equivalents.

In absolute terms, capitalized investments in own developments amounted to € 8.7 million in the re-porting year (previous year: € 8.2 million). Amortization of own developments amounted to € 8.3 million (previous year: € 12.4 million). The capitalisation ratio fell from 30.2 % to 24.8 %.

As at the end of the 2024 financial year, the company holds 119 patents and patent applications. Of these, 63 patents are in force and 56 patent applications are in the application process. The company is also the owner of 4 utility models and 22 designs.

The company is the owner of 173 registered trademarks. Further trademarks are currently being applied for.

2. Economic report

2.1 General conditions

Global economic growth was only 2.6 %. The key regions for the Group developed differently. While Europe only achieved GDP growth of 1.0 %, economic output in the USA grew by 2.8 % and in China by as much as 4.7 %. (Source: Berenberg, Economy and Financial Markets, Outlook 2025).

The production index for the manufacturing industry was 86.8 as at December 2024, down 4.2 % on the same month of the previous year. (Source: Federal Statistical Office). Geopolitical crises, high interest rates and inflation led to a persistently poor investment climate.

The market for capital goods in the robotics & automation sector, which is particularly relevant for the Group, once again declined compared to the previous year. Incoming orders from German companies in this sector recorded a nominal downturn of 11 %. The turnover achieved fell by 5 % in nominal terms. Manufacturers of industrial image processing components recorded a nominal decline of 3 % in incoming orders and 12 % in sales. (Source: VDMA statistics, Jan-Dec 2024).

Against the backdrop of this market environment, the 2024 financial year was once again challenging for the Group, and the expected recovery in the second half of the year failed to materialize. Excessive inventories throughout the supply chain also weighed on the already weak demand.

2.2 Business performance of the Basler Group

After strong growth in previous years, the Group recorded a decline in sales in the 2023 financial year. In the 2024 financial year, Group sales fell again from € 203.1 million in 2023 to € 183.7 million in 2024. At the start of the year, the Group's order intake and sales initially rose gradually. However, there was an unforeseen setback in incoming orders and sales in the third quarter and the anticipated market recovery in the second half of the year failed to materialize. Management was forced to adjust its capital market forecast and responded immediately with a Group-wide cost-cutting program. Due to the drop in incoming orders and the lower market expectations for the fiscal year, the forecast for the financial year issued in March 2024 with the publication of the annual report, with a Group sales corridor of € 190 - 210 million and an EBT margin of 0 – 5 %, was corrected. On October 21, 2024, the forecast was lowered to a Group sales corridor of € 178 - € 184 million and a Group pre-tax loss of between € 8 - 12 million in an ad hoc announcement. The Group-wide cost-cutting program provided for the reduction of around 50 full-time equivalents.

The aim of the program was to lower the Group's break-even point to around € 180 million in sales by the end of the year and to adjust the size and structure of the organization to the sales expected in the medium term.

In addition, organizational changes were implemented to accelerate the transformation into a solution provider and reflect the changed geopolitical situation and strong competition in China. The cost-cutting program was implemented as planned in the fourth quarter of 2024. The majority of the one-off expenses incurred in December. During the implementation of the cost-cutting program, incoming orders increased at the end of the financial year, meaning that the Group is starting the new financial year with a changed cost structure and a solid level of incoming orders. The year 2024 closed with consolidated revenue of € 183.7 million and a consolidated pre-tax loss of € 12.0 million. The one-off expenses for the cost-cutting program amounted to € 6.9 million in 2024 and are fully included in the reported consolidated loss.

Due to the increase in incoming orders at the end of the year, the Group's order backlog rose to € 39 million at the end of the year on December 31, 2024 (December 31, 2023: € 33 million). With a sales equivalent of more than 2 months, it was back at a normal level for the first time in more than 24 months.

Group Management Report

The implementation of the strategy was underpinned by two measures in the area of M&A. In June, the company acquired a 25.1 % stake in Roboception GmbH, Munich (hereinafter "Roboception"), thereby strengthening its technology portfolio in the area of 3D and the existing collaboration. Roboception is a 3D vision specialist that has been on the market for almost 10 years and has 15 employees.

To strengthen market access in Europe, the company acquired the remaining shares in Basler France in July as planned. As at July 1, 2022, the company acquired 25.1 % of i2S Vision (which was then renamed Basler France) for a purchase price of € 1.0 million. With the acquisition of the remaining 74.9 % on July 2, 2024, the company has a controlling influence in accordance with IFRS 10.

2.3 Results of operations of the Basler Group

in € million	2024	2023	Change	in %
Sales revenues	183.7	203.1	-19.4	-10
Currency result	1.2	-1.3	2.5	>-100
Costs of the realized service	-100.9	-116.1	15.2	-13
Gross result	**84.0**	**85.7**	-1.7	-2
Other operating income	2.8	2.7	0.1	4
Other material and personnel costs	-96.6	-110.4	13.7	-12
Operating result	**-9.8**	**-21.9**	12.1	-55
Financial result	-1.1	1.5	-2.6	>-100
Profit shares in companies accounted for using the equity method	-0.3	0.2	-0.6	>-100
Impairment losses (including reversals of impairment losses) on companies accounted for using the equity method	-0.7	0	-0.7	n.a.
Earnings before income	**-12**	**-20.2**	8.2	-41
Income taxes	-1.8	6.4	-8.1	>-100
Net loss for the year	**-13.8**	**-13.8**	0	**0**

Group Management Report

Group sales in 2024 fell by € 19.4 million to € 183.7 million, a decrease of 10 %. The main reason for this decline is the lower demand due to the generally weak global economic situation. Changes in the product mix and an increased share of sales from the accessories range led to an increase in average revenue per camera channel. Price increases in the narrower sense were not feasible in 2024 due to the supply chain and competitive situation.

Significant progress was made in improving the gross profit margin. The gross profit margin increased from 42.2 % in 2023 to 45.7 % in 2024 thanks to a number of product adjustments and reductions in purchase prices for materials.

Other material and personnel costs totalling € 96.6 million (previous year: € 110.4 million) include personnel costs of € 66.6 million (previous year: € 78.5 million). These decreased compared to the previous year due to the reduction in personnel. The average number of full-time equivalents amounted to 1,059 FTEs in 2023 and fell to 881 FTEs in 2024 due to restructuring measures. Personnel costs fell in 2024, primarily due to the cost-cutting program implemented in Q4. As at December 31, 2024, the Group employed 854 FTEs worldwide. Due to the economic situation, salaries were not adjusted for inflation in the 2024 financial year.

Other operating expenses in other operating and personnel expenses mainly relate to depreciation and amortization totalling € 9.4 million (previous year: € 9.9 million), legal and consulting costs of € 5.3 million (previous year: € 4.6 million), operating rental costs of € 3.8 million (previous year: € 3.7 million), occupancy costs of € 2.9 million (previous year: € 3.7 million), travel expenses of € 1.9 million (previous year: € 2.0 million) and maintenance costs of € 1.8 million (previous year: € 1.7 million).

The investment in Roboception GmbH was written down by € 0.7 million in the financial year. The value of the investment may fluctuate in the coming years. The remaining risk for the Group can currently be quantified as the residual carrying amount of Roboception totalling € 0.3 million. The Group has not assumed any financial obligations associated with the investment.

Consolidated earnings before taxes totalled € -12.0 million (previous year: € -20.2 million). This consolidated loss includes one-off expenses from the cost-cutting program of € 6.9 million, which were related to the reduction in personnel and the write-down of capitalized developments. In addition, one-off expenses of around € 3 million were incurred in Korea due to write-downs on inventories, as the valuation method was adjusted to the Group standard compared to the previous year. Impairment losses of € 1.5 million were recognized on intangible assets, as the earnings prospects of some capitalized product developments have deteriorated.

The income tax expense of € 1.8 million (previous year: income tax income of € 6.4 million) is the result of income tax charges in subsidiaries and an aperiodic tax back payment for previous periods totalling € 4.9 million.

2.4 Financial position of the Basler Group

Liquidity management in the Group is geared towards covering capital requirements in such a way that investments for organic growth are self-financed via a positive free cash flow. Temporary peak amounts for acquisitions are partly financed by debt and replaced by equity in the long term via positive free cash flow. Maturity risks, ratings of the creditors and equity and debt capital costs are appropriately balanced and independence from outside creditors is sought. In addition, the dividend policy provides for a constant payout ratio of 30% of the Group's earnings after tax, unless economic circumstances prevent this.

The company's liquidity was also managed very closely in the 2024 financial year. The loss-making previous year and the renewed downturn in demand combined with high inventories as a result of the chip crisis put a strain on the Group's liquidity situation. The market downturn in the third quarter, the forecast adjustment and the cost-cutting program in the fourth quarter were accompanied by transparent and regular communication with the long-standing principal banks and supported by them. The two financial covenants, Group equity ratio and Group net leverage ratio, were suspended for the reporting date of December 31, 2024. According to the management board’s planning, the covenants will be complied with in 2025.

In the 2024 financial year, a cash flow of € 15.9 million (previous year: € 5.3 million) was generated from operating activities. The consolidated net loss for the year of € 13.8 million was offset by the reduction in inventories of € 5.2 million and the decrease in other liabilities of € 2.3 million. Depreciation and amortization of fixed assets amounted to € 19.8 million (previous year: € 23.6 million).

This was offset by investment activities totalling € -13.3 million (previous year: € -13.1 million). In addition to investments in property, plant and equipment, these also included capitalized developments amounting to € 8.4 million and the acquisition of shares in Roboception, Trust NXT and Basler France totalling € 4.2 million.

Free cash flow as the balance of cash flow from operating activities and cash flow from investing activities totalled € 1.4 million (previous year: € -9.2 million).

On the financing side, bank liabilities totalling € 8.3 million were repaid in the 2024 financial year. No further loans were taken out. The balance of KfW loans totalled € 52.1 million as at the reporting date (previous year: € 60.9 million). These long-term KfW loans carry interest rates of 0.75 - 2.19 %. Due to the loss situation in the previous financial year, no dividends were distributed in 2024 (previous year: € 4.2 million). As at the balance sheet date, there were unutilized credit lines with the principal banks amounting to € 12.9 million (previous year: € 10.0 million)

Overall, cash flow from financing activities totalled € -12.3 million in 2024 (previous year: € 12.7 million).

Liquidity, which consisted exclusively of cash and cash equivalents, totalled € 21.3 million at the end of the financial year (previous year: € 32.2 million). Liquidity was secured at all times in order to finance the operating business and the necessary investments as well as to ensure the scheduled repayment of loans.

2.5 Net assets of the Basler Group

The Group's financial position is as follows:

in € million	12/31/2024	12/31/2023	Change	in %
Intangible assets	41.2	44.3	-3.1	-7.0
Goodwill	49.4	45.8	3.6	7.9
Property. plant and equipment	12.2	14.6	-2.4	-16.4
Right-of-use assets from leases	19.1	22.3	-3.2	-14.4
Financial assets	0.0	0.0	0.0	0.0
Financial assets accounted for using the equity method	0.3	1.8	-1.5	-83.3
Other non-current financial assets	7.2	5.5	1.7	30.9
Other non-current assets	0.1	0.0	0.1	n/a
Deferred tax assets	3.2	2.4	0.8	33.3
Total non-current assets	**132.7**	**136.7**		
Inventories	38.8	44.0	-5.2	-11.8
Receivables from goods and services	28.4	27.4	1.0	3.7
Other current financial assets	0.9	0.9	0.0	-0.0
Other current non-financial assets	9.3	12.6	-3.3	-26.2
Tax refund claims	2.2	1.9	0.3	15.8
Bank balances and cash in hand	21.3	32.2	-10.9	-33.9
Total current assets	**100.9**	**119.0**		
Total assets	**233.6**	**255.8**		
Subscribed capital	30.7	30.7	0.0	0.0
Capital reserves	10.6	10.7	0.0	0.0
Retained earnings	89.4	102.5	-13.0	-12.7
Other components of equity	-6.3	-4.7	-1.6	34.0
Total equity	**124.4**	**139.2**		

Group Management Report

Non-current financial liabilities	44.2	51.4	-7.2	-14.0
Other financial liabilities	0.0	0.5	-0.5	-100.0
Leasing liabilities	16.8	19.9	-3.1	-15.6
Non-current provisions	1.4	1.3	0.1	7.7
Deferred tax liabilities	1.4	3.3	-1.9	-57.6
Total non-current liabilities	**63.8**	**76.3**		
Current financial liabilities	8.3	9.7	-1.4	-14.4
Current provisions	6.8	7.2	-0.4	-5.6
Liabilities from deliveries and services	13.9	14.7	-0.8	-5.4
Other financial liabilities	0.2	0.6	-0.4	-66.7
Other non-financial liabilities	11.6	4.6	7.1	>100
Leasing liabilities	2.8	2.7	0.1	3.7
Current tax liabilities	1.8	0.7	1.1	>100
Total current liabilities	**45.4**	**40.2**		
Summe Passiva	**233.6**	**255.8**		

Goodwill (goodwill from M&A transactions) increased to € 49.4 million as at the reporting date (previous year: € 45.8 million) as a result of the M&A transactions in the 2024 financial year. Intangible assets decreased by € 3.2 million compared to the previous year to € 41.2 million, which includes impairment losses of € 1.5 million on own developments that are not recoverable.

The carrying amounts of property, plant and equipment fell by € 2.4 million to € 12.2 million. Scheduled depreciation was offset by investments in technical equipment and machinery and in other operating and office equipment totalling € 0.8 million. The carrying amounts of right-of-use assets fell by € 3.2 million to € 19.1 million.

Inventories could not be reduced as planned due to the ongoing weak demand. The reduction in inventories was mainly due to write-downs on raw materials and finished goods as well as sufficiently accurately approximated markdowns of € 8.5 million (previous year: € 6.1 million). The carrying amounts of inventories fell by a total of € 5.2 million across the Group and amounted to € 38.8 million as at December 31, 2024.

Trade receivables across the Group increased by € 1.0 million to € 28.4 million compared to the previous year. This was due to the increase in sales at the end of the financial year.

At € 21.3 million, bank balances and cash in hand were € 10.9 million lower than in the previous year. The reduction resulted from the weak operating business combined with investments for M&A transactions and the repayment of loans.

Group equity fell by € 14.8 million compared to the previous year to € 124.4 million. This reduction was mainly due to the consolidated loss.

Non-current liabilities to banks fell by € 8.3 million to € 52.1 million due to scheduled repayments. No new loans were taken out.

Trade payables fell by € 0.8 million compared to the previous year to € 13.9 million and therefore did not show any significant change.

The Group's order commitments totalled € 24.3 million as at the reporting date (previous year: € 26.1 million) and were at a normal level, taking into account replenishment periods of several months for production materials.

Of the € 7 million increase in other current liabilities to € 27.5 million as at December 31, 2024, € 3.2 million resulted from tax liabilities due to the findings of the tax audit carried out at the company.

2.6 Further financial performance indicators of the Basler Group

The most important performance indicators, consolidated sales and EBT margin, have already been discussed in section 2.3. The other financial performance factors: Incoming orders, inventories, the gross profit margin on sales or gross profit on sales and the Group's free cash flow have already been listed in the previous chapters on the results of operations, financial position and net assets.

With regard to the non-financial key performance indicators, please refer to the comprehensive combined non-financial report.

2.7 Overall statement for the Basler Group

Two very strong years of growth in 2021 and 2022 were followed by two years of significant declines in sales. From today's perspective, the exceptional economic situation during the pandemic in the key vertical markets of semiconductors, electronics, logistics and laboratory automation proved to be anticipatory rather than additional demand. In addition, the chip crisis had an exacerbating effect on demand, which initially rose and later fell. A shortage of chips and increasing delivery times for image processing components initially led to excessive orders in 2021 and 2022 and subsequently to cancellations and excessive inventories at customers, which dampened original demand well into the 2024 financial year. Following a very sharp decline in sales in 2023, sales fell again in 2024 by 10 % to € 183.7 million.

Group Management Report

The restructuring from the 2023 financial year proved to be insufficient in the course of 2024, as the expected market recovery failed to materialize in the second half of the year and sales did not reach the significantly reduced break-even point of around € 200 million. After monthly incoming orders and sales developed positively until the middle of the financial year, both fell unexpectedly sharply in the third quarter, prompting an adjustment to the forecast. The management immediately initiated a further cost-cutting program, which was already implemented in the fourth quarter and lowered the break-even point for the 2025 financial year to around € 180 million in sales.

The operating loss and the one-off expenses for the cost-cutting program of € 6.9 million added up to a pre-tax loss of € 12.0 million. In addition, liquidity had to be managed very closely as, in addition to the high loss, a lot of capital was still tied up in inventories and loans were repaid as planned. Where available, covenants were suspended by the principal banks so that the company's financing was not jeopardized at any time. The cost-cutting program allows the Group to start the new financial year with a leaner cost structure and stable financing. Incoming orders rose again in the fourth quarter of the year, allowing the Group to start the 2025 financial year profitably. The macroeconomic and geopolitical situation will remain uncertain in 2025. Despite these uncertainties and the unfavourable and economically very challenging last two years, the management is firmly convinced of the medium to long-term potential of the market and the company. The management is determined to return the company to profitability as quickly as possible and at the same time further accelerate its transformation into a solution provider.

As a result of the continuous expansion of the product portfolio and the sales and marketing organization, the Group has a very broad product portfolio and very competitive direct global market access. Despite the challenging years 2023 and 2024, the high level of investment in recent years and the long-standing corporate culture give the Group a solid foundation to return to profitability even if the market does not grow and to participate disproportionately in growth if the market grows again. According to the management board's planning, the covenants will be complied with in 2025.

3. Basler AG - Statements and disclosures on the company's annual financial statements

Basler AG, based in Ahrensburg, is the parent company of the Basler Group. In addition to reporting on the Group, the development of the company in 2024 is explained below.

The company's annual financial statements are sent electronically to the company register for inclusion in the company register and are available on the company register's website and also the company's homepage at www.baslerweb.com.

The company is an operating company that develops, produces and markets image processing components for professional users. Its economic situation also depends on the development of its subsidiaries. The company participates in the operating results of its subsidiaries through their dividends and profit transfers.

Group Management Report

The economic development of the company therefore corresponds in principle to that of the Group, which is explained in chapter "2.7 Overall statement for the Basler Group".

Net profit for the year is the most important financial performance indicator for the company.

3.1 Business performance of the company

For the company's business performance, please refer to chapter "2.2 Business performance of the Basler Group". The special features of the company are emphasized in this chapter.

The company's sales increased from € 131.6 million to € 138.8 million in the 2024 financial year. The company started the 2024 financial year with a normal to below-average order backlog. The order situation in the first few weeks of the new financial year showed a slightly positive trend, but the absolute level of incoming orders remained weak and was only around the break-even point in the 2023 financial year, even taking into account the streamlined cost structure resulting from the restructuring.

During the first half of the year, the company's annual outlook was on target. Contrary to the expectations of customers, partners and suppliers, there was no further recovery in demand in the second half of the year. The management reacted immediately to this deterioration in the market environment with further staff reductions and the resulting one-off expenses within the Group and the company. The aim was to lower the Group's break-even point to such a level that the company would return to profitability in 2025 even if the market failed to recover. This program was implemented decisively and according to plan in the fourth quarter and had an impact on the company's personnel and costs in particular. Thanks to the cost reduction in the company and the additional charge to the subsidiaries due to a tax audit, the company was able to achieve a positive result in the 2024 financial year despite very weak market demand and the consolidated Group situation. Overall, the company closed the year with sales of € 138.8 million (previous year: € 131.6 million) and a pre-tax profit of € 7.3 million (previous year: € -11.1 million). Profit after tax totalled € 4.3 million (previous year: € -11.4 million).

Group Management Report

3.2 Earnings position of Basler AG

in € million	2024	2023	Change in %
Sales revenue	138.8	131.6	5.5
Other income and change in inventories	10.5	4.3	>100.0
Cost of materials	-49.3	-55.6	11.3
Gross profit	**100.0**	**80.3**	**24.5**
Personnel expenses	-61.1	-72.4	15.6
Operating expenses	-31.9	-29.1	-9.6
Income from investments	0.6	10.2	-94.1
EBIT	**7.6**	**-11.0**	**>100**
Net interest income	-0.3	-0.1	>-100.0
EBT	**7.3**	**-11.1**	**>100**
Taxes	-3.0	-0.3	>-100
EAT	**4.3**	**-11.4**	**>100**

The company's sales increased by € 7.2 million to € 138.8 million. Significant intercompany sales were generated with Basler Inc., Basler Asia Pte. Ltd. and Basler Italy s.r.l. The revenue includes subsequent charges to the subsidiaries totalling approximately € 18.8 million from the results of a tax audit for the years 2018 - 2023. They result from a subsequent adjustment of the transfer prices between the company and its subsidiaries. For a more detailed explanation of the decline in sales from the operating business in the financial year, please refer to the comments on the Group in section 2 of this report. With regard to the main intercompany transactions, the company's deliveries of goods and services with Basler Inc. fell from € 21.5 million in 2023 to € 23.8 million in 2024 and with Basler Asia Pte. Ltd (Singapore) from € 39.6 million in 2023 to € 35.0 million in 2024. Deliveries of goods and services rendered with Basler Italy s.r.l. totalled € 5.0 million in the reporting year (previous year: € 3.7 million).

The cost of materials fell from € 55.6 million in the previous year to € 49.3 million due to the decline in sales and lower material requirements for production. The gross margin (gross profit/sales) rose from 61.0 % in the previous year to 72.0 %. Please also refer to the reasons given in section 2 of this report. In addition, other operating income increased to € 9.0 million (previous year: € 5.3 million), which is attributable to income from currency valuation as well as an increase in income from affiliated companies from the offsetting of R&D services.

Personnel expenses fell from € 72.4 million to € 61.1 million as part of the staff reduction program. Personnel expenses include expenses for severance payments totalling € 1.4 million (previous year: € 5.7 million). The average number of employees fell from 770 to 647 and totalled 633 at the end of the year (previous year: 683).

Income from investments includes investment income of € 0.5 million (previous year: € 10.2 million) from subsidiaries. In 2024, this is mainly attributable to the investments Basler Italy and Basler France.

Other operating expenses of € 31.9 million (previous year: € 29.1 million) consist of € 6.1 million (previous year: € 5.3 million) from amortization of intangible assets and depreciation of property, plant and equipment and € 24.9 million (previous year: € 23.8 million) from other operating expenses. The increase in other operating expenses is mainly due to severance payments from the redundancy program amounting to € 2.4 million. The total expenses for the cost-cutting measures implemented in 2024 amounted to € 5.2 million.

The income tax expense for the 2024 financial year amounted to € 3.0 million due to back taxes for the 2018 - 2023 financial years, which were determined as part of the tax audit.

The net loss for the past year amounted to € 11.4 million, while the net profit for 2024 totalled € 4.3 million.

3.3 Financial position of Basler AG

The company's cash and cash equivalents, which consisted exclusively of cash and cash equivalents, fell to € 9.9 million at the end of the financial year (previous year: € 19.9 million). Sufficient liquidity was ensured at all times. As at the balance sheet date, there were unutilized credit lines with the principal banks amounting to € 12.9 million. The balance of KfW loans totalled € 52.1 million as at the reporting date.

There is a cash pooling relationship between the company and its subsidiaries. For a further analysis of the company's liquidity position, please refer to the notes on the Group's financial position.

3.4 Financial position of Basler AG

in € million	2024	2023	Change in %
Intangible assets	9.1	11.4	-20.2
Property, plant and equipment	10.9	13.0	-16.2
Financial assets	37.5	37.8	-0.8
Fixed assets	**57.5**	**62.2**	**-7.6**
Inventories	30.5	32.7	-6.7
Receivables and other assets	65.6	44.5	47.4
Cash and cash equivalents	9.9	19.9	-50.3
Current assets	**112.5**	**107.5**	**4.7**
Prepaid expenses and deferred charges	4.0	4.5	-11.1
Total assets	**167.5**	**163.8**	**2.3**
Equity capital	90.6	86.1	5.1
Provisions	5.5	5.2	5.8
Liabilities	71.4	72.5	-1.5
Total liabilities	**167.5**	**163.8**	**2.3**

Financial assets increased due to the acquisition of the outstanding 74.9 % stake in Basler France and the acquisition of a 25.1 % stake in Roboception. In addition, the loan to Basler Asia in the amount of € 6.5 million (previous year: € 10.4 million) was reclassified from receivables from affiliated companies to loans to affiliated companies in the separate financial statements in accordance with HGB. These are recognized under financial assets in the balance sheet. The reclassification is shown in the asset position above. The reclassification was made to improve the presentation.

Receivables increased primarily as a result of additional charges to subsidiaries due to the findings of the tax audit and the associated adjustment of transfer prices.

At € 9.9 million, cash and cash equivalents were € 10.0 million lower than in the previous year, mainly due to the repayment of loans.

At € 71.4 million, liabilities remained almost at the previous year's level. The majority of these are liabilities to banks totalling € 52.1 million (previous year: € 60.0 million), which were reduced by almost € 8.0 million compared to the previous year. The increase in other liabilities is due to other tax liabilities totalling € 4.3 million resulting from the tax audit. In the previous year, the figure was € 1.0 million and was not affected by a tax audit.

Purchase commitments totalled € 21.0 million as at the reporting date (previous year: € 13.1 million).

Group Management Report

3.5 Financial performance indicators of Basler AG

The company is essentially managed at Group level and not at company level. At this point, we therefore refer in full to the explanations of the most important financial performance indicators for the Group.

3.6 Overall statement for Basler AG

Weak market demand in the 2024 financial year had an unfavourable impact on the company's sales revenue and pre-tax earnings. However, sales revenue and earnings before taxes were positively impacted by additional charges from the subsidiaries due to a tax audit for the 2018 to 2021 financial years, meaning that the 2024 financial year was profitable despite the Group generating high losses.

The restructuring from the 2023 financial year and the cost-cutting program from the 2024 financial year were implemented across the Group. However, both programs had a significant impact on the company's cost structure, which has been significantly reduced in accordance with section 3.2 of this report.

As the parent company, the company has an important financing function within the Group. With regard to its long-term debt capital, the company has agreed a renewed suspension of the covenants with its principal banks, so that the financing of the company and the Group was not jeopardized at any time. According to the management board’s planning, the covenants will be complied with in 2025.

The cost-cutting program in the fourth quarter of 2024 will further reduce the cost structure in the 2025 financial year. Incoming orders and sales rose again at the end of the financial year, meaning that the company is starting the new financial year with rising sales, leaner costs and secured financing.

4. Supplementary report

No significant events with an impact on the annual or consolidated financial statements occurred after the balance sheet date.

5. Forecast report of the Group

After the rising demand trend in the first half of the 2024 financial year was interrupted by an unexpectedly significant setback in the third quarter, consolidated incoming orders and consolidated sales went up again towards the end of the year. Major projects were won in North America and China in particular, resulting in an increase in sales at the end of the year. Europe and the rest of Asia remained stable in the fourth quarter, albeit still at a low level.

The Group started the 2025 financial year with a higher order backlog than in the previous year due to major projects in China and the US. In-coming orders in the first few weeks of the new financial year were also higher than at the start of the previous year. This positive business performance was clearly reflected in sales and brought the Group back into the profit zone. Although the purchasing managers' indices in the economies of im-portance to the Group improved at the turn of the year, they did not reach the expansion threshold of 50. The German Engineering Federation (Verband Deutscher Maschinen- und Anlagenbau) forecasts a decline in sales of around 10 % for the European robotics and automation industry in 2025. For the computer vision sector included in this, the industry association currently expects sales to stagnate.

Taking into account the order intake trend of recent months, the increasingly normalizing inventory levels at customers and the forecasts of relevant trade associations as well as direct feedback from customers, the management expects Group sales within a corridor of € 186 million to € 198 million for the 2025 financial year. Taking into account the reduced break-even point, the Group is aiming for an EBT margin of between 0 % and 5 %, depending on business performance within the sales corridor. The first quarter of 2025 will be above the forecast margin corridor due to the project business won at the turn of the year. Visibility for the rest of the year is still very limited, and geopolitical uncertainties are also complicating the outlook.

In the medium term, the management is much more optimistic and expects to return the company to its sales growth path of 15 % on average. This medium-term outlook is based on the conviction that the computer vision market will grow steadily due to increasing digitalization, automation and new fields of application and that the Group will benefit disproportionately from this growth due to its strong market position and successful transformation into a solution provider. Compared to the previous medium-term planning, which envisaged Group sales of around € 300 million in 2027, a lack of market recovery in 2024 has now been taken into account and a weak market is also anticipated for 2025. Management is now aiming to achieve consolidated sales of more than € 275 million with an EBT margin of at least 12 % by 2028 at the latest. The updated medium-term forecast assumes that there will be a recovery in the key vertical markets by 2026 at the latest and that access to the Chinese market will be maintained despite ongoing geopolitical tensions. In addition to these economic goals, social and ecological goals are also being pursued as part of sustainable corporate development. The management aims to achieve climate neutrality for the Group by 2030 with regard to Scope 1 and 2.

In view of the fact that the company is not managed in isolation and its sales and EBT margin are subordinate to the Group's sales and EBT margin in the management of the company, these are not classified as key performance indicators and are not forecast separately.

In view of the fact that the company is integrated into the group's controlling and planning, the above statements also apply to the development of Basler AG. The expected economic development of the group for 2025 can therefore be transferred to that of Basler AG.

6. Opportunity and risk report

6.1 Fundamentals of risk management

The growth strategy pursued by the Group can only be implemented if opportunities are exploited with determination and measures are taken at the same time to suitably minimize impending risks.

The aim of the Group's opportunity and risk management system is to

- recognize risks of considerable significance at an early stage,
- systematically record and evaluate opportunities and risks and create transparency within the management team,
- create room for maneuver while avoiding unacceptable risks or reducing risks to an acceptable level,
- agree within the management team on how the company can limit the probability of relevant risks occurring and derive appropriate measures.

Key components of the opportunity and risk management system are the risk strategy, the risk atlas and the risk matrix. The risk inventory process (risk identification, analysis and assessment) aims to identify potential risks across the Group that could jeopardize the company as a going concern at an early stage and define countermeasures.

The Group-wide risk management system identifies and assesses individual risks, which form the basis for determining the overall risk situation. The overall risk is determined by aggregating the individual risks.

The risks are divided into "real" and "growth" risks:

- Real risk: If a risk materializes, there is an actual outflow of liquid funds and/or a negative impact on earnings.
- Growth risk: If a risk materializes, the Basler Group's growth slows down.

The real risks are mapped according to the classic "Atlas categories". Growth risks are not broken down further. Categories are used for better evaluation and categorization in the business environment.

The reference period for all risk assessments is the current financial year. This means that both the impact and the probability of occurrence are based on one year.

The probability of occurrence is assessed according to the following criteria:

Probabilities of occurrence

very likely	50 - 100 %	1x in 1 - 2 years
probably	20 - 50 %	1x in 2 - 4 years
possible	5 - 20 %	1x in 4 - 20 years
unlikely	0 - 5 %	less than once in 20 years

The impact classes are calculated annually on the basis of the equity in the consolidated financial statements and stored in the system. The impact classes for 2024 are as follows:

Impact classes (in € million)

catastrophic	35.4 – 70.8
critical	17.7 – 35.4
noticeable	8.85 – 17.7
low	0 – 8.85

The probability of occurrence is a statement as to whether or when an event may occur within the period under review. In contrast, the impact describes the extent of the negative influence on the target in the event that the event actually occurs. By determining the probability and impact limits, the risks are categorized according to traffic light functions into red, yellow and green areas. This categorization is used to derive a basic need for action as well as reporting to the company management. The Management Board and the Audit Committee of the Supervisory Board are regularly informed about risks in the yellow and red areas of the risk matrix. These risks are considered material. For red risks, it is mandatory to define management measures or provide an indication of an accepted risk.

The risk management process, including the risk and opportunity matrix, is mapped in the R2C (GRC) software, as is the entire process. Risk management depends on the risk strategy and risk assessment. In principle, risks can be avoided, reduced, shifted and / or borne by the company itself. The respective measures are applied in a differentiated manner, weighing up the cost/benefit aspects. Risks and opportunities are presented on a net basis.

The individual risks and their assessed extent of loss are then aggregated by centralized risk management and the sum of the aggregated risks is compared with the defined risk cover (available capital to cover risk).

After the risk inventory, the risk-bearing capacity is analyzed by comparing the sum of the expected values of all risks (real and growth risks) on the one hand with the Group's liquidity and on the other hand with the Group's equity from the last available monthly financial statements or, if available, a current budget for the following year.

The risk management system is flanked by the internal control system (ICS), the early risk detection system, internal auditing and compliance management. A quality management system has also been implemented, which is subject to an annual external audit in accordance with DIN EN ISO 9001:2015.

In the 2024 financial year, the Group's risk-bearing capacity is estimated at around € 71 million based on equity. As part of the risk inventory in autumn, the cumulative expected value of the real risks of € 22.8 million was compared with the Group's equity of € 132 million as at September 30, 2024 and with the Group's liquidity of € 23.9 million as at September 30, 2024. It was determined that the Group's risk-bearing capacity was not exceeded. There were no significant changes as at the reporting date of December 31, 2024.

The cumulative expected value of the ten largest risks (excluding growth risks) totalled € 16.7 million.

The risk categories are summarized as follows. This assessment is based on the mean values of the potential financial impact and the probability of occurrence of the respective risk types:

Risk type	Potential financial impact	Probability of occurrence
Internal organization	low	possible
Finances	low	probably
Procurement market	low	possible
Sales market and competition	low	possible
Political and legal risks	low	possible
Operational risks	low	probably

Compared to the previous year, the potential financial impact of risks in the sales market and competition has decreased. The probability of occurrence of financial risks and operational risks is assessed as more likely than in the previous year, whereas risks in the procurement market, sales market and competition are assessed as less likely than in the previous year. The risks identified and assessed in terms of financial impact and probability of occurrence do not jeopardize the Group as a going concern, either individually or collectively. These changes compared to the previous year are due to a change in the method used to calculate the mean value. Overall, the risks have not changed significantly compared to the previous year. The main risks and opportunities in these categories are explained in more detail below.

6.2 Internal organization

This category covers the business model, the structural and process organization, IT infrastructure, and personnel.

The company is essentially structured functionally with divisional elements and overlapping project organizations. The company endeavors to maintain communication between employees through flat hierarchies and short decision-making channels, even in the face of increasing growth. As part of a holistic lean management approach, the company is organized around key value streams and works continuously to increase their efficiency. In addition, there are strategy and planning processes that ensure that the corporate strategy is broken down.

As a technology company, the Group is highly dependent on the expertise and commitment of its employees. Despite the increasing size of the company, we are constantly working to further develop structures, processes, behaviors and cultural elements that promote innovation. The aim is to create an organization that is capable of further optimizing the existing business and at the same time entering new technology and market fields in an agile and innovative manner.

The cost-cutting programs in 2023 and 2024 placed a heavy burden on the organization. Following the impact of strong growth in 2021 and 2022, management and the organization had to respond very quickly and forcefully to the decline in sales in 2023 and 2024. This was followed by the reduction of around 300 full-time equivalents in two waves. In overcoming this crisis, it was and still is important to manage risks and opportunities effectively, to find the right working point in terms of organizational size in very dynamic markets, to guide people emotionally through the change and to seize the opportunity to uncover and realize potential for improvement. Despite the significant reduction in staff, the loss of key personnel was limited.

The company's IT infrastructure is continuously expanded and improved in order to increase its security and the company's efficiency. Regular penetration tests and analyses are part of the security concept. To further limit existing residual risks, the company has also taken out a cyber insurance policy. In the 2021 financial year, the company fell victim to a large-scale cyber-attack for the first time.

As a result of this experience, the existing high level of security was significantly strengthened once again. The Group's IT systems are significantly more resilient following the cyber-attack, 24/7 monitoring is carried out by external cyber experts and all employees are much more sensitized to cyber risks.

6.3 Finances

Liquidity is managed in cooperation between Finance and Accounting, Controlling, Sales and Strategic Purchasing. Liquidity planning is based on the four-year plan and the budget for the current financial year, which is regularly updated and forms part of monthly reporting.

In addition, financing and liquidity risks had to be managed in 2024. Due to the sharp decline in sales, the frequency of liquidity management was changed to weekly in the 2023/24 financial years and the commercial banks were closely involved. Due to the high losses, covenant risks arose despite sufficient cash and cash equivalents, which were discussed with the banks concerned at an early stage and resolved constructively. The covenants were suspended again for the balance sheet date December 31, 2024. According to the management board’s planning, the covenants will be complied with in 2025.

6.4 Procurement market

In recent years, volatility on the sales and procurement markets has increased significantly. This dynamic leads to an increased risk of not identifying changes in market demand in good time and adjusting procurement behaviour appropriately. This can result in supply bottlenecks or increased stock levels.

In principle, there is a risk of dependence on suppliers of technological components. On the supplier side, the risk is reduced by establishing stable, long-term business relationships, regular supplier audits and ongoing monitoring of the procurement markets. Where technically possible and economically viable, a second source is established. Processes and systems have also been implemented to ensure the short-term availability and on-time delivery of purchased components. The situation on the procurement market for semiconductor and electronic components has now eased and has changed from an undersupply to an oversupply situation. High order commitments from the chip crisis, during which orders had to be placed up to 18 months in advance, led to a significant increase in raw material inventories and a high level of capital commitment as well as range discounts. In the medium term, there is still a risk that supply bottlenecks for semiconductors will occur again in the event of a stronger increase in demand. The risks are also exacerbated by trade tensions between the USA and China and other geopolitical risks.

These risks are countered through intensive contact with suppliers, long order horizons and higher stock levels. In addition, we are continuously working on improving the S&OP process in order to match supply and demand as closely as possible. In addition, separate production plants and value chains in Ahrensburg and Singapore structurally minimize the risk.

6.5 Sales market and competition

The intensity of competition in the market for machine vision components accelerated in 2024 due to persistently weak demand. This resulted in the ongoing consolidation of the supplier landscape and (particularly in the Asian markets) intense price competition.

The risk of market price and margin erosion is countered with innovative products and solutions. Lean product design, the use of platform architectures and lean manufacturing are key success factors for the company's competitiveness and differentiation. Increasingly, the positioning as a full-range supplier also offers better opportunities for differentiation through well-matched individual components, a standardized software development kit and additional consulting services. Direct market access in the key sales regions (USA, China, Germany, Korea, Taiwan, Italy, and France), which has been accelerated by M&A transactions, also leads to relative competitive advantages.

There is also a risk that the macroeconomic and geopolitical conditions will lead to a continuation of the market weakness. If the market remains weak throughout the financial year, the Group's sales would most likely fall below € 200 million again. Geopolitical barriers to market entry in China and the USA could also have a significant impact on the Group's sales and gross profit margin, as around 40 % of sales are generated in these two regions. To minimize these risks, the Group has lowered the break-even point to around € 180 million and is continuing to gradually expand its production site in Singapore in order to benefit from any free trade agreements. Investments to deepen the value chain in China have been put on hold until further notice due to geopolitical tensions.

Due to geopolitical uncertainties, high interest rates and high inflation rates, there is an increased risk of continued market weakness for capital goods and therefore for image processing components in the short to medium term. In the medium and long term, however, it can be assumed that the computer vision market will develop positively, driven by increasing automation and new fields of application. The forecasts issued by associations and market research institutes assume sustained growth in the single-digit percentage range for applications in industrial mass production and double-digit percentage growth in newer fields of application, such as logistics or medical technology. As the Group is continuously expanding its product portfolio and diversifying into new application areas, the business model is considered scalable and future-proof.

6.6 Political and legal risks and opportunities

The risk of political events having a significant impact on business is manageable due to regional diversification in over 60 countries, of which over 20 are OECD countries. The military escalation in Ukraine had a limited direct economic impact due to declining sales with customers from Russia. Business with Russian customers was discontinued immediately after the outbreak of war and outstanding orders were cancelled. The increase in energy prices at the German locations and the associated wage inflation had a significant second-row effect on the Group. The management countered the uncertain gas supply in Germany with an emergency supply plan for production and logistics, which has not yet had to be activated. The risks arising from the armed conflict in Israel have not yet had any noticeable impact on the supply and sales side. Sales of around € 2 million could potentially be affected and there are delivery risks for some semiconductor components that are produced in Israel. The risks from the trade conflict between the USA and China are the greatest due to the size of these sales and procurement markets and access to key technologies. Trade restrictions and increased customs tariffs could motivate or force customers to switch to local suppliers, if available, in the long term. In the context of the change of government in the US, this risk was assessed separately as an ad hoc risk in the 2024 financial year and possible measures by the Group on tariffs for imports of European goods in America are being worked out in order to minimize the impact. With a second production site in Singapore and its own marketing organizations in China and the USA, the Group has structures in place that limit the impact of potential trade risks.

The danger of legal risks is prevented by appropriate insurance policies. The legal department is involved in contract negotiations and change processes. In addition, external specialists in the field of legal and tax advice are consulted in difficult cases. As part of compliance management and regular training for critical departments as well as in the course of sensitive information, the topic of potential business damage caused by the company's own employees is continuously addressed. In addition, ethical and legally compliant behaviour and openness in communication are promoted through intensive cultivation of the corporate and management culture.

There is also a risk of patent infringements. The Group counters this risk with a multi-stage review process in the product development process. The review is carried out by the legal department in collaboration with experienced employees from the development department and external law firms.

The development and maintenance of the Basler brand are indispensable components of competitiveness and are protected by law accordingly. The Basler name and logo as well as key product names are registered and protected trademarks.

6.7 Operational risks and opportunities

Another key success factor is timely and targeted product development. The processes and planning tools implemented in product development are constantly reviewed and adapted to requirements so that development processes can be completed on time and on budget within the scope of normal deviations. The Group is currently one of the pioneers in the areas of 3D ToF, embedded vision and AI image processing and is working at the technological frontier, meaning that these developments are associated with increased technology and market risks. At the same time, there is an opportunity for new patents to emerge as a result of this process.

In the design-in business, the continuous development and acquisition of customer projects is a key prerequisite for positive long-term sales growth. The project pipeline was also further developed in 2024 to support the targeted long-term growth of around 15 % per year.

Thanks to ISO certification and the lean management approach, production meets modern standards and is organizationally designed to cope with fluctuations in incoming orders and to be able to implement appropriate capacity utilization of employees and machines. In the medium term, the Group is very well prepared in terms of capacity for increasing demand with its current production equipment. Due to historical experience, a lack of transparency and high volatility, particularly in the Asian markets, the management consciously accepts manageable idle capacity costs in production to ensure delivery capability.

The Group's comparatively labour-intensive business model is influenced by inflation-related salary adjustments and will require significant increases in productivity in the coming years, over and above the restructuring measures that have been implemented. In the short term, the combination of temporary weakness in demand and inflation-related wage increases will put increased pressure on the Group's EBT margin.

6.8 Overall statement and outlook

As a manufacturer of computer vision solutions for the capital goods industry, the Management Board continues to assess the corporate strategy risk as low and the opportunities as high.

In the past financial year, in addition to the annual opportunity and risk inventory, a half-year inventory was introduced in which the significant opportunities and risks identified in the previous period and their measures were analyzed for the half-year. In addition, risk management is activated as required and newly emerging material risks are assessed on an ad hoc basis and, if necessary, the risk-bearing capacity is reviewed again.

For 2025, the main risks and opportunities are forecast to have a similar impact and probability. The focus will continue to be on the geopolitical risks presented.

7. Corporate governance system (unaudited)

The company's Management Board bears overall responsibility for the company's internal control system ("ICS"). It is responsible for the preparation and accuracy of the consolidated financial statements and the management report. These are ensured through the integration of the internal control systems, in particular with regard to the Group's accounting process and the Group-wide risk management and quality management system.

The aim of the internal control system with regard to the accounting process is to ensure the appropriateness and effectiveness of accounting and financial reporting. It is based on the internationally recognized framework for internal control systems of the Committee of Sponsoring Organizations of the Treadway Commission (COSO Internal Control - Integrated Framework), is continuously developed and is an integral part of the Group's accounting and financial reporting processes. The control system includes principles, procedures and preventive and detective controls.

The ICS comprises principles, procedures and measures to ensure the effectiveness and efficiency of business activities, to ensure the correctness of accounting and to ensure compliance with the relevant laws and regulations. The ICS also aims to ensure the reliability of operational information and the prevention of financial losses.

The ICS covers all key business processes and also includes controls beyond the accounting process. It is continuously developed further. It provides for process-integrated and process-independent monitoring measures. These measures include automated and manual controls, for example through

- the functional separation of execution and authorization functions within a company process,
- observance of the dual control principle,
- access controls,
- protection of IT systems against unauthorized access, IT authorization concepts and workflows, and
- downstream controls by the risk managers.

They are supported by the central SAP system and, in Korea and Italy, by local ERP systems with a dedicated authorization concept in which all of the Group's separate financial statements are prepared in accordance with uniform Group rules.

If consolidated companies prepare individual financial statements according to other accounting standards and with other ERP systems, the Group's standardized regulations for the commercial balance sheet II (IFRS Accounting Standards) apply, which are processed centrally in Group Accounting. The accounting principles and controls for monitoring process and data quality for the automated preparation of financial statements are stored in the central SAP system.

The closing processes are largely automated and controlled by suitable IT-supported workflows. The completeness and accuracy of accounting data is regularly checked, supported by random checks, plausibility checks and manual checks, as well as by the software used.

In procurement, there is an approval strategy in accordance with the dual control principle, which is implemented in SAP on the authorization side and described in the signature guideline. The signature guideline regulates in detail the signatures or approvals required depending on the type of contract, the type of service to be procured and the contract volume, and in some cases goes beyond the dual control principle.

In sales, various risks such as creditworthiness or embargo regulations are checked before offers are prepared. Here, too, there is a detailed signature guideline that provides for a dual control principle and defines the approvals of the corresponding hierarchy and responsibility levels according to criteria such as contract type, contract object or contract volume.

In line with the "Three Lines of Defense Model", risks are to be managed as effectively as possible by combining the ICS, RMS and Compliance Management System (CMS). This is ensured and continuously developed by the regular "Quality Circle" committee, made up of the QMB, CMS, Sustainability and RMS.

Internal audits of business processes regularly check compliance with these and other requirements and ensure that corrections are made as part of deviation management.

The Management Board and the Supervisory Board, in particular the Audit Committee, are involved in the review of the corporate governance systems, consisting of ICS, RMS, CMS and IRS. The appropriateness and effectiveness of the implemented corporate governance systems are regularly assessed by the Management Board and the Audit Committee or Supervisory Board. The Management Board regularly monitors and reviews the management systems through internal monitoring or external bodies. This also includes key accounting issues as well as audit assignments and audit focal points for auditors. The Management Board and Audit Committee receive regular reports on the status and audit results and review their appropriateness and effectiveness.

Every action - at all hierarchical levels, throughout the Group, internally and externally - must be based on a clear understanding of the legal provisions, the company's internal regulations and shared values. The Basler Code of Conduct therefore defines rules for how the aforementioned principles are to be implemented in the daily work of all Group companies worldwide.

All bodies, managers and employees of the Group are obliged to comply with the Basler Code of Conduct and all laws and company guidelines. An appropriate and effective compliance management system is therefore of great importance to the Group. The Group's compliance management system is organized on a decentralized basis to ensure that the necessary technical expertise is available. Compliance with regulations and laws is monitored worldwide by the company's compliance team. A compliance manager has been appointed who, among other things, pools the issues and maintains an overall view.

In cases of doubt, employees are obliged to seek competent advice from the compliance team, managers and specialist departments. The Group offers its employees and third parties the opportunity to report violations via its whistleblower system with various reporting channels. Infringements by business partners can also have a negative impact. To avoid compliance violations by our business partners, corresponding regulations are therefore part of onboarding processes, contractual regulations and reviews.

The Management Board is not aware of any information that would indicate an overall inadequacy or ineffectiveness of the governance systems. Nevertheless, there are limitations to the effectiveness of any risk management and control system. No system, even if it has been assessed as appropriate and effective, can guarantee that all risks that actually materialize will be detected in advance or that any process violations will be excluded under all circumstances.

7.1 Corporate governance declaration for the Group and Basler Aktiengesellschaft pursuant to Section 289f and Section 315d HGB

The Group declaration on corporate governance, declaration of compliance with the Corporate Governance Code, explanations of corporate governance practices and a description of the working methods of the Management Board and Supervisory Board can be found on the website www.baslerweb.com/investors under Investors - Corporate Governance.

The German Corporate Governance Code ("GCGC") provides for disclosures on the internal control and risk management system that go beyond the statutory requirements for the summarized management report and are therefore excluded from the audit of the Group management report by the auditor. These are thematically assigned to the corporate governance statement.

8. Risk reporting in relation to the use of financial instruments

Due to the Group's high export share, a large proportion of cash flows are denominated in foreign currencies. Net cash inflows in CNY, USD, JPY and KRW in particular resulted from sales revenue less material purchases and other expenses in the respective foreign currencies. Surplus foreign currency balances are generally exchanged for EUR. In addition, foreign currency surpluses that are highly likely to arise in the future are hedged using forward exchange transactions, the term of which generally does not exceed twelve months. This is intended to minimize currency risks from exchange rate fluctuations.

Derivative transactions are not used for speculative purposes but merely serve to minimize foreign currency risks. There were no derivative transactions in foreign currencies as at the balance sheet date.

The Group concludes derivative transactions exclusively with its principal banks. The Management Board considers the risk of counterparty default to be very low.

9. Supplementary disclosures in accordance with Sections 289a, 315a HGB

The following persons were members of the Management Board in 2024:

- Dr. Dietmar Ley, Chief Executive Officer (CEO): responsible for research and development, and the product business
- Hardy Mehl, Chief Financial Officer (CFO), Chief Operations Officer (COO) and Deputy CEO: responsible for operations, investor relations and HR, as well as organizational development
- Alexander Temme, Chief Commercial Officer (CCO): responsible for product distribution (sales, communication, service, marketing), the digital customer journey and the Group's subsidiaries worldwide

Alexander Temme left the company on December 31, 2024.

Ines Brückel joined the Group as Chief Financial Officer (CFO) on January 1, 2025.

The company's Articles of Association contain the following provision for the appointment and dismissal of members of the Management Board:

"The appointment of members of the Management Board, the revocation of their appointment and the conclusion, amendment and termination of service contracts with members of the Management Board are carried out by the Supervisory Board. The same applies to the appointment of a member of the Management Board as chairman and other members of the Management Board as deputy chairman."

The company's Articles of Association can only be amended by the Annual General Meeting and only with three quarters of the share capital represented when the resolution is passed.

The company's share capital of € 31.5 million is divided into 31.5 million no-par value bearer shares.

Norbert Basler Holding GmbH, which in turn is wholly owned by Basler-Beteiligungs-GmbH & Co. KG, held 16,590,456 shares and thus 52.67 % of the voting rights in the company as at December 31, 2024.

The powers of the Management Board with regard to the issue or repurchase of treasury shares are regulated in the Articles of Association as follows:

The Management Board is authorized, with the approval of the Supervisory Board, to increase the company's share capital by up to EUR 15,750,000.00 until May 22, 2027 by issuing up to 15,750,000 new no-par value ordinary bearer shares against cash and/or non-cash contributions on one or more occasions (Authorized Capital 2022). Shareholders are generally entitled to subscription rights. The new shares can also be taken over by one or more banks with the obligation to offer them to shareholders for subscription.

The Management Board is authorized to exclude shareholders' subscription rights once or several times with the approval of the Supervisory Board:

a) to the extent necessary to exclude any fractional amounts from shareholders' subscription rights;

b) insofar as it is necessary to grant the holders of option or conversion rights or obligations or conversion rights or obligations from bonds with warrants or convertible bonds to the extent to which they would be entitled as shareholders after exercising the option or conversion right or fulfilling the conversion obligation;

c) insofar as the new shares are issued against cash contributions and the total pro rata amount of the share capital attributable to the new shares to be issued does not exceed a total of € 3,150,000.00 or, if this amount is lower, a total of 10 % of the share capital existing at the time this authorization to exclude subscription rights (the "maximum amount") becomes effective and at the time this authorization is exercised for the first time, and the issue price of the new shares is not significantly lower than the stock market price of the company's shares of the same class already listed on the stock market at the time the issue price is finally determined;

d) insofar as the new shares are issued in return for non-cash contributions, in particular in the form of companies, parts of companies, interests in companies, license rights or receivables.

The share capital attributable to those shares issued or to be issued to service convertible bonds and/or bonds with warrants that are issued after May 23, 2022 in corresponding application of Section 186 para. 3 sentence 4 AktG with the exclusion of subscription rights, or that are sold after May 23, 2022 in corresponding application of Section 186 para. 3 sentence 4 AktG, shall be offset against the maximum amount in accordance with letter c) above.

No offsetting takes place if authorizations to issue convertible bonds and/or bonds with warrants pursuant to Section 221 para. 4 sentence 2 in conjunction with Section 186 para. 3 sentence 4 AktG or to sell treasury shares pursuant to Section 71 para. 1 no. 8, Section 186 para. 3 sentence 4 AktG are exercised by the Annual General Meeting after such authorizations have been exercised, or to sell treasury shares in accordance with Section 71 para. 1 no. 8, Section 186 para. 3 sentence 4 AktG are re-issued by the Annual General Meeting following the exercise of such authorizations that led to offsetting.

The Management Board is authorized, with the approval of the Supervisory Board, to determine the further details of the capital increase and the conditions of the share issue. The Supervisory Board is authorized to amend Section 4 of the Articles of Association following the full or partial implementation of the share capital increase in accordance with the respective utilization of the authorized capital and after the expiry of the authorization period.

The Management Board is authorized, with the approval of the Supervisory Board, to acquire treasury shares in the company up to a total of 10 % of the share capital existing at the time of the resolution or - if this value is lower - at the time the authorization is exercised until May 26, 2028 (inclusive). Together with other treasury shares that the company has acquired and still holds or are attributable to it, the treasury shares acquired on the basis of this authorization may at no time exceed 10 % of the company's existing share capital. Acquisition for the purpose of trading in treasury shares is excluded.

At the discretion of the Management Board, the shares may be acquired (i) via the stock exchange or (ii) by means of a public purchase offer addressed to all shareholders of the company or a public invitation to all shareholders of the company to submit an offer to sell or (iii) by means of a public exchange offer addressed to all shareholders in return for shares in a listed company within the meaning of Section 3 (2) AktG or by means of a public invitation to submit such an offer.

The Management Board is authorized, with the approval of the Supervisory Board, to use the treasury shares acquired on the basis of this or an earlier authorization for all legally permitted purposes.

All of the aforementioned authorizations may be exercised by the company in full or in partial amounts, on one or more occasions, in pursuit of one or more purposes. The authorizations - with the exception of the authorization to redeem treasury shares - may also be exercised by companies dependent on the company or majority-owned by the company or by third parties for its or their account.

The Management Board will inform the Annual General Meeting about the acquisition of treasury shares and their utilization. There are no other matters pursuant to Section 315a HGB.

10. Combined non-financial Group report

Responsibility for the topic of sustainability is assumed at Management Board and Supervisory Board level. Dedicated sustainability management ensures that the topic is highly prioritized in all areas of the company. The explicit integration of sustainability into the overall strategy ensures that the tension between economic, environmental and social objectives can be well balanced at all times. Please refer to the summarized non-financial report published separately on the parent company's website (www.baslerweb.com/en/company/sustainability).

11. Final declaration on the dependency report

We declare that Basler Aktiengesellschaft, Ahrensburg, received appropriate consideration for the legal transactions listed in the report on relationships with affiliated companies and persons according to the circumstances known to us at the time the legal transactions were carried out.

Ahrensburg, March 27, 2025

Dietmar Ley   Hardy Mehl   Ines Brückel

Figures / Results

Figures / Results

Consolidated Profit and Loss Statement
Group´s annual balance sheet according to IFRS for the fiscal year from January 1, 2024 to December 31, 2024

in € k	Notes	01/01/ – 12/31/2024	01/01/ – 12/31/2023
Sales revenues	3.2, 4	183,715	203,103
Currency earnings		1,211	-1,290
Cost of sales		-100,910	-116,093
Gross profit on sales		**84,016**	**85,720**
Other income	5	2,847	2,738
Sales and marketing costs		-39,775	-42,907
General administration costs		-27,683	-29,859
Research and development	6	-28,365	-37,209
Other expenses		-824	-385
Operating result		**-9,784**	**-21,902**
Financial income	7	497	3,287
Financial expenses	7	-1,638	-1,794
Financial result		**-1,141**	**1,493**
Profit shares in campanies accounted for using the equity method	7	-346	238
Impairment losses (including reversals of impairment) to companies accounted for using the equity method		-724	0
Earnings before tax		**-11,995**	**-20,171**
Income tax	8	-1,771	6,364
Group´s year surplus		**-13,766**	**-13,807**
of which are allocated to			
shareholders of the parent company		-13,766	-13,807
non-controlling shareholders		0	0
Average number of shares	9.4	30,740,144	30,346,651
Earnings per share diluted = undiluted (€)	9.4	-0.45	-0.45

Consolidated Statement of Comprehensive Income

Group´s annual balance sheet according to IFRS for the fiscal year from January 1, 2024 to December 31, 2024

in € k	Notes	01/01/ – 12/31/2024	01/01/ – 12/31/2023
Group's year surplus		-13,766	-13,807
Result from differences due to currency conversion, directly recorded in equity (to be reclassified to the consolidated income statement in the future under certain conditions)	19.4	-1,003	-1,941
Total result, through profit or loss		**-1,003**	**-1,941**
Total result		**-14,769**	**-15,748**
of which are allocated to shareholders of the parent company		-14,769	-15,748

Group Balance Sheet

Group´s annual balance sheet according to IFRS for the fiscal year from January 1, 2024 to December 31, 2024

in € k	Notes	12/31/2024	12/31/2023
Assets			
A. Long-term assets			
I. Intangible assets	3.11, 3.18.2, 10	41,153	44,304
II. Goodwill	2.4.2, 3.11, 3.18.1, 10	49,431	45,790
III. Fixed assets	3.9, 3.18	12,249	14,620
IV. Rights of use from leases	3.10, 3.13,18	19,078	22,291
V. Financial assets	23	9	5
VI. Financial assets accounted for using the equity method	23	336	1,786
VII. Other non-current financial assets	14, 23	7,188	5,496
VIII. Other non-current assets	14, 23	112	0
IX. Deferred tax assets	3.3, 11	3,163	2,424
		132,719	**136,716**
B. Short-term assets			
I. Inventories	12	38,806	44,044
II. Receivables from deliveries and services	13	28,390	27,425
III. Other short-term financial assets	15, 23	938	940
IV. Other current non-financial assets	15	9,285	13,499
V. Claim for tax refunds	3.3, 16	2,128	903
VI. Cash in bank and cash in hand	17	21,323	32,228
		100,870	**119,039**
		233,589	**255,755**

Group Balance Sheet

Group´s annual balance sheet according to IFRS for the fiscal year from January 1, 2024 to December 31, 2024

in € k	Notes	12/31/2024	12/31/2023
Liabilities			
A. Equity	19		
I. Subscribed capital		30,743	30,737
II. Capital reserves		10,669	10,669
III. Retained earnings		88,707	102,473
IV. Other components of equity		-5.707	-4,704
		124,412	**139,175**
B. Long-term liabilities			
I. Long-term liabilities to banks	20, 23, 24.1	44,244	51,360
II. Other financial liabilities	23	0	522
III. Leasing liabilities	18	16,755	19,907
IV. Non-current provisions	22	1,351	1,340
V. Deferred tax liabilities	3.3, 11	1,404	3,222
		63,754	**76,351**
C. Short-term debt			
I. Other financial liabilities	20, 23, 24.1	8,256	9,722
II. Short-term accrual liabilities	22	6,812	7,248
III. Trade payables		13,869	14,672
IV. Other financial liabilities	20, 23, 26	161	594
V. Other non-financial liabilities	21	11,634	4,555
VI. Leasing liabilities	18	2,828	2,731
VII. Current tax liabilities	3.3	1,863	707
		45,423	**40,229**
		233,589	**255,755**

Consolidated Statement of Changes in Equity

Group´s annual balance sheet according to IFRS for the fiscal year from January 1, 2024 to December 31, 2024

				Other components of equity			
in € k	**Subscribed capital**	**Capital reserve**	**Retained earnings incl. group's earnings**	**Differences due to currency conversion**	**Adjustment recognized directly in equity Rights of use/IFRS15**	**Sum of other components of equity**	**Total**
Shareholders´ equity as of 01/01/2023	**29,834**	**7,223**	**107,192**	**2,049**	**-4,812**	**-2,763**	**141,486**
Group annual loss			-13,807			0	-13,807
Other result				-1,941		-1,941	-1,941
Share salesback	903	3,446	13,320				17,669
Dividend outpayment*			-4,232				-4,232
Shareholders´ equity as of 31/12/2023	**30,737**	**10,669**	**102,473**	**108**	**-4,812**	**-4,704**	**139,175**
Group annual loss			-13,766	0		0	-13,766
Other result	6			-1,003		-1,003	-977
Shareholders´equity as of 12/31/2024	**30,743**	**10,669**	**88,707**	**-895**	**-4,812**	**-5,707**	**124,412**

* 0,14 € per share

Consolidated Cash Flow Statement

Group´s annual balance sheet according to IFRS for the fiscal year from January 1, 2024 to December 31, 2024

in € k	Notes	01/01/ – 12/31/2024	01/01/ – 12/31/2023
Operating activities			
Group's year surplus		-13,766	-13,807
Income tax expense recognized in profit or loss		3,141	-4,214
Payout / incoming payments for interest		721	628
Depreciation of fixed assets	9.1	19,795	23,600
Increase (+) / decrease (-) in accruals	22	732	-5,315
Profit (-) / loss (+) from asset disposals		-88	-125
Increase (-) / decrease (+) in reserves	12	5,238	6,293
Increase (+) / decrease (-) in advances from demand	13	219	-309
Increase (-) / decrease (+) in accounts receivable	13	-966	13,756
Increase (-) / decrease (+) in other assets		2,330	-1,699
Increase (+) / decrease (-) in accounts payable		-1,326	-4,239
Increase (+) / decrease (-) in other liabilities		-97	-8,269
Net cash provided by operating activities		**15,933**	**6,300**
Received corporate income tax		-1,292	-2,099
		14,641	**4,201**
Investing activities			
Payout for investments in fixed assets - tangible assets		-1,401	-1,922
Payout for investments in fixed assets - intangible assets		-8,406	-11,583
Incoming payments for asset disposals		357	438
Acquisition of subsidiaries		-2,996	0
Acquisition of associated companies		-1,177	-373
Interest paid in		346	330
Net cash provided by financing activities		**-13,276**	**-13,110**

Consolidated Cash Flow Statement

Group´s annual balance sheet according to IFRS for the fiscal year from January 1, 2024 to December 31, 2024

in € k	Notes	01/01/ – 12/31/2024	01/01/ – 12/31/2023
Financing activities			
Payout for amortisation of bank loans		-8,295	-3,356
Payout for amortisation of finance lease	18	-3,003	-3,411
Incoming payment for borrowings from banks		780	8,000
Interest payout	18	-1,067	-958
Interest from rights of use		-740	-975
Incoming payment for sale of own shares		0	17,669
Payout for own shares	19.5	0	0
Dividends paid		0	-4,232
Net cash provided by financing activities		**-12,325**	**12,737**
Change in liquid funds	17	**-10,960**	**3,828**
Funds at the beginning of the year		32,228	28,701
Effect of exchange rate changes on assets/liabilities in foreign currency		55	-301
Funds at the end of the year		**21,323**	**32,228**
Composition of liquid funds at the end of the year			
Cash in bank and cash in hand	17	21,323	32,228

Reconciliation according to IAS7

Reconciliation of movements in liabilities to cash flows from financing activities

in € k		Debts		Equity			Gesamt
		Liabilities to banks non-current interest-bearing liabilities to banks + other financial liabilities	Liabilities from finance lease	Subscribed capital/ capital reserve	Other reserves	Retained earnings	
Balance sheet as of 01/01/2024		**61,082**	**22,638**	**41,406**		**102,473**	**228,715**
Changes in cash flow from financing activities							
Payments from the repayment of bank loans	*-8,295*	-8,295					-8,295
Payments for the repayment of finance lease liabilities	*-3,003*		-3,003				-3,003
Proceeds from borrowings from banks	*780*	780					780
Interest payouts	*-1,067*	-1,067					-1,067
Interest portion of finance lease	*-740*		-740				-740
Proceeds from the sale of treasury shares	*0*						0
Payment for the acquisition of treasury shares	*0*						0
Payment for dividend	*0*						0
Total change in cash flow from financing activities	***-12,325***	**-8,582**	**-3,743**	**0**	**0**	**0**	**-12,325**
Non-cash changes (attributable to other areas of the CF)		0	688	6		-13,766	-14,027
Balance sheet as of 12/31/2024		**52,500**	**19,583**	**41,412**		**88,707**	**202,363**

Notes to the Consolidated Financial Statements

Notes to the Consolidated Financial Statements

1. The Company

Basler Aktiengesellschaft (hereinafter referred to as the "Company") has its headquarters in 22926 Ahrensburg (Germany), An der Strusbek 60-62 (Lübeck Local Court HRB 4090 AH). It has subsidiaries in Singapore, Taiwan, the USA, China, Japan and South Korea as well as sales and service branches in Germany, Finland, Poland, the Netherlands, France, Malaysia and the United Kingdom. Development takes place in Germany, Taiwan and Poland. Germany and Singapore are also the production locations. The Basler Group (hereinafter referred to as the "Group") develops, produces and sells capital goods for computer vision (machine vision technology) worldwide.

2. Accounting principles

2.1 Compliance with IFRS

The company's consolidated financial statements were prepared in accordance with the International Financial Reporting Standards (IFRS), as applicable in the European Union (EU), and the additional requirements of commercial law pursuant to Section 315e (1) of the German Commercial Code (HGB). All IFRS issued by the International Accounting Standards Board (IASB) that were mandatory at the time these consolidated financial statements were prepared and applied by the group have been endorsed by the European Commission for use in the EU. In the following, the term "IFRS" is therefore used consistently for these pronouncements that have been adopted into European law and applied by the company.

Unless otherwise stated, all figures are in thousands of euros (€ thousand). The financial year corresponds to the calendar year. The consolidated financial statements have been prepared on a going concern basis. The consolidated income statement was prepared using the cost of sales method.

2.2 Standards with no effect on the consolidated financial statements

The following (new or) amended standards (and interpretations) are mandatory in the EU for the first time for financial years beginning on January 1, 2024:

- Amendments to IAS 1 Presentation of Financial Statements: Classification of liabilities as current or non-current;
- Amendments to IAS 1 Presentation of Financial Statements: Non-current liabilities with covenants;
- Amendments to IFRS 16 Leases: Lease liability in a sale and leaseback agreement;
- Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Supplier Credit Arrangements

These standards currently have no material impact on the company's consolidated financial statements.

Notes to the Consolidated Financial Statements

2.3 Standards that have been passed but not yet applied

The following IFRSs adopted into EU law were issued by December 31, 2024, but are not mandatory until later reporting periods:

Change/Standard	Date of Publication	Date of Adoption into EU law	Time of Application	Estimated Effects for Initial Application
Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates: Lack of Convertibility	August 15, 2023	November 12, 2024	January 1, 2025	none

The following standards as well as interpretations and amendments to existing standards, which were also issued by the IASB, are not yet mandatory in the consolidated financial statements as of December 31, 2024. The application of these regulations requires that they be adopted into European law as part of the EU's IFRS endorsement process:

Change/Standard	Date of Publication	Date of Adoption into EU law	Time of Application	Estimated Effects for Initial Application
Amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Amendments to the Classification and Measurement of Financial Instruments	May 30, 2024	Open	January 1, 2026	None
Amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Contracts for Nature-Dependent Electricity	December 18, 2024	Open	January 1, 2026	None
Amendments to IAS 7, IFRS 1, IFRS 7, IFRS 9 and IFRS 10: Annual Improvements to IFRSs - Volume 11	July 18, 2024	Open	January 1, 2026	None

Notes to the Consolidated Financial Statements

Change/Standard	Date of Publication	Date of Adoption into EU law	Time of Application	Estimated Effects for Initial Application
IFRS 18: Presentation and Disclosures in the financial Statements	April 9, 2024	Open	January 1, 2027	*)
IFRS 19: Subsidiaries without public Accountability	May 9, 2024	Open	January 1, 2027	None

*) The Management board assumes that the application of the new standard will have a significant impact on the consolidated financial statements, particularly with regard to the presentation of the income statement.

2.4 Use of estimated Values

When preparing the consolidated financial statements in accordance with IFRS, it is necessary for the management to make estimates and assumptions about the recognition and amount of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the consolidated financial statements, as well as about the reported amount of sales, income and expenses recognized in the reporting period. Actual results may differ from these estimates.

Significant uncertainties in estimating the value of acquired goodwill may arise in respect of expected cash flows, discounting factors and growth rates; in respect of the useful lives, expected cash flows, discounting factors and growth rates of internally generated intangible assets. With regard to goodwill and internally generated intangible assets, please refer to sections 3.18.1 and 3.18.2 for the sensitivity analyses performed.

Furthermore, there are uncertainties with regard to tax provisions when estimating tax rates and reaching agreement with the authorities on amounts, and with regard to deferred taxes on loss carryforwards with regard to the generation of future cash flows of the companies to utilise the loss carryforwards.

When recognizing provisions relating to the value of the shares for performance-based remuneration and cash remuneration, estimates are made of the share price when the shares are transferred and the interest rate for discounting the cash payment, which may be subject to fluctuations.

Notes to the Consolidated Financial Statements

2.4.1 Measurement of goodwill

Goodwill amounting to € 49,431 thousand (previous year: € 45,790 thousand) is allocated to the Basler CGU (one segment). When assessing the recoverable amount of this goodwill, the management board believes that its amount strongly depends on the achievement of the budget for the coming years. The budgets include cash flow forecasts based on current and expected market conditions, which have been taken into account and approved by the management board. Due to the short-term nature of the business and volatile market conditions, sales forecasts are inherently uncertain. In addition, the discount factor and growth rates contain estimates that may be subject to fluctuations.

2.4.2 Assessment of the Recoverability of deferred Tax Assets

Based on the four-year plan prepared by the group, it can be assumed that the deferred taxes capitalized on loss carryforwards in the amount of € 8,700 thousand (previous year: € 7,305 thousand) will be realized in the future.

Uncertainties regarding deferred taxes on loss carryforwards exist primarily regarding the generation of future cash flows by the companies to utilize the loss carryforwards. The budgets include cash flow forecasts based on current and expected market conditions, which may be subject to fluctuations.

2.4.3 Assessment of Tax Provisions

Current tax liabilities of the group amounting to € 1,863 thousand (previous year: € 707 thousand) relate to tax payments for open tax positions or to the interpretation of tax regulations with regard to certain agreements made by the company. Due to the uncertainty associated with such uncertain tax items, it is possible that the result achieved may differ from the amounts currently recognized in the balance sheet when an agreement is reached with the tax authorities at a later date. Uncertainties regarding tax provisions lie in the estimation of tax rates and the agreement with the authorities on amounts.

2.4.4 Assessment of performance-based Remuneration

In accordance with the share plan, the members of the management board receive part of their performance-based remuneration in company shares. The number of shares is determined using a fixed conversion rate of € 19.01. The actual delivery and transfer of the shares is carried out in the same way as the payment of the variable performance-based remuneration in cash, with one third corresponding to the balance of the virtual share deposit account at the time of transfer.

The share value is recognized approximately at the fair value of the shares to be transferred. The closing price on XETRA at the end of the year of € 6.12 (previous year: € 11.64) is used for this purpose.

To recognize the variable performance-based remuneration in cash, the provision is discounted to the balance sheet date. A corresponding alternative fixed deposit interest rate was assumed as the interest rate.

When recognizing provisions relating to the value of the shares for performance-based remuneration and cash remuneration, estimates are made of the share price when the shares are transferred and the interest rate for discounting the cash payment, which may be subject to fluctuations.

Notes to the Consolidated Financial Statements

3. Accounting and Valuation Methods

3.1 Consolidation Principles

The consolidated financial statements include the financial statements of the company and the companies it controls (see subsidiaries). The company obtains control when it:

- can exercise power of disposal over the investee,
- is exposed to fluctuating returns from its investment, and
- can influence the level of returns due to its power of disposal.

The company reassesses whether or not it controls an investee if facts and circumstances indicate that one or more of the above three criteria for control have changed.

All subsidiaries that are directly or indirectly controlled by the company in accordance with IFRS 10 are included in the consolidated financial statements. An overview of the subsidiaries and investments can be found in Note IV. 29.

Current assets are cash, cash equivalents, assets held for collection, assets held for sale or consumption in the normal course of the operating cycle or assets held for trading within the next twelve months. All other assets are non-current (IAS 1.66).

Current liabilities are those that will be settled within twelve months in the normal course of the company's operating cycle or those for which the company has no right to defer settlement for at least twelve months at the end of the reporting period. All other liabilities are non-current (IAS 1.69).

Standardization

The to be consolidated financial statements of the company as the parent company and the consolidated subsidiaries are prepared using uniform accounting policies.

Preparation

All figures are stated in € thousand, therefore rounding differences may occur.

Currency conversion

The functional currency of the subsidiaries is the currency of the respective country, with the exception of Basler Asia Pte. Ltd. which reports in euros, as the majority of sales are invoiced in euros.

To prepare the consolidated financial statements, the assets and liabilities of the group's foreign subsidiaries are translated into the group currency, the euro, using the exchange rates applicable on the reporting date. Income and expenses are translated at the average exchange rate for the period.

Notes to the Consolidated Financial Statements

Conversion differences from the conversion of foreign subsidiaries into the group currency are recognized in other comprehensive income under other components of equity. As a result, equity decreased by € 1,003 thousand in the financial year (previous year: decreased by € 1,941 thousand).

The currency conversion of cash and cash equivalents and current assets and liabilities denominated in foreign currencies into euros resulted in income and expenses recognized in the income statement. The conversion was carried out at the closing rate of the transactions. This resulted in income of € 2,746 thousand (previous year: € 2,737 thousand) and expenses of € 1,534 thousand previous year: € 4,027 thousand) in the 2024 financial year.

Important exchange rates are as follows:

	Closing rates as at		Average rates	
	12/31/2024	**12/31/2023**	**2024**	**2023**
USD	1.039	1.105	1.082	1.081
TWD	34.147	33.837	34.732	33.489
JPY	163.060	156.330	163.850	151.990
KRW	1,532.150	1,433.660	1,475.400	1,412.880
PLN	4.275	4.340	4.306	4.542
CNY	7.583	7.851	7.788	7.660

Source: European Central Bank rates, except New Taiwan Dollar, which is determined via the daily interbank spot rate.

Consolidation Principles

Acquisitions are recognized in accordance with the provisions of IFRS 3. The identifiable assets acquired and liabilities assumed are generally measured at fair value. There are exceptions to this, e.g. in the case of deferred taxes. The revalued equity determined is compared with the consideration transferred. Any remaining positive differences are capitalized as goodwill and tested for impairment at least once a year in accordance with IAS 36. All intragroup balances, income and expenses as well as unrealized gains and losses from intragroup transactions are eliminated in full.

Deferred taxes are recognized in accordance with IAS 12 on consolidation transactions affecting profit or loss. Incidental acquisition costs are recognized as expenses.

In the event of a business combination achieved in stages, the equity interest previously held by the company in the acquired company (including interests held in joint operations) is remeasured at the fair value applicable at the acquisition date. Any resulting gain or loss is recognized in profit or loss.

Changes in the value of the equity shares previously held in the acquired company that were recognized in other comprehensive income before the acquisition date are reclassified to the consolidated income statement when the company gains control of the acquired company.

For reasons of clarity, changes have been made in the notes compared to the previous year; these are not changes in accordance with IAS 8.

Notes to the Consolidated Financial Statements

3.2 Income Realization

Revenue is recognized when it is probable that the economic benefits will flow to the group and the amount of revenue can be reliably measured. Income is recognized at the fair value of the consideration received or to be received. Discounts, rebates and value added tax or similar deductions are not taken into account. In addition, revenue recognition requires the fulfilment of the recognition criteria listed below.

The group generates revenue in the area of image processing solutions. Revenue is measured in the amount of the consideration that the group expects to receive from a contract with a customer.

Sale of goods and products

Revenue is recognized for goods and products when control over the goods and products sold has been transferred to the buyer. According to IFRS 15, the transfer of risks and rewards is an indicator of the transfer of control. This generally occurs upon delivery of the goods and products.

Services

Revenue from period-related services is recognized in the period in which they are rendered.

Interest income

Interest income arises from interest-bearing assets. This is recognized over the term of the debt. Interest income is recognized in the consolidated income statement as part of financial income.

3.3 Taxation

Current income taxes

Current tax refund claims and tax liabilities for current and prior periods are measured at the amount expected to be refunded by the tax authorities or paid to the tax authorities. The calculation of the amount is based on the tax rates and tax laws applicable on the balance sheet date. Current tax assets and tax liabilities are offset if the group has a legally enforceable right to set off current tax assets against current tax liabilities and these relate to income taxes levied by the same tax authority on the same taxable entity.

Current taxes relating to items recognized directly equity are not recognized in the income statement but directly in equity.

Deferred taxes

Deferred taxes are recognized using the liability method on temporary differences between the carrying amount of an asset or liability under IFRS and its tax base in the balance sheet as at the balance sheet date.

Deferred tax assets and tax liabilities are offset if the group has a legally enforceable right to set off current tax assets against current tax liabilities and these relate to income taxes levied by the same tax authority on the same taxable entity.

Notes to the Consolidated Financial Statements

Deferred tax liabilities are recognized for all taxable temporary differences, with the exception of:

- deferred tax liabilities arising from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the profit or loss for the period nor taxable profit or loss, and
- deferred tax liabilities from taxable temporary differences associated with investments in subsidiaries, associated companies and shares in joint ventures, if the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future, and
- deferred tax liabilities resulting from undistributed profits from investments where the timing of the reversal of the temporary differences is to be determined, and it is probable that the temporary differences will not reverse in the foreseeable future
- deferred tax liabilities from the initial recognition of an asset or liability from a transaction that does not give rise to taxable and deductible temporary differences of the same amount at the time of the transaction.

Deferred tax assets are recognized for all deductible temporary differences, unused tax losses carried forward and unused tax credits to the extent that it is probable that taxable income will be available against which the deductible temporary differences and the unused tax losses carried forward and tax credits can be used, with the exception of:

- deferred tax assets from deductible temporary differences arising from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the profit or loss for the period nor taxable profit or loss, and
- deferred tax assets from deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures if it is probable that the temporary differences will not reverse in the foreseeable future or sufficient taxable profit will not be available against which the temporary differences can be utilized.
- deferred tax assets from the initial recognition of an asset or liability from a transaction that does not give rise to taxable and deductible temporary differences of the same amount at the time of the transaction.

The book value of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available against which the deferred tax asset can be utilized, at least in part. Unrecognized deferred tax assets are reviewed at each balance sheet date and recognized to the extent that it has become probable that future taxable profit will the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the balance sheet date.

Notes to the Consolidated Financial Statements

Future changes in tax rates are taken into account if material conditions for effectiveness been met on the balance sheet date as part of a legislative process.

Deferred taxes relating to items that are recognized directly in equity are not recognized in the income statement but directly in equity. Deferred tax assets and deferred tax liabilities are offset against each other if the Group has a claim against the same tax authority for the same taxable entity or different taxable entities that intend to realize the assets and settle the liabilities at the same time.

3.4 Government Grants

Government grants for development expenses are recognized if there is reasonable assurance that the grants will be received, and the company will comply with the conditions attached to them.

Government grants are recognized as expenses in the consolidated income statement over the periods in which the group recognizes the corresponding expenses that are intended to compensate for the government grants.

Government grants paid as compensation for expenses or losses already incurred or for immediate financial support without future related expenses are recognized in the period in which the corresponding claim arises.

3.5 Equity Instruments

If the group acquires treasury shares, these are recognized at cost and deducted directly from subscribed capital. The purchase, sale, issue or cancellation treasury shares is not recognized in profit or loss.

The nominal amount of the shares (€ 1.00 per share) from these transactions is recognized in subscribed capital. Any differences between the nominal amount and the consideration are recognized in the capital reserve. The transaction value less the difference recognized in the capital reserve is transferred to retained earnings.

In the financial year, 0 shares (previous year: 894,000 shares) were sold and 6,188 (previous year: 9,281) shares were sold as part of management board-based remuneration. A total of € 9.3 thousand (previous year: € 903.3 thousand) was recognized against subscribed capital. A total of € 0 thousand (previous year: € 3,446 thousand) from these transactions was transferred to the capital reserve. The remaining profit of € 0 thousand (previous year: € 13,320 thousand) was recognized in retained earnings.

A dividend distribution in the amount of €0 thousand (previous year: €4,232 thousand) reduces the retained earnings.

Notes to the Consolidated Financial Statements

3.6 Financial Assets and Liabilities

IFRS 9 defines the requirements for recognizing and measuring financial assets and financial liabilities.

IFRS 9 contains three basic measurement categories for the classification of financial assets:

- at amortized cost (amortized cost),
- at fair value with changes in value recognized in other comprehensive income (FVOCI) and
- at fair value with changes in value recognized in profit or loss (FVTPL)

As well as financial liabilities:

- at fair value with changes in value recognized in profit or loss (FVTPL)
- at amortized cost
- at fair value with changes in value recognized in other comprehensive income (FVOCI)

Trade receivables are recognized at transaction costs at the time of acquisition, while financial assets are generally recognized at fair value at the time of acquisition.

Financial liabilities are recognized when a group company becomes a party to the contractual provisions of the financial instrument establishing the financial liability.

Financial liabilities are to be valued at their fair value on acquisition.

The group has bank balances and cash in hand, trade receivables, other financial assets (current and non-current), financial assets, financial liabilities (current and non-current), trade payables and other financial liabilities (current), which are measured in accordance with IFRS 9 (see also Note 23. Financial instruments). Financial liabilities are recognized using the effective interest method.

As in previous years, the company holds an investment in Beruf und Familie im HanseBelt gGmbH, Bad Oldesloe, which is valued at acquisition costs. This investment is classified as immaterial due to the 7.5 % of equity held in the amount of € 5 thousand.

Since the 2024 financial year, the company has held a 25.1 % stake in Roboception GmbH, Munich (hereinafter "Roboception"). With 25.1 %, the company exercises significant influence over Roboception. Roboception operates in the segment of 3D vision solutions for robotics applications. The significant increase in sales planned for 2024 did not materialize due to subdued demand in the market. The future development of Roboception's cash flows is strongly correlated with the development of the emerging market for 3D vision solutions in robotics. As this is a young market, growth rates on the currently still relatively low volumes can be in the two to three-digit percentage range. In order to take account of the time and volume-related risk of market development, a rather conservative plan was drawn up and a risk premium was added to the WACC. Based on this approach, the investment accounted for using the equity method was written down by € 724 thousand.

Notes to the Consolidated Financial Statements

3.7 Derivative Financial Instruments

The group enters into derivative financial instruments during the year to manage its exchange rate risks. These include forward exchange transactions and currency options. Derivatives are initially recognized at fair value at the time the contract is concluded and subsequently at each reporting date. The gain or loss resulting from the measurement is recognized in profit or loss unless the derivative is designated and effective as a hedging instrument in hedge accounting. In this case, the time at which the valuation results are recognized in profit or loss depends on the type of hedging relationship. The effective portion of the change in the fair value of derivatives that are suitable for cash flow hedges and have been designated as such is recognized in comprehensive income under the reserve for hedging transactions. The gain or loss attributable to the ineffective portion, if any, is recognized immediately in profit or loss and under other income/other expenses in the income statement.

There were no derivative financial instruments or hedging transactions as at the reporting date.

3.8 Inventories

Inventories include raw materials and supplies, merchandise, work in progress and finished goods. Inventories are valued at the lower of acquisition costs and net realizable value. Acquisition or production costs that have been incurred are recognized as follows:

- raw materials, consumables and supplies and merchandise: moving averages
- finished goods and work in progress: directly attributable material and production costs or services as well as appropriate portions of production overheads based on the normal capacity of the production facilities without taking borrowing costs into account

The net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated selling expenses.

3.9 Tangible Assets

Tangible assets are generally measured at cost less accumulated depreciation and accumulated impairment losses. The underlying useful lives correspond to the expected useful life of the assets in the company.

The scheduled straight-line depreciation of tangible assets is essentially based on the following useful lives:

Asset value	Useful life in years
Technical equipment and machinery	3 to 14
Operating and office equipment	3

Land is not depreciated on a scheduled basis.

Notes to the Consolidated Financial Statements

The book values of tangible assets are reviewed at each reporting date to determine whether there are any indications of impairment. Please refer to 3.17 for details.

An item of tangible assets is derecognized upon disposal or when no future economic benefits are expected from the continued use of the asset. The gain or loss arising from the sale or decommissioning of an item of tangible assets is determined as the difference between the disposal proceeds and the carrying amount of the asset and is recognized in profit or loss.

3.10 Rights of Use to Buildings and Land

The useful lives of assets recognized in accordance with IFRS 16 are based on the respective expected contractual useful lives of the leased asset. The right-of-use assets are amortized on a straight-line basis over the shorter of the lease term and the economic useful life of the identified asset. For further details, please refer to 3.13.

3.11 Goodwill and Intangible Assets

A goodwill of an amount of € 49,431 thousand (previous year: € 45,790 thousand) is allocated to the Basler CGU. This is capitalized at acquisition costs and is tested for impairment at least once a year (see 3.18.1)

Purchased intangible assets, mainly software, are capitalized at acquisition costs and amortized over their scheduled useful life. They are amortized on a straight-line basis.

Research costs are recognized as an expense in the period in which they incur.

Development costs are only capitalized as an intangible asset if the following can be demonstrated:

- technical feasibility of completion: The group verifies the technical feasibility and if the intangible asset can be completed. The technical requirements for the full development of the project can be met
- intention to complete and use or sell: The group intends either to use the intangible asset itself or to sell it. There are concrete plans to use and sell the developed product
- ability to use or sell the intangible asset: The group considers itself able to use or sell the intangible asset developed. This includes all necessary resources and capabilities to successfully complete the project
- evidence of future economic benefits: There is a probable economic benefit to the group from the use or sale of the intangible asset. The future cash flows expected from the use of the developed asset can be estimated with sufficient certainty and reliability
- availability of resources to complete the project: The group has sufficient technical, financial and other resources available to successfully complete the project and to use or sell the intangible asset
- ability to reliably measure development costs: The group can reliably measure the costs for the development of the intangible asset. The development costs incurred are documented and quantifiable

Notes to the Consolidated Financial Statements

Development costs are recognized after initial recognition using the manufacturing cost model, i.e. at manufacturing costs less accumulated amortization and accumulated impairment losses. Amortization begins at the end of the development phase and from the date on which the asset can be used. Depreciation is calculated on a straight-line basis over the period over which future benefit is expected.

The following useful lives are assumed:

Asset value	Useful life in years
Technical equipment and machinery	3 to 14
Operational and office equipment	3

Amortization expenses for capitalized development costs are included in the consolidated income statement under "Research and development" expenses, while amortization expenses for software and purchased product developments are included in sales and marketing costs and general administrative expenses.

During the development phase, an impairment test is carried out at least once a year and at special request. Please refer to 3.18 for details.

3.12 Bank Balances and Cash in Hand

The balance sheet item includes bank balances and cash in hand as well as short-term deposits with a term of up to three months. There is no need for impairment in accordance with the impairment model pursuant to IFRS 9.

3.13 Leases

Under IFRS 16, all leases and the associated contractual rights and obligations must be recognized in the lessee's balance sheet.

For leases that are not real estate, of low value and for short-term agreements with a term of up to twelve months, the application facilitation under IFRS 16.5 is applied and the expense is recognized in profit or loss on a systematic basis over the term.

Liabilities are recognized for future lease payment obligations for contracts for which no application relief is claimed. At the same time, rights of use to the underlying asset, which correspond to the present value of future lease payments plus initial direct costs, advance payments and dismantling costs and less incentive payments received, are capitalized.

Subsequent accounting is based on the effective interest method; the applicable interest rates correspond to the lease agreement or were determined on a country-specific basis and take into account the underlying special features of the lease agreements. During the term of the leases, the lease liabilities are amortized using financial mathematics, while the right-of-use asset is amortized as scheduled.

As lessees, the companies in the group apply the right-of-use model in accordance with IFRS 16.22, regardless of the legal ownership of the leased asset at the beginning of the lease term.

Notes to the Consolidated Financial Statements

On initial measurement, the right-of-use assets comprise the corresponding lease liability, the lease instalments paid at or before the start of the lease, less any lease incentives received and initial direct costs. Subsequent measurement is at acquisition cost less accumulated amortization and impairment losses. Rights of use are generally amortized over the term of the lease. However, if the useful life of the asset underlying the lease is shorter than the term of the lease, it is amortized over the term of the lease. Amortization begins at the inception of the lease

The lease liability is initially measured at the present value of the lease payments not yet paid at the commencement date, discounted using the interest rate implicit in the lease. In subsequent periods, the lease liability is remeasured by increasing the book value by the interest on the lease liability (using the effective interest method) and by reducing the book value by the lease payments made. If events or changes in circumstances indicate an impairment, an impairment test is carried out in accordance with IAS 36.

Notes to the Consolidated Financial Statements

3.14 Borrowing Costs

Borrowing costs are capitalized on qualifying assets in accordance with IAS 23 under internally generated intangible assets. They are added to the production costs of these up to the time as the assets are essentially ready for their intended use or for sale. Any income earned from the interim investment of specially borrowed capital up to its expenditure for qualifying assets is deducted from the capitalizable borrowing costs. All other borrowing costs are recognized in profit or loss in the period in which they incur.

3.15 Financial Liabilities

Financial liabilities are recognized at amortized costs and, if material, using the effective interest method. This includes financial liabilities.

3.16 Provisions

A provision is recognized when the companies in the group have a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow ofresources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the companies in the group expect at least partial reimbursement for a provision recognized as a liability (e.g. in the case of an insurance contract), the reimbursement is recognized as a separate asset if the inflow of the reimbursement is virtually certain. The expense from the creation of the provision is recognized in the income statement less the reimbursement.

Personnel expenses for performance-based remuneration in shares are recognized at the fair value of the consideration - i.e. the shares to be transferred - in accordance with IFRS 2.

If the interest effect resulting from discounting is material, non-current provisions are discounted using a pre-tax interest rate that reflects the risks specific to the liability. These include personnel expenses for performance-based remuneration in cash. In the event of discounting, the increase in provisions due to the passage of time is recognized as financial expenses.

3.17 Applicable Fair Value

The applicable fair value is the price that would be obtained in an orderly transaction between market participants on the valuation date for the sale of an asset or paid for the transfer of a liability. This applies regardless of whether the price is directly observable or has been estimated using a valuation method.

The fair value is not always available as a market price. It often has to be determined on the basis of various valuation parameters. Depending on the availability of observable parameters and the significance of these parameters for determining the fair value as a whole, the fair value is allocated to levels 1, 2 or 3. The categorization is based on the following criteria:

- Level 1 input parameters are quoted prices (unadjusted) in active markets for identical assets or liabilities that the company can access at the valuation date.
- Level 2 input parameters are observable input values that are not based on the market for identical assets or liabilities but can be applied to similar assets or liabilities.
- Level 3 input parameters are unobservable parameters for the asset or liability.

3.18 Impairment of Assets

The book values of tangible fixed assets and other intangible assets are tested for indications of impairment (impairment test) if triggering events occur. The book values of goodwill and work in progress are tested for impairment in the event of triggering events and at least once a year. If such indications are recognizable, the recoverable amount of the asset is estimated in order to determine the extent of any impairment loss. If the recoverable amount cannot be estimated at the level of the individual asset, the calculation is carried out at the level of the cash-generating unit (CGU) to which the respective asset is allocated.

When calculating both the value in use and the fair value less costs to sell (using the DCF method), there are estimation uncertainties for the underlying assumptions, particularly with regard to the following:

- sales growth rates
- EBT margins
- discount factor (WACC)
- growth rate in the perpetual annuity

3.18.1 Impairment Testing - Goodwill

In accordance with IFRS 3 and IAS 38, goodwill is not amortized. Instead, it is subjected to an impairment test once a year in accordance with IAS 36 or if there are indications of impairment and, if necessary, written down to its recoverable amount.

In accordance with IAS 36.80, goodwill must be allocated to the CGU that is expected to benefit from the synergy effects of the business combination. The CGU in question may not be larger than an operating segment. The lowest internal reporting level within the group at which goodwill is systematically monitored is named at the bottom (from the perspective of the corporate hierarchy). There is only one CGU in the group, which means that goodwill is tested at company level.

The recoverable amount is the higher of the fair value less costs of disposal (FVLCOD) and the value in use (VIU). To determine the VIU, the estimated future cash flows are discounted using a pre-tax interest rate. This takes into account both the current market assessment of the time value of money and the risks relating to the asset, insofar as these have not already been taken into account in the estimate of the cash flows. The calculations are based on forecasts that are based on the financial plans approved by management. The FVLCOD is determined using an appropriate valuation model that does not differ in the technical derivation for the calculation from the model used to calculate the value in use. When determining the FVLCOD, the approved plan is adjusted to the prevailing market expectations if necessary and reduced by the expected costs to sell. If impairment is required, any existing goodwill of the cash-generating unit concerned is first impaired. Any remaining amount is allocated pro rata to the other assets of the respective cash-generating unit on the basis of the residual carrying amounts as at the reporting date of each individual asset. If the reason for an impairment loss recognized in previous years no longer applies, the impairment loss is reversed up to a maximum of the amortized carrying amount, with the exception of goodwill. The impairment loss and the reversal of impairment losses are recognized immediately in the consolidated income statement.

The growth rates underlying the discounted cash flow calculation in the detailed planning period 2025 - 2028 for external sales are approximately 8 % - 12 % (previous year: approximately 13 % - 20 %) and for earnings before taxes (EBT) 5 % - 14 % (previous year: 16 % - 35 %). The growth rates are based on past experience and estimates of future demand and have been taken into account in our detailed planning. A growth rate of 2 % is taken into account for cash flows after the planning period. Discounting was based on a uniform risk-equivalent capitalization interest rate (weighted average cost of capital, WACC) of 9.8 % (previous year: 11.5 %), which is based on market data and considers company-specific risk factors.

The parameters sales growth, EBT margins, discount rate and growth rate in perpetuity were changed in sensitivity analyses:

- sales growth: change in the average growth rate from 10.6 % to 5 %, 8 % per year
- EBT margins: reduction of the base scenario to -2 % and -1 % of sales in each planning year
- discount factor: increase to 10.5 % and 11 %
- growth rate in the perpetual annuity: reduction to 0 %, 0.5 % and 1 %.

The sensitivity analyses determined that there is no need to recognize impairment losses on goodwill even if the parameters described above change.

3.18.2 Impairment Testing - other Intangible Assets

Capitalized development costs in the group are capitalized at the level of the product group that uses a common technology base. Impairment testing in the event of a triggering event or the annual review of unfinished own work is carried out at the level of the Basler CGU.

The growth rates underlying the discounted cash flow calculation in the detailed planning period 2025 - 2028 for external sales are approximately 8 % - 12 % (previous year: approximately 13 % - 20 %) and for earnings before taxes (EBT) 5 % - 14 % (previous year: 16 % - 35 %). The growth rates are based on past experience and estimates of future demand and have been taken into account in our detailed planning. A growth rate of 2 % is taken into account for cash flows after the planning period. Discounting was based on a uniform risk-equivalent capitalization interest rate (weighted average cost of capital, WACC) of 9.8 % (previous year: 11.5 %), which is based on market data and considers company-specific risk factors.

Notes to the Consolidated Financial Statements

In sensitivity analyses, the parameters of sales growth, EBT margins, discount rate and growth rate in perpetuity were changed:

- sales growth: change in the average growth rate to 5 % and 8 % per year
- EBT margins: reduction of the base scenario to -2 % and -1 % of sales in each planning year
- discount factor: increase to 10.5 % and 11 %.
- growth rate in the perpetual annuity: reduction to 0 %, 0.5 % and 1 %

In the sensitivity analyses, it was determined that even if the parameters described above were to change, there would be no need to recognize impairment losses on own work not yet completed.

Impairment losses on own developments amounting to € 1,496 thousand (previous year: € 5,398 thousand) were recognized during the year. Individual projects were identified and written off in full if they were no longer profitable, mainly due to a lack of demand.

4. Sales Revenues

Sales are attributable to the business with computer vision components. Sales are measured in the amount of the consideration that the group expects to receive from a contract with a customer. The group recognizes revenue when it transfers control of a product or service to a customer. In accordance with IFRS 15, revenue is recognized when the customer obtains control of goods or services. The legal transaction concluded determines whether control is transferred at a point in time or over time. Revenue is measured on the basis of the consideration specified in a contract with a customer. The following table provides information on receivables and contract liabilities from contracts with customers:

in € thousand	2024	2023
Receivables from goods and services	28,390	27,425
Contract liabilities	-162	-191
Contract asset value	280	649

The contract liabilities relate to the extended warranty, which represents a separate performance obligation as a "service-type warranty" and is to be recognized over the warranty period of three years. In the 2024 financial year, € 29 thousand (previous year: € 23 thousand) were recognized as contract liabilities under revenue. Upon fulfilment of the contract liabilities, the corresponding amount of revenue will be recognized.

The contract assets relate to unbilled period-related services from customer contracts. In the 2024 financial year, € 369 thousand (previous year: € 74 thousand) were recognized as contract assets under revenue.

5. Other Income

Other income breaks down as follows:

in € thousand	2024	2023
Research allowance for Germany	769	1,188
Revaluation gain Basler France SA	412	0
Income from the reversal of provisions	136	671
Subsidies for research and development	22	55
Other income	1,508	824
Total other income	**2,847**	**2,738**

In the current financial year, the group received grants amounting to € 769 thousand (previous year: € 1,188 thousand) as a research allowance. The grants for the 2024 financial year were recognized in full in profit or loss. There are no future related costs.

Tax-incentivized research funding supports companies in their research activities regardless of size, legal form and sector. Basler's R&D projects in the basic research category are eligible.

6. Research and Development

Research and development expenses break down as follows:

in € thousand	2024	2023
Full costs of research and development	28,788	32,956
Capitalization of own development costs	*-8,690*	*-8,174*
Amortization of capitalized developments	*8,267*	*12,427*
Net effect of capitalization and amortization	0	4,253
	28,365	**37,209**

The amortization of capitalized developments includes impairment losses of € 1,496 thousand (previous year: € 5,399 thousand). In this context, individual projects were identified and fully written off, as their profitability was no longer guaranteed due to a lack of demand.

7. Financial Result and share of profits in Companies accounted for using the Equity Method

in € thousand	2024	2023
Income from revaluation earn-out	151	2,957
Income from interest on credit balances	346	330
Financial income	**497**	**3,287**
Interest expense from lease liabilities	-796	-975
Interest expense from bank loans	-1,076	-1,053
Capitalization of interest in accordance with IAS 23	234	234
Financial expenses	**-1,638**	**-1,794**
Financial result	**-1,141**	**1,493**
Financial result at equity	**66**	**238**

The average financing cost rate taken into account in accordance with IAS 23 was 1.70 % in 2024 (previous year: 1.68 %).

Notes to the Consolidated Financial Statements

8. Income Taxes

Current taxes (paid or owed) on income and earnings as well as deferred taxes are recognized as income taxes.

Any income is shown with a negative sign.

in € thousand	2024	2023
Current tax expense from consolidated companies	4,405	1,975
Deferred tax income from consolidated companies	-2,635	-8,339
Tax expense or income	**1,770**	**-6,364**

Determination deferred tax expenses:

in € thousand	2024	2023
Deferred tax income from loss carryforwards	-1,359	-7,305
Deferred tax income from temporary differences	-1,276	-1,034
Deferred tax income	**-2,635**	**-8,339**

The effective tax burden is calculated applying the German corporation tax rate including the solidarity surcharge of 15.83 % (previous year: 15.83 %) and the applicable trade tax rate of 13.44 % (previous year: 13.48 %) results in a total tax rate of 29.97 % (previous year: 29.31 %) and is structured as follows:

in € thousand	2024	2023
Profit for the year before income taxes	-11,995	-20,171
Applicable tax rate	29.27 %	29.31 %
Expected tax income/expense	-3,511	-5,912
Transition:		
Effect of differing tax rates	-5,613	-775
Tax effect from non-deductible expenses and tax-free income	5,412	-70
Aperiodic effects from tax audit	4,889	0
Tax effects from at-equity valuation	-29	0
Effect from intra-group sales	19	339
Foreign withholding tax	291	293
Miscellaneous	312	-239
Current tax income / expense	1,770	-6,364
Group tax rate	14.76 %	31.55 %

The following tax loss carryforwards existed as of December 31 (in € thousand):

	2024	2023
Germany, corporate income tax	21,878	21,709
Germany, trade tax	31,021	21,045
China, Corporate Tax	4,271	4,126

Notes to the Consolidated Financial Statements

The tax loss carryforwards in Germany are valid for an indefinite period. Due to the legal situation, a maximum of € 1,000 thousand plus 40 % of the excess taxable profit per year can be utilized from the loss carryforwards. The tax loss carryforwards in China can be utilized until 2028.

9. Other Disclosures

9.1 Scheduled and unscheduled Impairments

In the 2024 financial year, impairment losses were recognized on capitalized product developments in the amount of € 1,496 thousand (previous year: € 5,399 thousand). Individual projects were identified and written off in full as their profitability was no longer given, mainly due to a lack of demand.

The impairment losses are included in the following areas:

in € thousand	2024	2023
Cost of realized services	1,189	1,296
Research and development	8,267	12,422
Sales and marketing costs	2,783	2,910
General administrative costs	6,397	6,500
Other expenses	434	472
	19,070	**23,600**

9.2 Personnel Expenses

in € thousand	2024	2023
Wages and salaries	68,434	79,946
Social security contributions and expenses for pensions and for support	12,968	14,821
	81,402	**94,767**

Expenses for the defined contribution pension schemes amounted to € 5,653 thousand in the financial year (previous year: € 6,162 thousand). Personnel expenses were burdened by expenses for severance payments as part of a restructuring program in the amount of € 2,242 thousand (previous year: € 6,800 thousand). The group's employees are mainly compulsorily insured under the statutory pension scheme and are therefore subject to a state defined contribution plan.

9.3 Cost of Materials

in € thousand	2024	2023
Cost of raw materials, and supplies and purchased goods	77,852	90,438
Expenses for purchased services	371	876
	78,223	**91,314**

In 2024, an amount of € 791 thousand (previous year: € 369 thousand) was incurred for warranty services.

Notes to the Consolidated Financial Statements

9.4 Reconciliation of Earnings per Share

	2024	2023
Earnings (diluted= undiluted) in € thousand	-13,766	-13,807
Weighted average number of ordinary shares	30,740,144	30,346,651
Earnings per share (diluted = undiluted) (€)	**-0.45**	**-0.45**

The average number of ordinary shares outstanding was calculated on a pro rata temporis basis, taking into account treasury shares. As of December 31, 2024, the company's share capital amounted to € 31,500 thousand, divided into 31.5 million no-par value bearer shares with a notional value of one euro each.

	Number of shares
Shares in circulation as of December 31, 2022	29,833,531
Sales	903,281
Purchases	0
Shares in circulation as of December 31, 2023	30,736,812
Share-based payment	6,188
Purchases	0
Shares in circulation as of December 31, 2024	30,743,000

10. Development of Fixed Assets

The development of the individual fixed asset items and depreciation and amortization for the financial year are shown in the consolidated statement of changes in fixed assets attached to the notes to the consolidated financial statements. Purchase commitments amounted to € 24,332 thousand as of December 31, 2024 (previous year: € 17,055 thousand).

The following intangible assets amounting to € 28,658 thousand (previous year: € 27,159 thousand) were of material significance for the financial statements in accordance with IAS 38.122b at the reporting date:

Description of the main intangible assets	Book value 12/31/2024 in € thousand	Book value 12/31/2023 in € thousand	remaining Useful life in years
New Mainstream/Upper Mainstream camera platforms	21,965	20,573	1-10
Development of camera modules for use with embedded processors	1,054	1,039	1-3
Camera development and improvement of 3D ToF technology	2,079	1,743	1-5
pylon software development kit	3,560	3,803	1-3
Total	**28,658**	**27,159**	

Notes to the Consolidated Financial Statements

Other intangible assets amounted to € 12,494 thousand (previous year: € 17,146 thousand).

The item "Goodwill" of € 49,431 thousand (previous year: € 45,790 thousand) as of December 31, 2024, relates to goodwill from the initial consolidation of consolidated subsidiaries. It was subjected to an impairment test on the reporting date, which, as in the previous year, did not result in any need for impairment.

11. Deferred Taxes

The following deferred tax assets and liabilities are attributable to recognition and measurement differences in the individual balance sheet items:

Deferred tax assets (in € thousand)	12/31/2024	12/31/2023
Other liabilities	328	0
Rights of use	5,621	6,497
Loss carryforwards	8,700	7,305
Participation	43	0
Inventories	2,032	1,496
Other	323	395
Balancing	-13.884	-13,269
	3,163	**2,424**

Deferred tax liabilities (in € thousand)		
Activated developments	9,015	8,682
PPA Activated developments	0	222
PPA customer relationships	134	401
Leasingverbindlichkeiten	5,480	6,396
Revenue realisation	35	134
Miscellaneous	597	656
Balancing	-13,857	-13,269
	1,404	**3,222**

Overall, there was a net deferred tax asset of € 1,759 thousand in the financial year (previous year: € -798 thousand). The positive balance is primarily due to the addition to the company's loss carryforwards amounting to € 1,359 thousand (previous year: € 6,274 thousand).

The other deferred tax assets include rights of use with a balance of €123 thousand (previous year: €101 thousand). Deferred tax assets and liabilities in the same amount of €180 thousand (previous year: €4,407 thousand) from the addition of new rights of use were netted.

Notes to the Consolidated Financial Statements

12. Inventories

Inventories are made up as follows:

in € thousand	12/31/2024	12/31/2023
Raw materials, suppliers, operating material	23,556	26,906
Semi-finished products	1,943	1,288
Finished products	7,227	7,227
Merchandise	6,080	8,623
	38,806	**44,044**

The group has set percentage markdowns based on stock range. These are based on the many years of experience of purchasing specialists and product managers and are reviewed regularly. In order to estimate a valuation at net realizable value with sufficient accuracy, the inventories as of December 31, 2024, were written down by a coverage discount of € 3,866 thousand (previous year: € 4,195 thousand). As in the previous year, the amount of the discount results from the high purchase obligations for raw materials and a lower outflow due to the decline in business.

The realization of inventories in the amount of € 1,652 thousand (previous year: € 1,518 thousand) is expected to take longer than twelve months.

13. Receivables from Goods and Services

Trade receivables amounting to € 28,390 thousand (previous year: € 27,425 thousand) are due within one year.

Trade receivables are individually impaired in the amount of € 244 thousand (previous year: € 190 thousand). Value adjustments are made if the recoverability of a receivable is jeopardized, e.g. due to insolvency. The necessary value adjustments have been below € 300 thousand for years. There have been no significant defaults on receivables in recent years due to consistent receivables management, which is why no valuation allowances are recognized in accordance with the lifetime expected loss.

The age structure of trade receivables is as follows:

In € thousand	Book value 12/31	Of which not overdue as of December 31	Of which up to 60 days overdue	Of which over 61 days overdue
2024	**28,390**	24,193	3,353	844
2023	**27,425**	22,167	4,820	439

Despite the ongoing war in Ukraine and the conflict in the Middle East, there was no significant deterioration in the payment behavior of the group's customers. Accordingly, there were only isolated individual impairments in 2024 and previous years.

Notes to the Consolidated Financial Statements

If the recoverability of a receivable is jeopardized by the illiquidity of a customer, specific valuation allowances are recognized in full. A general valuation allowance of € 4 thousand was calculated for the current year due to unexpected losses from customer transactions accordance with IFRS 9 but was not recognized for reasons of materiality.

The maximum default risk corresponds to the book values of the trade receivables recognized in the balance sheet (less the value adjustments recognized as at the balance sheet date).

14. Other non-current financial and other non-current Assets

The other non-current financial assets amounting to€ 7,188 thousand (previous year: € 5,496 thousand) relate to receivables of the company in the form of a tenant loan from Hastula II KG. These have a remaining term of more than 1 year.

Other non-current assets amounting to € 112 thousand (previous year: € 0 thousand) relate to a rental deposit for the office and office equipment at the location in Korea.

15. Other current financial and current non-financial Assets

Other current financial and non-financial assets break down as follows:

	12/31/2024 (in € thousand)	12/31/2023 (in € thousand)
Factoring	678	0
Other	260	940
Other current financial assets	**938**	**940**

	12/31/2024 (in € thousand)	12/31/2023 (in € thousand)
Tax receivables	635	857
Research allowance AG	992	1.188
Deferred expenses	4,564	5,297
Advance payments made	242	385
Other	2,851	5,772
Other current non-financial assets	**9,285**	**13,499**

The group uses the sale of receivables from banks as part of factoring agreements as a financing instrument to secure liquidity.

The maximum default risk corresponds to the book values of each financial asset recognized in the balance sheet. The other current financial assets are not impaired. There are no overdue receivables for which a valuation allowance is required. The application of the expected credit loss (ECL) model did not result in any significant effects.

16. Tax Refund Claims

The tax refund claims relate to the reclaiming of taxes on income and earnings amounting to € 2,128 thousand (previous year: € 903 thousand).

17. Bank Balances and Cash in Hand

Liquid assets consist of bank balances and cash in hand amounting to € 21,323 thousand (previous year: € 32,228 thousand).

Notes to the Consolidated Financial Statements

18. Leasing

The right-of-use assets of € 19,078 thousand (previous year: € 22,291 thousand) were offset by lease liabilities with a present value of € 19,583 thousand (previous year: € 22,638 thousand) as at the reporting date of December 31, 2024. The current portion of the lease liabilities amounts to € 2,828 thousand (previous year: € 2,731 thousand)

The payment obligations have the following maturity structure:

in € thousand	Minimum lease payments		Interest portion included		Present values	
	2024	2023	2024	2023	2024	2023
Maturity up to 1 year	3,509	3,522	680	791	2,828	2,731
Maturity over 1 year to 2 years	2,801	3,287	581	690	2,220	2,597
Maturity over 2 years to 3 years	2,395	2,952	509	594	1,886	2,358
Maturity over 3 years up to 4 years	2,179	2,578	443	517	1,736	2,061
Maturity over 4 years up to 5 years	1,727	2,330	389	447	1,339	1,883
Maturity over 5 years	10,797	12,621	1,226	1,617	9,574	11,008
Total	**23,408**	**27,290**	**3,828**	**4,656**	**19,583**	**22,638**

The payment obligations relating to the existing building and the extension in Ahrensburg are included in these figures.

The total cash outflows for leases amounted to € 3,003 thousand (previous year: € 3,411 thousand).

After expiry of the basic lease terms, there are standard market extension options, which are taken into account in the respective leases if they are sufficiently certain. The measurement of the present value was based on interest rates derived from the respective lease agreement or from calculations by local financial institutions, taking into account any country risks and terms of the respective lease agreement.

This does not include short-term leases, which are defined as having a term of twelve months or less, or leases for low-value assets with a value of less than € 12 thousand. Lease payments for short-term leases mainly include payments for software amounting to approximately € 3,303 thousand (previous year: € 3,598 thousand) and for low-value leases of € 415 thousand (previous year: € 533 thousand):

Notes to the Consolidated Financial Statements

The following interest rates were used to measure the present value:

Country	Interest rate in %	(PY)
Germany	2.7	(2.7)
USA	4.1	(4.5)
Singapore	4.0	(4.0)
China	5.3	(5.3)
Taiwan	3.0	(3.0)
Japan	3.0	(3.0)
Korea	3.0	(3.0)
Italy	5.0	(5.0)

The interest is derived from the respective leasing contract or from calculations by local financial institutions, taking into account any country risks and terms of the respective leasing contract.

19. Equity

19.1 Subscribed Capital

The company's fully paid-up share capital amounts to € 31,500 thousand (previous year: € 31,500 thousand) and is divided into 31,500,000 (previous year: 31,500,000) issued no-par value shares. Their notional value is € 1 per share. The shares are bearer shares.

The company held 757,000 (previous year: 763,188) treasury shares as at the balance sheet date. Equity-settled share-based payments to the management board are recognized at the fair value of the equity instruments received.

19.2 Authorized Capital

There is a share buy-back program. The share buy-back program was based on the authorization pursuant to Section 71 para. 1 no. 8 AktG dated 16 May 2019. This authorization was revoked at the Annual General Meeting on May 26, 2023 and a new authorization was granted. According to this authorization, the company may acquire treasury shares up to a total of 10 % of the share capital existing at the time of the resolution or - if this value is lower - at the time the authorization is exercised. It may not be used for the purpose of trading in treasury shares. The acquired shares may be used for all other legally permissible purposes. The authorization is valid until the end of May 25, 2028. On the acquisition side, this means that no more than 1,050,000

Notes to the Consolidated Financial Statements

shares may be acquired under the authorization. This does not include the shares issued as part of the capital increase from company funds on July 20, 2022, but only the 544,956 shares actually acquired by July 20, 2022 and the 31,601 shares acquired thereafter.

The company did not sell any shares in the reporting period (previous year: 894,000). Nevertheless, 6,188 (previous year: 9,281) shares were issued to the members of the management board as part of the variable remuneration. Please refer to section 28.3 of this report for information on the remuneration of the management board. As at the reporting date of December 31, 2024, the company held 757,000 treasury shares (previous year: 763,188), which correspond to 2.4 % (previous year: 2.4 %) of the share capital of € 31,500 thousand (previous year: € 31,500 thousand).

19.3 Reserves

Equity includes capital reserves amounting to € 10,669 thousand (previous year: € 10,669 thousand) and retained earnings of € 89,127 thousand (previous year: € 102,473 thousand). In addition to the historical cumulative results, retained earnings also include immaterial legal reserves of the Asian subsidiaries. Please refer to the consolidated statement of changes in equity for the development.

19.4 Other Components of Equity

The other components of equity are as follows:

	Other components of equity		
in € thousand	**Equity difference from currency conversion**	**Changes in equity from the first-time application of IFRS 16 / IFRS 15**	**Total other components of equity**
Equity 01/01/2023	**2,049**	**-4,812**	**-2,763**
Other result	-1,941		-1,941
Equity 12/31/2023	**108**	**-4,812**	**-4,704**
Other result	-1,003		-1,003
Equity 12/31/2024	**-895**	**-4,812**	**-5,707**

The equity difference from currency conversion includes currency conversion of foreign subsidiaries amounting to € 1,003 thousand (previous year: € 1,587 thousand).

Notes to the Consolidated Financial Statements

19.5 Dividend Payment

In 2024, no dividend was paid out for the 2023 financial year. In 2023, a dividend of € 0.14 per dividend-bearing share (total dividend € 4,232 thousand) was paid out for the 2022 financial year.

20. Financial Liabilities

Non-current financial liabilities account for € 44,244 thousand of the financial liabilities (previous year: € 51,360 thousand). These were measured using the effective interest method. The current repayment portion is recognized under current financial liabilities in the amount of € 8,256 thousand (previous year: € 9,722 thousand).

A reconciliation of the movements in liabilities to the cash flows from financing activities in accordance with IAS 7 is shown separately.

21. Non-financial Liabilities

The total of advance payments received on trade receivables amounts to € 1,309 thousand (previous year: € 1,159 thousand) and is included in other non-financial liabilities.

Total other non-financial liabilities (current) increased to € 11,634 thousand (previous year: € 4,555 thousand), primarily due to liabilities for current tax liabilities of € 4,513 thousand (previous year: € 1,137 thousand) from the findings of the tax audit regarding additional charges for subsidiaries, as well as current liabilities to employees of € 2,575 thousand (previous year: € 196 thousand) from upcoming payments from the 2024 restructuring measures.

22. Provisions

The current provisions for personnel costs were mainly recognized for variable salaries for the reporting year. The undiscounted amount of the service rendered, which is expected to be paid in exchange for the service rendered, was recognized.

The expected costs of short-term employee benefits in the form of compensated absences are recognized in the case of accumulating entitlements when the work that increases the employee's entitlement to future paid absences is performed. In the case of non-accumulating entitlements, however, they are recognized at the time the absence occurs. The current provisions are expected to be within one year.

The current provisions from the restructuring amount to € 595 thousand (previous year: € 698 thousand).

The non-current personnel provisions relate to the portions (remuneration and shares) of the management board remuneration deposited in the bonus bank amounting to € 934 thousand (previous year: € 1,057 thousand), which will fall due in 2026 due to the cancellation of performance-based remuneration in 2023 and 2024. Statutory provisions for employees are also included in the non-current personnel provisions

Notes to the Consolidated Financial Statements

in € thousand	01/01/2024	Feed	Utilization	Resolution	Interest	Currency differences	12/31/2024
Non-current provisions							
Personnel costs	1,340	44	-8	0	-25	0	1,351
Non-current provisions	**1,340**	**44**	**-8**	**0**	**-25**	**0**	**1,351**
Current provisions							
Personnel costs	5,991	4,909	-5,763	-57	0	-16	5,064
Warranty	399	400	-364	0	0	0	435
Legal and consulting costs	248	476	-245	0	0	0	470
Other	610	787	-474	-80	0	0	843
Current provisions	**7,248**	**563**	**-6,846**	**-137**	**0**	**-16**	**6,812**
Total	**8,588**	**6,606**	**-6,854**	**-137**	**-25**	**-16**	**8,163**

23. Financial Instruments

IFRS 9 contains three basic measurement categories for the classification of financial assets:

- at amortized cost (amortized cost),
- at fair value with changes in value recognized in other comprehensive income (FVOCI) and
- at fair value with changes in value recognized in profit or loss (FVTPL).

As well as financial liabilities:

- at fair value with changes in value recognized in profit or loss (FVTPL)
- at amortized cost

Notes to the Consolidated Financial Statements

in € thousand	Valuation Category acc. to IFRS 9	Book Value	
Assets		**2024**	**2023**
Other long-term financial assets	Amortized cost	7.188	5.496
Other long-term assets	Amortized cost	112	0
Other long-term assets		**7.300**	**5.496**
Financial assets	Amortized cost	9	5
Long-term financial assets		**9**	**5**
Receivables from deliveries and services	Amortized cost	28.390	27.425
Other short-term financial assets	Amortized cost	938	940
Short-term financial assets		**29.328**	**28.365**
Bank balances and cash at hand	**Amortized cost**	**21.323**	**32.228**
Total assets acc. to IFRS 9		**57.960**	**66.094**
Total assets	Amortized cost	*57.960*	*66.094*

in € thousand	Valuation Category acc. to IFRS 9	Book Value	
Liabilities		**2024**	**2023**
Long-term financial liabilities	Amortized cost	44.244	51.360
Other financial liabilities	Amortized cost	0	522
Liabilities from finance lease	Amortized cost	16.755	19.907
Long-term financial liabilities		**60.999**	**71.789**
Short-term financial liabilities	Amortized cost	8.256	9.722
Liabilities from deliveries and services	Amortized cost	13.869	14.672
Other financial liabilities	Amortized cost	161	594
Liabilities from finance lease	Amortized cost	2.828	2.731
Short-term financial liabilities		**25.114**	**27.719**
Total liabilities acc. to IFRS 9		**86.113**	**99.508**
Total liabilities	Amortized cost	*86.113*	*99.508*

The investment in Beruf und Familie im HanseBelt gGmbH, Bad Oldesloe, is recognized at cost due to immateriality.

Notes to the Consolidated Financial Statements

24. Type and Management of financial Risks

24.1 Liquidity risk

The group manages its liquidity risk through a combination of cash flow forecasts, a liquidity reserve, the utilization of credit lines and the regular review of the maturities of its liabilities.

The following table shows the remaining contractual maturities of the financial liabilities as at the reporting date, including estimated interest payments and repayments. These are non-discounted gross amounts including contractual interest payments and amortization.

	Contractual cash flows - 2024						
in € thousand	**Book value**	**Total amount**	**2 months or less**	**until 1 year**	**over 1 year up to 2 years**	**over 2 years up to 5 years**	**more than 5 years**
Financial liabilities	52,500	-54,750	-1,416	-7,468	-10,100	-24,094	-11,672
contained therein							
Redemptions	*52,500*	*-52,500*	*-1,304*	*-6,952*	*-9,572*	*-23,183*	*-11,489*
Interest payments		*-2,250*	*-112*	*-516*	*-528*	*-911*	*-183*
Leasing liabilities	19,583	-23,408	0	-3,509	-2,801	-6,301	-10,797
Liabilities from deliveries and services	13.869	-13.869	-13.869				
Other finanical liabilities	161	-161	-161				
Total	**86,113**	**-92,188**	**-15,446**	**-10,977**	**-12,901**	**-30,395**	**-22,469**

Notes to the Consolidated Financial Statements

	Contractual cash flows - 2023						
in € thousand	**Book value**	**Total amount**	**2 months or less**	**until 1 year**	**over 1 year up to 2 years**	**over 2 years up to 5 years**	**more than 5 years**
Financial liabilities	61,082	-64,176	-1,748	-7.381	-9,961	-28,368	-16,718
contained therein							
Redemptions	*61,082*	*-61,082*	*-1,618*	*-6,677*	*-9,323*	*-27,134*	*-16,330*
Interest payments		*-3,094*	*-130*	*-704*	*-638*	*-1,234*	*-388*
Leasing liabilities	22,638	-27,290	0	-3,522	-3,287	-7,859	-12,622
Liabilities from deliveries and services	14,672	-14,672	-14,672				
Other financial liabilities	594	-594	-594				
Total	**98,987**	**-106,733**	**-17,015**	**-10,903**	**-13,248**	**-36,227**	**-29,340**

As of the balance-sheet date, the company had undrawn credit lines with its banks amounting to € 12.9 million (previous year: € 11.0 million).

Notes to the Consolidated Financial Statements

24.2 Bad Debt Risk

For information on the maximum default risk, please refer to our disclosures in sections 13 and 14.

The group carries out regular reviews of its customers' creditworthiness with the help of internal and external assessments. In addition, the risk associated with trade receivables is mitigated by the fact that the company has a diversified customer base. There is also a precisely defined tracking process for outstanding receivables.

In addition, a probability of default and a possible loss are determined for business partners. Historical default experience, current information on the financial situation of business partners and the future prospects of the sectors in which they operate are taken into account. These are derived from economic appraisals, financial analyst reports and, if necessary, taking into account various external sources of current and forecast economic information. In the current reporting period, there were no changes to the methods or key assumptions used to determine the valuation allowances.

There is no bad debt risk for non-current financial assets relating to tenant loan payments.

24.3 Interest Rate Risk

All non-current financial liabilities reported as at the balance sheet date are measured at amortized cost and are not subject to interest rate risk within the meaning of IFRS 7 due to the existing fixed interest rate agreements.

24.4 Currency Risk

An analysis of the sensitivity of all foreign currency receivables and liabilities of the group companies as at the balance sheet date with regard to a 10 % fall or rise in the exchange rate on the balance sheet date would have the following effect on earnings (in € thousand):

Country	Closing rate +10 %	Closing rate -10 %
USD	1,667	-1,667
JPY	9	-9
SGD	0	-0
CNY	1,126	-1,126
	2,778	**-2,778**

The main foreign currencies were taken into account

Notes to the Consolidated Financial Statements

25. Type and Management of non-financial Risks and Opportunities

The following non-financial risks relating to climate change, environmental pollution and the circular economy may arise from the group's business model in relation to the development and manufacture of components for machine vision applications and their global distribution together with third-party products for industrial customers from a variety of different industries.

25.1 Climate Change

Negative impacts from greenhouse gas emissions (GHG) can arise in the upstream value chain, in connection with greenhouse gas emissions from own business activities and in the downstream value chain.

The group rates the scope and extent of the upstream value chain as low and has limited opportunities to influence it through cooperation with direct suppliers.

In its own business activities, the group assesses the scope and extent of these impacts as low and, by controlling these activities, has the opportunity to reduce these GHG emissions to almost zero by 2030 as part of its own targets.

The group considers the impact of the downstream value chain to be low to medium in scope and has little to no opportunity to influence the usage behavior of end users.

The physical impact of climate change on our suppliers' infrastructure and business operations represents a transition risk to supply chain continuity that should not be underestimated. Heat and water stress, rising sea levels, forest fires, storms, flooding and much more can interrupt our suppliers' business operations at any time and thus affect their ability to manufacture components for machine vision applications. The group assesses the occurrence of such supply chain disruptions as probable to very probable, but the financial impact as low thanks to the practised supply chain diversification.

The group expects demand for energy-efficient products and systems to increase in the medium to long term. The growing market for vision products and customer preferences for energy-saving camera products can lead to opportunities for sales growth. The Group considers these opportunities to be very likely to materialize in the medium term and the financial effect to be low to noticeable.

The goal of climate neutrality by 2030 and the planned switch to renewable energies may lead to cost savings for energy procurement in the medium term. The Group believes that the expected cost reductions are very likely to materialize in the medium and long term and considers the overall financial impact to be noticeable.

25.2 Environmental Pollution

As part of the determination of significant impacts, risks and opportunities, the group analyzed its own company locations, in particular production sites in Germany and Singapore, as well as activities in the upstream and downstream value chain.

Negative impacts in connection with in-house production arise from the use of and dependence on electricity as well as from waste, particularly electronic waste.

The activities in the upstream value chain require considerable amounts of energy. This is currently generated predominantly from fossil sources and results in the extraction, production and combustion of fossil fuels, which has a real, negative impact on environmental pollution. In addition to the effects of greenhouse gases, this relates in particular to air pollutants (nitrogen and sulfur oxides). These lead to the acidification of soil and water and can damage plants.

The group considers the scope and extent of these effects to be limited in the context of the upstream value chain. Effects are expected in the medium term as a result of the global transition to renewable energy sources.

The group's products require the use of so-called conflict minerals. This can result in environmental damage such as deforestation or drinking water pollution. The group considers the occurrence of these potential impacts to be probable. The scope and extent are considered to be limited, as the group uses comparatively few raw materials of this type overall.

In 2024, sustainability management efforts to identify and quantify substances of very high concern were carried out for the first time. This identified the presence of the heavy metals lead and cadmium in purchased product components.

If Basler products are disposed of improperly by end customers, this could have a potential negative impact on the environment. The group assesses the probability of occurrence of these potential impacts as possible. Should an impact occur, it is expected to be limited with potentially serious consequences.

25.3 Resource Utilization and Circular Economy

Our own production facilities in Germany and Singapore generate around 1,331 kilograms of electronic waste per year from surplus production, defective components or repairs from the Basler Repair Centre. Basler products are also disposed of by end customers at the end of their service life. Improper disposal by end customers could lead to the release of harmful substances (e.g. heavy metals).

The group considers the scope and extent of this impact to be minor, as a small amount of materials, raw materials and products are affected in total and Basler products are used by professional customers.

Notes to the Consolidated Financial Statements

The group currently uses little to no recycled materials in the manufacture of its products. In the area of electronic components, continuous and rapid technological progress makes it difficult to reuse 'old' components. However, peripheral components, e.g. metals for housing parts or plastics for seals and cable insulation, could be procured as secondary materials. The group sees this, to a small extent, as an opportunity to optimize cost structures.

25.4 Assessment of non-financial Risks and Opportunities

The group has assessed the aforementioned non-financial risks as part of its risk management processes. Based on the analysis of these risks and their potential impact on the group's financial position, they were categorized as low. These risks are not expected to have a material impact on the group's future financial performance. Accordingly, no significant adjustments were required to the balance sheet, income statement or notes. There are no effects on the cash flows taken into account in the impairment tests. The group also sees no impact of the aforementioned non-financial risks on the useful lives of its assets, estimated values and the underlying assumptions of the estimates and plans.

However, the group will continue to monitor regularly to ensure that there are no significant changes in these risk areas.

Overall, the group does not currently consider the impact of the opportunities listed on the group's product business to be material.

26. Capital Management

The group manages its capital with the aim of maximizing the income of its stakeholders by optimizing the ratio of equity to debt. It must also ensure that the Group has sufficient reserves for short-term growth. This objective is managed using the financing reserve ratio

in € thousand	12/31/2024	12/31/2023
Cash and cash equivalents	21,323	32,228
Free bank lines	12,900	10,000
	34,233	**42,228**

There is no change in this strategy compared to the previous year.

The group had credit lines amounting to € 12,900 thousand (previous year: € 10,000 thousand) on the reporting date. The availability of credit lines and the granting of bank loans is linked to compliance with certain financial covenants. The originally agreed covenants were suspended as at the balance sheet date. The interest rates on these funds are largely fixed.

Notes to the Consolidated Financial Statements

The following maturity analysis of financial liabilities shows the impact on the group's liquidity situation:

in € thousand	Total amount		< 1 year		> 1 year		thereof > 5 Jahre	
	2024	**2023**	**2024**	**2023**	**2024**	**2023**	**2024**	**2023**
Financial liabilities	52,500	61,082	8,256	9,722	44,244	51,360	11,489	16,330
Liabilities from deliveries and services	13.869	14,672	13.869	14,672	0	0	0	0
Other financial liabilities (current)	161	594	161	594	0	0	0	0
Leasing liabilities	19,583	22,638	2,828	2,731	16,755	19,907	9,574	11,008
Other financial liabilities (non-current)	0	522	0	0	0	522	0	522
Total	**86,113**	**99,508**	**25,114**	**27,719**	**60,999**	**71,789**	**21,063**	**27,860**

The undiscounted values of the lease liabilities can be found in the table under Note 18.

As at the balance sheet date, there were unutilized credit lines with the principal banks amounting to € 12.9 million (previous year: € 10.0 million).

27. Segment Report

In accordance with IFRS 8, operating segments are to be defined on the basis of internal reporting on group divisions, which is regularly reviewed by the group's chief operating decision maker with regard to the allocation of resources to this segment and the assessment of its profitability. Information reported to the Management Board as the chief operating decision maker for the purpose of allocating resources and assessing segment performance focuses on the market for Computer Vision's capital goods for primarily one customer group for each type of activity.

The group is a one-segment company. Cash flows are generated in the segment, the Basler CGU.

With the marketing of computer vision investment goods for OEM customers, the group is engaged in only one business activity. There are no significant operational or geographical differences that would justify splitting the company into different segments. Marketing is global and the products are largely not region-specific.

Notes to the Consolidated Financial Statements

All important operational decisions are made on the basis of information focused on the company's overall performance. Resources are planned and allocated throughout the group exclusively for the Basler CGU.

The company pursues a standardized strategy. Decisions are made at the overall company level.

Management is primarily based on the financially significant key figures of group sales and EBT margin.

In the following list of sales by region, the country of installation of the product is as the destination country. If this not known, the last known country of delivery is used.

in € thousand	**2024**	2023
Asia	82,693	95,265
EMEA	47,712	47,149
America	32,167	33,015
Germany	21,143	27,674
Total	**183,715**	**203,103**

In 2024 and 2023, no customer accounted for more than 10 % of sales.:

The non-current assets of the Basler Group are located in the following countries:

in € thousand	**12/31/2024**	12/31/2023
Germany	106,035	112,694
Asia	21,995	23,384
EMEA	4,647	560
USA	214	78
	132,891	136,716

28. Number of Employees

The average number of employees by functional area is shown in the following table:

	2024 Number	**2024** FTE*	**2023 Number**	**2023** FTE*
Sales and marketing	355	338	410	394
Development	242	225	298	281
Production	205	194	237	227
Administration	138	124	170	157
	940	**881**	**1,115**	**1,059**

*) Full Time Equivalent

Notes to the Consolidated Financial Statements

29. Auditor's Fee

The fees of Deloitte GmbH and BDO AG Wirtschaftsprüfungsgesellschaft are divided into the following categories:

in € thousand	2024	2023
Audit services	257	188
Other confirmation services	84	0
Tax consultancy services	0	0
Other services	0	0
Total	**341**	**188**

The other assurance services relate to the non-mandatory audit of the non-financial report.

Deloitte GmbH's fees for the network companies amounted to:

in € thousand	2024	2023
Basler Asia Pte. Ltd.	17	--
Basler Vision Technology (Beijing) Co. Ltd.	50	--
Basler Korea	34	--
Total	**101**	**--**

30. Relationships with related Parties

In the financial years 2023 and 2024, there were no business relationships with related parties, except for the remuneration of the management board and supervisory board.

52.67 % of the shares / voting rights in the company are held by Norbert Basler Holding GmbH, which in turn is wholly owned by Basler-Beteiligungs-GmbH & Co. KG

Notes to the Consolidated Financial Statements

31. Management Board and Supervisory Board

31.1 Members of the Management Board

The following persons were members of the management board in 2024:

- Dr Dietmar Ley, Chief Executive Officer (CEO): responsible for research and development, the product business
- Hardy Mehl, Chief Financial Officer (CFO), Chief Operations Officer (COO) and Deputy CEO: responsible for operations, investor relations, HR, and organizational development
- Alexander Temme, Chief Commercial Officer (CCO): responsible for product distribution (sales, communication, service, marketing), the digital customer journey and the Group's subsidiaries worldwide

Alexander Temme left the company on December 31, 2024.

Ines Brückel joined the group as Chief Financial Officer (CFO) on January 1, 2025.

31.2 Members of the Supervisory Board

The following persons were members of the supervisory board in 2024:

Norbert Basler	Chairman of the Supervisory Board, Chairman of the Nomination Committee, member of the Audit and Sustainability Committee, entrepreneur
Horst W. Garbrecht	Deputy Chairman, member of the Nomination Committee, Managing Director of CeramTec in Plochingen
Alexander Jürn	Full member of the Supervisory Board, employee representative, head of the company's finance and accounting department
Tanja Schley	Full member of the Supervisory Board, employee representative, Group Head of Production Engineering
Lennart Schulenburg	Full member of the Supervisory Board, member of the Audit and Sustainability Committee, Managing Director of VisiConsult X-ray Systems & Solutions GmbH in Stockelsdorf
Prof. Dr. Mirja Steinkamp	Full member of the Supervisory Board, Chairwoman of the Audit and Sustainability Committee, member of the Nomination Committee, auditor, tax consultant, professor at the University of Applied Sciences (HAW)

Notes to the Consolidated Financial Statements

Further mandates of the supervisory board members in 2024 in accordance with Section 285 No. 10 HGB were:

Norbert Basler

- Deputy Chairman of the Advisory Board AT Holding GmbH, Bad Oldesloe
- Deputy Chairman of the Advisory Board Zöllner Holding GmbH, Kiel
- Chairman of the Advisory Board Buhck Umweltservices GmbH & Co KG, Wentdorf
- Chairman of the Supervisory Board of the Northern Institute of Technology Management (NIT), Hamburg

Lennart Schulenburg

- Board of Directors of Schauenburg International GmbH, Mühlheim an der Ruhr

Prof. Dr. Mirja Steinkamp

- Member of the Supervisory Board of SUSS MicroTec SE, Garching near Munich
- Member of the Supervisory Board of HOCHTIEF AG, Essen
- Deputy Chairwoman of the Supervisory Board BartHaas GmbH & Co. KG, Nuremberg

The other members of the supervisory board do not hold any mandates on other supervisory boards or supervisory bodies.

31.3 Remuneration of Members of Management in Key Positions

The disclosures on the remuneration of key management personnel are based on IAS 24.17.

On January 1, 2011, the remuneration model for the management board was changed by introducing a long-term clause (see separate remuneration report on the group's website). According to this, the variable entitlements acquired in a financial year are paid out over three years and are subject to the interim risk of a substantial reduction due to a subsequent deterioration in the group's situation during this period.

The total remuneration of the management board amounted to € 1,269 thousand (previous year: € 2,205 thousand). The remuneration of the management board is presented in detail in a separate remuneration report.

In order to create a special performance incentive for the members of the management board and to motivate them to work on increasing the value of the company in the long term, the supervisory board has decided to grant the members of the management board a portion of the bonus in shares of the company at a fixed issue amount on the basis of a share plan. Subject to any adjustment on the basis of anti-dilution provisions, this corresponds to the average closing auction price of the

Notes to the Consolidated Financial Statements

company's shares in Xetra trading on the sixty (60) trading days in Frankfurt am Main prior to the date of the supervisory board's resolution on the currently valid share plan, but at least the pro rata amount of the share capital attributable to one share. According to the share plan, of the variable remuneration above 100% target achievement is to be granted in shares and transferred to the bonus bank (in the form of a virtual share deposit account). The actual delivery and transfer of the shares took place in the same way as the payment of the variable remuneration in cash, with one third corresponding to the level of the virtual share deposit account. The share plan originally had a term for the years 2021 to 2024 inclusive and was not initially extended beyond that. Any new agreement is to be reserved for the new remuneration system to be presented to the company's Annual General Meeting on May 23, 2025. In view of the bonus bank, no further lock-up period for the holding of shares was provided for. In the reporting year, 6,188 (previous year: 9,281) treasury shares were issued to the members of the management board active in the respective financial year as part of share-based remuneration.

Members of the Management Board (in € thousand)		**2024**	**2023**
Payments due in the short term		915	1,325
thereof	Fixed remuneration	861	1,241
	Fringe benefits	54	84
Benefits after termination of the employment relationship		0	0
Other long-term benefits due		0	0
Benefits due to termination of the employment relationship		685	0
Share-based payments		0	0
Total		**1,600**	**1,325**

The total remuneration of the members of the supervisory board amounted to € 232 thousand in 2024 (previous year: € 227 thousand). As in the previous year, there was no performance-related remuneration.

Members of the Supervisory Board (in € thousand)		**2024**	**2023**
Payments due in the short term		232	226
thereof	Basic remuneration	140	136
	Remuneration for committee activities	45	45
	Attendance fees	47	45
Benefits after termination of the employment relationship		0	0
Other long-term benefits due		0	0
Benefits due to termination of the employment relationship		0	0
Share-based payments		0	0
Total		**232**	**226**

Notes to the Consolidated Financial Statements

Total remuneration and advances granted in the financial year (Section 314 (1) No. 6 HGB):

In € thousand	2024	2023
Management Board members active in the financial year (Section 314 (1) no. 6 lit. a) HGB)	1,951	2,029
of which shares:	4,664 shares at € 19.01 each	9,281 shares at € 19.01 each
Supervisory Board members active in the financial year (Section 314 (1) No. 6 lit. a) HGB)	232	226
Former members of the Management Board (Section 314 (1) no. 6 lit. b) HGB	119	T$ 172
Former members of the Supervisory Board (Section 314 (1) No. 6 lit. b) HGB)	0	0
Provisions recognised for current pensions and pension entitlements for former members of the Management Board and Supervisory Board (Section 314 (1) no. 6 lit. b) sentence 3 HGB)	0	0
Advances granted (section 314 (1) no. 6 lit. c) HGB)	0	0

[1] This is based on the value according to the share plan.

Total remuneration and advances granted in the financial year (Section 285 (1) No. 9 HGB):

In € thousand	2024	2023
Management Board members active in the financial year (Section 285 (1) no. 9 lit. a) HGB	1,951	2,029
of which shares:	4,664 shares at € 19.01 each	9,281 shares at € 19.01 each
Supervisory Board members active in the financial year (Section 285 (1) no. 9 lit. a) HGB	232	226
Former members of the Management Board (Section 285 (1) no. 9 lit. b) HGB)	119	T$ 172
Former members of the Supervisory Board (Section 285 (1) no. 9 lit. b) HGB)	0	0
Provisions recognised for current pensions and pension entitlements for former members of the Management Board (section 285 (1) no. 9 lit. b) sentence 3 HGB)	0	0
Advances granted (section 285 (1) no. 9 c) HGB)	0	0

[2] This is based on the value according to the share plan.

Notes to the Consolidated Financial Statements

32. Companies/Shareholdings included in the consolidated financial Statements

In addition to the company, the following companies are included in the consolidated financial statements by way of full consolidation due to the majority of voting rights:

The company	Share in %	Share in %
	2024	2023
Basler Inc., Exton/USA	100	100
Basler Asia Pte. Ltd, Singapore/Singapore	100	100
Basler Korea Inc., Jungwongu/South Korea	100	100
Basler Japan KK, Minato-ku/Japan	100	100
Basler Vision Technologies Taiwan Inc., Jhubei City/Taiwan	100	100
Basler Vision Technology (Beijing) Co. Ltd, Beijing/China	100	100
2.2.8 Basler Poland sp. z o.o. ,	100	100
Basler Italy s.l.r., Trezzane/Italy	100	100
Basler France SA, Bordeaux /France	100	25,1

On July 1, 2022, the company acquired 25.1 % of i2S Vision (which was then renamed Basler France) for a purchase price of € 1,000 thousand. The contractually agreed earn-out component of € 240 thousand was paid in 2023. The company had the option to acquire the remaining 74.9 % of the shares in 2024. The purchase price for the remaining 74.9 % was contractually fixed at a sales and earnings multiple from July 1, 2023 to June 30, 2024, resulting in a purchase price of € 2,996 thousand. The incidental acquisition costs amounted to € 256 thousand. With the acquisition of the remaining 74.9 % as of July 2, 2024, the company has a controlling influence in accordance with IFRS 10, meaning that initial consolidation was carried out in accordance with IFRS 3 using the purchase method. The change to full consolidation represents a "change of status". According to the IASB, this change in status leads to a deemed disposal of the old shares at fair value and to a new acquisition in this amount. In the revaluation, the fair value in the amount of € 1,947 thousand of Basler France was determined. This resulted in a gain of € 412 thousand from the revaluation.

The valuations of the identifiable assets and liabilities carried out at this time are disclosed below in accordance with the requirements of IFRS 3. B64.

Basler France was acquired as part of a phased acquisition. The value of the consideration transferred was € 4,943 thousand.

Notes to the Consolidated Financial Statements

The fair values were determined at the time of acquisition on July 2, 2024:

- Intangible assets:
  - Orders on hand: € 47 thousand
  - Existing customer relationships: € 249 thousand
- Inventories: € 710 thousand
- Trade receivables: € 1,323 thousand
- Other current assets: € 1,049 thousand
- Cash: € 81 thousand
- Liabilities:
  - Trade payables: € 796 thousand
  - Current liabilities: € 1,568 thousand
  - Personnel provisions: € 44 thousand
- Tax effects
  - The tax effects of the acquisition were calculated in accordance with the applicable tax rules and include deferred tax liabilities of € 74 thousand in connection with the valuation of the intangible assets.
- Goodwill: With the acquisition of Basler France, the group expects to gain access to the French market in particular through the existing employees and market share of Basler. The resulting goodwill of € 3,926 thousand also includes synergy effects and expected future customer relationships, in addition to the uncontrolled workforce and market share. It is not tax deductible.

Notes to the Consolidated Financial Statements

The following shareholdings exist:

	Roboception GmbH, Munich		Beruf und Familie in the HanseBelt GmbH, Bad Oldesloe	
	12/31/2024** in € thousand	12/31/2023 in € thousand	12/31/2024 in € thousand	12/31/2023* in € thousand
Current assets	n.a.	422	n.a.	258
Non-current assets	n.a.	589	n.a.	5
Current liabilities	n.a.	117	n.a.	25
Non-current liabilities	n.a.	620	n.a.	n.a.
Equity capital	n.a.	274	n.a.	238
Attributable equity	n.a.	0	n.a.	18
Shares	25,1 %	0,0 %	7,5 %	7,5 %
Non-controlling interests	74,9 %	100,0 %	92,5 %	92,5 %
Sales revenue	n.a.	1.153	n.a.	n.a.
Net income for the year	n.a.	-115	n.a.	5
Dividend received	0	0	0	0

*) Financial statements as of December 31, 2024 were not available at the time of reporting. The 2022 financial statements were used as the basis here.
**) Financial statements as of December 31, 2024 were not available at the time of reporting. The 2023 financial statements were used as the basis here.

Notes to the Consolidated Financial Statements

On May 3, 2024, the company acquired 25.1 % of the shares in Roboception GmbH, Munich, as part of a strategic investment and capital increase. Roboception is accounted for using the equity method. The company has no control over Roboception but can exert a significant influence on the business through its shareholding. Roboception is expected to report a negative annual result for the financial year. A positive development of the business is expected. Due to the uncertainty of future cash flows in a still volatile growth segment, the investment was written down by € 724 thousand. The value of the investment may fluctuate in the coming years. The remaining risk for the group can currently be quantified as the residual carrying amount of Roboception amounting to € 336 thousand. The group has not assumed any financial obligations associated with the investment.

33. Information on the Declaration of Conformity

The declaration of compliance with the German Corporate Governance Code required by Section 161 of the German Stock Corporation Act (AktG) has been issued and made available to shareholders on the company's website at https://www.baslerweb.com/de-de/investoren/corporate-governance/.

34. Approval of the financial Statements

The consolidated financial statements were approved by the management board on March 27, 2025, and released for publication by the supervisory board on March 27, 2025.

35. Profit Appropriation Proposal of the Parent Company

The management board proposes that the net retained profits of € 49,664,508.97 be appropriated as follows:

Distribution of a dividend	0,00
Carried forward to new account	49,664,508.97
Retained earnings	**49,664,508.97**

36. Supplementary Report

No significant events with an impact on the consolidated financial statements occurred after the balance sheet date.

Ahrensburg, March 27, 2025

The management board

Dr. Dietmar Ley | Hardy Mehl | Ines Brückel

Appendix Notes

Development of Fixed Assets for Fiscal Year 2024

Group´s annual balance sheet according to IFRS for the fiscal year from January 1, 2024 to December 31, 2024

in € k	Acquisition and production costs					
	As at 01/01/2024	Additions	Transfers	Disposals	Foreign exchange differentials	As at 12/31/2024
Intangible assets						
Software, trademark rights, patents, and licenses	30,083	453	216	0	-170	30,582
Finished own developments	91,893	0	8,278	-105	0	100,066
Own developments in process	15,652	8,689	-8,278	0	0	16,063
Payments for third-party developments	216	120	-216	0	0	120
Total intangible assets	**137,844**	**9,262**	**0**	**-105**	**-170**	**146,831**
Goodwill						
Goodwill	45,784	3,925	0	0	-285	49,424
Total Goodwill	**45,784**	**3,925**	**0**	**0**	**-285**	**49,424**
Tangible Assets						
Land and buildings on third-party land	7,479	312	0	-625	11	7,177
Technical equipment and machinery	15,623	488	187	-82	-35	16,181
Other furniture, fixtures, and equipment	15,847	324	104	-66	-17	16,192
Assets under construction	56	288	-291	0	0	53
Total tangible assets	**39,005**	**1,412**	**0**	**-773**	**-41**	**39,603**
Buildings and Land under finance leases						
Land of finance lease	0	0	0	0	0	0
Buildings of finance lease	43,815	917	0	-1,932	46	42,846
Total Buildings and Land under finance leases	**43,815**	**917**	**0**	**-1,932**	**46**	**42,846**
Total Assets	**266,448**	**15,516**	**0**	**-2,810**	**-450**	**278,704**

Development of Fixed Assets for Fiscal Year 2024

Group´s annual balance sheet according to IFRS for the fiscal year from January 1, 2024 to December 31, 2024

in € k	Depreciations								Net book value	
	As at 01/01/2024	Additions	Unscheduled depreciations	Disposals	Disposals	Transfers	Foreign exchange differentials	As at 12/31/2024	As at 12/31/2024	Previous year
Intangible assets										
Software, trademark rights, patents, and licenses	16,374	3,965	175	0	0	0	-164	20,350	10,232	13,709
Finished own developments	76,582	6,772	0	0	-105	834	0	84,083	15,983	15,311
Own developments in process	584	0	1,496	0	0	-834	0	1,246	14,817	15,068
Payments for third-party developments	0	0	0	0	0	0	0	0	120	216
Total intangible assets	**93,540**	**10,737**	**1,671**	**0**	**-105**	**1**	**-164**	**105,679**	**41,152**	**44,304**
Goodwill										
Goodwill	-7	0	0	0	0	0	0	-7	49,431	45,791
Total Goodwill	**-7**	**0**	**0**	**0**	**0**	**0**	**0**	**-7**	**49,431**	**45,791**
Tangible Assets										
Land and buildings on third-party land	3,104	466	15	0	-397	1	7	3,196	3,981	4,375
Technical equipment and machinery	12,624	901	0	0	-76	-1	-27	13,421	2,760	2,999
Other furniture, fixtures, and equipment	8,658	2,113	7	-8	-30	-1	-2	10,737	5,455	7,189
Assets under construction	-1	0	0	0	0	1	0	0	53	57
Total tangible assets	**24,385**	**3,480**	**22**	**-8**	**-503**	**0**	**-22**	**27,354**	**12,249**	**14,620**
Buildings and Land under finance leases										
Land of finance lease	0	0	0	0	0	0	0	0	0	0
Buildings of finance lease	21,525	3,161	0	0	-959	0	41	23,768	19,078	22,290
Total Buildings and Land under finance leases	**21,525**	**3,161**	**0**	**0**	**-959**	**0**	**41**	**23,768**	**19,078**	**22,290**
Total Assets	**139,456**	**17,378**	**1,693**	**-8**	**-1,567**	**0**	**-145**	**156,794**	**121,910**	**127,005**

Development of Fixed Assets for Fiscal Year 2023

Group´s annual balance sheet according to IFRS for the fiscal year from January 1, 2023 to December 31, 2023

	Acquisition and production costs					
in € k	As at 01/01/2023	Additions	Transfers	Disposals	Foreign exchange differentials	As at 12/31/2023
Intangible assets						
Software, trademark rights, patents, and licenses	26,403	3,379	581	0	-280	30,083
Finished own developments	86,438	0	5,455	0	0	91,893
Own developments in process	12,698	8,409	-5,455	0	0	15,652
Payments for third-party developments	333	216	-172	-156	-5	216
Total intangible assets	**125,872**	**12,004**	**409**	**-156**	**-285**	**137,844**
Goodwill						
Goodwill	46,062	0	0	0	-279	45,783
Total Goodwill	**46,062**	**0**	**0**	**0**	**-279**	**45,783**
Tangible Assets						
Land and buildings on third-party land	6,914	231	369	-5	-30	7,479
Technical equipment and machinery	17,572	579	-2,353	-83	-92	15,623
Other furniture, fixtures, and equipment	11,830	903	3,178	-21	-42	15,848
Assets under construction	1,341	462	-1,603	-138	-7	55
Total tangible assets	**37,657**	**2,175**	**-409**	**-247**	**-171**	**39,005**
Buildings and Land under finance leases						
Buildings of finance lease	30,680	15,325	711	-2,618	-282	43,816
Total Buildings and Land under finance leases	**31,391**	**15,325**	**0**	**-2618**	**-282**	**43,816**
Total Assets	**240,982**	**29,504**	**0**	**-3,021**	**-1,017**	**266,448**

Development of Fixed Assets for Fiscal Year 2023

Group´s annual balance sheet according to IFRS for the fiscal year from January 1, 2023 to December 31, 2023

in € k	Depreciations							Net book value	
	As at 01/01/2023	Additions	Unscheduled depreciations	Disposals	Transfers	Foreign exchange differentials	As at 12/31/2023	As at 12/31/2023	Previous year
Intangible assets									
Software, trademark rights, patents, and licenses	12,651	3,865	0	0	0	-142	16,374	13,709	13,752
Finished own developments	64,744	7,023	4,815	0	0	0	76,582	15,311	21,694
Own developments in process	0	0	584	0	0	0	584	15,068	12,698
Payments for third-party developments	0	0	0	0	0	0	0	216	333
Total intangible assets	**77,395**	**10,888**	**5,399**	**0**	**0**	**-142**	**93,540**	**44,304**	**48,477**
Goodwill									
Goodwill	-7	0	0	0	0	0	-7	45,790	46,069
Total Goodwill	**-7**	**0**	**0**	**0**	**0**	**0**	**-7**	**45,790**	**46,069**
Tangible Assets									
Land and buildings on third-party land	2,716	418	0	-5	0	-25	3,104	4,375	4,198
Technical equipment and machinery	11,769	993	0	-72	0	-66	12,624	2,999	5,803
Other furniture, fixtures, and equipment	6,383	2,305	0	-14	0	-16	8,658	7,190	5,447
Assets under construction	-1	0	0	0	0	0	-1	56	1,342
Total tangible assets	**20,867**	**3,716**	**0**	**-91**	**0**	**-107**	**24,385**	**14,620**	**16,790**
Buildings and Land under finance leases									
Land of finance lease	0	0	0	0	0	0	0	0	711
Buildings of finance lease	18,816	3,597	0	-794	0	-94	21,525	22,291	11,864
Total Buildings and Land under finance leases	**18,816**	**3,597**	**0**	**-794**	**0**	**-94**	**21,525**	**22,291**	**12,575**
Total Assets	**117,071**	**18,201**	**5,399**	**-885**	**0**	**-343**	**139,443**	**127,005**	**123,911**

Independent Auditor‘s Report

To Basler Aktiengesellschaft, Ahrensburg/Germany

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS AND OF THE COMBINED MANAGEMENT REPORT

Audit Opinions

We have audited the consolidated financial statements of Basler Aktiengesellschaft, Ahrensburg/Germany, and its subsidiaries (the Group) which comprise the group balance sheet as at December 31, 2024, the consolidated statement profit and loss statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated cash flow statement for the financial year from January 1 to December 31, 2024, and the notes to the consolidated financial statements, including material accounting policy information. We have not audited the content of the remuneration report pursuant to Section 162 German Stock Corporation Act (AktG) referenced in section 28.3 of the notes to the consolidated financial statements. In addition, we have audited the combined management report for the parent and the group of Basler Aktiengesellschaft, Ahrensburg/Germany, 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 corporate governance statement pursuant to Sections 289f and 315d HGB and of the combined non-financial statement pursuant to Sections 289b and 315b, which are both referred to in sections 7 and 10, respectively, of the combined management report. In addition, we have not audited the content of the executive directors’ statement on the appropriateness and effectiveness of the entire internal control system and of the risk management system included in section 7 of the combined management report and marked as unaudited

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

- the accompanying consolidated financial statements comply, in all material respects, with the IFRS® Accounting Standards issued by the International Accounting Standards Board (IASB) (hereinafter “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; in this respect, our audit opinion on the consolidated financial statements does not cover the content of the remuneration report; and

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

Independent Auditor's Report

Pursuant to Section 322 (3) sentence 1 German Commercial Code (HGB), we declare that our audit has not led to any reservations relating to the legal compliance of the consolidated financial statements and of the combined management report.

Basis for the Audit Opinions

We conducted our audit of the consolidated financial statements and of the combined management report in accordance with Section 317 HGB and the EU Audit Regulation (No. 537/2014; referred to subsequently as "EU Audit Regulation") and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW). Our responsibilities under those requirements and principles are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements and of the Combined Management Report" section of our auditor's report. We are independent of the group entities in accordance with the requirements of European law and German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. In addition, in accordance with Article 10 (2) point (f) of the EU Audit Regulation, we declare that we have not provided non-audit services prohibited under Article 5 (1) of the EU Audit Regulation. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions on the consolidated financial statements and on the combined management report.

Key Audit Matters in the Audit of the Consolidated Financial Statements

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the financial year from January 1 to December 31, 2024. These matters were addressed in the context of our audit of the consolidated financial statements as a whole and in forming our audit opinion thereon; we do not provide a separate audit opinion on these matters.

In the following, we present the recoverability of capitalized developments and of goodwill, which we have determined as the key audit matter in the course of our audit.

Our presentation of this key audit matter has been structured as follows:

a. description (including reference to corresponding information in the consolidated financial statements)

b. auditor's response

Independent Auditor's Report

Recoverability of capitalized developments and of goodwill

a. In the consolidated financial statements of Basler Aktiengesellschaft, capitalized developments of mEUR 30.8 and goodwill of mEUR 49.4 are disclosed under intangible assets. Taken together, these items account for about mEUR 80.2 or 34.3% of the consolidated total assets.

   Own developments are depreciated over a useful life of one to ten years. In addition, the book values of own developments are reviewed on each reporting date to identify any indications of impairment. If such evidence is available, the asset's recoverable amount is estimated by determining the value in use.

   Capitalized own developments that have not yet been completed and goodwill are subjected to an impairment test in accordance with IAS 36 as at December 31 of each financial year and in case there are indications of impairment. The impairment test for capitalized developments and goodwill is carried out by comparing the book value with the value in use of the cash-generating unit, which is determined as the present value of future cash flows using a discounted cash flow model. This determination of the present value is based on a planning for the next four financial years derived from the cumulative group planning. Complementarily, perpetuity is taken into account based on the fourth planning year.

   The result of the valuation depends to a large extent on the discretionary assessment of future cash flows and growth rates by the executive directors as well as of the discount rate used. The valuations are therefore subject to great uncertainties. Against this backdrop, and due to the complexity of the calculation, this matter was of particular importance within the context of our audit.

   Based on the results of impairment tests, impairments of mEUR 1.5 were recognized on own developments in the financial year 2024.

   The disclosures of Basler Aktiengesellschaft on intangible assets (incl. goodwill) are contained in sections 3.11 “Goodwill and Intangible Assets”, 3.17 “Applicable Fair Value” and 9.1 “Scheduled and Unscheduled Impairment” of the notes to the consolidated financial statements.

b. As part of our audit, we obtained an understanding of the executive directors' process for performing the impairment tests and of the corporate planning process, including the related accounting-relevant controls. In doing so, we verified and reviewed the methodology used to perform the impairment tests. For the purpose of risk assessment, we obtained an overview of the Group's past adherence to planning and included the results in our assessment. In the case of estimates made by the executive directors, we assessed the methods applied, assumptions made and data used in terms of their reasonableness.

Independent Auditor's Report

We compared the expected future cash flows included in the valuation with the budget for 2025 adopted by the supervisory board as well as with the approved four-year planning. Regarding the assessment of the appropriateness of assumptions, premises, methods and valuation models, we involved internal valuation specialists in our audit and, with their support, also assessed the methodology used to perform the impairment tests, the weighted average cost of capital used, and the calculation scheme. In assessing the appropriateness of the planning calculation, we relied on our comparison with market data and on explanations of the executive directors on the impairment tests. We checked the parameters underlying the weighted average cost of capital for plausibility using market data and with the help of information and explanations provided to us.

Since a considerable proportion of the value in use results from forecast cash flows for the period beyond the four-year planning (perpetuity phase), we critically reviewed in particular the sustainable growth rate used in the perpetuity phase.

Moreover, we carried out our own sensitivity analyses to determine whether the respective goodwill is sufficiently covered by the discounted expected future cash flows.

In addition, we inspected all of the minutes of meetings of the executive directors and of the supervisory board, and included the discussions and explanations on the business development of the cash-generating unit occurred in these meetings in our plausibility check.

Other Information

The executive directors and/or the supervisory board are responsible for the other information. The other information comprises

- the report of the supervisory board,
- the remuneration report pursuant to Section 162 AktG,
- the corporate governance statement,
- the separate combined non-financial statement,
- the executive directors' statement on the internal control system and on the risk management system included in the combined management report,
- the executive directors' confirmations pursuant to Sections 297 (2) sentence 4 and 315 (1) sentence 5 HGB regarding the consolidated financial statements and the combined management report, and
- all other parts of the annual report,
- but not the consolidated financial statements, not the audited content of the disclosures in the combined management report and not our auditor's report thereon.

Independent Auditor‘s Report

The supervisory board is responsible for the report of the supervisory board. The executive directors and the supervisory board are responsible for the statement according to Section 161 AktG concerning the German Corporate Governance Code, which is part of the corporate governance statement, and for the remuneration report. Otherwise the executive directors are responsible for the other information.

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

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

- is materially inconsistent with the consolidated financial statements, with the audited content of the disclosures in the combined management report or our knowledge obtained in the audit, or
- otherwise appears to be materially misstated

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

The executive directors are responsible for the preparation of the consolidated financial statements that comply, in all material respects, with IFRS Accounting Standards as adopted by the EU and the additional requirements of German commercial law pursuant to Section 315e (1) HGB, and that the consolidated financial statements, in compliance with these requirements, give a true and fair view of the assets, liabilities, financial position and financial performance of the Group. In addition, the executive directors are responsible for such internal control as they have determined necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud (i.e., fraudulent financial reporting and misappropriation of assets) or error.

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

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

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

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements and of the Combined Management Report

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and whether the combined management report as a whole provides an appropriate view of the Group's position and, in all material respects, is consistent with the consolidated financial statements and the knowledge obtained in the audit, complies with the German legal requirements and appropriately presents the opportunities and risks of future development, as well as to issue an auditor's report that includes our audit opinions on the consolidated financial statements and on the combined management report.

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

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

- identify and assess the risks of material misstatement of the consolidated financial statements and of the combined management report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our audit opinions. The risk of not detecting a material misstatement resulting from fraud is higher than the risk of not detecting a material misstatement resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- obtain an understanding of internal control relevant to the audit of the consolidated financial statements and of arrangements and measures relevant to the audit of the combined management report in order to design audit procedures that are

Independent Auditor's Report

appropriate in the circumstances, but not for the purpose of expressing an audit opinion on the effectiveness of internal control or these arrangements and measures of the Group.

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

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

- evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements present the underlying transactions and events in a manner that the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Group in compliance with IFRS Ac-counting Standards as adopted by the EU and with the additional requirements of German commercial law pursuant to Section 315e (1) HGB.

- plan and perform the audit of the consolidated financial statements in order to obtain sufficient appropriate audit evidence regarding the financial information of the entities or of the business activities within the Group, which serves as a basis for forming audit opinions on the consolidated financial statements and on the combined management report. We are responsible for the direction, supervision and inspection of the audit procedures performed for the purposes of the group audit. We remain solely responsible for our audit opinions.

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

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

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

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 eliminate independence threats.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the current period and are therefore the key audit matters. We describe these matters in the auditor's report unless law or regulation precludes public disclosure about the matter.

OTHER LEGAL AND REGULATORY REQUIREMENTS

Report on the Audit of the Electronic Reproductions of the Consolidated Financial Statements and of the Combined Management Report to Be Prepared for Publication Pursuant to Section 317 (3a) HGB

Disclaimer of Opinion

We were engaged to perform an audit in accordance with Section 317 (3a) HGB to obtain reasonable assurance whether the electronic reproductions of the consolidated financial statements and of the combined management report (hereinafter referred to as "ESEF documents") to be prepared for publication meet, in all material respects, the requirements for the electronic reporting format pursuant to Section 328 (1) HGB ("ESEF format").

We do not express an audit opinion on the ESEF documents. Because of the significance of the matter described in the section "Basis for the Disclaimer of Opinion", we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on the ESEF documents.

Independent Auditor's Report

Basis for the Disclaimer of Opinion

Since the executive directors had not presented ESEF documents for our assessment by the issuance date of the Independent Auditor's Report, we do not express an audit opinion on the ESEF documents.

Responsibilities of the Executive Directors and the Supervisory Board for the ESEF Documents

The executive directors of the Parent are responsible for the preparation of the ESEF documents based on the electronic files of the consolidated financial statements and of the combined management report according to Section 328 (1) sentence 4 no. 1 HGB and for the tagging of the consolidated financial statements according to Section 328 (1) sentence 4 no. 2 HGB.

In addition, the executive directors of the Parent are responsible for such internal control that they have considered necessary to enable the preparation of ESEF documents that are free from material intentional or unintentional non-compliance with the requirements for the electronic reporting format pursuant to Section 328 (1) HGB.

The supervisory board is responsible for overseeing the process for preparing the ESEF documents as part of the financial reporting process.

Group Auditor's Responsibilities for the Audit of the ESEF Documents

Our responsibility is to conduct an audit of the ESEF documents in accordance with Section 317 (3a) HGB and on the basis of the IDW Auditing Standard: Audit of the Electronic Reproductions of Financial Statements and Management Reports Prepared for Publication Purposes Pursuant to Section 317 (3a) HGB (IDW AuS 410 (06.2022)). Because of the matter described in the section "Basis for the Disclaimer of Opin-ion", we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on the ESEF documents.

Independent Auditor's Report

Further Information Pursuant to Article 10 of the EU Audit Regulation

We were elected as group auditor by the general meeting on May 13, 2024. We were engaged by the supervisory board on July 4, 2024. We have been the group auditor of Basler Aktiengesellschaft, Ahrensburg/Germany, 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 (long-form audit report).

GERMAN PUBLIC AUDITOR RESPONSIBLE FOR THE ENGAGEMENT

The German Public Auditor responsible for the engagement is Annika Deutsch.

Hamburg/Germany, March 27, 2025

Deloitte GmbH
Wirtschaftsprüfungsgesellschaft

Signed: Annika Deutsch	Signed: Christina Marquardt
Wirtschaftsprüferin (German Public Auditor)	Wirtschaftsprüferin (German Public Auditor)

ASSURANCE OF THE LEGAL REPRESENTATIVES
Consolidated Financial Statements Group

To the best of our knowledge, and in accordance with the applicable reporting principles for financial reporting, the consolidated financial statements of the Basler Group give a true and fair view of the assets, liabilities, financial position, and profit or loss of the group, and the group management report, which is summarized with the management report of the Basler Company, 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 for the remaining months of the financial year.

Ahrensburg, March 27, 2025

Management Board

Dr. Dietmar Ley	**Hardy Mehl**	**Ines Brückel**
CEO	CCO/COO	CFO

Events

IR Events 2025

Date	Publication / Event	Venue
05/08/2025	Release of Three-Month-Report 2025	Ahrensburg, Germany
05/23/2025	Annual Shareholders Meeting 2025	Chamber of Commerce, Hamburg
08/07/2025	Release of Six-Month-Report 2025	Ahrensburg, Germany
11/06/2025	Release of Nine-Month-Report 2025	Ahrensburg, Germany
11/24 – 11/26/2025	German Equity Forum	Frankfurt / Main, Germany

Tradeshows 2025

Date	Trade Fair	Venue
05/07 – 05/08/2025	VISION UK	Coventry, UK
05/12 – 05/15/2025	Automate	Detroit, MI, USA
05/13 – 05/15/2025	SPS ITALIA	Parma, Italy
06/24 – 06/26/2025	automatica	Munich, Germany
10/21 – 10/22/2025	Logistics & Automation	Bergamo, Italy

BASLER