FINANCIAL REPORT 2024

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KEY FINANCIAL FIGURES OF THE ANDRITZ GROUP

	Unit	2024	2023	2022	2021	2020
Order intake	MEUR	8,276.9	8,551.9	9,263.4	7,879.7	6,108.0
Order backlog (as of end of period)	MEUR	9,749.9	9,872.6	9,976.5	8,165.8	6,774.0
Revenue	MEUR	8,313.7	8,660.0	7,542.9	6,463.0	6,699.6
Return on sales	%	8.0	7.9	7.6	7.4	4.7
EBITDA	MEUR	887.9	910.2	825.5	718.3	571.1
EBITDA margin	%	10.7	10.5	10.9	11.1	8.5
EBITA[1)]	MEUR	713.0	741.9	648.5	546.5	391.7
EBITA margin	%	8.6	8.6	8.6	8.5	5.8
Comparable EBITA	MEUR	742.8	757.1	644.3	549.9	471.1
Comparable EBITA margin	%	8.9	8.7	8.5	8.5	7.0
Earnings Before Interest and Taxes (EBIT)	MEUR	661.9	685.2	572.7	479.6	315.0
EBIT margin	%	8.0	7.9	7.6	7.4	4.7
Earnings Before Taxes (EBT)	MEUR	646.5	688.2	540.9	439.6	280.9
Net income (including non-controlling interests)	MEUR	496.5	504.3	402.6	321.7	203.7
Net income margin	%	6.0	5.8	5.3	5.0	3.0
Net income (without non-controlling interests)	MEUR	496.5	510.2	409.6	325.5	207.1
Earnings per share	EUR	5.02	5.15	4.14	3.28	2.08
Cash flow from operating activities	MEUR	636.5	375.0	710.8	529.6	461.5
Capital expenditure	MEUR	237.5	226.2	184.4	160.1	131.8
Free cash flow	MEUR	399.0	148.8	526.4	369.5	329.7
Free cash flow per share	EUR	4.0	1.5	5.3	3.7	3.3
Net working capital	MEUR	51.6	43.5	-324.4	-150.1	-48.8
Capital employed	MEUR	1,462.2	1,433.8	1,049.5	1,211.5	1,345.1
Non-current assets	MEUR	2,674.3	2,615.1	2,571.2	2,585.2	2,497.5
Current assets	MEUR	5,488.7	5,882.2	5,920.6	5,087.6	4,559.2
Total assets	MEUR	8,163.0	8,497.3	8,491.8	7,672.8	7,056.7
Total equity	MEUR	2,280.0	2,157.5	1,834.7	1,567.3	1,255.7
Equity ratio	%	27.9	25.4	21.6	20.4	17.8
Liquid funds	MEUR	1,434.4	1,787.2	2,051.1	1,837.9	1,719.3
Net liquidity	MEUR	904.9	920.5	983.0	703.3	420.9
Net debt[2)]	MEUR	-696.2	-710.9	-775.6	-472.1	-188.2
Leverage ratio	-	-0.8	-0.8	-0.9	-0.7	-0.3
Gearing	%	-30.5	-33.0	-42.3	-30.1	-15.0
ROE	%	21.8	23.4	21.9	20.5	16.2
ROIC	%	22.5	22.6	20.0	16.9	12.3
EV/EBITDA	-	4.7	5.4	5.6	5.6	6.1
Depreciation and amortization/revenue	%	2.7	2.6	3.2	3.6	3.8
Employees (as of end of period; without apprentices)	-	30,003	29,717	29,094	26,804	27,232

1) Amortization and impairment of identifiable assets acquired in a business combination and recognized separately from goodwill amount to 51.1 MEUR (2023: 56.7 MEUR); impairment of goodwill amounts to 0.0 MEUR (2023: 0.0 MEUR).

2) Net debt is calculated from bank liabilities and Schuldscheindarlehen as well as leasing liabilities less gross liquidity. Therefore, a negative result means that ANDRITZ has more cash than debt.

All figures according to IFRS. Due to the utilization of automatic calculation programs, differences can arise in the addition of rounded totals and percentages.

KEY FINANCIAL FIGURES OF THE BUSINESS AREAS

Pulp & Paper

	Unit	2024	2023	2022	2021	2020
Order intake	MEUR	2,779.8	3,036.0	4,181.9	3,664.8	2,786.5
Order backlog (as of end of period)	MEUR	2,459.1	3,135.8	4,083.1	3,247.9	2,457.0
Revenue	MEUR	3,461.1	3,987.4	3,431.3	2,953.1	3,238.0
EBITDA	MEUR	457.8	494.7	456.5	411.9	388.1
EBITDA margin	%	13.2	12.4	13.3	13.9	12.0
EBITA	MEUR	373.7	412.5	374.1	335.4	311.8
EBITA margin	%	10.8	10.3	10.9	11.4	9.6
Comparable EBITA	MEUR	382.0	418.7	379.9	344.9	320.3
Comparable EBITA margin	%	11.0	10.5	11.1	11.7	9.9
Capital expenditure	MEUR	77.0	118.0	103.3	88.5	63.9
Employees (as of end of period; without apprentices)	-	13,150	13,306	12,841	11,036	10,617

Metals

	Unit	2024	2023	2022	2021	2020
Order intake	MEUR	1,707.2	1,997.7	2,008.6	1,778.8	1,143.6
Order backlog (as of end of period)	MEUR	1,965.3	2,057.1	1,938.1	1,541.7	1,181.6
Revenue	MEUR	1,811.2	1,839.6	1,621.2	1,366.1	1,420.5
EBITDA	MEUR	110.0	127.4	101.2	81.7	5.5
EBITDA margin	%	6.1	6.9	6.2	6.0	0.4
EBITA	MEUR	73.0	91.4	62.6	38.4	-46.7
EBITA margin	%	4.0	5.0	3.8	2.8	-3.3
Comparable EBITA	MEUR	99.4	93.3	59.7	27.1	-11.5
Comparable EBITA margin	%	5.5	5.1	3.7	2.0	-0.8
Capital expenditure	MEUR	60.0	34.7	31.8	25.5	26.5
Employees (as of end of period; without apprentices)	-	6,109	6,160	6,085	5,930	6,513

Hydropower

	Unit	2024	2023	2022	2021	2020
Order intake	MEUR	2,170.5	2,020.9	1,720.5	1,383.1	1,129.1
Order backlog (as of end of period)	MEUR	3,933.7	3,398.8	2,878.4	2,467.2	2,281.8
Revenue	MEUR	1,537.9	1,521.7	1,313.0	1,132.4	1,100.1
EBITDA	MEUR	121.9	113.9	107.7	95.7	65.4
EBITDA margin	%	7.9	7.5	8.2	8.4	5.9
EBITA	MEUR	96.3	88.1	72.3	63.2	36.9
EBITA margin	%	6.3	5.8	5.5	5.6	3.4
Comparable EBITA	MEUR	94.1	95.1	73.8	67.6	59.5
Comparable EBITA margin	%	6.1	6.2	5.6	6.0	5.4
Capital expenditure	MEUR	48.4	35.6	22.8	24.6	22.7
Employees (as of end of period; without apprentices)	-	6,004	5,782	6,102	5,930	6,199

Environment & Energy

	Unit	2024	2023	2022	2021	2020
Order intake	MEUR	1,619.4	1,497.3	1,352.4	1,053.0	1,048.8
Order backlog (as of end of period)	MEUR	1,391.8	1,280.9	1,076.9	909.0	853.6
Revenue	MEUR	1,503.5	1,311.3	1,177.4	1,011.4	941.0
EBITDA	MEUR	198.2	174.2	160.1	129.0	112.1
EBITDA margin	%	13.2	13.3	13.6	12.8	11.9
EBITA	MEUR	170.0	149.9	139.5	109.5	89.7
EBITA margin	%	11.3	11.4	11.8	10.8	9.5
Comparable EBITA	MEUR	167.3	150.0	130.9	110.3	102.8
Comparable EBITA margin	%	11.1	11.4	11.1	10.9	10.9
Capital expenditure	MEUR	52.1	37.9	26.5	21.5	18.7
Employees (as of end of period; without apprentices)	-	4,740	4,469	4,066	3,908	3,903

The Hydro business area was renamed to Hydropower and the Separation business area to Environment & Energy. The Clean Air Technologies division (formerly part of the Pulp & Paper business area) and the Green Hydrogen division (formerly part of the Metals business area) are reported in the Environment & Energy business area. The reference figures of the previous years have been adjusted to match the new reporting structure.

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MANAGEMENT REPORT

A) GENERAL ECONOMIC CONDITIONS

In 2024, global economic conditions across major continents continued to be impacted by monetary policy, mainly major central banks' reaction to previously high and meanwhile receding inflation rates, as well as ongoing wars and geopolitical tensions.

In Europe, according to an estimate of annual growth for 2024, based on seasonally and calendar- adjusted quarterly data, GDP increased by 0.7% in the euro area and by 0.9% in the EU, as published by Eurostat, the statistical office of the European Union.

The annual average industrial production for the year 2024, compared with 2023, decreased by 1.7% in the euro area and by 2.0% in the EU. In the euro area, industrial production decreased by 8.1% for capital goods.

The euro area annual inflation rate was 2.4% as of December 2024, compared to 2.9% a year earlier and EU annual inflation rate was 2.7% as of December 2024, compared to 3.4% the year before, according to figures published by Eurostat. With the goal of reducing inflation to a medium-term target of 2.0% in mind, the European Central Bank (ECB) cut its benchmark interest rate four times last year, last time in December 2024 by another 25 basis points to 3%, from a record high of 4.0% in 2023. In January 2025, the ECB cut its key interest rate by another 25 basis points to 2.75%.

According to the U.S. Bureau of Economic Analysis (BEA), real GDP in the United States increased 2.8% in 2024 (from the 2023 annual level to the 2024 annual level), compared to an increase of 2.9% in 2023, driven by increases in consumer spending, investment, government spending, and exports. With inflation easing from its highs, the US Federal Reserve (FED) has lowered its key interest rate gradually from 5.25-5.50%, the highest level in more than 20 years - three times in 2024 to 4.25-4.50% in December 2024 (by 25 basis points in this step). It previously raised the key interest rate several times since March 2022 and had maintained peak levels since July last year, aiming to combat high inflation and achieving a return to the central bank's 2%-target. According to the U.S. Bureau of Labor Statistics, the US inflation rate came in at +2.9% for the 12 months ending December 2024.

China's economy grew by +5% year-on-year in 2024, meeting the government's growth target of around 5%, and +5.6% in the fourth quarter, implying an increasing growth rate compared to the third quarter that year (+4.6%).

Source: EC, ECB, Eurostat, FED, NBS China, Reuters, US BLS, US BEA

B) MARKET DEVELOPMENT

1. Pulp & Paper

The Pulp & Paper business area experienced satisfactory project and investment activity albeit still predominantly focused on modernizing existing pulp and paper mills. Following an extended period of decelerating activity, investments in larger-scale greenfield pulp mills saw a revival towards the end of last year, with the first upstream pulp projects being initiated. In addition, following a consolidation in the first half of the year, global pulp prices started to recover in the second half of the year and continued into 2025. Whereas the investment activity in the power boiler sector has moderated, the service business activity continued to improve.

2. Metals

In light of the ongoing challenges in the automotive end markets, the Metals Forming sector saw relatively satisfactory project and investment activity during the reporting period, supported by demand in non-automotive applications and in China. Project activity in the Metals Processing sector (equipment for the production and processing of stainless-steel strip, carbon steel strip, and aluminum strip) declined again in 2024 following increases last year, due to low steel prices and declining industrial production. However, a selective recovery in project activity was registered in the second half of the year.

3. Hydropower

The global investment and project activity for electromechanical equipment for hydropower stations again saw an upward trend in the 2024 financial year, primarily due to continuously increasing demand for (renewable) energy and supportive electricity price levels, reflecting the ongoing global electrification and decarbonization momentum. While refurbishment projects continue to dominate Western markets such as North America and Europe, new greenfield projects have started to surface again in emerging markets such as Africa, Asia and Latin America. The increasing demand for energy storage and increasing requirements for grid stability have continued to promote investment activity in the market for pumped storage hydropower plants as well as synchronous condensers.

4. Environment & Energy

Global markets for solid/liquid separation equipment developed favorably again during the 2024 financial year. Increasing project and investment activity was recorded in the markets for Separation (wastewater, food, tailings and chemical applications). Demand for Feed & Biofuel equipment remained on a solid level and increased for Pumps. Demand for Clean Air Technologies, including Carbon Capture increased again in 2024, while additional project awards in Green Hydrogen were delayed due to a still somewhat uncertain regulatory environment.

C) BUSINESS DEVELOPMENT

1. Changes in the reporting structure

The Hydro business area was renamed to Hydropower and the Separation business area to Environment & Energy. The Clean Air Technologies division (formerly part of the Pulp & Paper business area) and the Green Hydrogen division (formerly part of the Metals business area) are reported in the Environment & Energy business area. The reference figures of the previous year have been adjusted to match the new reporting structure.

2. Order intake

The order intake of the ANDRITZ Group developed satisfactorily during the 2024 financial year despite the unchanged and difficult overall economic conditions, and amounted to 8,276.9 MEUR, which was slightly below the figure of the previous year (-3.2% versus 2023: 8,551.9 MEUR). The business areas Hydropower and Environment & Energy increased the order intake. Order intake in the Pulp & Paper business area decreased due to a continued absence of major orders for new pulp plants by pulp & paper customers. The business area Metals showed a strong decline in order intake due to the ongoing low investment activity especially from customers in the automotive sector.

The business areas' development in detail:

- Pulp & Paper: At 2,779.8 MEUR, order intake reached a solid level and was 8.4% below the figure of the previous year (2023: 3,036.0 MEUR). While order intake in the service business slightly increased, the capital business (Paper & Textile and Pulp & Power) recorded a significant decrease in order intake due to the absence of large orders. In the last quarter of 2024 order intake recovered in the capital business and several mid-sized orders were booked.

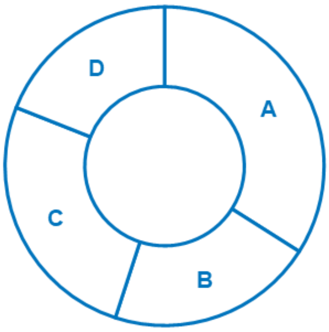
- Metals: Order intake amounted to 1,707.2 MEUR in the reporting year and was thus 14.5% below the record level of 2023 at 1,997.7 MEUR. Both sectors, Metals Processing as well as Metals Forming (Schuler), were confronted with lower investment activity by steel and automotive producers.

- Hydropower: At 2,170.5 MEUR, order intake again reached a very favorable level and increased by 7.4% compared to the previous year's reference figure (2023: 2,020.9 MEUR). The business area secured a major order for the rehabilitation of the Cahora Bassa hydropower plant in Mozambique and several medium-sized orders to supply electromechanical equipment for new hydropower plants.

- Environment & Energy: Order intake at 1,619.4 MEUR again reached a new record level (+8.2% versus 2023: 1,497.3 MEUR), despite the inclusion of a large order for the supply of a complete green hydrogen plant in the previous year. This increase in the reporting year is primarily attributable to the Separation division and the Clean Air Technologies division, which succeeded in booking its largest ever retrofit order for a customer in Germany.

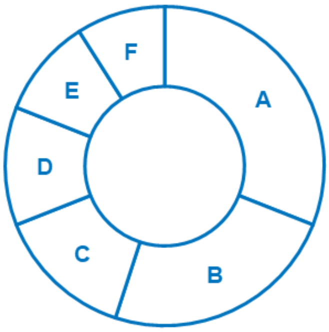
	Unit	2024	2023	+/-
Pulp & Paper	MEUR	2,779.8	3,036.0	-8.4%
Metals	MEUR	1,707.2	1,997.7	-14.5%
Hydropower	MEUR	2,170.5	2,020.9	+7.4%
Environment & Energy	MEUR	1,619.4	1,497.3	+8.2%
	MEUR	**8,276.9**	**8,551.9**	**-3.2%**

Order intake by business area 2024 (2023) in %



A	Pulp & Paper	34	(36)
B	Metals	21	(23)
C	Hydropower	26	(24)
D	Environment & Energy	19	(17)

Order intake by region 2024 (2023) in %



A	Europe	31	(35)
B	North America	24	(21)
C	Asia (without China)	14	(19)
D	China	12	(11)
E	South America	10	(10)
F	Africa, Australia	9	(4)

3. Revenue

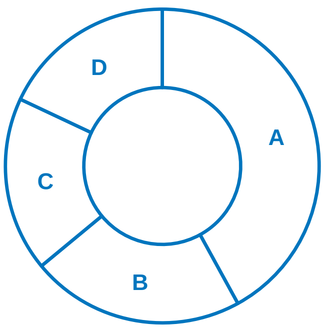
Revenue of the ANDRITZ Group amounted to 8,313.7 MEUR in 2024 and was therefore as expected, below the high comparable figure for the previous year due to the reduced order intake in the previous year (-4.0% versus 2023: 8,660.0 MEUR).

The business area Environment & Energy (+14.7%) was able to significantly increase its revenue compared to the previous year's reference figure, driven by the scheduled execution of the high order backlog accumulated in this business area over the previous reporting periods. While the business areas Hydropower (+1.1%) and Metals (-1.5%) showed a stable development, revenue in the business area Pulp & Paper (-13.2%) declined compared to the previous year's reference period as a result of the continued weak market in the pulp & paper industry.

The business areas' revenue development at a glance:

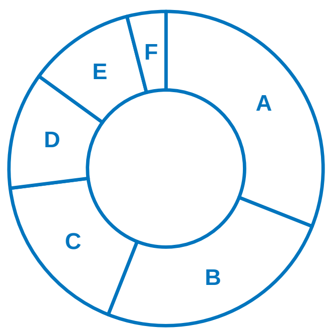
	Unit	2024	2023	+/-
Pulp & Paper	MEUR	3,461.1	3,987.4	-13.2%
Metals	MEUR	1,811.2	1,839.6	-1.5%
Hydropower	MEUR	1,537.9	1,521.7	+1.1%
Environment & Energy	MEUR	1,503.5	1,311.3	+14.7%
	MEUR	**8,313.7**	**8,660.0**	**-4.0%**

Revenue by business area 2024 (2023) in %



A	Pulp & Paper	42	(46)
B	Metals	22	(21)
C	Hydropower	18	(18)
D	Environment & Energy	18	(15)

Revenue by region 2024 (2023) in %



A	Europe	31	(28)
B	North America	25	(24)
C	Asia (without China)	17	(17)
D	South America	12	(14)
E	China	11	(13)
F	Africa, Australia	4	(4)

Share of service revenue of the Group and business area revenue in %:

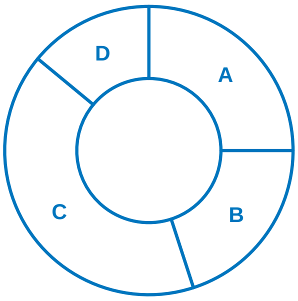
	Unit	2024	2023
ANDRITZ Group	**%**	**41**	**38**
Pulp & Paper	%	51	42
Metals	%	27	25
Hydropower	%	37	39
Environment & Energy	%	40	44

The share of the service business in the ANDRITZ Group's total sales has increased because higher year-on-year service revenue was achieved but also because revenue in the capital business fell year-on-year.

4. Order backlog

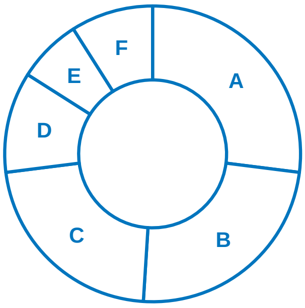
As of December 31, 2024, the order backlog of the ANDRITZ Group amounted to 9,749.9 MEUR (-1.2% versus December 31, 2023: 9,872.6 MEUR). While the order backlog in the business areas Hydropower and Environment & Energy increased, the order backlog in the business areas Pulp & Paper and Metals decreased as a result of the scheduled execution of large orders contained in the backlog.

Order backlog by business area as of Dec. 31, 2024 (Dec. 31, 2023) in %



A	Pulp & Paper	25	(32)
B	Metals	20	(21)
C	Hydropower	41	(34)
D	Environment & Energy	14	(13)

Order backlog by business area as of Dec. 31, 2024 (Dec. 31, 2023) in %



A	Europe	27	(28)
B	Asia (without China)	24	(26)
C	North America	22	(22)
D	China	11	(10)
E	South America	7	(10)
F	Africa, Australia	9	(4)

5. Earnings

a) Operating result and profitability

The operating result (EBITA) decreased in line with revenue and at 713.0 MEUR was below the high reference figure for the previous year (-3.9% versus 2023: 741.9 MEUR). The business areas Hydropower and Environment & Energy recorded, partly, a significant increase in operating result. However, the business areas Pulp & Paper and Metals, partly, showed a significant decrease. Profitability (EBITA margin) remained unchanged at 8.6% (2023: 8.6%) compared to the previous year.

The comparable EBITA of the Group (without taking into account one-off expenses for restructuring measures) amounted to 742.8 MEUR and was thus slightly below the reference figure for the previous year (2023: 757.1 MEUR). The comparable EBITA margin rose to 8.9% and increased compared to the previous year (2023: 8.7%).

Development of profitability by business area:

- Pulp & Paper: Profitability increased to 10.8% (2023: 10.3%). The slightly higher profitability compared to the previous year is largely attributable to the changed order mix (higher proportion of service business) and the phase out of the execution of some low-margin large orders. The comparable EBITA margin amounted to 11.0% (2023: 10.5%).

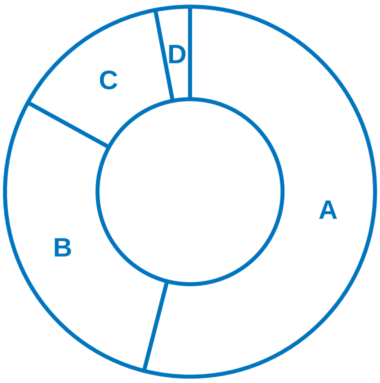
- Metals: The EBITA margin in the business area decreased to 4.0% (2023: 5.0%). The increase in profitability of Metals Processing could not fully compensate for the decline of Metals Forming (Schuler), which, among other things, resulted from provisions for capacity adjustments. The comparable EBITA margin amounted to 5.5% (2023: 5.1%).

- Hydropower: Profitability increased to 6.3% (2023: 5.8%), which is due to the continuous phase out of legacy projects from the order backlog and the positive profitability development in the service business. The comparable EBITA margin amounted to 6.1% (2023: 6.2%).

- Environment & Energy: The EBITA margin in the business area at 11.3% again reached a very favourable level and was slightly below the high reference figure for the previous year (2023: 11.4%). The comparable EBITA margin amounted to 11.1% (2023: 11.4%).

b) Expense structure

Expense structure 2024 (2023) in %



A	Cost of materials	54	(58)
B	Personnel expenses	29	(27)
C	Other expenses	14	(12)
D	Depreciation	3	(3)

Cost of materials amounted to 4,244.6 MEUR in the 2024 financial year and was thus significantly below the level of the previous year (2023: 4,718.3 MEUR). As a result of the decline in sales and the lower proportion of capital orders, the cost of materials to revenue ratio decreased to 51.1% (2023: 54.5%).

Personnel expenses, at 2,300.8 MEUR, were significantly above the level of the previous year (2023: 2,165.8 MEUR) due to the volume-related increase in personnel but also due to the relatively high collectively agreed salary increase in some countries as a result of general inflation. The personnel expenses to revenue ratio increased to 27.7% (2023: 25.0%).

Other expenses amounted to 1,051.3 MEUR in the reporting period (2023: 1,024.6 MEUR) and mainly include freight expenses, sales expenses, administrative and legal expenses, travel expenses as well as repairs and maintenance.

The depreciation of property, plant, and equipment and amortization of intangible assets amounted to 226.0 MEUR in 2024 (2023: 225.0 MEUR). Thereof 56.0 MEUR (2023: 54.8 MEUR) is attributable to amortization of intangible assets and 167.7 MEUR (2023: 161.9 MEUR) to depreciation of property, plant, and equipment. The impairment losses recognized were 2.3 MEUR in 2024 (2023: 8.3 MEUR), mainly for buildings and machinery.

No goodwill impairment was recorded in either 2024 or 2023.

c) Financial result and taxes

The financial result amounted to -15.4 MEUR in the reporting period (2023: 3.0 MEUR).

The net interest result decreased compared to the previous year's reference figure due to the decline in the interest rate environment and lower gross liquidity (1,434.4 MEUR versus 2023: 1,787.2 MEUR). The lower gross liquidity is attributable to an increase in net working capital as part of the scheduled processing of large orders and to the repayment of loans during the financial year.

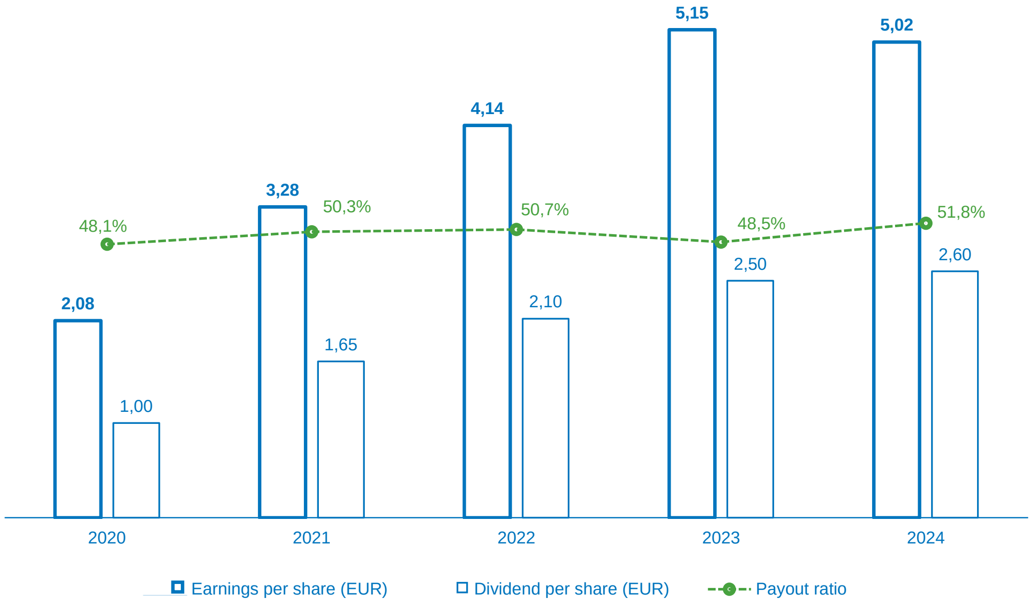
The significant decrease in the other financial result compared to the previous year is mainly attributable to a one-time effect in the context of the deconsolidation of a company. The other financial result of 2024 includes a one-time effect from the write-off of a loan granted to this company and the result from companies accounted for using the equity method includes a one-time effect from the measurement of the remaining shares at fair value.

The tax rate decreased from 26.7% in the previous year to 23.2%. Above all, the capitalization of loss carryforwards through positive effects in the context of mergers, active management of tax groups and the consistent use of research and investment benefits have contributed to the reduction of the tax rate.

More informationin the notes to the consolidated financial statements chapter C) 16. Income taxes.

d) Earnings and dividend per share

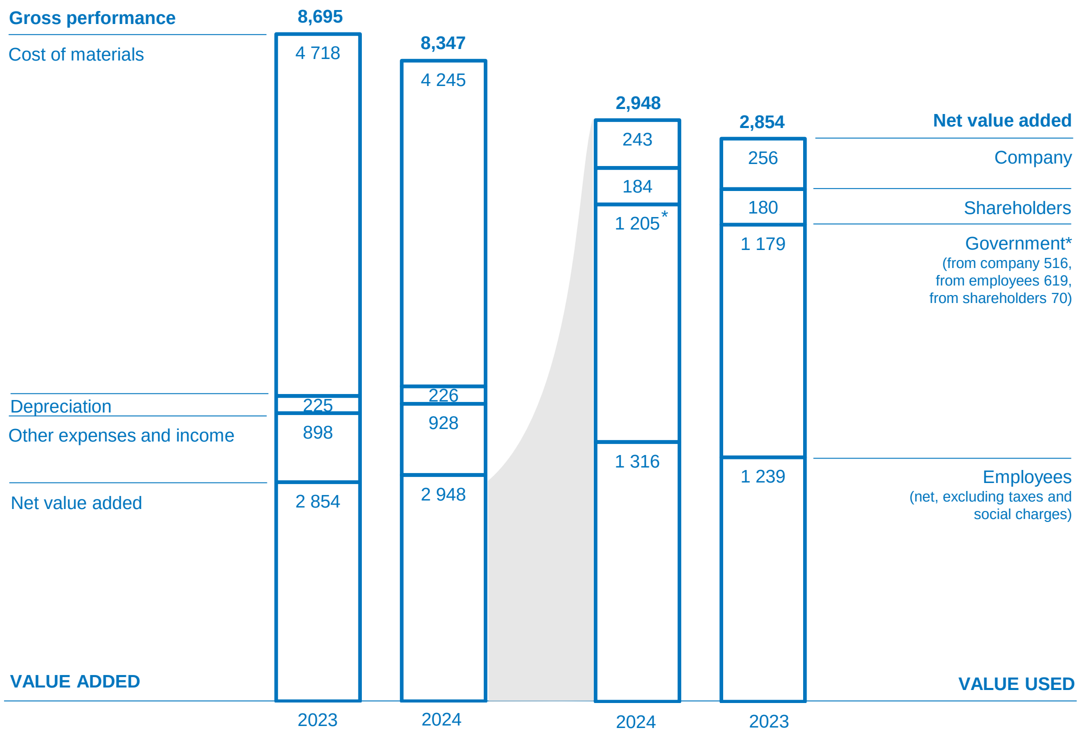
The earnings per share decreased to 5.02 EUR (2023: 5.15 EUR). At the Annual General Meeting on March 27, 2025, the Executive Board will propose a dividend of 2.60 EUR per share (2023: 2.50 EUR) for the 2024 financial year. This is equal to a payout ratio of 51.8% (2023: 48.5%).



Dividend for 2024: Proposal to the Annual General Meeting.

e) Value added

Net value added increased by 3.3% in the 2024 financial year to 2,948 MEUR (2023: 2,854 MEUR). Regarding the distribution of the value added among the key stakeholders 1,316 MEUR (2023: 1,239 MEUR) was attributable to employees. Based on the dividend proposal for the 2024 financial year, the share of value added attributable to shareholders after tax increased to 184 MEUR (2023: 180 MEUR). The state and the social security systems participate in the value added through taxes and social charges with 1,205 MEUR (2023: 1,179 MEUR). The share of value added remaining in the company amounted to 243 MEUR (2023: 256 MEUR).



6. Financial position

a) Net worth position and capital structure

Total assets amounted to 8,163.0 MEUR (December 31, 2023: 8,497.3 MEUR). The equity ratio increased to 27.9% (December 31, 2023: 25.4%).

Assets

A	Non-current assets: 33%	2,674.3 MEUR
B	Current assets: 48%	3,937.3 MEUR
C	Cash and cash equivalents as well as current other financial assets: 19%	1,551.4 MEUR

Equity and liabilities

A	Total equity incl. non-controlling interests: 28%	2,280.0 MEUR
B	Bank loans and Schuldscheindarlehen as well as lease liabilities: 9%	738.2 MEUR
C	Other non-current liabilities: 8%	670.3 MEUR
D	Other current liabilities: 55%	4,474.5 MEUR

On the asset side, property, plant, and equipment (1,270.7 MEUR), goodwill (860.4 MEUR), deferred tax assets (211.6 MEUR), and intangible assets other than goodwill (139.9 MEUR) were the most important items in non-current assets (2,674.3 MEUR) as of December 31, 2024. The most important items in other current assets (3,937.3 MEUR) are trade accounts receivable and contract assets (2,268.1 MEUR) as well as inventories (1,162.4 MEUR).

On the liabilities side, other current liabilities (4,474.5 MEUR) mainly include contract liabilities from revenue recognized over time (1,321.6 MEUR), trade accounts payable (954.8 MEUR), and provisions (396.1 MEUR). The most important items in other current non-financial liabilities (1,145.4 MEUR) are accruals and outstanding order-related costs (617.8 MEUR) as well as unused vacation and other personnel-related accruals (356.2 MEUR). Other non-current liabilities (670.3 MEUR) largely contain provisions for employee benefits (341.2 MEUR), other provisions (202.8 MEUR), and deferred tax liabilities (87.1 MEUR).

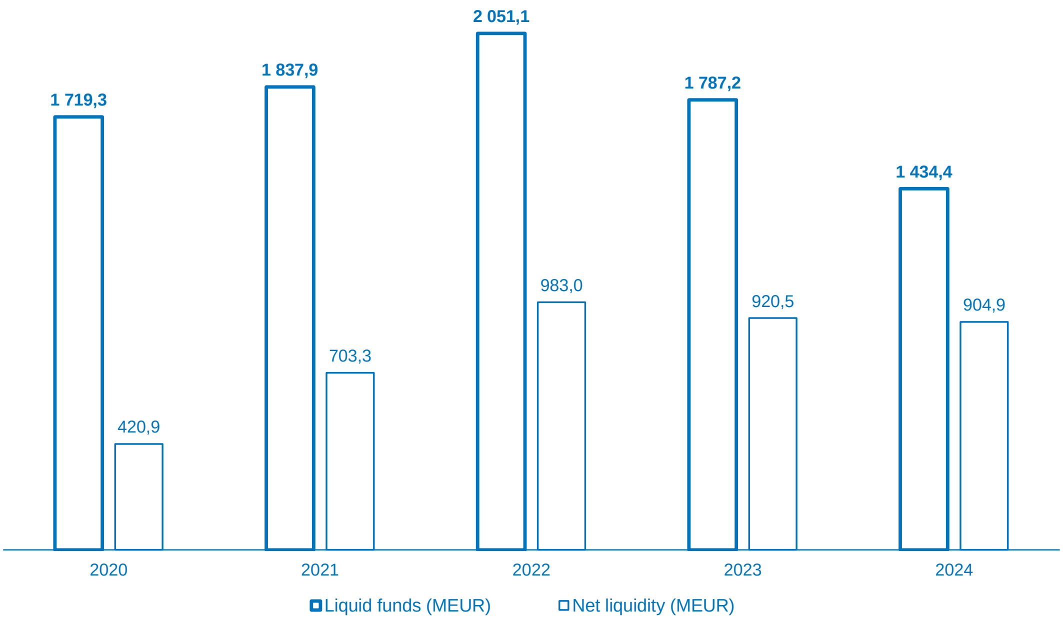
b) Treasury shares

As of December 31, 2024, the company held 6,443,716 treasury shares, i.e., 6.2% of the share capital, with a market value of 315.6 MEUR – mainly for servicing stock option programs and issuing shares to employees.

More information in the notes to the consolidated financial statements chapter F) 33. Equity.

c) Liquid funds and net liquidity

Liquid funds decreased to 1,434.4 MEUR (December 31, 2023: 1,787.2 MEUR), while net liquidity amounted to 904.9 MEUR (December 31, 2023: 920.5 MEUR).



At the end of 2024, the ANDRITZ Group's liquidity position remained very strong with cash and cash equivalents in the amount of 1,164.6 MEUR, term deposits of 127.7 MEUR, and other short-term securities of 142.1 MEUR. The Group's financial liabilities comprised a Schuldscheindarlehen of 428.8 MEUR, an OeKB bank loan of 68.0 MEUR and other bank liabilities of 32.7 MEUR, mainly in regulated countries such as India and China. In 2024, ANDRITZ AG made repayments of maturing Schuldscheindarlehen in the amount of 300.0 MEUR (2023: 165.5 MEUR).

d) Credit and surety lines

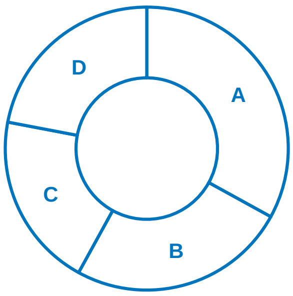
In addition to the high liquid funds, the ANDRITZ Group also had the following credit and surety lines for performance of contracts, down payments, guarantees, and so on, at its disposal as of December 31, 2024:

- Credit lines: 650 MEUR, thereof 2 MEUR utilized
- Surety lines: 6,886 MEUR, thereof 3,160 MEUR utilized

7. Capital expenditure

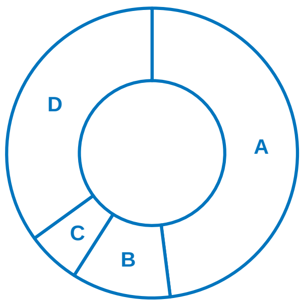
Investments in property, plant, and equipment and intangible assets amounted to 237.5 MEUR in the 2024 financial year and were thus above the previous year's level (2023: 226.2 MEUR). Investments were distributed across the business areas as follows:

**Capital expenditure by business area
2024 (2023) in %**



A	Pulp & Paper	33	(52)
B	Metals	25	(15)
C	Hydropower	20	(16)
D	Environment & Energy	22	(17)

**Capital expenditure by category
2024 (2023) in %**



A	Manufacturing	48	(54)
B	Research and Development	11	(5)
C	IT	6	(7)
D	Others	35	(34)

As in previous years, the focus of investments was mainly on workshop modernizations and individual extension projects to support growth, primarily in Europe and China.

8. Cash flow

The cash flow from operating activities, at 636.5 MEUR, was significantly above the reference figure of the previous year (2023: 375.0 MEUR). The increase is mainly due to changes in net working capital (-114.7 MEUR in 2024 compared to -315.4 MEUR in 2023).

After deduction of investments in property, plant, and equipment and intangible assets in the amount of 237.5 MEUR (2023: 226.2 MEUR) the free cash flow amounted to 399.0 MEUR (2023: 148.8 MEUR).

The cash flow from investing activities amounted to -207.5 MEUR (2023: 266.9 MEUR). The change is mainly due to higher payments made for non-current and current financial assets as well as lower payments received from sale of non-current and current financial assets.

The cash flow from financing activities amounted to -753.3 MEUR (2023: -410.6 MEUR). The change mainly resulted from higher payments made for Schuldscheindarlehen (-300.0 MEUR compared to -165.5 MEUR in 2023), as well as higher dividends paid (-248.5 MEUR in 2024 compared to -208.3 MEUR in 2023). In 2024, own shares at 116.7 MEUR were bought back (2023: 0.0 MEUR) and payments at 14.9 MEUR were made to former shareholders for contingent considerations (2023: 0.0 MEUR).

9. Acquisitions

ANDRITZ Group acquired the Procemex Oy based in Finland and its subsidiaries in Germany, Japan and the US in May 2024. Procemex is the global leader in integrated web monitoring and web inspection solutions for the pulp and paper industry. The acquisition strengthens ANDRITZ's automation and digitalization portfolio and expands the existing product range in the Pulp & Paper business area.

ANDRITZ signed an agreement with Flowserve Corporation based in Texas, USA, to take over its NAF AB business in October 2023. The closing took place in May 2024. NAF AB based in Linköping, Sweden is a leading supplier with long-standing experience in providing process control valves for pulp and paper and other related industries. This acquisition further extends and strengthens ANDRITZ's product and service portfolio in the field of process control.

ANDRITZ acquired PulyEye AB headquartered in Örnsköldsvik, Sweden in September 2024. PulpEye is a technology company, focusing on online applications and services for the global pulp and paper industry. Since 2002, PulpEye products have contributed to stabilization and quality improvement as well as to increasing process efficiency and reducing energy consumption in pulp production. The acquisition includes the subsidiary PulpEye Canada Inc. based in Ottawa, Canada.

ANDRITZ acquired Wuhan Arrows Creation Co., Ltd headquartered in Wuhan, China in October 2024. The entity offers a comprehensive portfolio of services ranging from the design and manufacturing of various cold rolled silicon strip furnaces to the design of the key process equipment such as furnaces for the drying of insolation coating.

ANDRITZ acquired ATN Engineering B.V., headquartered in Stadskanaal, Netherlands in December 2024. The entity specializes in advanced recycling technologies. This strategic acquisition strengthens ANDRITZ's position as a global leader in recycling solutions by adding ATN's state-of-the-art degassing and de-oiling systems to its portfolio.

ANDRITZ signed a contract to acquire INTEA d.d., headquartered in Zagreb, Croatia in December 2024. INTEA d.d. specializes in solutions for automation and energy management of industrial and energy plants.

D) RISK MANAGEMENT

The ANDRITZ Group is a globally operating company serving a large variety of industrial markets and customers. As such, the Group is subject to a series of risks that are inextricably linked to entrepreneurship. The main, higher-level risks pursuant to Section 243 (1) of the Austrian Commercial Code (Unternehmensgesetzbuch UGB) include:

- Strategic risks
- Operational risks
- Risks relating to financial instruments

The active risk management practiced by the ANDRITZ Group for many years now serves both to safeguard the company's existence in the long term and to increase its value and is thus an essential success factor for the entire Group. For the purposes of value-oriented company management, risk management is an integral part of the business processes and extends over all strategic and operative levels.

The planning and controlling process within the entire ANDRITZ Group is an integral part of risk monitoring and control. Continuous controlling and regular reporting are intended to increase the likelihood of identifying major risks at an early stage and to allow countermeasures to be implemented if necessary. Nevertheless, there can be no guarantee that all risks can be detected in time with the monitoring and risk control systems currently in use.

ANDRITZ is committed to transparently presenting climate-related opportunities as well as risks. Identifying and analyzing climate-related risks is part of the overall risk management approach.

More information in the consolidated non-financial statement Chapter GOV-5 Risk management and internal controls over sustainability reporting.

The ANDRITZ Group's risks described below are monitored continuously. ANDRITZ is ready to react to and to counteract these risks.

1. Strategic risks

a) Political

The countries in which the Group is active include some that are classified as politically risky or very risky. Terrorist activities or acts of war or political changes could result in orders being suspended. Political developments are monitored continuously in all countries and regions in which the Group operates and substantial political risks are reviewed before entering new countries. Changes to legislation in individual countries could lead to changed production conditions and different investment behavior. Risks related to deliveries to countries with moderate to very high political risks are typically covered by insurance.

However, the prerequisites for full hedging of these risks are not always available. The measures and procedures in this respect are specified in the credit risk policy that applies throughout the Group.

b) Regulatory

Regulatory risks include both tax risks and compliance risks.

The ANDRITZ group companies are subject to local tax laws in the respective countries and have to pay income taxes, import duties as well as other taxes. Changes in legislation or other regulations, also including regulations on import duties and so on, and different interpretations of the regulations applying in each case can result in subsequent tax and duty burdens. As a result, taxes and customs duties can be exposed to either positive or negative fluctuations.

In Austria and other countries where the ANDRITZ Group conducts business, there are a variety of legal regulations to be observed, including anti-trust and anti-bribery laws or compliance rules in the supply chain. The Group has established a Compliance Committee to monitor compliance with these regulations and has adopted a number of compliance policies, including policies prohibiting insider trading, violation of the applicable anti-trust and anti-bribery laws for the protection of personal data, and also a global Code of Business Conduct and Ethics and a supplier code of conduct. While the Group implements a large number of measures to ensure that such policies are observed, there can be no assurance that violations will not be committed due to individual misconduct. Any such violation could impact the financial position and reputation of the Group and may also lead to the cancellation of existing orders.

c) Competitive position

The ANDRITZ Group does business in highly competitive markets in which only a few large suppliers bid for only a few large orders. In addition, there are many small companies competing locally that have a comparatively low-cost base. Losing a large-scale customer would represent an additional risk. This competitive situation or a possible change in the competitive structure can have a negative effect on order intake and on sales margins of the Group.

The Group counters this risk with continuous research and development work, product innovations and regular cost optimization. There is, however, no guarantee that the Group can also maintain its current market position in the future.

As the Group's competitive position is also based on proprietary technologies, the increase in product piracy, cyber attacks, and industrial espionage facilitated by the digital era and the resulting theft of intellectual property can also have an adverse effect on the Group's competitive position. The Group protects its intellectual property wherever possible, but there can be no assurance that these efforts will always be adequate.

With increasing attention to environmentally friendly products, those products from companies that place a low priority on environmental friendliness could be sustainably substituted for ecological products by customers. Failure to adopt sustainable practices or offer environmentally friendly alternatives could result in reputational damage and reduced attractiveness in markets where sustainability is a key concern. The ANDRITZ Group counteracts this risk by promoting sustainable research and innovation projects, acquiring sustainable technologies, and thereby creating new sustainable products and adapting existing products to new specifications.

d) Customer concentration

In many of the industries served by the ANDRITZ Group, there is a trend towards consolidation and mergers. This applies above all to the pulp and paper industry and also to the steel industry. Such consolidations may result in the Group having to negotiate in the future with fewer customers, but with customers who have greater purchasing power. Dependence on individual key customers may increase, and this could also have direct consequences for the Group's business activities.

e) Volatility of order intake

Some customers and industries served by ANDRITZ are directly dependent on general economic developments and thus subject to frequent fluctuations in the demand for their products. This is especially true for the Pulp & Paper and the Metals business areas, but all business areas may be affected.

The prices for equipment and products supplied by ANDRITZ in these areas are, in part, directly dependent on the prevailing relationship between supply and demand for the goods produced by such equipment and products of ANDRITZ. Possible price fluctuations therefore can have a direct influence on each customer’s capital investment decisions, with a subsequent impact on the Group’s order intake. This may lead to some volatility in the development of the Group’s order intake.

The Group’s future success depends on whether a sufficient amount of new contracts can be secured, among other things. It can be difficult to predict when an order for which the ANDRITZ Group has provided a quotation will actually be awarded. Contract awards are often affected by events outside the control of the Group, such as general economic conditions, the granting of governmental approvals, interest rates and the securing of project financing.

In addition, natural disasters, pandemics or epidemics, as well as geopolitical tensions (military conflicts, trade disputes) could also have a negative effect on the development of order intake, liquidity, and the financial structure of the Group.

In addition to the current risks listed above, there are numerous risks whose occurrence could have a negative impact on economic development. These include, among other things, escalating trade conflicts between economically important countries and increasing political instability. The high national debt of many countries also represents a risk in the medium to long-term.

f) Acquisition and integration of complementary business areas

One of the ANDRITZ Group’s main strategic goals is to become a full-line supplier in all of its business areas through organic growth and complementary acquisitions. In the course of implementing this strategy, the Group has acquired and integrated a wide range of companies since 1990 with worldwide operations.

However, there is no guarantee that the Group will be successful in identifying and acquiring appropriate acquisition candidates in the future, or that suitable candidates and sufficient funding will even be available for large acquisitions. In the past, ANDRITZ was largely successful in integrating newly acquired companies. However, there is no guarantee that planned objectives and synergies can be realized entirely for all acquisitions in the future (including the ongoing integration of the most recently acquired companies), or that the Group will not be confronted with new or legacy risks that have not been identified or accurately evaluated.

Depending on the market position in individual countries or regions as well as the size of planned acquisitions, transactions are subject to a regulatory assessment and approval procedure under the laws on fair competition. As a result, there may be delays in mergers or acquisitions, or some takeovers may even be prohibited in individual cases. In the interest of minimizing risks, ANDRITZ conducts thorough reviews beforehand with national and international legal and business experts.

g) Human resources

The ANDRITZ Group seeks to be an attractive employer for its employees and to retain them in the company for the long term. High quality standards in the selection process guarantee that the most suitable candidates are recruited for the positions becoming vacant. However, there is no guarantee that employees will not leave the company again after a short time. This can lead not only to considerable costs, but also to quality problems or an impairment of customers and service orientation. ANDRITZ strives to keep employee turnover to a minimum by offering training and international career opportunities, incentive plans and targeted employer branding activities.

h) Digitalization

Based on extensive and long-term experience as a supplier of technologies and systems for various branches of industry, ANDRITZ offers a broad portfolio of smart, digital solutions based on industry standards. These solutions help customers substantially in achieving their production, sustainability, and corporate goals.

The innovative digitalization solutions from ANDRITZ are marketed together under the technology brand Metris - ANDRITZ Digital Solutions and have been tested in diverse reference systems around the world as tools to assist customers in the area of plant and process optimization as well as comprehensive plant management.

Metris technologies are the very latest state-of-the-art, they are subject to constant further development and can be tailored to individual customer requirements. ANDRITZ considers digitalization to be a vital growth sector for the future and will hence continue to focus heavily on the development of digital products and solutions. The main focus lies on cybersecurity, the use of artificial intelligence (AI) and the most advanced technologies available on the market.

However, the rapid developments in the digitalization sector also present a risk if ANDRITZ were not to succeed in developing and offering the products and solutions demanded by the market with the necessary speed. In addition, a higher degree of digitalization can lead to a greater risk of cyber attacks on ANDRITZ and its customers. To minimize this risk, ANDRITZ consistently applies the cybersecurity standards IEC 62443-2-4 and IEC 62443-4-1. Compliance with these cybersecurity standards has been audited and certified by TÜV (Technischer Überwachungsverein; i.e. technical inspection association for testing, inspecting, and certifying technologies, products, and systems to ensure potential hazards and prevent damages).

i) Planning

The risk of inconsistency between strategic objectives, corporate strategy, available resources, and the market situation can lead to operational challenges and increased costs. If strategic goals do not align with the overall practiced corporate strategy or do not take available resources into account, this can lead to unnecessary planning and evaluation efforts. This misalignment can result in increased costs due to inefficiencies, as the organization may invest resources in pursuit of goals that are not feasible or realistic given market conditions. Insufficient synchronization between strategic elements may also affect ANDRITZ's ability to adapt to market changes, which may have an impact on competitiveness. It is critical for the ANDRITZ Group to ensure coherence between its strategic objectives, corporate strategy, available resources, and prevailing market dynamics in order to mitigate such risks and improve overall operational effectiveness.

2. Operational risks

a) Purchasing

The suppliers of the ANDRITZ Group are regularly evaluated in order to identify potential threats (relating to the ability to deliver, quality management, financial situation, etc.) and risks in a timely manner and ensure transparent management of the risks.

The risk assessment of the supply chain also includes cyber attacks on supply chain networks, procurement systems and sensitive data as well as compliance requirements for purchasing activities. These aspects influence the purchasing decisions of the entire ANDRITZ Group.

Geopolitical tensions and the imposition of sanctions against specific countries or entities that are involved in conflicts impact the structure of supply chain networks over the medium to long term. The divisions are therefore kept continuously informed of current and potential future international conflicts, sanctions and trade regulations. This ensures that the ANDRITZ Group remains fully empowered to take action and ensure compliance with statutory requirements and societal expectations.

Global and regional crises, political and economic conflicts, or natural disasters can result in suppliers being unable to manufacture and deliver goods ordered by ANDRITZ on schedule, which, in turn, could lead to ANDRITZ being unable to fulfill its obligations toward customers on time.

The war in Ukraine and the resulting sanctions against Russia led to a sharp price increase and high volatility in energy and many raw materials and industrial semi-finished products. As a result, the inflation rate rose significantly in many countries. If the prices for raw materials, energy and sub-supplies rise again due to further or new conflicts (e.g. disputes in the Red Sea), this could have a negative impact on the financial development of the ANDRITZ Group.

To minimize these risks and ensure the successful completion of the projects, Group Supply Chain Management works closely with the divisions to systematically establish procurement alternatives.

b) Manufacturing

In manufacturing, ANDRITZ relies on a targeted make-or-buy strategy in order to better balance the fluctuations in capacity utilization that are typical for project-related business and make the best possible use of the company's own manufacturing capacities. Process-relevant key components for ANDRITZ plants and products are mainly manufactured and assembled in the Group's own workshops, whereas simple components are purchased from qualified suppliers, who are subjected to regular checks on quality, on-time delivery, and compliance.

Essential success factors to ensure short lead times and on-time production in manufacturing are precise planning as well as high commitment and flexibility on the part of employees. ANDRITZ uses a flexible contingent of temporary workers, especially in Europe, to better cope with fluctuations in workload. However, it may not always be possible to compensate immediately for larger fluctuations in capacity utilization, which could in turn have a negative impact on earnings development of the Group.

c) Projects

In connection with deliveries of equipment and services, the ANDRITZ Group is usually contractually obliged to provide services and meet deadlines. If the guaranteed services are not achieved or deadlines are not met, staggered contractual penalties must usually be paid or corrective measures have to be taken at the Group's expense. If the system performance falls short of the guaranteed values, if deadlines are significantly exceeded or if the customer does not accept the takeover of the system for other reasons of non-fulfillment of the services promised by the ANDRITZ Group, the customer could have the right to withdraw from the contract and to retain the subject matter of the contract to be returned to ANDRITZ with full compensation for costs and damages. Such an event could have a negative impact on the Group's financial situation.

Many of ANDRITZ's projects are based on long-term, fixed-price contracts. The sales and operating margins realized in a fixed price contract may vary from original estimates as a result of changes in costs (especially fluctuating material costs and sharply rising energy prices), particularly on projects that include engineering and construction of complete plants, and where labor services have to be sourced from third parties. ANDRITZ was able to largely compensate for fluctuations in raw material and material prices in the 2024 financial year through various operative measures. Dealing with rising costs for materials and outsourced components is, and will continue to be a challenge. Further significant increases in raw material prices could have a negative effect on the Group's financial development in the future.

As certain parts of systems to be supplied are outsourced, the Group may be forced to quote to customers at a fixed price without the exact cost of the parts purchased being stated in advance. While ANDRITZ makes estimates using empirical data and quotes from potential suppliers, these estimates may not always be quite exact. Such problems and losses may have a negative impact on the Group's financial performance. Lessons learned in the past form the basis of ongoing development of existing tools for consistent use in future projects.

In individual projects, ANDRITZ has the responsibility for plant-wide engineering and/or installation and construction of factories in addition to the supply of ANDRITZ equipment and systems. These contracts bear the risks discussed above, but also entail certain risks related to greater on-site responsibilities, including environmental matters, local labor conditions, as well as risks relating to geology, construction, and installation of the plants.

Additionally, the Group is exposed to the risks inherent in managing the third parties providing construction, installation, and engineering services on these projects. These are mainly strikes or other work interruptions that may lead to delays in commissioning or failure to meet deadlines. The Group has put risk management procedures in place, including insurance programs, contract policies, and project management discipline, to reduce these EPC-related risks (EPC: Engineering, Procurement, Construction) as far as the contracts allow.

Nevertheless, there is no guarantee that these procedures are sufficient to prevent negative financial consequences. The Group has experienced significant losses on certain past projects in this regard and similar difficulties and losses may occur in the future in a way that could adversely affect the Group's financial condition.

The ANDRITZ Group participates in many EPC- and other projects together with third parties with whom it shares a series of risks. While the Group attempts to make sure that risks in such projects are properly allocated, there can be no guarantee that this will always be successful. Moreover, the inability of one of the Group's consortium partners to fulfill its obligations (including indemnity obligations towards the Group) may have an adverse effect on the financial results and the liquidity of the Group.

d) Limitations of liability

Liabilities arising from the Group's contracts may include liabilities for customers' loss of profits and other liabilities that can vastly exceed the value of the contract in question. While the ANDRITZ Group endeavors to include appropriate limitations of liability in its contracts, there can be no assurance that sufficient limitations will be in fact in place in all contracts or that such limitations will be enforceable under the applicable law.

e) Government contracts

A certain amount of the orders is placed by government entities. In connection with these projects, the Group may be more exposed to the performance, liability, and EPC/turnkey contract risks described above because it may not always be able to obtain its desired contractual safeguards due to public bid requirements and local laws.

f) Legal proceedings

In the course of its business, the ANDRITZ Group is party to numerous legal proceedings before administrative, judicial courts and before arbitration tribunals. The substantial majority of such proceedings (such as contract and project disputes, product liability claims, and intellectual property litigation) can be considered typical of the Group's business. Where appropriate, the ANDRITZ Group makes provisions to cover the expected outcome of proceedings to the extent that negative outcomes are likely and reliable estimates can be made.

There is no guarantee, however, that these provisions will be sufficient. Given the amounts at stake in some of these disputes, a negative decision for ANDRITZ in one or several of these legal disputes may have a significant, adverse effect on the earnings and liquidity position of the Group.

The product liability area includes some recent cases involving alleged physical injuries and/or deaths due to asbestos exposure.

More information in the notes to the consolidated financial statements G) 42. Contingent Assets and Liabilities.

g) Currencies

A significant portion of the Group's revenue and costs from orders concluded by Group companies is not settled in the respective functional currency, but in other currencies, above all in US dollars. The currencies may be subject to considerable fluctuations in exchange rates. Currency risks in connection with orders that are not invoiced in euros are minimized by derivatives, in particular forward contracts and swaps.

Although the Group attempts to hedge the net currency exposure of those orders, not invoiced in the respective functional currency of the group company, with forward contracts, currency fluctuations can result in the recognition of exchange rate losses in the Group's financial statements.

Development of exchange rates may also have translation effects on the Group's revenue and earnings, whose values are converted into euros. In addition, shifts in exchange rates may affect ANDRITZ's position relative to its competitors, although many competitors of ANDRITZ are also based in the euro zone.

As some of the larger ANDRITZ customers are headquartered outside the euro zone, changes in exchange rates may lead to a delay in project decision by these customers.

h) Cyber

The increasing digitalization and networking of plants and machinery require highly effective and efficient solutions to maintain data security. Unauthorized access to or copying of sensitive company data as well as insufficient system availability as a result of cyber attacks are substantial risks to which ANDRITZ is increasingly exposed. This may not only affect ANDRITZ's own systems, but also Industrial-Internet-of-Things (IIoT) solutions installed by ANDRITZ at customers' premises. ANDRITZ counters cyber risks by using the latest IT security technologies (for example firewall systems) and by strict control of access rights. One focus lies on continuous further development of security measures.

To further reduce unauthorized accessing of IT systems, penetration tests are conducted at regular intervals. Cyber attacks should be detected at an early stage with the aid of an optimized IT infrastructure so that they can be prevented successfully. Special online training is provided to avert possible cyber attacks and raise employees' awareness further. However, unauthorized access to and loss of sensitive and confidential data both at ANDRITZ and at its customers' premises as a result of cyber attacks cannot be ruled out, nor can any resulting financial losses for which ANDRITZ may be held responsible. Moreover, major damage or outage of the IT systems can disrupt ANDRITZ's ongoing business operations.

3. Risks relating to financial instruments

The principal financial risks include payment default, liquidity risks, and market risks, such as exchange rate risks, interest rate risks, and raw material price risks. A detailed presentation of all financial risks of the ANDRITZ Group can be found in the notes to the consolidated financial statements.

More information in the notes to the consolidated financial statements F) 38. Risk management – risks relating to financial instruments.

4. Internal control and risk management system

The international business activities of ANDRITZ not only provide opportunities but also involve risks in the short, medium, and long term. ANDRITZ thus has a group-wide internal control and steering system (ICS) whose main task is to identify nascent risks at an early stage and – if possible – to implement countermeasures promptly. This system is an important element of active corporate management. However, there is no guarantee that these monitoring and control systems are effective enough.

The Executive Board is responsible for implementing and monitoring the ICS for the accounting process and financial reporting. For this purpose, binding group-wide regulations, policies, and guidelines have been adopted for the major business risks and also for the financial reporting process.

The accounting department, which includes financial accounting, reports directly to the Executive Board. Various organizational measures ensure that the legal requirements are fulfilled. In particular, appropriate regulations ensure that entries in the books and other records must be complete, correct, timely, and orderly.

The entire process from procurement to payment is subject to standard group-wide policies and guidelines that are intended to minimize any essential risks these processes may entail.

These measures and rules include segregation of functions, signature authorization matrices, and signatory powers for authorizing payments applying on a collective basis only and being restricted to a small number of employees (four-eyes principle).

Control measures relating to IT security play an important role in this context. For example, segregation of duties is enhanced by the generally restrictive assignment of IT authorization by the financial software used (SAP). The safety standards in this financial software are also guaranteed by automated business process controls installed directly within the system.

Group-wide uniform accounting and valuation principles for the recording, posting, and accounting of business transactions are regulated in the ANDRITZ Group IFRS Accounting Policy and are binding for all group companies. Automatic controls in the consolidation and reporting system are in use in order to avoid misrepresentation as effectively as possible, as are numerous manual checks. The control measures range from review and discussion of interim results by the management to specific reconciliation of accounts.

By using a standardized, group-wide financial reporting system, together with ad-hoc reporting on major events, the Group endeavors to ensure that the Executive Board is properly and promptly informed on all relevant issues. The Supervisory Board is informed in Supervisory Board meetings held at least once every quarter on the current business development, including operative planning and the medium-term strategy of the Group. In special cases – for example acquisitions, restructuring, and so on – information is provided directly to the Supervisory Board. In addition, all Supervisory Board members receive a monthly report with the most important financial figures including comments. Internal control and risk management are among the topics dealt with during audit committee meetings.

Internal Auditing, set up as an executive department reporting to the Executive Board, audits individual processes or group companies according to an audit schedule defined for each year as well as conducting ad-hoc audits in special cases. In addition, Internal Auditing monitors compliance with legal provisions and internal directives. It is active in reporting and assessing the audit results as an independent, internal department that is not bound by instructions from outside bodies. Internal Auditing reports to the Executive Board and Audit Committee at regular intervals on the audits conducted and the results thereof as well as on the current implementation status of report findings.

The auditor of the Group’s financial statements assesses the risk management functionality in the ANDRITZ Group and reports on it to the Supervisory Board and the Executive Board. The risk management functionality was checked in 2024 by the auditor of the Group’s financial statements.

E) RESEARCH AND DEVELOPMENT

For ANDRITZ, research and development (R&D) is a key part of the corporate strategy and forms the essential foundation for generating internal growth and maintaining long-term competitiveness. ANDRITZ's research and development activities focus on bringing products and technologies to the market that protect the environment, minimize energy and resource consumption, and extend the lifecycle of machines and systems. A significant share of revenue is now generated from sustainable solutions and products. Another important focus area is digitalization. Research and development activities are also strengthened through collaborations with universities, research institutes, and joint projects with customers.

In recent years, lifecycle analyses, known as Life Cycle Assessments (LCAs), have been conducted for certain products and systems to assess their environmental impact throughout their entire lifespan. This includes production, the usage phase, and disposal, as well as all associated upstream and downstream processes (e.g., the manufacturing of raw materials, auxiliary materials, and operating supplies).

By considering the entire lifecycle, potential negative impacts can be prevented from simply shifting to other phases. These analyses are expected to be expanded in the future and, where applicable, integrated into the product development phase. Product development, in turn, can influence production and assembly processes through product design. Additionally, materials should be used more efficiently in production to reduce waste.

In the reporting year, the ANDRITZ Group invested EUR 139.6 MEUR in research and development activities before capitalization (2023: 139.3 MEUR). Including project-specific development work, total R&D expenditures accounted for approximately 3% of revenue.

The ANDRITZ Group currently holds around 6,230 patent rights, 79% of which have already been granted, while the rest are under review. Additionally, the Group owns the rights to approximately 2,760 trademarks.

The following selected projects from the business areas represent part of the diverse research and development spectrum of the past financial year:

1. Pulp & Paper

The avoidance of fossil fuels, the improvement of energy efficiency, and consequently the reduction of greenhouse gas emissions in pulp and paper production are at the core of the business area's research and development activities, with the goal of supporting customers in achieving their sustainability targets. For this reason, the CircleToZero™ program was launched, aiming to develop value-adding solutions for pulp and paper mills by reducing emissions and waste, minimizing fresh water consumption, and utilizing byproducts.

To achieve this, all R&D activities follow the principle of "Reduce, Reuse, Refine". Reduce means generating as few emissions as possible by optimizing existing processes. A new concept for recovery boilers with extremely low emissions and maximum energy efficiency has been developed and is already in the productization phase. The best examples of Reuse and Refine are the SulfoLoop sulfuric acid plant, which enables pulp mills to produce commercial-grade concentrated sulfuric acid on-site, and the ANDRITZ KraftAnol biomethanol plant, which offers kraft pulp mills the most direct and cost-efficient way to produce commercial-grade biomethanol.

In the future, it should be possible to operate highly efficient pulp mills with zero emissions and waste, making them CO_2-neutral. Furthermore, ANDRITZ is continuously working on reducing freshwater consumption in pulp mills. Various technologies are currently under development, such as the "Kidney Concept", which can be applied in different areas of the mills.

In the paper industry, ANDRITZ's R&D activities focus on technologies and services for sustainable fiber processing and the production of tissue, paper, and board. Based on the five pillars—energy, fiber, water, and chemical savings, as well as digitalization—intensive research and testing are conducted at fiber R&D centers in Austria, China, and the USA, at the Tissue Innovation and Application Center (PrimeLineTIAC) in Austria, at the Paper Technology Center in Germany, and at the Felt & Fabric R&D Center in Gloggnitz, Austria. Developments also focus on circular economy approaches, such as fiber savings, the use of alternative raw materials, and the recycling of press felt and forming fabric materials. The goal is to reduce the carbon footprint of tissue and paper production, for example, by increasing dryness after pressing, introducing an alternative process for starch application in packaging paper, or implementing energy-efficient and environmentally friendly drying concepts.

Due to new European regulations on textile waste recycling set to be implemented by 2025, many textile manufacturers are increasingly seeking new technologies for textile recycling. ANDRITZ covers multiple segments of the textile industry's value chain, including automated textile sorting, fiber processing, and both mechanical and chemical textile recycling. Additionally, ANDRITZ is actively involved in numerous R&D initiatives with partners worldwide. For AITEX in Alicante, one of Europe's largest textile research and development centers, a customized tearing line was delivered, enabling the center to expand its textile recycling capabilities and portfolio of innovative recycling solutions.

In the nonwoven sector, the focus is on developing technologies for producing more sustainable nonwoven roll goods and finished products. ANDRITZ offers various processes for this market segment, and the latest developments incorporate natural fibers, recycled fibers, and pulp as raw materials. The available technologies include solutions for producing 100% biodegradable wipes, recycling solutions for absorbent hygiene products, and more.

Starting in 2024, ANDRITZ will participate in a new R&D program alongside other companies, universities, and research institutions. The "Emission-Free Pulping" research program aims to improve energy efficiency, enhance the efficiency of wood utilization and its conversion into products, achieve emission-free pulp production—particularly without CO_2 emissions—and significantly reduce water consumption in processes.

2. Metals

In the Metals Processing business area, research focuses primarily on technologies aimed at reducing greenhouse gas emissions from delivered plants, preventing pollutants through regeneration concepts for end products in process chains, and the catalytic conversion of gaseous pollutants such as NOx. Additionally, automation and digitalization are key to enabling smart plant operations for customers, allowing precise measurement, adjustment, and prediction of process parameters. The electrification of products and underlying processes helps to avoid direct greenhouse gas emissions from fossil fuels while significantly increasing efficiency and performance in plant operations.

The combination of electrification and highly efficient, hydrogen-ready burner systems provides customers with a wide range of hybrid heating options for various heat treatment applications. Furthermore, advancements in digital solutions help customers operate plants efficiently and economically. By applying machine-learning process parameters, precise predictions, settings, and records are possible. For example, in a digitalization project for a continuous galvanizing line, the use of digital solutions based on process and material data analysis led to a reduction in gas consumption in the Radiant Tube Soaking (RTS) zone by approximately 4.5% over the observed period.

Machine-learning models have also been used to train various soft sensors based on real process data, allowing production to continue even if certain sensors, such as those for layer thickness measurement, fail. The ongoing development of this technology is expected to enable the prediction of sensor failures, detection of sensor drifts, and accurate forecasting of future measurements. This, in turn, creates additional potential for reducing material waste and energy consumption by optimizing process parameters to suit each specific end product. Additionally, efforts are being made to continuously minimize thermal losses in plants through specialized refractory lining concepts and energy recovery systems.

One of the most significant innovation projects within the existing product portfolio is the Green Steel Continuous Galvanizing Line (CGL). Gas-fired radiant tubes will be replaced with electrically heated tubes powered by green electricity, drastically reducing local CO_2 emissions. Additional benefits include the elimination of NOx emissions, a 40% increase in efficiency, and significant process simplification by removing all gas pipelines. In addition, fossil fuels for burners in the directly heated furnace section can be replaced with green hydrogen. The development of ANDRITZ's own hydrogen burners for the furnace section enables a substantial reduction in direct CO_2 emissions. Continuous advancements are also being made in hybrid heating systems that combine renewable electricity with gas (such as biogas or hydrogen) for heating and heat treatment furnaces. This allows customers to receive customized heating solutions tailored to different operational modes, with the first industrial pilot plant tests already underway.

ANDRITZ Metals is also developing comparable electrification approaches for acid regeneration plants, which have traditionally been heated using fossil fuels with capacities between 2 and 20 MW. Conventional resistance heating technologies cannot achieve the required temperatures, so alternative heating concepts are currently being tested on a pilot scale.

The company is also expanding its expertise in processing new materials and coatings for emerging and rapidly growing industries. In electromobility, non-grain-oriented (NGO) electrical steel plays a crucial role, as it is used to manufacture motor components such as stators and rotors for electric drives. Eddy current losses in motors are heavily influenced by the thickness of the electrical steel used, with the best results achieved using foil-thickness material. Following the successful development and market introduction of the Sundwig MonoBlock, a 20-roll mill for the production of cold-rolled strip, the multi-roll stand has been further developed to enable the future production of electrical steel in foil thickness. In parallel, the proven S6-High rolling mill, an 18-roll stand, has also been further refined to support the trend towards thinner final gauges.

To establish itself as a complete solutions provider for NGO production in the global market, ANDRITZ is working on a new furnace concept for manufacturing electrical steel. The electrical steel produced in these furnaces offers improved efficiency and can be directly integrated into all mechanical processing lines already supplied by ANDRITZ. The focus is on a fully modular design that ensures quick installation, easy operation, and simplified maintenance of the furnaces.

In the Metals Forming sector, ANDRITZ's subsidiary Schuler has introduced new developments in automotive lightweight construction alongside advancements in digitalization and electromobility. High-strength aluminum sheet components are increasingly used in vehicles to reduce weight. Schuler now offers a new hot forming process on hydraulic presses, where the lightweight metal is rapidly heated using contact heating and then shaped in a water-cooled tool. Unlike the hot stamping of steel sheets, this process eliminates the need for a separate furnace, significantly reducing the required space as well as investment and operating costs. The technology enables the production of lightweight and high-strength parts with much higher forming degrees compared to cold forming, providing greater design flexibility. The result is highly complex geometries with tensile strengths of 300 to 400 Newtons per square millimeter.

In addition to production lines for automotive body and structural parts, Schuler also supplies presses for the stamping and packaging of electrical steel for energy-efficient motors, as well as systems for manufacturing cylindrical and prismatic battery cell housings. In the hydrogen sector, the company is developing welding and pressing technologies to support the mass production of fuel cells used to generate energy from hydrogen for powering trucks and buses.

3. Hydropower

As a leading supplier of pumped storage power plants, ANDRITZ plays a key role in promoting renewable energy and is a strong partner in the field of sustainability. The use of renewable energy sources such as solar and wind power is essential for reducing greenhouse gas emissions and dependence on fossil fuels. ANDRITZ's continuous research and development efforts in the field of pumped storage make a significant contribution to these goals by improving the overall efficiency and reliability of renewable energy systems. Compared to other energy storage systems, the reservoirs of pumped storage power plants can store very large amounts of energy. In times of short-term electricity demand, they help maintain grid stability due to their extremely short response time, particularly in the case of variable-speed pump turbines and motor generators.

Another key development in this area is the advancement of rotating phase shifters, which are essential for stabilizing the power grid, especially as the share of variable renewable energy sources continues to grow. Rotating phase shifters can provide substantial amounts of reactive power and short-circuit power to help balance fluctuations and maintain grid stability. This makes it possible to further improve the integration of solar and wind energy into the energy infrastructure.

Research and development efforts aimed at improving hydropower plant technology and rotating phase shifters lead to higher reliability and performance while maintaining environmental sustainability. This enables customers to use renewable energy more efficiently and achieve their sustainability goals.

4. Environment & Energy

ANDRITZ is a global provider of state-of-the-art separation technology. From this leading position, our innovations enable customers to find the right solutions to the challenges of a rapidly changing world.

Through targeted research and development efforts in decanter centrifuges, one of the most versatile solid-liquid separation technologies, their range of applications has been expanded. Design and process optimizations allow for the production of biogas as an alternative to fossil fuels. Our newly developed Turbex technology, an efficient extraction solution for producing high-quality extracts from plants and natural products, represents an innovative approach to the holistic use of raw materials in the food sector.

In the reporting year, a strategic partnership was formed with NETZSCH Feinmahltechnik GmbH, a leading provider of grinding and classification technologies, to jointly develop groundbreaking technologies and processes for the production of alternative proteins.

In the Feed & Biofuel sector, ANDRITZ is one of the world's leading providers of technologies and services for the animal feed, aquafeed, pet food, and biofuel industries. The focus in the reporting year was on modular plant solutions (Modular Plant Solution) with an integrated approach to optimizing logistics, ensuring quality, and achieving cost efficiency. The core of these modular plant solutions lies in seamless integration and global expertise, offering optimized modules for efficient logistics that ensure rapid and precise on-site deployment. The Modular Plant Solution approach is tailored to regions and businesses with limited expertise or resources, leveraging global know-how to enable smooth installations.

In Waddinxveen, Netherlands, ANDRITZ operates a state-of-the-art testing and research center for the food and feed industries. The Food Innovation Xperience Center serves as a development and technology hub where customers and ANDRITZ experts can bring their visions to life. Equipped with the latest technologies, the center allows for feasibility studies, pilot-scale upscaling trials, and R&D activities under food-grade and ATEX-compliant conditions.

Another major R&D focus of the business area is on electrolyzers for the production of green hydrogen from renewable energy. Initially launched as a startup within the ANDRITZ Group, this initiative has now been established as a dedicated division within the business area. The priority is to develop systems based on PEM (Proton Exchange Membrane) and AEL (Alkaline Electrolysis) technologies, while also researching SOEL (Solid Oxide Electrolysis) technology for high-temperature electrolysis.

The Clean Air Technologies division focuses its R&D activities on emission reduction technologies, targeting fine particulate matter, gaseous pollutants, and carbon dioxide emissions from industrial processes. In response to increasingly stringent emissions regulations, ANDRITZ provides customers with a range of solutions tailored to their specific needs, including CO_2 capture technologies that allow both new and existing plants to operate profitably while reducing their carbon footprint.

CO_2 capture technology plays a crucial role in e-fuel production in pulp mills, which emit the highest amounts of available biogenic CO_2 compared to other industrial facilities. Currently, this CO_2 is released into the atmosphere, contributing to plant emissions. ANDRITZ aims to transform these emissions into new value-added products by capturing CO_2 and combining it with green hydrogen for the production of e-fuels. Leveraging a group-wide collaboration, ANDRITZ offers a comprehensive technology package for e-fuel production.

5. Automation

ANDRITZ Automation has been successfully operating in the field of plant automation for more than 35 years. The digital solutions from ANDRITZ Digital Solutions, offered under the Metris umbrella brand, are now among the industry's leading technologies. In the 2024 reporting year, the development focus was placed on the autonomous operation of entire plants and on minimizing risks from cyberattacks.

With the help of autonomous Metris solutions, it is possible to optimize raw material usage, reduce associated emissions, and minimize the need for additional manual interventions. A key priority is supporting customers in their sustainability efforts for production processes. Additionally, the further development of digital twin technologies for on-/offline simulation and the prediction of future production scenarios was a major research focus in the reporting year.

F) CONSOLIDATED CORPORATE GOVERNANCE REPORT

The consolidated corporate governance report for the financial year 2024 is available on the ANDRITZ website andritz.com/governance-en.

G) CONSOLIDATED NON-FINANCIAL REPORT

The consolidated non-financial report for the financial year 2024 is available on the ANDRITZ website andritz.com/reports.

H) EVENTS AFTER THE REPORTING DATE

The ANDRITZ Group has signed an agreement to acquire 100% of the shares of the LDX Solution group. The parent company Dustex LLC is headquartered in Kennesaw, Georgia, USA. The acquisition also includes the subsidiary Western Pneumatics, LLC, based in Eugene, Oregon, USA. The closing of the transaction took place in February 2025. The acquisition expands the existing product range in the Environment & Energy business area. LDX Solution group, with around 250 employees has an annual revenue of approximately 100 MEUR.

There were no further events of material significance after the balance sheet date.

I) SHARES AND SHAREHOLDER STRUCTURE

Disclosure according to section 243a of the Austrian Commercial Code (Unternehmensgesetzbuch – UGB)

The capital stock of ANDRITZ AG as of December 31, 2024, amounted to 104,000,000 EUR. The proportionate amount of the capital is 1.00 EUR per no-par value share. There are no limitations concerning the voting rights or the transfer of shares.

ANDRITZ has a stable and well-balanced shareholder structure. Around 31.5% of the ANDRITZ AG share capital is held partly directly and partly indirectly by Custos Privatstiftung and by Wolfgang Leitner, the Chairman of the Supervisory Board of ANDRITZ Group, respectively. 30.7% belongs to Custos Vermögensverwaltungs GmbH and 0.8% to Cerberus Vermögensverwaltung GmbH. The company itself holds around 6.2% of the share capital. With a free float of around 62.3%, national and international institutional investors make up the majority of the shareholders. Around 48.2% of the shares are held by institutional investors. Most institutional investors are based in the UK and Ireland, Europe and North America, while the largest share of identified retail shareholders are from Austria, followed by Switzerland and Italy.

At present, there is no authorized capital. On July 30, 2024, the Executive Board of ANDRITZ Group resolved to repurchase treasury no-par value bearer shares via the stock exchange (including multilateral trading facilities) on the basis of the authorization granted at the 116th Annual General Meeting on March 29, 2023 in accordance with Section 65 (1) no. 8 of the Austrian Stock Corporation Act (AktG) and published on March 30, 2023 in accordance with Section 119 (9) of the Austrian Stock Exchange Act (BörseG) via an electronically operated information dissemination system. The resolution provides for the purchase of up to 2,080,000 shares from August 5, 2024 (inclusive) to January 31, 2025 (inclusive) – corresponding to a 2.00% stake of the voting share capital of ANDRITZ. The buyback program was terminated when the maximum number of units was reached on December 2, 2024.

As far as is known to the company, there are no holders of shares with special controlling rights. Furthermore, there are no stipulations regarding the appointment and recall of the members of the Executive Board and the Supervisory Board, nor regarding modifications to the company's Articles of Association that do not result directly from legal stipulations. There are no significant agreements in which the company participates that would become effective, change, or end in the event of a change in the control of the company following a takeover bid.

Compensation agreements exist between the company and members of its Executive Board for the event of a change of control. No such compensation agreements exist for the members of the Supervisory Board or any employees.

J) OUTLOOK

According to the International Monetary Fund (IMF), global growth is projected at 3.3% in both 2025 and 2026, slightly above 3.2% in 2024 but still below the historical (2000-2019) average of 3.7%. The IMF's forecast for 2025 (January 2025) is broadly unchanged from that in October 2024, primarily on account of an upward revision in the United States, offsetting downward revisions in other major economies. Advanced economies are forecast to grow at around 1.8%-1.9% in 2025/26, while emerging markets are expected to grow at around 4.2%-4.3%. Global inflation is expected to decline to 4.2% in 2025 and to 3.5% in 2026, converging back to target inflation levels earlier in developed economies than in emerging markets.

As outlined by the IMF, while already robust growth in the United States could accelerate in the short run, there are risks to the growth trajectory in other countries. Aside from monetary policies of major central banks and the further easing of interest rates, ongoing geopolitical conflicts and war situations, as well as increasing trade barriers remain decisive factors for the macroeconomic development in 2025.

In China, growth has rebounded in the fourth quarter of 2024 as mentioned, and the central government is likely to reiterate its GDP growth target of roughly 5% for 2025.

Despite ongoing macroeconomic and geopolitical challenges, the ANDRITZ Group has currently no indications that the general conditions described above will have a significant negative impact on the project and investment activities of the markets and customers served by ANDRITZ in 2025. ANDRITZ's ability to generate revenue remains strongly supported by its large existing order backlog, its high exposure and the growing demand for spare parts and service as well as projects for refurbishment and modernization of existing equipment and plants. In addition, the Group continues to benefit from increasing demand for technologies enabling the green transition.

- Pulp & Paper: From today's perspective, project and investment activity is expected to improve over the course of the year 2025. After more than two years of customer reluctance to award contracts for large-scale capacity expansion projects, new investments into greenfield pulp mill capacities have been initiated in the marketplace. Project activity related to modernizations, modifications, and sustainability improvements of existing capacities is expected to remain satisfactory.
- Metals: In the Metals Forming sector, the weakness in the automotive business is mitigated by rather stable non-automotive applications and growth in China. In the Metals Processing sector, the market environment is expected to remain resilient in 2025. As mentioned, ANDRITZ has recorded a significant increase in order intake in the second half of 2024.
- Hydropower: In the Hydropower business area, project and investment activity is expected to increase based on ongoing initiatives to promote renewable energies and the increasing global demand for electrification. In addition, demand for energy storage (and thus pumped storage hydropower plants) should increase in the medium-term, due to its capability to compensate for volatile renewable energy generation. Lastly, the increasing demand for of synchronous condensers should remain a promising pocket of growth, as such installations help mitigating challenges of electricity grid stability.
- Environment & Energy: Project and investment activity is expected to continue to improve in 2025 in both the liquid-solid Separation and Feed & Biofuel divisions. The demand for premium centrifugal pumps is increasing based on the increased scarcity of drinking water and the trend to improved efficiency in industrial processes. For Clean Air Technologies including Carbon Capture as well as in Green Hydrogen applications, the project pipeline remains active.

For 2025, the ANDRITZ Group continues to see increasing project activity, as also reflected in the promising order intake in the fourth quarter 2024. Based on our existing order backlog, continued growth in demand for service and Green technologies, we expect revenue in a range of 8.0 to 8.3 BEUR in the full-year 2025. Given the ongoing improvements in mix from the growth in our service business and proactive capacity adjustments (mainly in the Metals and Pulp & Paper business areas), the ANDRITZ Group aims for a comparable EBITA margin (excluding non-operating items) in a range of 8.6% to 9.0% in the year 2025. At mid-point, the ANDRITZ Group's financial guidance for 2025 implies broadly stable revenues and comparable EBITA margins.

However, in case the macroeconomic and geopolitical environment would deterioarate significantly, and global trade barriers increase, this could have negative effects on the processing and intake of orders, and hence, have a negative impact on ANDRITZ's financial development. In turn, this could necessitate capacity adjustments beyond current initiatives, which would require financial provisions and could have a negative impact on ANDRITZ Group's earnings.

Graz, February 28, 2025

The Executive Board of ANDRITZ AG

Joachim Schönbeck e.h. (President and CEO)	Dietmar Heinisser e.h.	Vanessa Hellwing e.h.	Norbert Nettesheim e.h. (CFO)	Jarno Nymark e.h.	Frédéric Sauze e.h.

Disclaimer:
Certain statements contained in the annual financial report 2024 and in the annual report 2024 constitute "forward-looking statements." These statements, which contain the words "believe," "intend," "expect," and words of a similar meaning, reflect the Executive Board's beliefs and expectations and are subject to risks and uncertainties that may cause actual results to differ materially. As a result, readers are cautioned not to place undue reliance on such forward-looking statements. The company disclaims any obligation to publicly announce the result of any revisions to the forward-looking statements made herein, except where it would be required to do so under applicable law.
The annual financial report 2024 and the annual report 2024 contain assumptions and forecasts which were based on the information available up to the copy deadline on February 27, 2025, midnight. If the premises for these assumptions and forecasts do not occur, or risks indicated in the chapter "corporate risks" and in the management report in the annual financial report 2024 do arise, actual results may vary from the forecasts made in the annual financial report 2024 and the annual report 2024. Although the greatest caution was exercised in preparing data, all information related to the future is provided without guarantee.

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CONSOLIDATED INCOME STATEMENT

For the 2024 financial year

(in MEUR)	Chapter	2024	2023
Revenue	**9.**	**8,313.7**	**8,660.0**
Changes in inventories of finished goods and work in progress		18.6	27.8
Other own work capitalized		14.7	6.9
Other income	10.	137.6	124.2
Cost of materials	11.	-4,244.6	-4,718.3
Personnel expenses	12.	-2,300.8	-2,165.8
Other expenses	13.	-1,051.3	-1,024.6
Earnings Before Interest, Taxes, Depreciation, and Amortization (EBITDA)		**887.9**	**910.2**
Depreciation, amortization, and impairment of property, plant, and equipment and intangible assets	14.	-226.0	-225.0
Earnings Before Interest and Taxes (EBIT)		**661.9**	**685.2**
Result from investments accounted for using the equity method	6./15.	18.2	2.4
Interest income		61.0	68.5
Interest expense		-50.5	-48.9
Other financial result		-44.1	-19.0
Financial result	**15.**	**-15.4**	**3.0**
Earnings Before Taxes (EBT)		**646.5**	**688.2**
Income taxes	16.	-150.0	-183.9
NET INCOME		**496.5**	**504.3**
Net income attributable to owners of the parent		496.5	510.2
Net income allocated to non-controlling interests	34.	0.0	-5.9
Basic earnings per no-par value share (in EUR)	17.	5.02	5.15
Diluted earnings per no-par value share (in EUR)	17.	4.99	5.13

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the 2024 financial year

(in MEUR)	Chapter	2024	2023
NET INCOME		**496.5**	**504.3**
Remeasurement of defined benefit plans	22./34.	10.2	-3.4
Changes in the fair value of equity instruments measured at fair value through other comprehensive income	31./34.	-4.6	-1.3
Other comprehensive income (after income taxes) that will not be reclassified to the income statement in subsequent periods		**5.6**	**-4.7**
Currency translation of foreign operations	34.	-37.0	-21.3
Cash flow hedges	34./37.	-26.1	35.3
Share of other comprehensive income of investments accounted for using the equity method	6.	-0.2	0.0
Other comprehensive income (after income taxes) which can be reclassified to the income statement in subsequent periods		**-63.3**	**14.0**
OTHER COMPREHENSIVE INCOME (AFTER INCOME TAXES)		**-57.7**	**9.3**
TOTAL COMPREHENSIVE INCOME		**438.8**	**513.6**
Total comprehensive income attributable to owners of the parent		440.0	519.3
Total comprehensive income allocated to non-controlling interests		-1.2	-5.7

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As of December 31, 2024

(in MEUR)	Chapter	2024	2023
ASSETS			
Property, plant, and equipment	18./19.	1,270.7	1,247.5
Goodwill	20.	860.4	826.3
Intangible assets other than goodwill	21.	139.9	142.8
Investments accounted for using the equity method	6.	34.1	16.1
Other financial assets	32.	82.4	102.5
Other non-financial assets	28.	75.2	68.2
Deferred tax assets	16.	211.6	211.7
Non-current assets		**2,674.3**	**2,615.1**
Inventories	25.	1,162.4	1,165.3
Advance payments made	26.	151.4	178.5
Trade accounts receivable	27.	1,168.8	1,076.0
Contract assets	9.	1,099.3	1,239.4
Current tax assets	16.	32.5	27.6
Other financial assets	32.	386.8	390.8
Other non-financial assets	28.	314.7	292.3
Cash and cash equivalents	33.	1,164.6	1,507.1
Current assets other than assets held for sale		**5,480.5**	**5,877.0**
Assets held for sale	40.	8.2	5.2
Current assets		**5,488.7**	**5,882.2**
TOTAL ASSETS		**8,163.0**	**8,497.3**
EQUITY AND LIABILITIES			
Share capital		104.0	104.0
Capital reserves		36.5	36.5
Retained earnings and other reserves		2,136.9	2,037.2
Equity attributable to owners of the parent		**2,277.4**	**2,177.7**
Non-controlling interests		2.6	-20.2
Total equity	**34.**	**2,280.0**	**2,157.5**
Bank loans and Schuldscheindarlehen	35.	356.6	503.6
Lease liabilities	19.	161.6	161.1
Provisions for employee benefits	22.	341.2	333.6
Provisions	23.	202.8	201.0
Other financial liabilities	36.	37.0	26.3
Other non-financial liabilities	30.	2.2	2.6
Deferred tax liabilities	16.	87.1	115.0
Non-current liabilities		**1,188.5**	**1,343.2**
Bank loans and Schuldscheindarlehen	35.	172.9	367.3
Lease liabilities	19.	47.1	48.4
Trade accounts payable	29.	954.8	1,022.9
Contract liabilities from revenue recognized over time	9.	1,321.6	1,419.6
Contract liabilities from revenue recognized at a point in time	9.	342.6	357.0
Provisions for employee benefits	22.	45.5	19.6
Provisions	23.	396.1	418.4
Current tax liabilities	16.	95.8	75.1
Other financial liabilities	36.	172.7	142.4
Other non-financial liabilities	30.	1,145.4	1,125.9
Current liabilities		**4,694.5**	**4,996.6**
TOTAL EQUITY AND LIABILITIES		**8,163.0**	**8,497.3**

CONSOLIDATED STATEMENT OF CASH FLOWS

For the 2024 financial year

(in MEUR)	Chapter	2024	2023
Net income		**496.5**	**504.3**
Income taxes	16.	150.0	183.9
Interest result	15.	-10.5	-19.6
Depreciation, amortization, and impairment of intangible assets, goodwill as well as property, plant, and equipment	19./20./21.	226.0	225.0
Result from investments accounted for using the equity method	6./15.	-18.2	-2.4
Gains/losses from disposal of fixed and financial assets		-3.8	-7.4
Other non-cash income/expenses		147.6	101.3
Change in net working capital	39.	-114.7	-315.4
Changes in provisions and other assets and liabilities		-108.5	-130.1
Interest received		61.0	62.3
Interest paid		-38.9	-34.4
Dividends received		2.3	0.9
Income taxes paid		-152.3	-193.4
CASH FLOW FROM OPERATING ACTIVITIES	**39.**	**636.5**	**375.0**
Payments made for property, plant, and equipment and intangible assets		-179.5	-170.8
Payments received for disposals of property, plant, and equipment and intangible assets		16.5	15.6
Payments made for non-current and current financial assets		-362.3	-174.3
Payments received for disposal of non-current and current financial assets		354.7	632.8
Net cash flow from company acquisitions	39.	-36.9	-36.4
CASH FLOW FROM INVESTING ACTIVITIES	**39.**	**-207.5**	**266.9**
Payments received from bank loans and other financial liabilities	39.	161.4	136.4
Payments made for bank loans and other financial liabilities	39.	-493.1	-296.6
Payments made for lease liabilities	39.	-53.3	-50.6
Dividends paid	34.	-248.5	-208.3
Purchase of non-controlling interests and payments to former shareholders	39.	-14.9	0.0
Proceeds from re-issuance of treasury shares	34.	11.7	8.5
Purchase of treasury shares	34.	-116.6	0.0
CASH FLOW FROM FINANCING ACTIVITIES	**39.**	**-753.3**	**-410.6**
CHANGES IN CASH AND CASH EQUIVALENTS		**-324.3**	**231.3**
Currency translation adjustments		-14.5	-26.3
Changes in consolidation scope		-3.8	0.0
Valuation allowance		0.1	0.1
Cash and cash equivalents at the beginning of the period	33.	1,507.1	1,302.0
Cash and cash equivalents at the end of the period	33.	1,164.6	1,507.1

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the 2024 financial year

									Attributable to owners of the parent	Non-controlling interests	Total equity
(in MEUR)	**Chapter**	**Share capital**	**Capital reserves**	**Retained earnings**	**Fair value reserve**	**Reserve of remeasurements of defined benefit plans**	**Reserve of exchange differences on translation**	**Treasury shares**	**Total**		
BALANCE AS OF JANUARY 1, 2023		**104.0**	**36.5**	**2,040.0**	**0.2**	**-40.0**	**-90.2**	**-201.9**	**1,848.6**	**-13.9**	**1,834.7**
Net income				510.2					510.2	-5.9	504.3
Other comprehensive income					34.0	-3.4	-21.5		9.1	0.2	9.3
Total comprehensive income				**510.2**	**34.0**	**-3.4**	**-21.5**		**519.3**	**-5.7**	**513.6**
Dividends	34.			-207.7					-207.7	-0.6	-208.3
Change in treasury shares	34.			-1.8				12.2	10.4		10.4
Change from share option programs	34.			3.1					3.1		3.1
Hyperinflation	41.			4.0					4.0		4.0
Transfers and other changes				0.5			-0.5		0.0		0.0
BALANCE AS OF DECEMBER 31, 2023		**104.0**	**36.5**	**2,348.3**	**34.2**	**-43.4**	**-112.2**	**-189.7**	**2,177.7**	**-20.2**	**2,157.5**
BALANCE AS OF JANUARY 1, 2024		**104.0**	**36.5**	**2,348.3**	**34.2**	**-43.4**	**-112.2**	**-189.7**	**2,177.7**	**-20.2**	**2,157.5**
Net income				496.5					496.5		496.5
Other comprehensive income					-30.8	10.2	-35.9		-56.5	-1.2	-57.7
Total comprehensive income				**496.5**	**-30.8**	**10.2**	**-35.9**		**440.0**	**-1.2**	**438.8**
Dividends	34.			-248.5					-248.5		-248.5
Change in treasury shares	34.			-2.6				-99.7	-102.3		-102.3
Change from share option programs	34.			3.8					3.8		3.8
Hyperinflation	41.			5.5					5.5		5.5
Transfers and other changes				1.2					1.2	24.0	25.2
BALANCE AS OF DECEMBER 31, 2024		**104.0**	**36.5**	**2,604.2**	**3.4**	**-33.2**	**-148.1**	**-289.4**	**2,277.4**	**2.6**	**2,280.0**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As of December 31, 2024

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A) GENERAL INFORMATION AND LEGAL BASES

1. General information

ANDRITZ AG is an Aktiengesellschaft incorporated under the laws of the Republic of Austria and has been listed on the Vienna Stock Exchange since June 2001. The registered office of ANDRITZ AG, the parent company of the ANDRITZ Group, is at Stattegger Strasse 18, 8045 Graz, Austria. The ANDRITZ Group (the “Group” or “ANDRITZ”) is a leading producer of high-technology industrial machinery and operates through four strategic reportable operating segments: Pulp & Paper, Metals, Hydropower, and Environment & Energy.

The consolidated financial statements are prepared under the responsibility of the Executive Board of ANDRITZ AG and are acknowledged by the Supervisory Board and the Annual General Meeting. On February 25, 2025, the Executive Board approved the consolidated financial statements for the year ending December 31, 2024.

Various amounts and percentages set out in the consolidated financial statements have been rounded. As a result, totals may differ from the amounts shown. If not stated otherwise, amounts are given in million euros (MEUR).

2. Accounting principles

The financial statements were prepared in accordance with all International Financial Reporting Standards (IFRS) published by the International Accounting Standards Board (IASB) and endorsed by the European Union, whose application have been mandatory for 2024. All interpretations published by the IFRS Interpretations Committee (IFRS IC), which also have to be observed for 2024, have been applied. The consolidated financial statements meet the requirements of section 245a UGB (Austrian Commercial Code) on exempting consolidated financial statements according to internationally accepted accounting standards. Going concern is the basis for accounting and valuation of the assets and liabilities.

a) Newly applicable standards and interpretations

ANDRITZ has applied the following new or amended standards issued by the IASB and the interpretations issued by the IFRS IC for the financial year beginning on January 1, 2024:

Standard/Interpretation	Title	Effective for annual financial statements for periods beginning on or after	Endorsement by EU
IFRS 16	Amendment: Subsequent measurement of leases as part of a sale-and-lease-back	January 1, 2024	November 20, 2023
IAS 1	Amendment: Classification of liabilities as current or non-current	January 1, 2024	December 19, 2023
IAS 1	Amendment: Non-current liabilities with covenants	January 1, 2024	December 19, 2023
IAS 7 and IFRS 7	Amendment: Supplier Finance Arrangements	January 1, 2024	May 15, 2024

The amendment to **IFRS 16** contains requirements for the subsequent measurement of leases as part of a sale-and-lease-back for seller-lessees. Subsequent measurement of lease liabilities will be standardized to prevent inappropriate profit realization.

The amendment to **IAS 1** concerns the adjustment of the assessment criteria for the classification of liabilities as current or non-current. In future, only rights that exist at the end of the reporting period should be decisive for the classification of a liability. In addition, further guidelines for the interpretation of the criterion “right to postpone the fulfillment of the debt for at least twelve months” as well as explanations on the characteristic “fulfillment” were included.

The second amendment to **IAS 1** clarifies that only covenants that a company must meet on or before the balance sheet date affect the classification of liabilities as current or non-current. However, an entity must disclose information in the notes to understand the risk that non-current liabilities with covenants could become repayable within 12 months.

The amendments to **IAS 7** and **IFRS 7** are intended to increase the transparency of supplier finance arrangements and their impact on liabilities, cash flows, and liquidity risk. The changes supplement the existing disclosure requirements by requiring companies to provide qualitative and quantitative information about supplier finance arrangements.

These amendments of the standards do not have any or no material effect at ANDRITZ.

b) Standards and interpretations that have been published but not yet applied

The International Accounting Standards Board is working on numerous projects that will only have an impact on business years from 2025 onwards. ANDRITZ has not applied the following accounting pronouncements that have been published by the IASB, but are not yet effective:

Standard/Interpretation	Title	Effective for annual financial statements for periods beginning on or after	Endorsement by EU
IAS 21	Amendment: Lack of exchangeability	January 1, 2025	November 12, 2024
IFRS 9 / IFRS 7	Anmendment to contracts relating to nature-dependent electricity	January 1, 2026	January 16, 2025
IFRS 7 / IFRS 9	Amendment: Classification and measurement of financial instruments	January 1, 2026	open
IFRS 1, IFRS 7, IFRS 9, IFRS 10, IAS 7	Annual improvements to IFRS (Cycle 2021-2023)	January 1, 2026	open
IFRS 18	Presentation and disclosure in financial statements	January 1, 2027	open
IFRS 19	Subsidiaries without public accountability: Disclosure	January 1, 2027	open

The amendments to **IAS 21** require the use of a consistent approach in assessing whether a currency is convertible into another currency and, if this is not the case, in determining the exchange rate to be used and the required disclosures in the notes.

The amendments to **IFRS 9 and IFRS 7** (Contracts relating to nature-dependent electricity) clarify the application of the own use exception, introduce new disclosure requirements and contain simplifications in the accounting of hedging transactions in connection with contracts for nature-dependent electricity supply.

The changes to **IFRS 7** and **IFRS 9** concern the classification and measurement of financial instruments, the derecognition of a financial liability settled through electronic payment transactions and disclosures on equity instruments that are measured at fair value through other comprehensive income.

The **annual improvements to IFRS** (Cycle 2021-2023) include clarifications and adjustments to facilitate initial application in IFRS 1, improvements and clarifications to disclosure requirements in IFRS 7, corrections and clarifications to improve consistency in IFRS 9, adjustments to eliminate inconsistencies and improve clarity in IFRS 10 and changes to improve the presentation and clarity of cash flow reporting in IAS 7.

The new standard **IFRS 19** allows certain subsidiaries to apply reduced disclosures if they apply IFRS accounting standards in their financial statements. IFRS 19 is optional to apply for eligible subsidiaries.

These new or changed standards do not have any or no material effect at ANDRITZ.

The new standard **IFRS 18** will replace the previous standard IAS 1. The following key improvements contribute to more transparent and comparable reporting:

- Predefined subtotals and categories of income and expenses in the income statement
- Explanations of key performance indicators defined by management
- Rules to improve the summary and breakdown of information in the financial statements

ANDRITZ is currently assessing the effects of applying IFRS 18 on the consolidated financial statements.

3. Accounting policies and use of discretionary judgments and estimates

ANDRITZ describes the accounting policies as well as the use of discretionary judgments and estimates in the respective chapters.

a) Accounting policies

In the respective chapters, the accounting policies are indicated as follows:

ACCOUNTING POLICIES

ANDRITZ has consistently applied all accounting policies described in these consolidated financial statements in all periods presented, except for the amendments resulting from the first-time application of new standards in chapter 2.a) Newly applicable standards and interpretations. The following section describes the general accounting policies:

Consolidation principles

The basis for the consolidated financial statements is the individual financial statements of all fully consolidated companies applying uniform Group-wide standards and in accordance with IFRS regulations. Intercompany receivables, liabilities, and internal business transactions, including interim results within the Group, were eliminated. The consolidated financial statements were prepared based on uniform accounting principles for comparable business transactions.

Currency translation

The consolidated financial statements are compiled in euros.

Foreign currency transactions

Foreign currency transactions are recorded in the functional currency by applying the exchange rate between the functional currency and the foreign currency at the date of the transaction. Exchange rate differences arising on the settlement of monetary items at rates different from those at which they were initially recorded are recognized in the income statement in the period in which they arise.

Foreign subsidiaries

Foreign consolidated subsidiaries are regarded as foreign operations because they are financially, economically, and organizationally autonomous. Their functional currencies are generally their respective local currencies. Items of the statement of financial position of foreign subsidiaries are translated at year-end rates to the presentation currency (euros). Expenses and income are translated using the average exchange rates for the year. All resulting translation differences are included in the item "Reserve of exchange differences on translation" in equity.

Hyperinflation

The financial statements (and comparative figures) of foreign subsidiaries whose functional currency is the currency of a country with severe hyperinflation must be restated in relation to changes in the purchasing power of the currency. A revaluation is carried out in accordance with IAS 29.

Read more in chapter 41. Effects of hyperinflation.

Major exchange rates

The exchange rates used for foreign currency translation of major currencies are as follows:

In number of units per 1 EUR		Rate at reporting date		Average rate for year	
Currency		**December 31, 2024**	**December 31, 2023**	**2024**	**2023**
BRL	Brazilian real	6.43	5.36	5.83	5.40
CAD	Canadian dollar	1.49	1.46	1.48	1.46
CHF	Swiss franc	0.94	0.93	0.95	0.97
CNY	Chinese renminbi yuan	7.58	7.85	7.79	7.66
DKK	Danish kroner	7.46	7.45	7.46	7.45
GBP	British pound	0.83	0.87	0.85	0.87
INR	Indian rupee	88.93	91.90	90.56	89.30
SEK	Swedish kronor	11.46	11.10	11.43	11.48
USD	US dollar	1.04	1.11	1.08	1.08

b) Use of discretionary judgments and estimates

Preparation of the consolidated financial statements requires the management to make discretionary judgments, estimates, and assumptions that can affect the applied accounting policies and the reported amounts of assets, liabilities, income, and expenses. Actual results may differ from these estimates. Estimates as well as underlying assumptions are reviewed regularly. Revisions of estimates are recognized prospectively. The Group has made key assumptions concerning the future and has identified material sources of estimation uncertainties and discretionary judgments.

The war in Ukraine, the Middle East conflict, and other geopolitical developments have been and will be continuously monitored in order to best counteract any future effects on the ANDRITZ Group. Currently, these geopolitical developments have no direct, significant impact on the discretionary judgments and estimates of ANDRITZ.

ANDRITZ addresses climate-related risks in the respective chapters.

In the respective chapters, the use of discretionary judgments and estimates is indicated as follows:

SOURCES OF ESTIMATION UNCERTAINTY AND CRITICAL JUDGMENTS

B) INFORMATION ON THE STRUCTURE OF ANDRITZ

4. Consolidation scope

ACCOUNTING POLICIES

The consolidated financial statements include ANDRITZ AG and those companies it controls directly or indirectly. ANDRITZ controls an entity when it is exposed to or has rights to variable returns from its involvement with the entity and has the ability to affect those returns through its power of disposition over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control is obtained until the date on which control is lost. Changes in the Group's share in a subsidiary that do not result in a loss of control are accounted for as equity transactions. When the Group loses control over a subsidiary, it derecognizes the assets and liabilities of the subsidiary, any related non-controlling interests, and other components of equity. Any resulting gain or loss is recognized through profit or loss.

In case the influence on the Group's assets, liabilities, financial position, and profit or loss of companies controlled is of minor importance, the decision on including them into the consolidation scope is made based on quantitative and qualitative considerations. The shares in non-consolidated companies are recorded in item "Other financial assets".

The consolidation scope has changed as follows:

	2024		2023	
	Full consolidation	Equity method	Full consolidation	Equity method
Balance as of January 1	**170**	**2**	**168**	**4**
Acquisitions of companies	2		6	
New foundations	1		0	
Changes in consolidation type	-1	1	2	-2
Mergers and liquidations	-6		-6	
Balance as of December 31	**166**	**3**	**170**	**2**
Thereof attributable to:				
Domestic companies	7	0	7	0
Foreign companies	159	3	163	2

Due to quantitative and qualitative considerations, 56 companies (2023: 49) controlled by ANDRITZ were not consolidated and 7 associated companies (2023: 9) were not accounted for using the equity method, respectively.

Changes in consolidation type

In 2024, ANDRITZ Group deconsolidated the company OTORIO LTD, Israel, due to loss of control. The disposal of this company resulted in a gain of 23.2 MEUR (including translation differences of 0.8 MEUR), which is shown in other income. During deconsolidation, a loan granted to OTORIO LTD was exchanged for equity instruments. The disposal of the loan in the amount of -38.4 MEUR was recorded in other financial result. Now, ANDRITZ holds 41.43% of the shares in OTORIO LTD and will henceforth account for the company as an associated company using the equity method. The remaining shares were recognized at the fair value determined at the time of loss of control at 17.4 MEUR in the result from investments accounted for using the equity method.

In the prior year, ANDRITZ no longer consolidated Enmas ANDRITZ Pvt. Ltd., India, and VA Brazil Oy, Finland, that were previously accounted for using the equity method because of non-fulfillment of the materiality criteria. There was no significant effect from the disposal of these companies in 2023.

Read more in chapter 45. Group companies.

5. Acquisitions

ACCOUNTING POLICIES

Business combinations are accounted for by applying the acquisition method if the acquired set of activities and assets meets the definition of a business and the Group has gained control. In determining whether a particular set of activities and assets is a business, the Group assesses whether the set of assets and activities acquired includes at least a resource usage and a substantial process and whether the acquired group is able to provide goods or services.

The purchase price is offset against the revalued proportional net assets of the acquired company. In doing so, the values at the acquisition date, which is the date on which control of the acquiree was obtained, are used as a basis. Differences in value are fully recognized. The acquired identifiable assets, liabilities, and contingent liabilities are generally recognized at their fair values in the consolidated statement of financial position, irrespective of the extent attributable to non-controlling interests. Application of the acquisition method requires certain estimates and assumptions to be made, especially concerning the fair values of the intangible assets and property, plant, and equipment acquired, the liabilities assumed at the acquisition date, and the useful lives of the intangible assets and the property, plant, and equipment acquired.

Non-controlling interests can be measured either at cost (partial goodwill method) or at fair value (full goodwill method). The choice of method can be made on a case-by-case basis. It is general practice within the ANDRITZ Group to use the partial goodwill method.

a) Procemex Group

ANDRITZ Group has signed an agreement to acquire 100% of the shares of Procemex Group. The headquarters of the parent company Procemex Oy is in Jyväskylä, Finland. The closing of the transaction took place in May 2024. The acquisition expands the existing product range in the Pulp & Paper business area. Procemex Group, with around 100 employees recently has had an annual revenue of approximately 26 MEUR and operates subsidiaries in Germany, Japan, and USA. As a result of this acquisition, one fully consolidated company (Procemex Oy, Finland) entered the consolidation scope of ANDRITZ. The remaining companies were not included in the scope of consolidation of ANDRITZ due to immateriality.

b) NAF AB

ANDRITZ has signed an agreement with Flowserve Corporation based in Texas, USA, to acquire 100% of the shares in NAF AB. The signing took place in October 2023 and the closing of the transaction took place in May 2024. This acquisition expands the existing product range in the Pulp & Paper business area. The company, with around 50 employees, has an annual revenue of approximately 10 MEUR. NAF AB entered as a fully consolidated entity the scope of ANDRITZ.

In the fiscal year, PulpEye AB, Sweden, Wuhan Arrows Creation Co., Ltd., China, INTEA d.d., Croatia, and ATN Engineering B.V., Netherlands, were acquired. As a result of the immateriality for the total Group, these acquisitions have not entered the consolidation scope of ANDRITZ.

c) Preliminary fair values at the acquisition date

The preliminary fair values of the assets acquired and liabilities assumed are as follows:

(in MEUR)	Total
Intangible assets other than goodwill	26.3
Property, plant, and equipment	3.0
Other financial assets	0.3
Inventories	6.7
Trade accounts receivable	4.3
Cash and cash equivalents	4.3
Current tax assets	0.3
Other non-financial assets	0.6
Deferred tax liabilities	-3.5
Bank loans and Schuldscheindarlehen	-2.1
Provisions	-5.4
Lease liabilities	-2.5
Trade accounts payable	-3.2
Contract liabilities from revenue recognized at a point in time	-1.3
Current tax liabilities	0.8
Other non-financial liabilities	-2.7
Net assets	**25.9**
Goodwill	28.8
CONSIDERATION TRANSFERRED	**54.7**

The goodwill of the acquired companies mainly results from the skills and professional talent of the workforce and the expected synergies from the integration into the ANDRITZ Group

Transaction costs directly related to the business combinations are recognized as an expense incurred in the period (in other expenses). The acquired receivables do not contain any receivables expected to be uncollectible.

The acquisitions have contributed 22.7 MEUR to the ANDRITZ Group's revenue and -1.3 MEUR to the ANDRITZ Group's EBIT since their first-time consolidation. If the businesses had been acquired at the beginning of the financial year 2024, they would have contributed 37.1 MEUR to the ANDRITZ Group's revenue and 0.9 MEUR to the ANDRITZ Group's EBIT.

SOURCES OF ESTIMATION UNCERTAINTY AND CRITICAL JUDGMENTS

The first-time inclusion of individual assets acquired and liabilities assumed is based on preliminary values due to time constraints and not yet final valuations. If, within a year after the acquisition date, new and essential information becomes available about facts and circumstances that existed at the acquisition date and that would have led to corrections of the preliminarily recognized amounts or to additional provisions, the accounting of the acquisitions will be adjusted.

Depending on the type of asset and the availability of information, intangible assets are determined using a suitable valuation method. The fair values of land and buildings are generally determined by external experts. In addition to the assumptions about the future development of the estimated cash flows, these valuations are also significantly influenced by the discount rates used. Similar to the assets acquired and liabilities assumed, all available information about the circumstances at the time of acquisition is also used for the initial accounting of contingent purchase price liabilities.

Climate-related risks and opportunities were considered in determining the fair value of the acquired intangible assets and property, plant, and equipment, the liabilities assumed at the time of acquisition, and the useful life of the acquired assets and property, plant, and equipment based on the best estimate of future developments according to relevance. Opportunities and risks of environmental issues in acquisitions are already assessed in the purchase process as part of the due diligence.

6. Investments accounted for using the equity method

ACCOUNTING POLICIES

Associated companies are entities, which the Group has significant influence on, but does not have control or joint control over the financial and operating policies.

Joint ventures are entities over which ANDRITZ and one or more parties exercise joint control and have rights to their net assets.

Associated companies and joint ventures are accounted for at equity and are initially recorded at cost.

Company	Main office	Business area	2024		2023	
OTORIO LTD	Tel Aviv, Israel	ME	Associated company	41.43%	Fully consolidated	50.01%
Psiori GmbH	Freiburg im Breisgau, Germany	ME	Associated company	25.10%	Associated company	25.10%
Smart Press Shop GmbH & Co KG	Halle (Saale), Germany	ME	Joint venture	50.00%	Joint venture	50.00%

In the 2024 financial year, the ANDRITZ Group deconsolidated OTORIO LTD, Isreal, due to loss of control. ANDRITZ now holds 41.43% of the shares in OTORIO LTD and will henceforth account for the company as an associated company using the equity method.

The joint venture Smart Press Shop GmbH & Co KG is controlled jointly by Schuler Group GmbH and Dr. Ing. h. c. F. Porsche Aktiengesellschaft. The purpose is the highly flexible production of sophisticated chassis parts with pioneering technologies.

The summarized financial information for associated companies and joint ventures is shown in an aggregated form because each company can be considered individually immaterial. The following overview shows the items of the statement of financial position and the income statement for companies accounted for using the equity method:

(in MEUR)	2024		2023	
	Associated companies	Joint ventures	Associated companies	Joint ventures
DISCLOSURES ON FINANCIAL POSITION				
Non-current assets	4.9	124.7	4.9	130.1
Current assets	7.4	22.9	2.7	21.0
thereof cash and cash equivalents	4.1	2.4	0.6	2.2
Assets	**12.3**	**147.6**	**7.6**	**151.1**
Non-current liabilities	5.8	101.4	0.0	110.4
Current liabilities	9.8	13.0	0.8	13.6
Liabilities	**15.6**	**114.4**	**0.8**	**124.0**
DISCLOSURES ON THE INCOME STATEMENT				
Revenue	10.0	107.5	5.8	78.5
Depreciation, amortization, and impairment of property, plant, and equipment and intangible assets	-0.7	-9.5	-0.2	-7.4
Interest result	0.0	-3.5	0.0	-3.2
Result for the year	-6.3	6.2	0.6	3.9
Other comprehensive income	-0.2	0.0	0.0	0.0
Total comprehensive income	-6.5	6.2	0.6	3.9

ANDRITZ has the following share of income of companies accounted for using the equity method:

(in MEUR)	Associated companies	Joint ventures	Total
Balance as of December 31, 2022	**5.2**	**8.5**	**13.7**
Share of net income	0.2	2.2	2.4
thereof result for the year	0.2	1.9	2.1
thereof elimination of interim result	0.0	0.3	0.3
Share of other comprehensive income	0.0	0.0	0.0
Balance as of December 31, 2023	**5.4**	**10.7**	**16.1**
Share of net income	14.8	3.4	18.2
thereof result for the year	-2.6	3.1	0.5
thereof elimination of interim result	0.0	0.3	0.3
thereof valuation at fair value	17.4	0.0	17.4
Share of other comprehensive income	-0.2	0.0	-0.2
Balance as of December 31, 2024	**20.0**	**14.1**	**34.1**

The cumulative unrecognized losses amount to 0.0 MEUR (2023: 0.0 MEUR). A loan from a company accounted for using the equity method in the amount of 50.7 MEUR (2023: 55.2 MEUR) is guaranteed.

7. Related parties

Under IAS 24 – Related Party Disclosures, related party transactions have to be disclosed with entities, as far as they are not already included as consolidated companies in the consolidated financial statements of ANDRITZ AG as well with related persons. The members of the Executive Board and the Supervisory Board of ANDRITZ AG have been defined as key management personnel, making them and the close members of their families related persons. The compensation to be disclosed includes the remuneration of the Executive Board and the Supervisory Board.

a) Related entities

In addition to the companies included in the consolidated financial statements, the Group has relations in the ordinary course of business with non-consolidated companies, associated companies, and joint ventures that are considered related parties of the Group. As the Group's transfer pricing policy provides transfer prices at arm's length, no transactions are conducted that do not comply with market standards. The non-inclusion of non-consolidated companies in the consolidated financial statements has no significant impact on the Group's net assets, liabilities, financial position, and profit or loss.

The extent of business relations with non-consolidated companies, associated companies, and joint ventures is as follows:

(in MEUR)	2024	2023
REVENUE AND OTHER INCOME	**41.0**	**44.0**
with non-consolidated companies	40.3	43.5
with associated companies and joint ventures	0.7	0.5
EXPENSES	**-38.5**	**-30.8**
with non-consolidated companies	-35.6	-27.6
with associated companies and joint ventures	-2.9	-3.2
TRADE AND OTHER RECEIVABLES	**27.2**	**24.3**
from non-consolidated companies	**21.7**	**24.2**
Gross amount	62.1	66.6
Valuation allowance	-40.4	-42.4
from associated companies and joint ventures	**5.5**	**0.1**
Gross amount	5.5	0.1
Valuation allowance	0.0	0.0
LIABILITIES	**14.6**	**11.7**
to non-consolidated companies	14.4	11.7
to associated companies and joint ventures	0.2	0.0

The related companies are mainly sales companies or supplier companies that deliver goods to the Group or provide services for the Group. The joint venture Smart Press Shop GmbH & Co KG is also categorized as a related company.

Read more details in chapter 6. Investments accounted for using the equity method.

b) Related persons

Business relationships with companies in which members of the Executive Board or the Supervisory Board of ANDRITZ AG work are conducted at arm's length terms and are of minor importance, both individually and collectively.

Executive Board

Name	Function	Date of first appointment	End of current mandate
Joachim Schönbeck	President & CEO	October 1, 2014 (Member of the Executive Board) April 8, 2022 (President & CEO)	April 7, 2027
Norbert Nettesheim	Chief Financial Officer	December 6, 2019	March 27, 2025
Frédéric Sauze	Member of the Executive Board	March 30, 2023	March 29, 2026
Dietmar Heinisser	Member of the Executive Board	April 1, 2023	March 31, 2026
Jarno Matias Nymark	Member of the Executive Board	October 1, 2023	September 30, 2026

As of December 31, 2024, the Executive Board of ANDRITZ AG consisted of five members, so it was reduced by one member compared to 2023. Due to his wish to make use of a contractually guaranteed option to terminate his Executive Board contract early at the end of the Annual General Meeting in 2025 (originally running until September 30, 2027), Norbert Nettesheim will leave the Executive Board on March 27, 2025. Vanessa Hellwing has already been nominated as his successor. Vanessa Hellwing, who has been a member of the Executive Board since January 1, 2025, will take over the CFO agendas from March 28, 2025.

The annual general meeting, held on March 24, 2021, approved the compensation policy, which includes the principles of determining the compensation of the Executive Board and the Supervisory Board of ANDRITZ AG as well as of the executives. The primary goal of the compensation policy is to promote long-term and sustainable corporate development above all in the interests of shareholders. The remuneration of the Executive Board is composed of a fixed and a variable/success-based portion. The amount of the variable portion depends on the net income achieved and the achievement of non-financial targets such as currently the accident frequency rate.

For contracts with members of the Executive Board, the maximum value of the annual variable remuneration payable was set at three times the annual fixed remuneration. Any amounts in excess of this sum will be carried forward as a variable remuneration to the following three financial years. If the net income of the Group falls short of a defined minimum amount, this results in a “malus” (negative bonus) that is also carried forward to the following years and is a reduction in future variable salary components. If there is a “negative bonus” at the time of leaving, this reduces the entitlements existing upon leaving.

The other remunerations primarily relate to taxable benefits in kind, mainly for company cars and settlement of exchange rate differences, which amount to a total of 44 TEUR in 2024 (2023: 274 TEUR). In addition, ANDRITZ makes insurance contributions for the risk of accidents such as death or disability and for medical expenses. If necessary, ANDRITZ also assumes the costs of keeping two households for up to one year at the start of employment. In the 2024 financial year, the other remuneration components granted amounted to 441 TEUR (2023: 561 TEUR). No advances or loans were granted to members of the ANDRITZ AG Executive Board.

With the departure of former Executive Board member Domenico Iacovelli in connection with the reorganization of the business areas and the subsequent termination of the contract as of March 31, 2024, payments in accordance with the remuneration guidelines in the amount of 2.018 TEUR were agreed. Of this, 1.009 TEUR has already been paid out in the 2024 financial year. The members of the Executive Board are entitled to receive pension scheme benefits. In addition to a retirement pension, these include benefits in the event of occupational disability as well as pension payments for dependents following the death of the beneficiary. The retirement pension is normally paid from a certain age provided that the employment contract has already been terminated by this date. The administration work has been outsourced to pension funds. Pension contracts are contribution oriented. If the employment contract is terminated prematurely, contributions made up to this point shall still be vested. The pension amount to which the beneficiary is entitled is not subject to an escalation clause before any benefits become payable; after this, annual adjustments can be made to take account of the development in wages and salaries and of ANDRITZ's economic status.

A member of the active Executive Board is entitled to severance payments in accordance with section 23 of the Austrian Employees Act upon termination of the function and provided that the employment relationship is terminated at the same time, unless the termination is based on a justified dismissal.

The principles applied in establishing the remuneration of the Executive Board and of senior managers comply with the Austrian Code of Corporate Governance.

The following expenses have been recognized for the active Executive Board:

(in TEUR)	2024	2023
Short-term benefits	15,413	20,861
Share-based payments	855	744
Post-employment benefits	441	561
	16,709	**22,166**

In 2024, a provision of 6,471 TEUR (2023: 4,733 TEUR) was recorded for pensions of former members of the Executive Board and their dependents. Expenses for these pensions amounted to 945 TEUR in 2024 (2023: 864 TEUR). In 2024, 469 TEUR (2023: 466 TEUR) were paid to former members of the Executive Board and their surviving dependents.

ANDRITZ AG took out Directors' and Officers' liability insurance (D&O insurance) for 2024. The policyholder is ANDRITZ AG. The costs are carried by the company. The D&O insurance covers certain personal liability risks of responsible persons in the ANDRITZ Group acting under responsibility. The annual costs amount to approximately 598 TEUR (2023: approximately 680 TEUR).

Supervisory Board

The ANDRITZ AG Supervisory Board was composed of six appointed members and three delegated members by the employee representative organizations as of December 31, 2024:

Name	Function	Date of first appointment	End of current mandate
APPOINTED MEMBERS			
Alexander Leeb	Chairman of the Supervisory Board	March 27, 2019	Until the Annual General Meeting in 2024, since then retired from position
Wolfgang Leitner	Deputy Chairman and Chairman of the Supervisory Board since April 8, 2024	April 7, 2022	Until the Annual General Meeting in 2026
Elisabeth Stadler	Deputy Chairwoman of the Supervisory Board	March 21, 2024	Until the Annual General Meeting in 2028
Wolfgang Bernhard	Member of the Supervisory Board	July 7, 2020	Until the Annual General Meeting in 2025
Jürgen Hermann Fechter	Member of the Supervisory Board	March 30, 2016	Until the Annual General Meeting in 2026
Alexander Isola	Member of the Supervisory Board	March 30, 2016	Until the Annual General Meeting in 2026
Monika Kircher	Member of the Supervisory Board	March 21, 2014	Until the Annual General Meeting in 2024, since then retired from position
Regina Prehofer	Member of the Supervisory Board	March 21, 2024	Until the Annual General Meeting in 2028
DELEGATED MEMBERS			
Georg Auer	Member of the Supervisory Board	July 1, 2011	
Andreas Martiner	Member of the Supervisory Board	February 14, 2001	
Alexander Mori	Member of the Supervisory Board	June 30, 2021	March 6, 2024
Tania Sandtner	Member of the Supervisory Board	March 7, 2024	

The remuneration scheme of the Supervisory Board is composed of a fixed and an attendance-related portion. The fixed portion is a total sum, which is to be distributed such that the chairman of the Supervisory Board receives double the amount and his deputy one-and-a-half-times the amount paid to the other members. The second portion consists of a lump sum fee paid in respect of each meeting that the member attends. Subject to approval by the Annual General Meeting, the Supervisory Board remunerations for the 2024 business year amount to a total of 330 TEUR (2023: 325 TEUR). No Supervisory Board remuneration was paid to the Supervisory Board members delegated by the employee representative organizations.

No advances or loans were granted to members of the ANDRITZ AG Supervisory Board. There were no agreements subject to approval between ANDRITZ AG and individual members of the Supervisory Board or companies closely associated with Supervisory Board members.

In 2024, Custos Vermögensverwaltungs GmbH owns 30.72% and Cerberus Vermögensverwaltung GmbH owns 0.77%. Custos Privatstiftung holds 100% of the shares in Custos Vermögensverwaltungs GmbH and 0.40% of the shares in Cerberus Vermögensverwaltung GmbH. Wolfgang Leitner, chairman of the Supervisory Board, holds 99.60% of the shares in Cerberus Vermögensverwaltung GmbH and is a co-founder of the Custos Privatstiftung. Based on the number of shares listed above, both companies received a dividend of 81.9 MEUR (before capital gains tax deduction) (2023: 68.8 MEUR before capital gains tax deduction) from ANDRITZ AG. Aero Bedarfsflug GmbH based in Graz, a company controlled by Wolfgang Leitner has ceded operation of a corporate jet aircraft owned by the company to a professional private aviation firm. The related expenses for business trips amounted to 1.009 TEUR in 2024 (2023: 451 TEUR). As of December 31, 2024, a liability to this company amounting to 43 TEUR (2023: 24 TEUR) was recognized in this regard. Wolfgang Leitner waived his remuneration as member of the Schuler Group GmbH Supervisory Board.

The law firm GRAF ISOLA Rechtsanwälte GmbH, in which the Supervisory Board member Alexander Isola acts as a partner, provided consultancy services as a legal advisor to ANDRITZ AG in 2024. These mandates were settled at the respective applicable hourly rates of the law firm. The total volume of fees incurred in 2024 amounted to 14 TEUR (2022: 26 TEUR).

C) RESULT OF THE YEAR

8. Segment reporting

a) Operating segments

For management purposes, the Group is organized in four business areas based on products and services which corresponds to the reportable operating segments:

ANDRITZ Pulp & Paper (PP)

ANDRITZ Pulp & Paper provides sustainable technology, automation, and service solutions for the production of all types of pulp, tissue, paper, and board. The technologies and services focus on increased production efficiency, lower overall operating costs as well as innovative decarbonization technologies and autonomous plant operation. The product portfolio also includes boilers for power generation, various nonwoven technologies, and panelboard (MDF) production systems. With waste-to-value recycling, shredding and energy solutions, waste and by-product streams from production are converted into valuable secondary raw materials or energy. State-of-the-art IIoT technologies as part of Metris digitalization solutions complete the comprehensive product offering.

ANDRITZ Metals (ME)

ANDRITZ Metals is one of the world’s leading suppliers of technologies, plants and digital solutions in Metals Forming. The product portfolio also includes automation and software solutions, process know-how and service. In Metals Processing, the business area offers innovative, sustainable and market-leading solutions for the production and processing of flat products, for welding systems and furnaces with its own burner solutions, as well as services for the metals processing industry.

ANDRITZ Hydropower (HY)

ANDRITZ Hydropower is one of the world's leading suppliers of electromechanical equipment and services for hydropower stations in the dynamically growing global renewable energy market. Based on 185 years of experience and a global installed capacity of 489 gigawatts, we offer innovative solutions for new and existing hydropower stations, from small hydropower to large-scale plants. State-of-the-art digital solutions, comprehensive services for the operation and maintenance of entire hydropower plants, and turbo generators for the thermal industry complete the portfolio.

ANDRITZ Environment & Energy (EE)

ANDRITZ Environment & Energy is committed to environmental responsibility and offers a broad range of technologies focusing on sustainable solutions for various industries. The extensive product portfolio includes technologies for the production of green hydrogen and renewable fuels, for carbon capture and emission reduction, mechanical and thermal solid/liquid separation, grinding, pelletizing, and for pumping fluids. Complemented by cutting-edge automation and digitalization as well as comprehensive services, they enable efficient and innovative solutions in processes such as water and wastewater management, recycling, waste/sludge-to-value, resource-saving battery-related mining, desalination, feed and food valorization, air emission reduction and P2X.

These strategic operating segments form the basis of the internal reporting structure to the Executive Board as the key decision maker. The accounting and valuation principles of the individual segments are the same as those of the Group.

According to the internal reporting structure, all revenue as well as all direct and indirect expenses (including overhead and administrative costs) are allocated to operating segments and reflect the management structure of the organization and the predominant sources of risks and opportunities. The key measure of operating performance is Earnings Before Interest, Taxes, and Amortization (EBITA). There are no substantial intersegmental transactions. All consolidation effects related to the income statement are included in the respective operating segment.

The ANDRITZ Group changed its internal organization and therefore the composition of its business areas in 2024. The Hydro business area was renamed to Hydropower and the Separation business area to Environment & Energy. The Clean Air Technologies division (formerly part of the Pulp & Paper business area) and the Green Hydrogen division (formerly part of the Metals business area) are reported in the Environment & Energy business area as of January 1, 2024. Accordingly, the Group has adjusted the disclosures by operating segments for the prior period.

Information by operating segment

2024

(in MEUR)	PP	ME	HY	EE	Total
Revenue	3,461.1	1,811.2	1,537.9	1,503.5	8,313.7
EBITDA	457.8	110.0	121.9	198.2	887.9
EBITA	373.7	73.0	96.3	170.0	713.0
Capital expenditure	77.0	60.0	48.4	52.1	237.5
Depreciation, amortization, and impairment of property, plant, and equipment and intangible assets	127.5	39.7	25.5	33.3	226.0
Result from investments accounted for using the equity method	0.0	18.2	0.0	0.0	18.2
Carrying amount of investments accounted for using the equity method	0.0	34.1	0.0	0.0	34.1

2023

(in MEUR)	PP	ME	HY	EE	Total
Revenue	3,987.4	1,839.6	1,521.7	1,311.3	8,660.0
EBITDA	494.7	127.4	113.9	174.2	910.2
EBITA	412.5	91.4	88.1	149.9	741.9
Capital expenditure	118.0	34.7	35.6	37.9	226.2
Depreciation, amortization, and impairment of property, plant, and equipment and intangible assets	131.7	40.8	26.0	26.5	225.0
Result from investments accounted for using the equity method	0.0	2.4	0.0	0.0	2.4
Carrying amount of investments accounted for using the equity method	0.0	16.1	0.0	0.0	16.1

b) Geographical areas

The Group's activities extend across all regions of the world with a focus on Europe and North America, but also a significant extend in South America, China and Asia (excluding China). External revenue allocated by geographical areas is based on the location of the customers.

Information by geographical areas

2024

(in MEUR)	Europe	North America	South America	China	Asia (without China)	Rest of the world and consoli-dation	Total
Revenue	2,603.6	2,048.9	994.9	936.7	1,386.7	342.9	8,313.7
Non-current assets	930.6	260.3	102.7	191.8	37.3	823.5	2,346.2
Capital expenditure	135.0	37.4	24.4	26.4	13.4	0.9	237.5

2023

(in MEUR)	Europe	North America	South America	China	Asia (without China)	Rest of the world and consoli-dation	Total
Revenue	2,398.9	2,103.8	1,222.0	1,107.5	1,498.9	328.9	8,660.0
Non-current assets	896.2	246.9	103.2	186.3	31.2	821.0	2,284.8
Capital expenditure	140.1	32.5	20.8	23.5	8.3	1.0	226.2

External revenue in Europe includes an amount of 233.1 MEUR (2023: 258.8 MEUR) recognized in Austria. Non-current assets of 331.3 MEUR (2023: 328.5 MEUR) are located in Austria.

c) Key customers

There is no revenue from transactions with a single external customer that amounts to 10% or more of the Group's revenue.

9. Revenue

ACCOUNTING POLICIES

Revenue includes all income resulting from the typical business activities of the ANDRITZ Group and is recognized in accordance with IFRS 15 from contracts with customers. Accordingly, ANDRITZ recognizes revenue when control of a promised product or service is transferred to a customer. The rules of IFRS 15 are implemented as part of the 5-step model: the model starts with the identification of the contract with the customer, followed by the identification of separate performance obligations. In the third step, the transaction price is determined. The transaction price is the amount of the consideration to which the supplying company is entitled as expected in exchange for the goods or services supplied. Subsequently, the transaction price is allocated to the identified performance obligations. In the last step, the revenue is recognized when the performance obligation is satisfied. Revenue is recognized either over time or at a point in time.

The majority of revenues at ANDRITZ are recognized **over time**. Revenue is recognized over time in accordance with performance progress using input- or output-oriented methods. The performance progress is measured mainly by the input-oriented method ("cost-to-cost method"). This means that revenue and order margins are recorded relative to the ratio of accumulated costs to the estimated total costs to complete. Changes of the total estimated order costs and losses, if any, are recognized in the income statement for the period in which they incur. For technological and financial risks that might occur during the remaining project period, an amount individually assessed for each order is included in the estimated order costs. For expected costs of warranty, provisions are recorded in accordance with the profit realization. Upon completion of an order, the remaining warranty risk is reassessed.

If the criteria set forth in IFRS 15 for revenue recognition over time are not met, the revenue is recognized **at a point in time**. At ANDRITZ, a customer obtains control over a promised product or service mainly when the asset is accepted or when the risks and rewards of ownership are transferred.

Impending losses are recorded when it is probable that the total project costs will exceed the revenue.

Contract balances

In case advance and progress payments received from customers exceed the performance progress for contracts with the revenue recognized over time, contract liabilities from revenue recognized over time are recorded, otherwise contract assets are recognized. Advance payments received from customers for contracts recognized at a point in time are presented as item "contract liabilities from revenue recognized at a point in time" in the consolidated statement of financial position.

Contract assets and contract liabilities are within the ordinary business cycle of ANDRITZ and are reported as current assets and liabilities, respectively. Amounts originally recorded as contract assets are reclassified to trade accounts receivable at the time when invoiced to customers. In case several contracts with a customer are to be combined into one contract for revenue accounting purposes, the contract assets and contract liabilities are netted.

Remaining performance obligations

Remaining performance obligations represent the undiscounted value of revenue the Group expects to generate from orders on hand at the end of the reporting period. ANDRITZ has not made use of the practical expedient in accordance with IFRS 15.121.

a) Nature of products and services, timing of satisfaction of performance obligations, and significant payment terms

ANDRITZ is a leading producer of high-technology industrial machinery, equipment, and services.

Read more in chapter 8. Segment reporting.

In the **capital** business, ANDRITZ fulfills the performance obligations using the input-oriented method (cost-to-cost method) if the conditions for the revenue recognition over time according to performance progress are met. The criteria for revenue recognition over time are on the one hand the fact that there is no alternative use and on the other hand, that ANDRITZ has an enforceable right to payment for performance completed to date (costs plus an appropriate margin). If the criteria are not met, the performance obligations are met at a point in time as soon as a customer obtains control over a promised product or service. This is especially the case when the asset is finally accepted. Down payments and progress payments are rendered by the customer – depending on the content of the contract – already before the project starts and/or in regular intervals or after reaching certain milestones.

In the **service** business, ANDRITZ basically fulfills the performance obligations with simultaneous use by the customer while the service is rendered. Revenue is recognized over time. For services on site at the customer's premises, repairs or maintenance with a short runtime or execution time, the revenue is recognized at a point in time. The invoicing of services by ANDRITZ and the payment by the customer are made on a regular basis.

Invoices are issued in accordance with the terms and conditions of the contract, whereby the terms of payment depend and vary, among other things, on the country risk or customer credit risk.

With regard to the satisfaction of the performance obligations, it is evaluated whether two or more contracts with customers are to be combined into one performance obligation or whether one contract with a customer is to be divided into several performance obligations. If a contract is to be divided into several performance obligations, the total consideration is allocated to the respective performance obligations based on the estimated stand-alone selling prices. Since ANDRITZ's products and services predominantly represent customer-specific solutions, the stand-alone selling prices are mainly the expected costs plus a margin. Contracts with customers may also contain variable components such as bonuses, contractual penalties, or other claims from the customer or from ANDRITZ. Variable consideration is considered to the extent that it is most likely to occur.

In the financial year 2024, there were no significant financing components.

For projects with contractually agreed standardized **warranty services** ("assurance-type-warranty"), ANDRITZ recognizes provisions in accordance with revenue recognition. In exceptional cases where an additional warranty, beyond the standard ("service-type-warranty") is contractually agreed upon, a separate performance obligation arises, to which part of the consideration is attributed.

b) Disaggregation of revenue

The following table shows the revenue of ANDRITZ by the reported segments:

	Pulp & Paper		Metals		Hydropower		Environment & Energy		Total	
(in MEUR)	**2024**	**2023**	**2024**	**2023**	**2024**	**2023**	**2024**	**2023**	**2024**	**2023**
REGION										
Europe	1,057.6	1,027.3	590.6	534.4	454.4	405.2	501.0	432.0	2,603.6	2,398.9
North America	708.8	700.8	549.0	683.5	445.8	475.9	345.3	243.6	2,048.9	2,103.8
South America	673.8	960.6	42.9	31.3	123.4	95.6	154.8	134.5	994.9	1,222.0
Asia (without China)	620.6	798.6	175.9	147.4	355.9	340.8	234.3	212.1	1,386.7	1,498.9
China	327.4	394.0	385.5	418.5	29.8	67.2	194.0	227.8	936.7	1,107.5
Others	72.9	106.1	67.3	24.5	128.6	137.0	74.1	61.3	342.9	328.9
	3,461.1	**3,987.4**	**1,811.2**	**1,839.6**	**1,537.9**	**1,521.7**	**1,503.5**	**1,311.3**	**8,313.7**	**8,660.0**
TYPE										
Over time	1,941.1	2,524.4	1,149.3	1,203.0	1,357.2	1,322.7	666.5	514.9	5,114.1	5,565.0
At a point in time	1,520.0	1,463.0	661.9	636.6	180.7	199.0	837.0	796.4	3,199.6	3,095.0
	3,461.1	**3,987.4**	**1,811.2**	**1,839.6**	**1,537.9**	**1,521.7**	**1,503.5**	**1,311.3**	**8,313.7**	**8,660.0**
CATEGORY										
Capital	1,699.2	2,304.8	1,319.9	1,383.3	969.1	934.0	897.8	732.6	4,886.0	5,354.7
Service	1,761.9	1,682.6	491.3	456.3	568.8	587.7	605.7	578.7	3,427.7	3,305.3
	3,461.1	**3,987.4**	**1,811.2**	**1,839.6**	**1,537.9**	**1,521.7**	**1,503.5**	**1,311.3**	**8,313.7**	**8,660.0**

The categories capital and service have been slightly adjusted. Hence, the reference figures of the previous years have been adjusted to match the new reporting structure.

c) Contract balances

ANDRITZ recognizes contract assets in the context of revenue recognition over time in case the performance progress exceeds advance payments received from customers. In the financial year 2024, cumulative impairment on contract assets was reduced by 0.7 MEUR (2023: reduction of impairment by 0.1 MEUR). Due to acquisitions, contract assets increased by 0.0 MEUR (2023: 3.6 MEUR). Amounts originally presented as contract assets are reclassified to trade accounts receivable at the time when rights become unconditional. This usually happens when the invoices are issued to the customer.

If advance payments received from customer contracts with revenue recognition over time exceed the performance progress, contract liabilities from revenue recognized over time are recorded. Revenue recognized in the reporting period that was included in the contract liabilities from revenue recognized over time at the beginning of the period amounted to 1,154.4 MEUR (2023: 1,116.1 MEUR). Due to acquisitions, contract liabilities increased by 0.0 MEUR (2023: 12.4 MEUR).

Advance payments received from customer contracts with revenue recognition at a point in time are presented as contract liabilities from revenue recognized at a point in time. These are generally recognized as revenue in the subsequent fiscal year.

Cumulative catch-up adjustments to revenue, including adjustments arising from a change in the measure of progress, a change in an estimate of the transaction price or a contract modification as well as revenue recognized in the reporting period from performance obligations (partially) satisfied in previous periods generally amount to less than one percent of the total revenue of a fiscal year.

d) Transaction price assigned to the remaining performance obligations

The transaction price allocated to the unfulfilled or partially fulfilled remaining performance obligations as of December 31, 2024 contains the following expected revenue recognition:

(in MEUR)	within one year	in more than one year	Total
Pulp & Paper	1,876.0	583.1	2,459.1
Metals	1,471.1	494.2	1,965.3
Hydropower	1,532.5	2,401.2	3,933.7
Environment & Energy	1,073.4	318.4	1,391.8
	5,953.0	**3,796.9**	**9,749.9**

The reconciliation between the opening and the closing balance of the transaction price assigned to the remaining performance obligations is as follows:

(in MEUR)	Total
Balance as of December 31, 2023	**9,872.6**
Order intake	8,276.9
Revenue	-8,313.7
Currency translation adjustments	27.1
Changes in consolidation scope	14.4
Other adjustments	-127.4
Balance as of December 31, 2024	**9,749.9**

The other adjustments mainly contain settlement agreements in connection with modifications of customer contracts.

e) Contract costs

ANDRITZ assumes that sales commissions paid to intermediaries as a result of concluding the contract are eligible for reimbursement. At ANDRITZ, all contract costs can be attributed directly to the contract initiation. The capitalized contract costs are included in the item "Other non-financial assets" and amount to 7.4 MEUR as of December 31, 2024 (2023: 10.4 MEUR). According to the performance progress, 6.8 MEUR were amortized in the financial year 2024 (2023: 5.2 MEUR). In the fiscal year, no significant impairment losses were recorded.

SOURCES OF ESTIMATION UNCERTAINTY AND CRITICAL JUDGMENTS

Over time revenue recognition is made in accordance with performance progress using input- or output-oriented methods. The accounting for orders with revenue recognition over time is based on estimations for order costs, expected consideration as well as order risks including technical, political, and financial risks. These estimations are reviewed regularly and adjusted accordingly. Although these estimations are based on all information available on the balance sheet date, substantial changes after the balance sheet date are possible.

The evaluation of whether two or more contracts with customers are to be combined into one performance obligation or whether a contract with a customer must be allocated to several performance obligations requires judgment that may affect the recognition of revenue or profit. Variable consideration is estimated at the most likely amount. Estimates are based primarily on expectations as well as on historical, current, and forecasted information available as of the balance sheet date.

Part of the business consists of contracts for long-term projects that can take several years to complete, and many larger orders result in revenue in periods after the respective order intakes have been recorded. Hence, the remaining performance obligations represent the undiscounted value of future revenue expected to be generated from binding contracts at any point in time. Orders that have been placed may be delayed, modified or even cancelled by the customer. These actions may reduce or delay the recognition of the revenue from the order or even result in the cancellation of the order.

10. Other income

ACCOUNTING POLICIES

The presentation for grants related to income varies, whether the grant offsets several expense categories or not. Consequently, grants related to R&D activitites are presented as other income, whereas grants related to a specific expense category are credited directly to this expense category.

(in MEUR)	2024	2023
Government grants	39.4	32.8
Gain from initial consolidation and deconsolidation of subsidiaries	24.0	0.0
Rental income	12.2	12.5
Income from scrap material	11.1	11.1
Insurance income	6.1	27.4
Profit on disposal of intangible assets and property, plant, and equipment	4.4	8.8
Exchange rate gains	3.4	0.0
Miscellaneous	37.0	31.6
	137.6	**124.2**

The miscellaneous other income includes, among other things, income from the payment of written-off receivables and other tax credits from public institutions.

11. Cost of materials

(in MEUR)	2024	2023
Expenses for raw materials, supplies, and goods purchased	3,296.0	3,855.1
Expenses for services purchased	948.6	863.2
	4,244.6	**4,718.3**

12. Personnel expenses

(in MEUR)	2024	2023
Wages and salaries	1,829.4	1,751.3
Expenses for social security and others	366.1	343.4
Pension expenses	56.4	50.6
Termination expenses	41.9	14.1
Severance expenses	7.0	6.4
	2,300.8	**2,165.8**

Government grants for personnel cost of 0.9 MEUR (2023: 1.6 MEUR) were recorded as a reduction of expenses.

The number of employees within the ANDRITZ Group was as follows:

(headcount)	2024	2023
Waged employees	10,860	10,979
Salaried employees	19,143	18,738
EMPLOYEES (AS OF END OF PERIOD; WITHOUT APPRENTICES)	**30,003**	**29,717**
Waged employees	11,006	11,369
Salaried employees	19,037	18,366
EMPLOYEES (AVERAGE; WITHOUT APPRENTICES)	**30,043**	**29,735**

13. Other expenses

(in MEUR)	2024	2023
Sales expenses incl. outbound freight	278.1	289.9
Travel expenses	179.2	164.2
Administrative and consulting expenses	178.8	160.5
Repairs and maintenance	109.2	107.6
Expenses for energy and water	68.5	65.5
Insurance premiums and charges	57.5	61.8
Rents and lease expenses	45.2	43.1
Other taxes and charges	25.9	31.4
Bank charges, guarantees, and similar expenses	23.1	23.9
Expenses for valuation allowance and bad debt losses for receivables	10.6	7.7
Exchange rate losses	0.0	8.7
Miscellaneous	75.2	60.3
	1,051.3	**1,024.6**

Miscellaneous other expenses include, but are not limited to, expenses for further training of employees and expenses for industrial patents, rights, and licenses.

14. Depreciation, amortization, and impairment of property, plant, and equipment and intangible assets other than goodwill

(in MEUR)	2024	2023
Property, plant, and equipment		
Depreciation	167.7	161.9
Impairment losses	2.3	1.3
Intangible assets other than goodwill		
Amortization	56.0	54.8
Impairment losses	0.0	7.0
	226.0	**225.0**

The main impairment losses on property, plant, and equipment were recognized for buildings and technical equipment in Germany and Hungary. These impairment losses are primarily attributable to the Pulp & Paper and Hydropower business areas.

15. Financial result

The financial result comprises the following:

(in MEUR)	2024	2023
Result from investments accounted for using the equity method	18.2	2.4
Interest income	61.0	68.5
Interest expense	-50.5	-48.9
Other financial result	-44.1	-19.0
	-15.4	**3.0**

The result from companies accounted for using the equity method includes a one-time effect of 17.4 MEUR (2023: 0.0 MEUR) from the initial valuation of the shares in OTORIO LTD, Israel.

The item interest expense includes -15.2 MEUR (2023: -11.6 MEUR) from obligations for pensions, severance payments, and other long-term employee benefits as well as return on plan assets and -8.9 MEUR (2023: -6.8 MEUR) for leases.

The item other financial result includes an one-time effect of -38.4 MEUR in the financial year from the disposal of a loan granted to OTORIO LTD, Israel, which was exchanged for equity instruments as part of the deconsolidation of this company. Furthermore this item includes exchange rate gains and losses on loans and cash accounts of 2.5 MEUR (2023: -18.9 MEUR), valuation effects on securities of 2.5 MEUR (2023: 5.8 MEUR), as well as the gain or loss on the net monetary position from hyperinflation of -10.1 MEUR (2023: -3.8 MEUR).

16. Income taxes

ACCOUNTING POLICIES

Income taxes include current and deferred taxes. Current and deferred taxes are recognized in profit or loss except to the extent that the taxes are related to a business combination or to items recognized in other comprehensive income. Current taxes comprise the expected tax due (or tax receivable) on the taxable income (or the tax loss) for the financial year based on the income tax rates applicable respectively and all adjustments to the tax debt in respect of previous years. Actual tax liabilities also include all tax debts arising from declared dividends. Current tax receivables and liabilities are offset if a legal right exists towards a tax authority to settle on a net basis. In the case of values determined in tax statements that cannot be realized, the expected effects of these uncertain tax positions are considered.

Deferred taxes are recognized for temporary differences between the net book value of assets and liabilities in the IFRS consolidated financial statements and their tax bases at the level of the subsidiaries. Deferred taxes are not recognized for:

- taxable temporary differences upon the initial recognition of goodwill,
- temporary differences in the initial recognition of assets or liabilities in a business transaction which is not a business combination and affects neither the accounting profit nor the taxable profit, unless the transaction gives rise to both deductible and taxable temporary differences,

- temporary differences in connection with shares in subsidiaries, associated companies, and joint ventures, provided that the Group is able to control the timing of the reversal of the temporary difference and it is likely that the temporary difference will not be reversed in the foreseeable future.

Deferred taxes are measured in accordance with the tax rates (and tax regulations) applicable on the balance sheet date or which have essentially been enacted into law and are expected to be applicable on the date when the deferred tax credits are realized, or deferred tax liabilities are settled. A deferred tax asset is recognized for unused tax losses, unused tax credits, and deductible temporary differences to the extent that it is probable that a future taxable profit will be available against which it can be utilized. Deferred tax assets are assessed at every reporting date and reduced to the extent to which it is no longer likely that the related tax advantage can be utilized. Provided that the deferred taxes relate to the same taxable entity and the same tax authority as well as that there is also a legally enforceable right to offset actual tax receivables against actual tax liabilities, deferred tax assets and liabilities are offset.

On January 20, 2022, the eco-social tax reform was passed in the third reading in the plenum of the National Council, which, among other things, includes a gradual reduction of the corporate income tax rate in Austria from 25% to 24% in 2023, and finally to 23% in 2024.

A tax group according to section 9 KStG 1988 (Austrian Corporate Tax Act) consists of ANDRITZ AG as the head, ANDRITZ HYDRO GmbH as a domestic member, as well as ANDRITZ DELKOR (Pty) Ltd., South Africa, as a foreign member. A tax compensation agreement was concluded. The former group member OTORIO LTD, Israel, was deconsolidated due to the loss of control in the 2024 financial year and left the tax group at the end of the 2023 financial year. Furthermore, there are two fiscal unities between selected affiliated companies in Germany, for which profit and loss absorption agreements respectively exist. In addition, comparable tax groups exist in the USA, United Kingdom, France, Italy, Denmark, and the Netherlands.

(in MEUR)	2024	2023
Current taxes	-170.5	-174.5
Deferred taxes	20.5	-9.4
	-150.0	**-183.9**

ANDRITZ is subject to global minimum taxation in accordance with the Pillar 2 model rules and the Minimum Taxation Act, which was passed by the National Council on December 20, 2023, and implemented with effect from January 1, 2024.

ANDRITZ has taken into account all available information on the activities of the subsidiaries and the applicable effective tax rates in the individual countries. The minimum taxation relates to business activities in Uruguay, where favourable tax regulations exist in this regard and the effective tax rate is subsequently below 15%. The Group recognised an amount of 2.1 MEUR in the current tax expense of ANDRITZ AG as the ultimate parent entity.

ANDRITZ applied the temporary, mandatory exemption regarding the recognition of deferred taxes resulting from the introduction of global minimum taxation and recognises these taxes as current tax expense/income when they arise.

The reconciliation of the calculated income tax expense to the effective tax expense is shown below. The calculated tax expense in the amount of 148.7 MEUR is determined by multiplying the Earnings Before Taxes in the amount of 646.5 MEUR by the applicable tax rate of 23% for ANDRITZ AG:

(in MEUR)	2024	2023
Earnings Before Taxes (EBT)	646.5	688.2
Calculated tax expense (23% in 2024 and 24% in 2023)	-148.7	-165.2
Increase (-)/Decrease (+) of tax expense by:		
Non-tax-deductible expenses	-15.7	-22.0
Tax allowances and tax-exempted income	14.3	9.0
Foreign tax rate differential arising from foreign fiscal jurisdictions	-5.1	9.9
Effects of changes in tax rates	0.2	0.7
Taxes for prior years	8.6	7.0
Change in valuation allowance; non-recognition of deferred tax assets	14.3	-11.1
Non-deductible impairment of goodwill	0.0	0.0
Non-allowable withholding taxes; foreign operating site taxes	-16.8	-14.6
Others	-1.1	2.4
Effective tax expense	**-150.0**	**-183.9**
in % of EBT	-23.2%	-26.7%

The nominal income tax rates applicable for subsidiaries abroad are between 9% and 34% (2023: 9% and 34%) in the financial year.

The changes in deferred taxes in the statement of financial position are as follows:

(in MEUR)	2024	2023
Deferred tax assets	211.7	239.7
Deferred tax liabilities	-115.0	-121.3
Balance as of January 1	**96.7**	**118.4**
Deferred taxes recognized in income statement	20.5	-9.4
Deferred taxes recognized in other comprehensive income	12.5	-9.4
Changes in consolidation scope	-3.4	0.0
Currency translation adjustments	-1.8	-2.9
Balance as of December 31	**124.5**	**96.7**
Thereof:		
Deferred tax assets	211.6	211.7
Deferred tax liabilities	-87.1	-115.0

The deferred tax assets and liabilities are the result of the temporary valuation differences between the book values of the consolidated statement of financial position according to IFRS and the relevant tax bases and amount to as of December 31:

	2024		2023	
	Deferred taxes		Deferred taxes	
(in MEUR)	Assets	Liabilities	Assets	Liabilities
Intangible assets other than goodwill	13.1	-26.4	15.4	-30.9
Property, plant, and equipment	7.0	-73.9	5.8	-81.4
Financial assets	7.4	-1.5	12.2	-6.1
Inventories	132.1	-20.4	160.0	-8.6
Receivables and other assets	72.9	-218.8	98.7	-284.7
	232.5	**-341.0**	**292.1**	**-411.7**
Provisions	119.7	-39.8	106.5	-20.0
Liabilities	256.9	-176.8	271.9	-206.6
	376.6	**-216.6**	**378.4**	**-226.6**
Tax loss carry forwards and other deductible expenses to be carried forward	177.1	0.0	185.0	0.0
Deferred taxes before non-recognition and netting	**786.2**	**-557.6**	**855.5**	**-638.3**
Non-recognized deferred tax assets	-104.1	0.0	-120.5	0.0
	682.1	**-557.6**	**735.0**	**-638.3**
Netting	-470.5	470.5	-523.3	523.3
Net deferred tax assets and liabilities	**211.6**	**-87.1**	**211.7**	**-115.0**

Non-recognition of deferred tax assets applies to the following (gross values):

(in MEUR)	2024	2023
Deductible temporary differences	90.1	132.8
Tax loss carry forwards	344.5	362.1

The unrecognized tax loss carry forwards (gross values) include an amount of 14.2 MEUR (2023: 1.1 MEUR), which is subject to expiration within the next five years. Parts of the tax losses of the German tax groups are frozen loss carry forwards for corporate income tax in the amount of 2.7 MEUR (2023: 3.3 MEUR) and for trade tax in the amount of 2.6 MEUR (2023: 2.6 MEUR).

The deductible temporary partial write-downs (amounts for outstanding sevenths from tax write-downs on investments) calculated in accordance with Austrian tax law amounted to 14.8 MEUR (2023: 17.8 MEUR). For this amount, deferred tax assets of 3.4 MEUR (2023: 4.1 MEUR) were recognized.

Regarding investments in subsidiaries, branches, and associated companies, as well as in interests in joint ventures, no deferred tax liabilities were recognized for temporary differences in the amount of 513.6 MEUR (2023: 440.1 MEUR).

As of December 31, the loss carry forwards (gross values) are as follows:

	2024			2023		
(in MEUR)	Germany	USA	Others	Germany	USA	Others
Corporate income tax	210.2	158.1	270.1	232.8	154.4	313.8
Trade tax	196.1	0.0	0.0	210.5	0.0	0.0

SOURCES OF ESTIMATION UNCERTAINTY AND CRITICAL JUDGMENTS

Estimates of the future realization of deferred tax assets are critical in assessing the recognition and recoverability of deferred tax assets. This realization depends on the generation of future taxable profits during the periods in which taxable temporary differences reverse and tax loss carry forwards can be utilized. This assessment takes into account the probability of the deferred tax liabilities being reversed as well as the future taxable profits. It could have adverse effects on the assets, liabilities, financial position, and profit or loss, if the actual results deviate from these estimates or if these estimates need to be adjusted in future periods. Effects of uncertain tax positions include the best estimate of the expected tax payment. In the future, new information may become available, leading the management to change the assumptions.

17. Earnings per share

Basic earnings per share (as stated subsequently in the consolidated income statement) were calculated by dividing the net income attributable to owners of the parent by the weighted average number of no-par value shares outstanding during the period. Diluted earnings per share were calculated by dividing the net income attributable to owners of the parent by the weighted average number of no-par value shares outstanding with consideration of share options.

(in MEUR)	2024	2023
Net income attributable to owners of the parent	496.5	510.2
Weighted average number of no-par value shares	98,994,931	99,052,888
Effect of potential dilution of share options	442,958	461,288
Weighted average number of no-par value shares and share options	99,437,889	99,514,176
Basic earnings per no-par value share (in EUR)	5.02	5.15
Diluted earnings per no-par value share (in EUR)	4.99	5.13

D) NON-CURRENT ASSETS AND LIABILITIES

18. Property, plant, and equipment

ACCOUNTING POLICIES

Property, plant, and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses. When an asset is sold or retired, its cost and accumulated depreciation are removed from the accounts and any resulting gain or loss is included as other income or as other expenses in the income statement. The cost of property, plant, and equipment comprises its purchase price including import duties and non-refundable purchase taxes as well as any directly attributable costs of bringing it to the appropriate location for its intended use and putting the asset into working condition. The production costs of self-constructed assets contain direct material and production costs as well as adequate indirect material and production costs. Expenditure incurred after the fixed assets have been put into operation, such as maintenance and repair, is charged to the income statement in the period in which the costs are incurred.

Assets under construction are items of property, plant, and equipment not yet ready for use and are stated at cost.

Depreciation is calculated on a straight-line basis predominantly using the following estimated useful lives:

Buildings	20 - 50 years
Technical equipment and machinery	4 - 10 years
Tools, office equipment, and vehicles	3 - 10 years

The useful lives and the depreciation method are reviewed periodically to ensure that these are consistent with the expected pattern of economic benefits from items of property, plant, and equipment.

Property, plant, and equipment are reviewed for impairment losses whenever events or changes in circumstances indicate that the net book value of an asset may be higher than the amount recoverable (the higher amount of fair value less costs to sell and value in use of an asset or of a cash generating unit). Whenever the net book value of an asset exceeds its recoverable amount, an impairment loss is recognized. Recoverable amounts are estimated for individual assets or, if this is not possible, for the cash generating unit.

Government grants

Government grants related to assets are deducted from the cost of the asset.

Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are generally capitalized as part of the cost of the asset. All other costs of borrowing are expensed in the period in which they are incurred.

Property, plant, and equipment is as follows:

(in MEUR)	Land and buildings	Technical equipment and machinery	Other equipment, factory and office equipment	Assets under construction	Total
COST					
Balance as of December 31, 2022	**1,143.3**	**1,007.3**	**261.1**	**67.4**	**2,479.1**
Additions	49.6	46.0	37.9	84.7	218.2
Disposals	-25.3	-26.6	-34.1	0.0	-86.0
Reclassification	7.5	40.3	4.4	-53.1	-0.9
Currency translation adjustments	-11.7	-11.7	-1.8	-0.9	-26.1
Changes in consolidation scope	5.6	1.4	0.9	0.8	8.7
Reclassification as held for sale	-3.1	0.0	0.0	0.0	-3.1
Balance as of December 31, 2023	**1,165.9**	**1,056.7**	**268.4**	**98.9**	**2,589.9**
Additions	64.5	43.7	35.9	76.3	220.4
Disposals	-19.6	-25.5	-21.6	0.0	-66.7
Reclassification	14.8	44.2	5.8	-71.7	-6.9
Currency translation adjustments	1.4	-2.2	-3.1	-0.8	-4.7
Changes in consolidation scope	2.7	0.4	-1.1	0.0	2.0
Reclassification as held for sale	-4.9	-0.6	-0.4	0.0	-5.9
Balance as of December 31, 2024	**1,224.8**	**1,116.7**	**283.9**	**102.7**	**2,728.1**
ACCUMULATED DEPRECIATION					
Balance as of December 31, 2022	**-419.0**	**-657.8**	**-188.5**	**0.0**	**-1,265.3**
Depreciation	-61.3	-69.4	-31.2	0.0	-161.9
Impairment losses	0.0	-1.3	0.0	0.0	-1.3
Disposals	19.8	21.5	32.9	0.0	74.2
Reclassification	-0.2	0.0	0.3	0.0	0.1
Currency translation adjustments	4.1	5.6	1.3	0.0	11.0
Reclassification as held for sale	0.8	0.0	0.0	0.0	0.8
Balance as of December 31, 2023	**-455.8**	**-701.4**	**-185.2**	**0.0**	**-1,342.4**
Depreciation	-62.5	-72.1	-33.1	0.0	-167.7
Impairment losses	-0.2	-2.1	0.0	0.0	-2.3
Disposals	15.2	15.4	20.2	0.0	50.8
Reclassification	1.0	-0.1	-0.1	0.0	0.8
Currency translation adjustments	-0.5	1.0	1.6	0.0	2.1
Changes in consolidation scope	0.0	0.0	0.8	0.0	0.8
Reclassification as held for sale	0.1	0.2	0.2	0.0	0.5
Balance as of December 31, 2024	**-502.7**	**-759.1**	**-195.6**	**0.0**	**-1,457.4**
NET BOOK VALUE					
Balance as of December 31, 2023	710.1	355.3	83.2	98.9	1,247.5
Balance as of December 31, 2024	722.1	357.6	88.3	102.7	1,270.7

a) Collateral securities

As of December 31, 2024, property, plant, and equipment amounting to 1.9 MEUR was pledged as collateral security (as of December 31, 2023: 1.9 MEUR).

b) Purchase Commitments

The commitments arising from contracts for expenditure on property, plant, and equipment are only within the ordinary scope of business. As of December 31, 2024, these commitments amounted to 22.1 MEUR (as of December 31, 2023: 32.1 MEUR).

c) Borrowing costs

No borrowing costs relating to qualifying assets were capitalized in the financial years 2024 and 2023 as the amounts were immaterial.

d) Government grants

In the 2024 financial year, government grants amounting to 0.6 MEUR (2023: 0.6 MEUR) were received for capital expenditure in property, plant, and equipment and were offset against acquisition costs.

SOURCES OF ESTIMATION UNCERTAINTY AND CRITICAL JUDGMENTS

The anticipated useful lives of property, plant, and equipment are subject to estimates. If the current estimate of the useful lives differs significantly from the previous ones, these will be adjusted accordingly.

The impairment analyses for property, plant, and equipment are primarily based on discounted estimated future cash flows to be expected from the continued use and disposal of an asset at the end of its useful life. Factors such as lower than anticipated revenue and resulting decreases of net cash flows as well as changes in the discount rates used, could lead to an impairment.

ANDRITZ has set targets for reducing CO_2, water consumption, and waste as part of the “We Care” sustainability strategy. Measures to achieve these goals were already implemented and further measures are being implemented. No significant effects on property, plant, and equipment are currently expected, but in individual cases there could be adjustments to useful lives or replacement investments.

19. Right of use assets from lease contracts and lease liabilities

ACCOUNTING POLICIES

A lease is an agreement in which the lessor grants the lessee the right to use an asset for an agreed period in return for a payment or a series of payments. IFRS 16 defines a comprehensive model for the identification of leasing agreements and their treatment in the financial statement of lessees and lessors. Lessees make a distinction between non-leasing components and leasing. ANDRITZ only records the lease payments on the balance sheet, the non-leasing components payments are recorded directly as an expense. Lessors distinguish between finance and operating leases.

The lessee records the leases and the associated right of use assets and lease liabilities on the balance sheet. Exceptions for the recognition of leases can be applied. ANDRITZ uses some practical expedients.

Leasing contracts that involve an intangible asset are not recorded as right of use asset. This also applies to contracts for assets that are of low value or contracts that have a short term. A uniform discount rate has been used for portfolios with similarly structured leasing contracts. Several leasing components and non-leasing components can exist within a contract. ANDRITZ has decided to separate these components and to balance them based on the relative individual selling prices.

Lessee

At inception of a contract, ANDRITZ assesses whether a contract is, or contains, a lease. A lease is a contract, or part of a contract, that conveys the right to control the use of an identified asset for a period of time in exchange for a consideration. The lease term is the non-cancellable period for which a lessee has the right to use an underlying asset plus, if applicable, periods covered by an option to extend the lease if the lessee is reasonably certain to exercise that option and/or periods covered by an option to terminate the lease if the lessee is reasonably certain to not exercise that option.

At initial recognition, ANDRITZ recognizes a lease liability for the obligation to make lease payments in the future and capitalizes a right to use the underlying asset:

- The lease liability is measured at present value of the lease payments not paid at the commencement date, discounted by the interest rate implicit in the lease or if not readily determined the incremental borrowing rate. The borrowing rates have been determined based on a reference interest rate plus a risk premium.
- Lease payments comprise fixed payments, including in-substance fixed payments and variable lease payments that depend on an index or a rate. Variable payments based on the future performance of the asset are not defined as lease payments. Further included are amounts expected to be payable under a residual value guarantee, the exercise price of a purchase option that is reasonably certain to be exercised, lease payments in an optional renewal period if it is reasonably certain to exercise an extension option and penalties for early termination of a lease if it is reasonably certain to terminate early.
- The right of use asset is measured at cost and comprises the initial amount of the lease liability adjusted for any advance payments plus initial direct costs incurred and an estimate of costs of dismantling and removing or restoring the underlying asset or the site on which it is located, less any lease incentives received.

At subsequent measurement the right of use asset is depreciated using the straight-line method from the commencement date to the end of the lease term. In case the ownership of the underlying asset is transferred to ANDRITZ at the end of the lease term or the cost of the right of use asset reflects that a purchase option will be exercised, the underlying asset is depreciated until the end of the useful life. The general depreciation rules according to IAS 16 and impairment rules according to IAS 36 are applied.

The lease liability is measured using the effective interest method. A revaluation of the interest rate takes place if the future lease payments change due to an adjustment of the index or the (interest) rate used, the term of the lease or the amounts payable under a residual value guarantee change. When the lease liability is remeasured in this way, the corresponding adjustment is made to the carrying amount of the right of use asset.

Lessor

ANDRITZ only has entered into operating leases as lessor. With operating leasing, the main opportunities and risks associated with the use of the asset remain with the lessor. Leasing income is recorded on a straight-line basis over the term of the respective lease. The initial direct costs involved in negotiating and brokering an operating lease are added to the book value of the leased asset and are recognized on a straight-line basis over the lease term.

a) ANDRITZ as lessee

The Group has entered into various lease agreements for real estate, machinery, vehicles, and other assets as lessee. They are presented in the item property, plant, and equipment in the consolidated statement of financial position and comprise the following categories of right of use assets:

(in MEUR)	2024	2023
Land and buildings	167.6	174.9
Cars	24.7	20.6
Technical equipment and machinery	4.3	4.1
Other equipment, factory and office equipment	1.6	1.7
	198.2	**201.3**

Additions to the right of use assets amounted to 55.8 MEUR in the financial year 2024 (2023: 55.1 MEUR). Cash outflow for leases amounted to 62.2 MEUR in the financial year 2024 (2023: 57.4 MEUR).

In the income statement, the following amounts were recorded:

(in MEUR)	2024	2023
Expenses for variable lease payments that were not included in the calculation of the lease liability	5.8	6.3
Expenses for short-term leases that were not included in the calculation of the lease liability	18.4	17.9
Lease expenses on low value assets that were not included in the calculation of the lease liability	6.9	6.2
Interest expense for lease liabilities	8.9	6.8
Depreciation of right of use assets	49.5	47.0
thereof land and buildings	35.3	34.3
thereof cars	11.7	10.1
thereof technical equipment and machinery	1.8	1.9
thereof other equipment, factory and office equipment	0.7	0.7

The average weighted interest rate on the lease liabilities amounted to 4.28% during the 2024 financial year (2023: 3.87%). The leasing agreements contain no restrictions on the Group's activities regarding dividends or additional debts. There are no significant subleases. Lease payments for leases that the lessee has entered into but have not yet started amount to 0.3 MEUR in 2024 (2023: 0.1 MEUR).

Information on material leases

Land and buildings

ANDRITZ leases land and buildings for office space, production, and storage. The leases for land and buildings have an average term of 6.8 years in 2024 (2023: 6.4 years). In several cases, leases provide for additional payments based on changes of local price indices.

Some leases for land and buildings contain extension options that the Group can exercise up to one year before the end of the non-cancellable term of the contract. The Group endeavors to include extension options in new leasing contracts if this is practicable to ensure operational flexibility. The extension options held can only be exercised by the Group and not by the lessors. At the start of the lease, the Group assesses whether the exercise of the extension options is reasonably certain. The Group evaluates whether it is possible to exercise the options with sufficient certainty if there is a significant event or change in the circumstances over which it has an influence. The Group estimates that the potential future lease payments, if the extension options are exercised, would lead to a lease liability of 0.8 MEUR as of December 31, 2024 (2023: 0.9 MEUR).

Other leases

In the vehicles category, ANDRITZ mainly leases cars for employees with an average leasing period of 3.5 years in the 2024 financial year (2023: 3.5 years). The leased technical equipment includes machinery and other vehicles that are used in factories and warehouses. The usual average leasing period for this category of right of use assets is 5.1 years in 2024 (2023: 5.1 years).

In addition, other equipment, factory and office equipment are leased for the use of employees. The usual average leasing period for this category of right of use assets is 4.6 years in 2024 (2023: 4.6 years). Many contracts in this category comprise low value items which are expensed immediately.

ANDRITZ monitors the usage of these vehicles and equipment and reviews the estimated amount to be paid as part of the residual value guarantees as of the balance sheet date in order to revaluate the lease liabilities and the right of use assets. As of December 31, 2024, ANDRITZ estimates that the expected remaining guarantee amounts are not material.

b) ANDRITZ as lessor

In the financial year 2024, leasing income of 12.2 MEUR (2023: 12.5 MEUR) was recognized. The contracts largely refer to real estate. The future minimum lease payments from the non-cancellable leases are as follows:

(in MEUR)	2024	2023
Not exceeding 1 year	6.1	7.0
1 to 2 years	1.7	1.6
2 to 3 years	0.7	1.2
3 to 4 years	0.2	0.9
4 to 5 years	0.2	0.2
More than 5 years	0.0	0.0
Total undiscounted lease payments	**8.9**	**10.9**

! SOURCES OF ESTIMATION UNCERTAINTY AND CRITICAL JUDGMENTS

When applying the appropriate accounting methods for classifying leases, management makes critical judgments.

Impairment tests for right of use assets are mainly based on estimated discounted net future cash flows that can be expected from the continued use of an asset and its disposal at the end of its useful life. Factors such as lower revenue, the resulting lower net cash flows and changes in the discounting factors used can lead to an impairment.

Discretionary decisions are made when interpreting the options and defining the original price of items of low value.

The determination of the term of the lease is an essential criterion when applying IFRS 16. The useful lives of the right of use assets are usually defined by contract. If not, the expected useful lives of the right of use assets are subject to discretionary decisions and are reviewed periodically. In addition to the usual useful lives of the leased assets, other factors influence the critical judgment. These include extension options, early termination options, additions or extensions to the leased asset and economic effects of contract changes. If the current estimate of the useful lives differs significantly from the previous ones, these are adjusted accordingly.

ANDRITZ has set targets for reducing CO_2, water consumption, and waste as part of the “We Care” sustainability strategy. Measures to achieve these goals were already implemented and further measures are being implemented. No significant effects on the existing leasing contracts are currently expected, but in individual cases there could be adjustments to the useful life or replacement investments.

20. Goodwill

ACCOUNTING POLICIES

Goodwill is measured as the residual of the cost of the business combination after recognizing the acquired identifiable assets, liabilities, and contingent liabilities at fair value. Following a review of the amounts stated, the resulting value from the comparison of cost and fair value of the net assets of the acquired negative goodwill is recognized immediately in the income statement.

Goodwill is not amortized but tested for impairment. This test is performed at least annually or more frequently if events or changes in circumstances indicate a need for impairment. ANDRITZ performs the annual goodwill impairment test as of September 30 of each business year. In determining whether the recognition of an impairment loss is required, goodwill is allocated to the cash generating units that are expected to benefit from the synergies of the business combination. The cash generating units represent the lowest level at which goodwill is monitored for internal management purposes. In case the composition of the original cash generating units changes over time due to reorganizations or changes in the reporting structure, the goodwill is reallocated accordingly. If the net book value exceeds the value in use, which is determined by using a discounted cash flow (DCF) calculation, and the fair value less costs of disposal is not higher, an impairment loss is recognized. An impairment loss recognized for goodwill will not be reversed in a subsequent period.

The planning is carried out at the level of each cash generating unit comprising the next three years. Future payment surpluses are based on internal forecasts, which are prepared in detail for the next financial year and with simplifications for the subsequent two years and reflecting the historical performance and best estimates on future developments. After this detailed planning horizon, a normalized development is assumed.

The discount rate used for the DCF calculation corresponds to that interest rate that represents the current market estimates on the interest rate as well as the specific risks of the asset. A discount rate before tax is applied with consideration of the applicable currency and risk profile.

Goodwill developed as follows:

(in MEUR)	2024	2023
COST		
Balance as of January 1	**1,052.5**	**1,018.7**
Changes in consolidation scope	28.8	45.0
Remeasurement from acquisitions	-1.0	0.3
Currency translation adjustments	14.2	-11.5
Balance as of December 31	**1,094.5**	**1,052.5**
ACCUMULATED IMPAIRMENT		
Balance as of January 1	**-226.2**	**-231.7**
Impairment loss	0.0	0.0
Currency translation adjustments	-7.9	5.5
Balance as of December 31	**-234.1**	**-226.2**
NET BOOK VALUE		
Balance as of January 1	826.3	787.0
Balance as of December 31	860.4	826.3

Goodwill is allocated to the business areas as follows:

(in MEUR)	2024	2023
Pulp & Paper	429.8	397.4
Metals	266.3	265.3
Hydropower	91.2	91.4
Environment & Energy	73.1	72.2
	860.4	**826.3**

a) Remeasurement from acquisitions

In the 2024 financial year, a remeasurement in accordance with IFRS 3 in the amount of -1.0 MEUR was carried out for Dedert Group. Dedert Group was acquired in October 2023 und is headquartered in Homewood, Illinois, USA.

b) Cash generating units

In the 2024 financial year, the structure of the cash generating units changed due to reorganizations. The cash generating units at ANDRITZ are now represented one level below the business area in the Pulp & Paper and Metals business areas, and by the business areas itself in the Hydropower and Environment & Energy business areas. Goodwill was reassigned accordingly and tested in the 2024 financial year based on both the new and the original structure. The following tables show the cash generating units (CGUs) for the 2024 financial year as well as retrospectively for the 2023 financial year according to the new structure.

The goodwill of CGU Procemex stems from the acquisition of Procemex Oy, Finland, which took place in the 2024 financial year. Procemex is not yet integrated into ANDRITZ's structures to the extent that goodwill can be allocated to existing cash generating units.

2024

CGU	Business area	Goodwill	Discount rate before tax	Non-current growth rate	Description
		(in MEUR)	(in %)	(in %)	
Pulp & Paper: Service	PP	283.4	11.70	2.24	Brand-independent products and services for any kind of process equipment within the industry according to the state-of-the-art technology; Development of solutions for the future
Metals: Forming	ME	230.6	10.02	2.23	Presses, automation, tools, process know-how, and services in the forming equipment field
Hydropower	HY	91.2	12.56	2.36	Turnkey, tailor-made solutions as well as modernization, rehabilitation, and capacity increases for hydropower plants
Pulp & Paper: Paper and Textile	PP	87.1	12.66	2.10	Full-line supply in the papermaking industry; Panelboard fiber production; Solutions for processing of different types of waste and conversion into recyclable materials and energy; Supply of complete lines and key components for the nonwoven, textile, and fiber industry; Textile recycling
Environment & Energy	EE	73.2	12.36	2.83	Various technologies for environmental and energy applications
Metals: Processing	ME	35.7	10.70	2.23	Equipment for the production and processing of stainless-steel strip, carbon steel strip, and of aluminium strip
Pulp & Paper: Pulp and Power	PP	30.4	12.54	1.90	Supply of the entire pulp mill and its related technologies
Procemex	PP	28.8	10.63	1.97	Integrated web monitoring and web inspection solutions for the pulp and paper industry
		860.4			

2023

CGU	Business area	Goodwill	Discount rate before tax	Non-current growth rate	Description
		(in MEUR)	(in %)	(in %)	
Pulp & Paper: Service	PP	280.1	11.69	2.40	Brand-independent products and services for any kind of process equipment within the industry according to the state-of-the-art technology; Development of solutions for the future
Metals: Forming	ME	230.3	10.07	2.43	Presses, automation, tools, process know-how, and services in the forming equipment field
Hydropower	HY	91.4	12.82	2.25	Turnkey, tailor-made solutions as well as modernization, rehabilitation, and capacity increases for hydropower plants
Pulp & Paper: Paper and Textile	PP	87.1	13.50	2.45	Full-line supply in the papermaking industry; Panelboard fiber production; Solutions for processing of different types of waste and conversion into recyclable materials and energy; Supply of complete lines and key components for the nonwoven, textile, and fiber industry; Textile recycling
Environment & Energy	EE	72.2	12.49	3.00	Various technologies for environmental and energy applications
Metals: Processing	ME	35.0	10.88	2.46	Equipment for the production and processing of stainless-steel strip, carbon steel strip, and of aluminium strip
Pulp & Paper: Pulp and Power	PP	30.2	13.44	2.33	Supply of the entire pulp mill and its related technologies
		826.3			

c) Impairment loss

In the 2024 financial year, no impairment losses of goodwill were recorded. In 2023, no impairment losses were recognized either.

SOURCES OF ESTIMATION UNCERTAINTY AND CRITICAL JUDGMENTS

Climate-related risks and opportunities were considered in the revenue and cost of plans, if relevant, at the level of the individual cash generating units based on the best estimates of future developments. Risks for the ANDRITZ Group due to climate change include physical risks on the one hand as well as transition risks. ANDRITZ addresses these risks with a broad product portfolio in the sustainable technologies segment. The company already generates a large part of its total revenue from products and solutions that contribute towards production of renewable energy, environmental protection, the circular economy, and e-mobility. This proportion is to be increased further in the future. We currently see no significant risks on the product side, as our products help our customers to achieve their climate goals.

Expected cost volatilities or increases and the corresponding options (e.g. adjustments to sales prices and price escalation clauses) of passing these increases on to customers are shown in the future cash flows.

The impairment test for goodwill requires estimations regarding the development of future revenues and margins, and their resulting cash flows as well as assumptions for determining the discount rates used and therefore includes certain inherent uncertainties.

The following changes of significant assumptions in percentage points would result in a match of the book value of the goodwill and its value in use, if all other parameters remained unchanged (energy price scenarios are not shown separately due to the low proportion of energy costs in the total costs):

2024

CGU	Goodwill	Discount rate	Planned growth rates	Planned cash flows
	(in MEUR)	(in %)	(in %)	(in %)
Pulp & Paper: Service	283.4	15.45%	-65.70%	-65.29%
Metals: Forming	230.6	2.28%	-26.80%	-24.24%
Hydropower	91.2	7.36%	-38.45%	-46.82%
Pulp & Paper: Paper and Textile	87.1	n.a.	-75.96%	-99.29%
Environment & Energy	73.2	30.81%	-66.85%	-77.81%
Metals: Processing	35.7	37.79%	-67.20%	-81.73%
Pulp & Paper: Pulp and Power	30.4	n.a.	-184.73%	-196.65%
Procemex	28.8	2.71%	-21.77%	-27.95%

2023

CGU	Goodwill	Discount rate	Planned growth rates	Planned cash flows
	(in MEUR)	(in %)	(in %)	(in %)
Pulp & Paper: Service	280.1	15.00%	-66.90%	-63.57%
Metals: Forming	230.3	4.06%	-36.75%	-37.14%
Hydropower	91.4	4.09%	-24.22%	-32.48%
Pulp & Paper: Paper and Textile	87.1	n.a.	-127.65%	-132.63%
Environment & Energy	72.2	37.37%	-81.82%	-82.72%
Metals: Processing	35.0	113.98%	-87.57%	-91.36%
Pulp & Paper: Pulp and Power	30.2	n.a.	-126.63%	-120.54%

21. Intangible assets other than goodwill

ACCOUNTING POLICIES

Intangible assets are accounted for at cost. After initial recognition, intangible assets are accounted for at cost less accumulated amortization and any accumulated impairment losses. Intangible assets have a finite useful life and therefore are amortized on a straight-line basis over the best estimate of their useful lives. The estimated useful lives are as follows:

Acquired customer- and technology-related intangible assets	
Order backlog	1 - 3 years
Customer relationships	3 - 10 years
Brand names	7 - 15 years
Technology	4 - 10 years
Other intangible assets	
Concessions, industrial rights, and similar rights	3 - 15 years
Development cost	3 - 5 years

The useful lives and the amortization method are reviewed periodically to ensure that these are consistent with the expected pattern of economic benefits of the items of intangible assets.

Intangible assets are tested for impairment whenever events or changes in circumstances indicate that the net book value of an asset may be higher than the recoverable amount (the higher amount of fair value less costs to sell and value in use of an asset or of a cash generating unit). Whenever the net book value of an asset exceeds its recoverable amount, an impairment loss is recognized.

Research expenditures are expensed as incurred. Development costs are capitalized if the recognition criteria of IAS 38 are met. The company capitalizes the development expenditures at production costs. The production costs include all costs directly attributable to the development process as well as proportionate overhead costs. If the conditions for capitalizing the development costs are not met the expenses are recorded in the year in which they incur.

(in MEUR)	Acquired customer- and technology-related intangible assets	Other intangible assets	Total
COST			
Balance as of December 31, 2022	**522.9**	**102.9**	**625.8**
Additions	0.0	8.0	8.0
Disposals	-36.1	-23.9	-60.0
Reclassification	0.0	0.9	0.9
Currency translation adjustments	-8.4	-2.0	-10.4
Changes in consolidation scope	38.9	0.9	39.8
Balance as of December 31, 2023	**517.3**	**86.8**	**604.1**
Additions	0.0	17.1	17.1
Disposals	-6.7	-9.0	-15.7
Reclassification	0.0	6.9	6.9
Currency translation adjustments	15.7	-1.3	14.4
Changes in consolidation scope	26.2	0.1	26.3
Balance as of December 31, 2024	**552.5**	**100.6**	**653.1**
ACCUMULATED AMORTIZATION			
Balance as of December 31, 2022	**-384.6**	**-81.1**	**-465.7**
Amortization	-49.7	-5.1	-54.8
Impairment losses	-7.0	0.0	-7.0
Disposals	36.1	23.7	59.8
Reclassification	0.0	-0.1	-0.1
Currency translation adjustments	6.0	0.5	6.5
Balance as of December 31, 2023	**-399.2**	**-62.1**	**-461.3**
Amortization	-51.1	-4.9	-56.0
Disposals	6.7	8.8	15.5
Reclassification	0.0	-0.8	-0.8
Currency translation adjustments	-10.7	0.1	-10.6
Balance as of December 31, 2024	**-454.3**	**-58.9**	**-513.2**
NET BOOK VALUE			
Balance as of December 31, 2023	118.1	24.7	142.8
Balance as of December 31, 2024	98.2	41.7	139.9

a) Research and development costs

Expenses for research and non-capitalized development costs amounted to 130.4 MEUR in the 2024 financial year (2023: 137.2 MEUR). Development costs at 9.2 MEUR (2023: 2.1 MEUR) were capitalized as internally generated intangible assets in the item “other intangible assets” in the 2024 financial year.

b) Collateral securities

As of December 31, 2024, disposal limitations arising due to the granting of collateral securities for intangible assets amounted to 0.0 MEUR (2023: 0.0 MEUR).

SOURCES OF ESTIMATION UNCERTAINTY AND CRITICAL JUDGMENTS

The anticipated useful lives of intangible assets are subject to estimates. If the current estimate of the useful lives differs significantly from the previous ones, these will be adjusted accordingly.

The impairment analyses for intangible assets are primarily based on estimated future discounted cash flows to be expected from the continued use and disposal of an asset at the end of its useful life. Factors such as lower than anticipated revenue and resulting decreases of net cash flows as well as changes in the discount rates used, could lead to an impairment.

ANDRITZ has set targets for reducing CO_2, water consumption, and waste as part of the “We Care” sustainability strategy. Measures to achieve these goals were already implemented and further measures are being implemented. No significant effects on the intangible assets are currently expected, but in individual cases there could be adjustments to the useful lives.

22. Personnel-related provisions (employee benefits)

ACCOUNTING POLICIES

Some Group companies provide defined benefit pension plans. Provisions for pension obligations are recorded for benefits payable in the form of retirement, disability, and surviving dependents’ pensions. The benefits offered vary according to the legal, fiscal, and economic conditions in each country. Benefits are dependent on years of service and, in some cases, on the respective employee’s compensation.

In some countries there is a legal obligation to make severance payments in certain cases of termination of employment. Appropriate provisions are recognized for severance payment obligations.

The obligations are valued every year by professionally qualified and independent actuaries by using the projected unit credit method, different discount rates for different countries, and different average terms, respectively. This method assumes that in each year of service an additional part of the final benefit entitlement is earned and assesses each of these separately to build up the final obligation. The plan assets are deducted at fair value from the gross obligation. This results in the net debt and the net asset value to be reported. Due to the net interest approach, the Group determines the net interest cost (net interest income) by multiplying the net debt (net asset value) at the beginning of the period by the interest rate based on the discounting of the performance-related gross obligation at the beginning of the period. The net interest component resulting from obligations and plan assets is recognized as interest expenses in the consolidated income statement. Remeasurement effects regarding pensions and severance payments are recorded in other comprehensive income for the year, whereas those regarding anniversary bonuses and other long-term benefits are recorded in income statement. The remeasurement component includes the actuarial gains and losses from measurement of the performance-related gross obligation on the one hand and the difference between actually realized return on plan assets and the typically assumed return at the beginning of the period on the other hand. In the event that the plan has been overfunded, the remeasurement component also contains the change in net asset value from applying the asset ceiling as far as this has not been considered in the net interest component. If the present value of a defined benefit obligation changes as a result of plan amendments or curtailments, ANDRITZ shows the resulting effects in profit or loss for the period. Past service costs are generally recognized at the time the plan amendment occurs.

Some Group companies have defined contribution plans for pension and severance commitments. The related costs are expensed as they occur.

The provisions for personnel-related restructuring mainly contain benefits to employees resulting from termination of the employment and are based on a detailed plan agreed between management and employee representatives.

Personnel-related provisions were as follows:

(in MEUR)	2024	2023
Pensions	218.3	215.3
Severances	88.8	87.2
Anniversary bonuses and other long-term employee benefits	35.6	31.7
Termination benefits and personnel-related restructuring	44.0	19.0
	386.7	**353.2**
Non-current	341.2	333.6
Current	45.5	19.6

The provisions for benefits from termination benefits and personnel-related restructuring primarily relate to capacity adjustments in Metals Forming in Germany.

a) Pensions

(in MEUR)	2024	2023
EXPENSES FROM DEFINED BENEFIT PLANS		
Current service cost	4.9	4.2
Past service cost	1.5	-1.3
Effects of plan curtailments and settlements	0.0	0.1
EXPENSES FROM DEFINED CONTRIBUTION PLANS		
Payments to defined contribution plans	50.0	47.6
	56.4	**50.6**

According to IAS 19, the defined benefit plans for pensions are broken down according to the different geographic locations. The pension plans largely relate to Germany, Austria, and Switzerland. The “Others” category primarily comprises pension plans in the USA, Canada, and the United Kingdom.

The basic actuarial assumptions for the calculation of the pension obligations as of December 31 are as follows:

2024

		Germany and Austria	Switzerland	Others
Discount rate	in %	3.09 - 3.48	1.00 - 1.10	1.22 - 7.30
Wage and salary increases	in %	0.00 - 2.50	0.75	0.00 - 3.16
Retirement benefit increases	in %	2.25 - 2.50	0.00	0.00 - 3.20
Average term of the benefit obligation	in years	4.69 - 13.87	9.10 - 14.60	4.70 - 11.00

2023

		Germany and Austria	Switzerland	Others
Discount rate	in %	3.40 - 3.55	1.50	0.92 - 7.30
Wage and salary increases	in %	0.00 - 2.50	1.00	0.00 - 3.00
Retirement benefit increases	in %	2.25 - 2.50	0.00	0.00 - 3.20
Average term of the benefit obligation	in years	5.55 - 13.29	9.10 - 13.90	5.91 - 13.00

The following mortality tables were primarily used:

	2024	2023
Austria	AVÖ 2018-P	AVÖ 2018-P
Germany	Heubeck "Richttafeln 2018 G"	Heubeck "Richttafeln 2018 G"
Switzerland	BVG 2020 Generationentafel	BVG 2020 Generationentafel

The following tables show the development of the pension benefit obligation from January 1 to December 31:

2024

(in MEUR)	Germany and Austria	Switzerland	Others	Total
Defined benefit obligation as of January 1	**235.2**	**223.6**	**58.9**	**517.7**
Current service cost	0.3	4.4	0.2	4.9
Past service cost	0.0	1.5	0.0	1.5
Interest expense	9.2	3.2	2.8	15.2
Actuarial gains (-) and losses (+) from change in demographic assumptions	0.0	0.1	0.0	0.1
Actuarial gains (-) and losses (+) from change in financial assumptions	5.4	10.5	-0.5	15.4
Actuarial gains (-) and losses (+) from change in experience adjustments	2.0	2.9	-0.5	4.4
Benefits paid	-14.6	-14.3	-3.7	-32.6
Contributions by the plan participants	2.3	3.2	0.0	5.5
Currency translation adjustments	0.0	-3.4	1.1	-2.3
Other changes	0.0	0.0	-0.2	-0.2
Defined benefit obligation as of December 31	**239.8**	**231.7**	**58.1**	**529.6**
Fair value of plan assets	-43.1	-262.6	-47.5	-353.2
Effect of asset ceiling	0.0	0.0	1.1	1.1
Net defined benefit liability/asset as of December 31	**196.7**	**-30.9**	**11.7**	**177.5**
thereof provision for defined benefit obligation	196.7	5.6	16.0	218.3
thereof asset for defined benefit obligation	0.0	-36.5	-4.3	-40.8

2023

(in MEUR)	Germany and Austria	Switzerland	Others	Total
Defined benefit obligation as of January 1	**222.5**	**201.2**	**62.7**	**486.4**
Current service cost	0.4	3.5	0.3	4.2
Past service cost	0.0	-1.3	0.0	-1.3
Effects of plan curtailments and settlements	-0.6	0.0	0.0	-0.6
Interest expense	8.6	4.6	2.7	15.9
Actuarial gains (-) and losses (+) from change in demographic assumptions	0.0	-1.1	-0.5	-1.6
Actuarial gains (-) and losses (+) from change in financial assumptions	11.8	15.3	-3.0	24.1
Actuarial gains (-) and losses (+) from change in experience adjustments	4.5	0.3	1.1	5.9
Benefits paid	-14.3	-15.2	-11.1	-40.6
Contributions by the plan participants	2.2	3.1	0.0	5.3
Currency translation adjustments	0.1	13.2	-0.6	12.7
Changes in consolidation scope	0.0	0.0	9.0	9.0
Other changes	0.0	0.0	-1.7	-1.7
Defined benefit obligation as of December 31	**235.2**	**223.6**	**58.9**	**517.7**
Fair value of plan assets	-41.8	-259.5	-48.0	-349.3
Effect of asset ceiling	0.0	22.2	1.0	23.2
Net defined benefit liability/asset as of December 31	**193.4**	**-13.7**	**11.9**	**191.6**
thereof provision for defined benefit obligation	193.4	5.1	16.8	215.3
thereof asset for defined benefit obligation	0.0	-18.8	-4.9	-23.7

Out of the total defined benefit obligation for pension commitments of 529.6 MEUR (2023: 517.7 MEUR), 319.1 MEUR (2023: 308.1 MEUR) are covered entirely or partly by investments in funds.

The following tables reconcile the fair value of the plan assets:

2024

(in MEUR)	Germany and Austria	Switzerland	Others	Total
Fair value of plan assets as of January 1	**41.8**	**259.5**	**48.0**	**349.3**
Interest income	1.5	3.7	2.3	7.5
Return on plan assets (excl. interest income)	2.3	10.4	-0.6	12.1
Benefits paid	-2.7	-14.3	-2.8	-19.8
Contributions by the employer	0.2	4.2	0.1	4.5
Contributions by the plan participants	0.0	3.2	0.0	3.2
Currency translation adjustments	0.0	-4.1	0.6	-3.5
Other changes	0.0	0.0	-0.1	-0.1
Fair value of plan assets as of December 31	**43.1**	**262.6**	**47.5**	**353.2**

2023

(in MEUR)	Germany and Austria	Switzerland	Others	Total
Fair value of plan assets as of January 1	**41.5**	**241.1**	**51.0**	**333.6**
Interest income	1.3	5.7	2.2	9.2
Return on plan assets (excl. interest income)	-0.3	5.3	-2.7	2.3
Effects of plan curtailments and settlements	-0.6	0.0	0.0	-0.6
Benefits paid	-2.8	-15.2	-11.8	-29.8
Contributions by the employer	2.8	4.1	2.7	9.6
Contributions by the plan participants	0.0	3.1	0.0	3.1
Currency translation adjustments	0.0	15.4	0.1	15.5
Changes in consolidation scope	0.0	0.0	7.6	7.6
Other changes	-0.1	0.0	-1.1	-1.2
Fair value of plan assets as of December 31	**41.8**	**259.5**	**48.0**	**349.3**

The plan assets are invested as follows:

2024

(in MEUR)	Germany and Austria	Switzerland	Others	Total
Equity instruments	**7.2**	**55.9**	**2.9**	**66.0**
thereof listed on an active market	7.2	55.9	2.9	66.0
Debt instruments	**8.5**	**65.3**	**17.8**	**91.6**
thereof listed on an active market	7.5	65.3	17.8	90.6
Property, plant, and equipment	**1.3**	**69.3**	**0.0**	**70.6**
thereof listed on an active market	0.2	2.1	0.0	2.3
Other assets	**26.1**	**72.1**	**26.8**	**125.0**
thereof listed on an active market	17.7	59.3	0.2	77.2
	43.1	**262.6**	**47.5**	**353.2**

2023

(in MEUR)	Germany and Austria	Switzerland	Others	Total
Equity instruments	**7.2**	**50.5**	**2.8**	**60.5**
thereof listed on an active market	7.1	50.5	2.8	60.4
Debt instruments	**7.8**	**68.6**	**18.7**	**95.1**
thereof listed on an active market	6.7	68.6	18.7	94.0
Property, plant, and equipment	**1.4**	**69.3**	**0.0**	**70.7**
thereof listed on an active market	0.2	2.1	0.0	2.3
Other assets	**25.4**	**71.1**	**26.5**	**123.0**
thereof listed on an active market	18.3	56.9	0.5	75.7
	41.8	**259.5**	**48.0**	**349.3**

In 2024, the actual investment result from plan assets amounted to 4.84% (2023: 3.04%).

As of December 31, 2024, there were no extraordinary company-specific or plan-specific risks and no substantial risk concentrations.

Expected payments to the pension funds for defined benefit plans are estimated at 18.2 MEUR for 2025.

SOURCES OF ESTIMATION UNCERTAINTY AND CRITICAL JUDGMENTS

For the valuation of the various pension plans a method is applied, where parameters such as the expected discount rate, increases of salary and pension payments as well as the return on plan assets are used. If the relevant parameters develop significantly differently than expected, this can have a material impact on the provision and, subsequently, on the Group's related expenses.

The sensitivity analysis of the existing provisions for pensions is based on key actuarial assumptions. A change of +/- 0.5 percentage points in the discount factor, +/- 0.5 percentage points in the salary increase, +/- 0.5 percentage points in pension benefits, and +/- 1 year in life expectancy would have the following effects on the present value of the pension obligation, if all other parameters remained unchanged (for a change of +/- 1.0 percentage point a doubling can essentially be assumed):

2024

(in MEUR)		Germany and Austria	Switzerland	Others	Total
Discount rate	+0.5%	-11.7	-13.8	-2.0	-27.5
	-0.5%	12.9	15.6	6.6	35.1
Wage and salary increases	+0.5%	0.4	1.5	0.1	2.0
	-0.5%	-0.4	-1.4	-0.1	-1.9
Retirement benefit increases	+0.5%	7.3	4.9	5.2	17.4
	-0.5%	-7.6	-0.4	-0.6	-8.6
Life expectancy	+1 year	8.7	7.7	6.1	22.5
	-1 year	-8.9	-7.8	-1.7	-18.4

2023

(in MEUR)		Germany and Austria	Switzerland	Others	Total
Discount rate	+0.5%	-9.7	-12.6	-2.1	-24.4
	-0.5%	9.4	14.1	2.3	25.8
Wage and salary increases	+0.5%	0.3	1.4	0.0	1.7
	-0.5%	-0.3	-1.5	-0.1	-1.9
Retirement benefit increases	+0.5%	7.0	4.4	0.8	12.2
	-0.5%	-6.5	-0.4	-0.5	-7.4
Life expectancy	+1 year	7.2	6.7	1.7	15.6
	-1 year	-7.4	-6.9	-1.6	-15.9

b) Severances

(in MEUR)	2024	2023
EXPENSES FROM DEFINED BENEFIT PLANS		
Current service cost	2.8	2.7
EXPENSES FROM DEFINED CONTRIBUTION PLANS		
Payments to defined contribution plans	4.2	3.7
	7.0	**6.4**

In the financial year 2024, contributions of 3.2 MEUR (2023: 2.9 MEUR) to employees severance funds (MVK) in Austria, are included in the severance expenses, which represent defined contribution plans.

A breakdown of severance obligations to the various geographical locations has not been disclosed because these obligations relate to more than 75% to Austria.

The actuarial assumptions used for Austria to determine the severance obligations as of December 31 are as follows:

		2024	2023
Discount rate	in %	3.34 - 3.42	4.44 - 4.55
Wage and salary increases	in %	2.50	2.50
Average term of the benefit obligation	in years	8.97 - 10.94	8.78 - 10.96

The following table shows the development of defined benefit obligations from January 1 to December 31:

(in MEUR)	2024	2023
Defined benefit obligation as of January 1	**90.6**	**83.1**
Current service cost	2.8	2.7
Interest expense	3.7	3.4
Actuarial gains (-) and losses (+) from change in demographic assumptions	0.1	0.0
Actuarial gains (-) and losses (+) from change in financial assumptions	1.0	7.1
Actuarial gains (-) and losses (+) from change in experience adjustments	1.7	1.7
Benefits paid	-6.7	-9.0
Currency translation adjustments	0.1	-0.1
Other changes	0.2	1.7
Defined benefit obligation as of December 31	**93.5**	**90.6**
Fair value of plan assets	-4.7	-3.4
Effect of asset ceiling	0.0	0.0
Defined benefit liability as of December 31	**88.8**	**87.2**

The following table reconciles the fair value of plan assets:

(in MEUR)	2024	2023
Fair value of plan assets as of January 1	**3.4**	**3.3**
Interest income	0.2	0.2
Benefits paid	-0.4	-0.2
Contributions by the employer	1.3	0.3
Currency translation adjustments	0.2	-0.2
Fair value of plan assets as of December 31	**4.7**	**3.4**

The plan assets are invested as follows:

(in MEUR)	2024	2023
Debt instruments	**2.3**	**1.5**
thereof listed on an active market	0.0	0.0
Other assets	**2.4**	**1.9**
thereof listed on an active market	1.2	1.1
	4.7	**3.4**

SOURCES OF ESTIMATION UNCERTAINTY AND CRITICAL JUDGMENTS

For the valuation of employee benefits a method is used, where parameters such as the expected discount rate, increases of salary and pension payments as well as the return on plan assets are used. If the relevant parameters develop significantly differently than expected, this can have a material impact on the provision and, subsequently, on the Group's related expenses.

The sensitivity analysis of the existing provisions for severances is based on key actuarial assumptions. A change of +/- 0.5 percentage points in the discount factor, and +/- 0.5 percentage points in the salary increase would have the following effects on the present value of the severance obligation, if all other parameters remained unchanged (for a change of +/- 1.0 percentage point a doubling can essentially be assumed):

(in MEUR)		2024	2023
Discount rate	+0.5%	-4.0	-3.4
	-0.5%	4.3	3.5
Wage and salary increases	+0.5%	4.1	3.4
	-0.5%	-3.8	-3.4

23. Provisions

ACCOUNTING POLICIES

A provision is recognized when the company has a current obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made regarding the amount of the obligation. Provisions are measured at the expected settlement amount. Provisions are reviewed at each balance sheet date and are adjusted to reflect the current best estimate.

Provisions for warranties and other order-related risks comprise the legal and contractual warranty obligations as well as voluntary commitments to customers and are recorded based on past experience and individual assessments.

Provisions for onerous contracts with customers are set up if the unavoidable costs of fulfilling the contractual obligations by ANDRITZ are higher than the expected sales. Onerous contracts are identified through cost and benefit forecasts and estimates are updated on an ongoing basis.

A restructuring provision is recognized if the Group has developed a detailed formal restructuring plan before the balance sheet date and has created a reasonable expectation among those affected that it will carry out the restructuring by commencing implementation of the plan or communicating its key features to those affected. The valuation of a restructuring provision includes only the direct expenses resulting from the restructuring, i.e. those amounts that are both necessarily associated with the restructuring and not related to the company's ongoing activities.

(in MEUR)	Warranty provisions and other order-related risks	Order-related onerous contracts	Miscellaneous	Total
Balance as of January 1, 2024	**506.2**	**40.5**	**72.7**	**619.4**
Additions	175.9	24.3	22.2	222.4
Usage	-40.3	-23.8	-12.0	-76.1
Release	-146.4	-1.9	-18.1	-166.4
Currency translation adjustments	-2.8	-0.1	-2.9	-5.8
Changes in consolidation scope	1.5	0.0	3.9	5.4
Balance as of December 31, 2024	**494.1**	**39.0**	**65.8**	**598.9**
Non-current	172.6	0.0	30.2	202.8
Current	321.5	39.0	35.6	396.1

ANDRITZ expects the non-current provisions to usually result in cash outflows during the next two to three years. Current provisions are expected to result in cash outflows within the next fiscal year.

Miscellaneous provisions include provisions for restructuring measures for non-personnel related expenses and legal disputes that are not related to the sales business.

SOURCES OF ESTIMATION UNCERTAINTY AND CRITICAL JUDGMENTS

Provisions are recognized and measured based on estimates of the extent and probability of future events. As far as possible, these are based on past experience. Sometimes, however, reliable estimates can only be made with appropriate judgments, because litigation may concern complex legal issues. Therefore, in such cases, the assessment is made with the involvement of internal and external lawyers.

Read more in chapter 42. Contingent assets and liabilities.

E) NET WORKING CAPITAL

24. Overview on net working capital

(in MEUR)	2024	2023	2022
Assets included in net working capital			
Inventories	1,162.4	1,165.3	1,135.5
Advance payments made	151.4	178.5	219.9
Trade accounts receivable	1,168.8	1,076.0	1,065.1
Contract assets	1,099.3	1,239.4	1,047.5
Current tax assets	32.5	27.6	36.6
Derivatives	24.8	77.3	71.4
Other non-financial assets	389.9	360.5	327.3
- Plan assets in excess of defined benefit obligation	-40.8	-23.7	-4.9
Liabilities included in net working capital			
Trade accounts payable	954.8	1,022.9	983.0
Contract liabilities from revenue recognized over time	1,321.6	1,419.6	1,547.5
Contract liabilities from revenue recognized at a point in time	342.6	357.0	400.5
Current tax liabilities	95.8	75.1	105.8
Derivatives	74.3	54.3	77.1
Other non-financial liabilities	1,147.6	1,128.5	1,127.2
Net working capital	**51.6**	**43.5**	**-342.7**
Change in net working capital in the consolidated statement of financial position	**-8.1**	**-386.2**	

Read more in chapter 39. a) Cash flow from operating activities.

25. Inventories

ACCOUNTING POLICIES

Inventories are valued at the lower of acquisition or production cost and net realizable value. Acquisition cost is determined by the average method. Production cost includes direct costs and the applicable allocation of fixed and variable overhead costs. The net realizable value is the selling price in the ordinary course of business minus costs of completion, marketing, and distribution. Valuation allowances for obsolete and slow-moving items are recorded. Inventories no longer usable are fully written-off. Changes in inventories of finished goods and work in progress serve to neutralize expenses for inventories still in stock on the balance sheet date.

Inventories consist of the following:

(in MEUR)	2024	2023
Materials and supplies	456.6	485.4
Work in progress and unfinished services	526.6	510.7
Finished goods and merchandise	179.2	169.2
	1,162.4	**1,165.3**

The write-down of inventories recognized as an expense amounted to -6.4 MEUR (2023: -7.9 MEUR). In the financial year, no substantial reversal of write-down was captured as a reduction of cost of materials.

26. Advance payments made

The advance payments made relate to procurement processes for customer orders as well as general inventories.

27. Trade accounts receivable

Trade accounts receivable are as follows:

(in MEUR)	2024	2023
Gross amount of trade accounts receivable	1,217.1	1,126.9
Valuation allowance	-48.3	-50.9
TRADE ACCOUNTS RECEIVABLE	**1,168.8**	**1,076.0**

All trade accounts receivable are classified as current. The disposal limitations arising due to the granting of collateral securities amounted to 0.0 MEUR (2023: 0.0 MEUR). The parties receiving collateral security have no rights allowing them to sell or repledge the collateral securities provided.

—**Read more details on valuation in chapter 31.** Financial assets and liabilities by category.

—**Read more on payments overdue and development of impairment in chapter 38.** Risk management – Risks relating to financial instruments.

28. Other non-financial assets

(in MEUR)	2024	2023
Plan assets in excess of defined benefit obligation	40.8	23.7
Receivables from public institutions	28.9	26.0
Miscellaneous	5.5	18.5
Non-current	**75.2**	**68.2**
Receivables from public institutions	221.2	204.1
Prepayments and deferred charges	47.8	44.0
Contract costs	7.3	10.4
Miscellaneous	38.4	33.8
Current	**314.7**	**292.3**
	389.9	**360.5**

Receivables from public institutions include, but are not limited to, related to value-added tax and research and development premiums. Miscellaneous other non-financial receivables include, but are not limited to, receivables from employees.

29. Trade accounts payable

(in MEUR)	2024	2023
Trade accounts payable – supplier finance arrangement	28.5	34.0
Other trade accounts payable	926.3	988.9
	954.8	**1,022.9**

Read more in chapter 31. Financial assets and liabilities by category.

Supplier Finance Arrangement

ANDRITZ participates in a supplier finance arrangement, within which suppliers can choose to receive earlier payment of their invoices from a bank by selling receivables from ANDRITZ (factoring). In this agreement, the bank agrees to pay invoice amounts owed by the Group to participating suppliers and later receive compensation for this from the Group. The purpose of this agreement is to enable efficient payment processes and allow participating suppliers to sell their receivables from ANDRITZ to a bank before the due date.

The carrying amount of liabilities that are part of the supplier finance arrangement is as follows:

(in MEUR)	2024
Presented within trade accounts payable	28.5
thereof suppliers received payments from the bank	17.8

Below is also a comparison of range of payment due dates:

(in days after invoice date)	2024
Trade accounts payable – supplier finance arrangement	30 - 181
Comparable trade accounts payable	14 - 180

There were no significant non-cash changes in the carrying amount of liabilities subject to supplier finance arrangement.

The Group applied a transitional relief that permits the Group to not provide comparative information for 2023 and certain quantitative information as of January 1, 2024, in the first year of adoption.

SOURCES OF ESTIMATION UNCERTAINTY AND CRITICAL JUDGMENTS

ANDRITZ has not derecognized the original liabilities underlying this arrangement as no legal exemption was obtained nor the liability was materially modified by entering the arrangement. From the Group's perspective, the agreement does not significantly extend the payment period compared to normal periods with other non-participating suppliers. The Group does not incur any additional interest for paying the supplier liabilities to the bank. The amounts factored by the suppliers are therefore reported under trade payables, since the nature and function of the financial liability corresponds to the other trade payables. All liabilities underlying the supplier finance arrangement are classified as current.

Payments to the bank are included in cash flow from operating activities because they remain part of the Group's normal operating cycle and their essential nature remains operational, i.e. payments for the purchase of goods and services. The payments to a supplier by the bank are considered non-cash transactions.

Read more details about the impact of this agreement on liquidity risk in chapter 38. Risk management – risks relating to financial instruments.

30. Other non-financial liabilities

(in MEUR)	2024	2023
Non-current	**2.2**	**2.6**
Accruals and outstanding order-related costs	617.8	626.9
Unused vacation and other personnel-related accruals	356.2	337.7
Liabilities to public institutions	102.1	95.6
Liabilities due to employees	28.8	25.0
Miscellaneous	40.5	40.7
Current	**1,145.4**	**1,125.9**
	1,147.6	**1,128.5**

Miscellaneous other non-financial liabilities include, but are not limited to, accruals for audits, tax advice and other financial advisory services as well as liabilities to insurance companies.

F) FINANCIAL AND CAPITAL STRUCTURE, FINANCIAL INSTRUMENTS, AND RISK MANAGEMENT

31. Financial assets and liabilities by category

ACCOUNTING POLICIES

A financial instrument is a contract that gives rise to both a financial asset for one entity and a financial liability or equity instrument for another entity. Financial instruments are accounted for on the trading day. Financial assets and financial liabilities included in the balance sheet comprise cash and cash equivalents, trade receivables and trade payables as well as other financial assets and other financial liabilities, bank loans and Schuldscheindarlehen.

Financial assets and financial liabilities are recognized in the consolidated balance sheet when the Group becomes a party to the contractual arrangements of the financial instrument. Initial recognition is at fair value plus transaction costs. This does not apply to financial assets categorized as "at fair value through profit or loss". For these instruments the initial recognition is made at fair value without consideration of transaction costs. Financial instruments are netted if the Group has a legally enforceable right to netting and intends to settle either only the balance or both the receivable and the liability at the same time.

Categories and subsequent measurement of financial assets

For all recognized financial assets, subsequent measurement is carried out at amortized cost or at fair value, depending on the classification category. The classification and measurement approach for financial assets takes the business model into account in which the assets are held as well as the characteristic of the cash flows. The following three classification categories for financial assets are distinguished:

- valued at amortized cost
- valued at fair value through profit and loss (FVTPL)
- valued at fair value through other comprehensive income (FVTOCI)

The classification category is determined by type of instrument: derivatives, equity instrument, and debt instrument.

Upon subsequent measurement, **derivatives** are valued at FVTPL.

Read more details about measurement in chapter 37. Derivatives.

A **debt instrument** is measured at **amortized cost** if it meets both of the following conditions and is not designated as FVTPL:

- it is held within a business model whose objective it is to hold assets to collect contractual cash flows; and
- its contractual terms lead to cash outflows on certain dates, which are solely principal and interest payments on the outstanding principal amount.

In the Group, trade receivables, loans, and other financial receivables with fixed or determinable payments that are not quoted on an active market belong to this category. These assets are measured at amortized cost using the effective interest method. The amortized costs are reduced by impairment losses. Interest income, foreign exchange gains and losses, derecognition effects, and impairments are recognized in profit or loss.

A **debt instrument** is valued at **FVTOCI** if it meets both of the following conditions and is not designated as FVTPL:

- it is held within a business model whose objective it is both, to collect contractual cash flows and to sell financial assets; and
- its contractual terms lead to cash outflows on certain dates, which are solely principal and interest payments on the outstanding principal amount.

These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses, and impairments are recognized in profit or loss. Other net gains and losses are recognized in other comprehensive income (OCI). Upon derecognition, the cumulative gains and losses in OCI are reclassified to the income statement. In the Group, no instrument is assigned to this category in the financial year.

All **debt instruments** that are not measured at amortized cost or FVTOCI, as described above, are measured at **FVTPL**. In addition, upon initial recognition, the Group may irrevocably designate a financial asset that meets the requirements to be measured at amortized cost or at FVTOCI to be measured at FVTPL if it eliminates or substantially reduces an accounting mismatch. This option is not exercised within the Group. This category includes financial instruments acquired either mainly for the purpose of being sold or bought back at short notice. Debt instruments to obtain profits from short-term fluctuations in the market price or from the trader’s margin are not held. Any gain, including interest, or loss resulting from the valuation is recognized in profit or loss.

An **equity investment** is generally measured at **FVTPL** because it is held for trading or because it is irrevocably decided upon initial recognition to not present subsequent changes in fair value in OCI but in the income statement. This choice is made for each investment individually. Equity instruments that are held to gain profits from short-term fluctuations in the market price or from the trader’s margin are not held. Any gain, including dividend income, or loss resulting from the valuation is recognized in profit or loss.

The Group has decided to measure individual **equity investments** at **FVTOCI**. These assets are subsequently measured at fair value. Dividends are recognized in profit or loss unless the dividend is clearly a reimbursement of part of the investment cost. Other net gains and losses are recognized in OCI and are not reclassified to profit or loss.

Categories and subsequent measurement of financial liabilities

The valuation of financial liabilities depends on their classification in certain categories, which are distinguished and explained as follows:

- valued at fair value through profit or loss (FVTPL)
- valued at amortized cost

The Group measures its financial liabilities at **fair value through profit or loss** if the financial liability is held for trading or if it is a derivative that has not been designated as a hedging instrument and is not effective as such.

Read more details about measurement in chapter 37. Derivatives.

Other financial liabilities, including taken out loans, are initially recognized at fair value less transaction costs. As part of subsequent measurement, other financial liabilities are measured at **amortized cost** in accordance with the effective interest method, whereby the interest costs are recognized in profit or loss corresponding with the effective interest rate.

Fair value

The fair value is the price that would be received in an orderly transaction between market participants on the measurement date for the sale of an asset or for the transfer of a liability. The measurement of financial instruments at fair value follows a three-level hierarchy and is based on the proximity of the applied measurement factors to an active market.

- **Level 1:** Financial instruments are valued according to level 1 if they have a quoted price in an active market for an identical asset or liability accessible for an entity. Quoted prices represent the fair value.
- **Level 2:** If the valuation according to level 1 is not accomplishable, level 2 valuation uses directly or indirectly observable inputs for determining the fair value.
- **Level 3:** If inputs are not observable, level 3 valuation uses unobservable inputs for determining the fair value.

Valuation techniques

Class	Valuation techniques for the determination of fair values
Trade accounts receivable, time deposits, miscellaneous other financial assets, cash and cash equivalents, trade accounts payable, and miscellaneous other financial liabilities	These classes of financial assets and liabilities are accounted for at their book value, which is a reasonable approximation of their fair value due to the fact that their residual maturity is essentially short.
Derivatives, investments in equity instruments and debt instruments, bank loans and Schuldscheindarlehen as well as lease liabilities	The fair value is basically calculated using stock market prices. If no stock market prices are available, the valuation is carried out using customary valuation methods taking specific parameters into account. The valuation model takes the present value of the expected cash flows into account, discounted with a risk-adjusted discount rate applicable for the remaining term.
Shares in non-consolidated companies, investments in equity instruments as well as earn out and contingent considerations	There are no prices quoted on an active market for these financial instruments. The valuation is made via valuation parameters that are not observable on the market, e.g. cashflow planning

a) Levels and fair values

The following tables show the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. They do not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value:

As of December 31, 2024

(in MEUR)							Net book value				Fair value
	Chapter	Hedge accounting at fair value	Mandatory at FVTPL	Equity instruments - FVTOCI	At amortized costs	No IFRS 9 valuation category	Total	Level 1	Level 2	Level 3	Total
Trade accounts receivable	27.				1,168.8		1,168.8				
Other financial assets	32.						469.2				
Shares in non-consolidated companies	32.					38.0	38.0			38.0	38.0
Investments: Equity instruments	32.			33.4			33.4	4.2		29.2	33.4
Investments: Debt instruments	32.		143.8				143.8	143.8			143.8
Time deposits	32.				127.7		127.7				
Derivatives	37.	17.4	7.4				24.8		24.8		24.8
Miscellaneous	32.				101.5		101.5				
Cash and cash equivalents	33.				1,164.6		1,164.6				
FINANCIAL ASSETS		**17.4**	**151.2**	**33.4**	**2,562.6**	**38.0**	**2,802.6**				
Bank loans	35./39.				100.7		100.7		96.2		96.2
Schuldscheindarlehen	35./39.				428.8		428.8		412.7		412.7
Lease liabilities	19./39.				208.7		208.7		207.6		207.6
Trade accounts payable	29.				954.8		954.8				
Other financial liabilities	36.						209.7				
Derivatives	36./37.	57.7	16.6				74.3		74.3		74.3
Earn out and contingent considerations	36.				22.5		22.5			21.7	21.7
Miscellaneous	36.				112.9		112.9				
FINANCIAL LIABILITIES		**57.7**	**16.6**		**1,828.4**		**1,902.7**				

As of December 31, 2023

(in MEUR)	Chapter	Hedge accounting at fair value	Mandatory at FVTPL	Equity instruments - FVTOCI	At amortized costs	No IFRS 9 valuation category	Net book value Total	Level 1	Level 2	Level 3	Fair value Total
Trade accounts receivable	27.				1,076.0		1,076.0				
Other financial assets	32.						493.3				
Shares in non-consolidated companies	32.					23.6	23.6			23.6	23.6
Investments: Equity instruments	32.			28.9			28.9			28.9	28.9
Investments: Debt instruments	32.		168.8				168.8	168.8			168.8
Time deposits	32.				112.9		112.9				
Derivatives	37.	65.4	11.9				77.3		77.3		77.3
Miscellaneous	32.				81.8		81.8				
Cash and cash equivalents	33.				1,507.1		1,507.1				
FINANCIAL ASSETS		**65.4**	**180.7**	**28.9**	**2,777.8**	**23.6**	**3,076.4**				
Bank loans	35./39.				142.2		142.2		135.0		135.0
Schuldscheindarlehen	35./39.				728.7		728.7		694.8		694.8
Lease liabilities	19./39.				209.5		209.5		202.7		202.7
Trade accounts payable	29.				1,022.9		1,022.9				
Other financial liabilities	36.						168.7				
Derivatives	36./37.	30.9	23.4				54.3		54.3		54.3
Earn out and contingent considerations	36.				23.5		23.5			23.0	23.0
Miscellaneous	36.				90.9		90.9				
FINANCIAL LIABILITIES		**30.9**	**23.4**		**2,217.7**		**2,272.0**				

b) Reconciliation of level 3 measurement at fair value

The table below contains only financial assets:

(in MEUR)	Investments: Equity instruments	Shares in non-consolidated companies	Total
Balance as of December 31, 2022	**29.8**	**19.0**	**48.8**
Acquisitions and disposals	0.9	4.4	5.3
Gains and losses recognised in income statement	0.0	0.3	0.3
Gains and losses recognised in other comprehensive income	-1.8	0.0	-1.8
Currency translation adjustments	0.0	-0.1	-0.1
Balance as of December 31, 2023	**28.9**	**23.6**	**52.5**
Acquisitions and disposals	-0.9	12.7	11.8
Gains and losses recognised in income statement	0.0	1.5	1.5
Gains and losses recognised in other comprehensive income	1.2	0.0	1.2
Currency translation adjustments	0.0	0.2	0.2
Balance as of December 31, 2024	**29.2**	**38.0**	**67.2**

c) Net gains and losses

2024

(in MEUR)	Derivatives	Financial assets measured at FVTPL	Financial assets measured at FVTOCI	Financial assets measured at amortized costs	Financial liabilities measured at amortized costs
Interest result	-3.1	1.1		59.3	-22.7
Dividends		1.8			
Valuation	-2.2	3.1		-55.1	
Gains and losses from sale and disposal		-0.1			
Net gains and losses recognized in net income	**-5.3**	**5.9**		**4.2**	**-22.7**
Net gains and losses recognized in other comprehensive income	-38.2		-6.0		
NET GAINS AND LOSSES	**-43.5**	**5.9**	**-6.0**	**4.2**	**-22.7**

2023

(in MEUR)	Derivatives	Financial assets measured at FVTPL	Financial assets measured at FVTOCI	Financial assets measured at amortized costs	Financial liabilities measured at amortized costs
Interest result	-6.6	0.5	0.7	67.3	-23.9
Dividends		0.9	0.1		
Valuation	0.9	4.9		-9.5	
Gains and losses from sale and disposal		-0.6			
Net gains and losses recognized in net income	**-5.7**	**5.7**	**0.8**	**57.8**	**-23.9**
Net gains and losses recognized in other comprehensive income	51.3		-1.8		
NET GAINS AND LOSSES	**45.6**	**5.7**	**-1.0**	**57.8**	**-23.9**

SOURCES OF ESTIMATION UNCERTAINTY AND CRITICAL JUDGMENTS

To assess the fair value of financial instruments for which there is no active market, alternative valuation methods are used that are subject to estimation uncertainties. The parameters used in the assessment are to some extent based on future-oriented assumptions and the selection of suitable parameters requires assumptions about their comparability.

In accordance with the disclosure requirements for financial instruments, certain assumptions are made regarding the future cash inflows and outflows of the instruments concerned.

32. Other financial assets

ACCOUNTING POLICIES

Non-current other financial assets consist primarily of shares in non-consolidated companies, non-current securities as well as non-current derivatives.

Current other financial assets consist mainly of investments in debt instruments such as bonds of first-class banks, money market funds, and time deposits. They are held for the purpose of investing liquid funds and are not generally intended to be retained on a long-term basis. Furthermore, bills of exchange receivable, current derivatives and miscellaneous financial receivables are included.

Read more details on valuation in chapter 31. Financial assets and liabilities by category.

(in MEUR)	2024	2023
Shares in non-consolidated companies	38.0	23.6
Investments: Equity instruments	33.4	28.9
Derivatives	5.2	28.3
Investments: Debt instruments	1.7	1.6
Time deposits	0.8	15.0
Miscellaneous	3.3	5.1
Non-current	**82.4**	**102.5**
Investments: Debt instruments	142.1	167.2
Time deposits	126.9	97.9
Bills of exchange receivable	36.4	15.0
Derivatives	19.6	49.0
Receivables from associated companies, joint ventures, and non-consolidated companies	18.9	14.6
Miscellaneous	42.9	47.1
Current	**386.8**	**390.8**
	469.2	**493.3**

The shares in non-consolidated companies did not include a restricted right of use in 2024 or 2023, respectively.

Miscellaneous other financial assets include, but are not limited to, receivables from deposits, receivables from insurance companies, suppliers with debit balances as well as interest accruals.

a) Equity instruments at fair value through other comprehensive income

The equity instruments listed in the table below were designated as measured at fair value through OCI. These shares represent long-term strategic investments, which is why ANDRITZ considers this valuation category to be appropriate. No strategic investments were sold in the financial year. With regard to these investments, no accumulated gains or losses were transferred within equity.

(in MEUR)	Fair value as of December 31, 2024	Fair value as of December 31, 2023	Dividend income of 2024	Dividend income of 2023
JVP VIII, L.P.	22.2	21.0	0.0	0.0
ASTARIS S.p.a.	5.2	5.2	0.0	0.0
HydrogenPro ASA	4.2	0.9	0.0	0.0
Others	1.8	1.8	0.0	0.1
	33.4	**28.9**	**0.0**	**0.1**

33. Cash and cash equivalents

ACCOUNTING POLICIES

Cash includes cash in hand and cash at banks. Cash equivalents comprise short-term investments that have original maturities of three months or less and are subject to an insignificant risk of changes in value e.g. time deposits.

Read more details on valuation in chapter 31. Financial assets and liabilities by category.

Cash and cash equivalents are as follows:

(in MEUR)	2024	2023
Cash in banks	804.7	883.6
Time deposits	359.9	623.5
	1,164.6	**1,507.1**

The cash and cash equivalents in the consolidated statement of financial position correspond to cash and cash equivalents in the consolidated statement of cash flows. Overdrafts do not form an integral part of cash management and are therefore not part of the financial resources in the Group's cash flow statement.

In various countries foreign exchange restrictions and other legal restrictions exist. As a result, the availability of these funds of cash and cash equivalents to ANDRITZ AG as the parent company might be restricted.

34. Equity

ACCOUNTING POLICIES

Share capital

Only ordinary shares exist, and all shares have been issued and have the same rights. The share capital of ANDRITZ AG amounts to 104 MEUR, divided into 104 million shares of no-par value.

Capital reserves

The capital reserves include additional payments from shareholders on the issue of shares.

Retained earnings

Retained earnings predominantly include retained income, fair value reserve, actuarial gains and losses, and currency translation adjustments.

Fair value reserve

The fair value reserve contains the following components:

- **Reserve for cash flow hedging (hedging reserve)**
  This reserve comprises the effective part of the cumulative net changes in the fair value of hedging instruments used to hedge cash flows until they are subsequently recognized in profit or loss or are recognized directly in the acquisition costs or the carrying amount of a non-financial asset or a non-financial debt.

- **Reserve for the cost of hedging**
  This reserve shows gains and losses of the portion that is excluded from the designated hedging transaction that relates to the forward element of a forward exchange transaction. The cost of hedging is initially recognized in other comprehensive income and accounted for similar to the gains and losses in the reserve for cash flow hedging.

- **Reserve from changes in the fair value of financial assets**
  This reserve relates to the cumulative net changes in the fair value of equity instruments designated as measured at FVTOCI.

a) Other comprehensive income

The amounts attributable to components of other comprehensive income are as follows:

(in MEUR)			2024			2023
	Before taxes	Tax effect	After taxes	Before taxes	Tax effect	After taxes
Actuarial gains and losses	11.2	-1.0	10.2	-9.5	6.1	-3.4
Remeasurement of defined benefit plans	**11.2**	**-1.0**	**10.2**	**-9.5**	**6.1**	**-3.4**
Changes in fair values	-6.0	1.4	-4.6	-1.8	0.5	-1.3
Equity instruments - FVTOCI	**-6.0**	**1.4**	**-4.6**	**-1.8**	**0.5**	**-1.3**
Currency translation adjustments	-37.2	0.0	-37.2	-21.3	0.0	-21.3
Currency translation of foreign operations	**-37.2**	**0.0**	**-37.2**	**-21.3**	**0.0**	**-21.3**
Changes in fair values	-66.9	20.9	-46.0	33.4	-10.4	23.0
Transfers to income statement	32.4	-10.0	22.4	14.9	-4.7	10.2
Cash flow hedges (hedging reserve)	**-34.5**	**10.9**	**-23.6**	**48.3**	**-15.1**	**33.2**
Changes in fair values	6.2	-1.9	4.3	-1.6	0.5	-1.1
Transfers to income statement	-9.9	3.1	-6.8	4.6	-1.4	3.2
Cash flow hedges (cost of hedging)	**-3.7**	**1.2**	**-2.5**	**3.0**	**-0.9**	**2.1**
	-70.2	**12.5**	**-57.7**	**18.7**	**-9.4**	**9.3**

b) Dividends

For 2024, a dividend of 2.60 EUR per outstanding share is proposed by the Executive Board.

The dividend of 248.5 MEUR for 2023, which is equal to 2.50 EUR per share, was proposed by the Executive Board and approved by the 117th Annual General Meeting on March 23, 2024. The dividend was paid to the shareholders on March 28, 2024.

c) Treasury shares

On July 30, 2024, the Executive Board of ANDRITZ Group resolved to repurchase treasury no-par value bearer shares via the stock exchange on the basis of the authorization granted at the 116th Annual General Meeting on March 29, 2023, and published on March 30, 2023. The resolution provides for the purchase of up to 2,080,000 shares from August 5, 2024 (inclusive) to January 31, 2025 (inclusive) – corresponding to a 2.00% stake of the voting share capital of ANDRITZ. The buyback program was terminated when the maximum number of units was reached on December 2, 2024.

In 2024, 2,080,000 shares were bought back at an average price of 56.06 EUR per share. 375,850 shares were sold to authorized executives as part of the management share option plan for executives. 49,974 shares were transferred to employees of ANDRITZ as part of employee participation programs. As of December 31, 2024, the company held 6,443,716 treasury shares with a market value of 315.6 MEUR. It is planned to use these shares to service options under the management share option plan and the employee participation programs.

The following table shows the changes in the number of shares outstanding:

	Shares outstanding	Treasury shares	Total
Balance as of December 31, 2022	**98,903,589**	**5,096,411**	**104,000,000**
Purchase of treasury shares	0	0	0
Used to cover share options and employee participation programs	306,871	-306,871	0
Balance as of December 31, 2023	**99,210,460**	**4,789,540**	**104,000,000**
Purchase of treasury shares	-2,080,000	2,080,000	0
Used to cover share options and employee participation programs	425,824	-425,824	0
Balance as of December 31, 2024	**97,556,284**	**6,443,716**	**104,000,000**

d) Share-based payment programs

ACCOUNTING POLICIES

ANDRITZ issues equity-settled share-based payments to members of the Executive Board, managers, and junior executives.

Equity-settled share-based payments are measured at fair value at the grant date using the Black-Scholes model and/or the Monte Carlo model. The cumulative recognised expense is based on the fair value at grant date and on the estimated number of shares that will eventually vest. It is recorded in Earnings Before Interests and Taxes throughout the vesting period with a counterpart in equity. At the end of each reporting period, ANDRITZ revises its estimates of the number of options that are expected to vest based on the non-market vesting conditions. The impact of the revision to original estimates, if any, is recorded in Earnings Before Interests and Taxes, with a corresponding adjustment to equity.

On July 7, 2020, ANDRITZ decided to offer the members of the executive board and managers a share option program. On March 16, 2022, and March 1, 2024, the members of the executive board, managers as well as junior executives were offered further programs on similar terms. Under these programs, holders of exercisable options have the right to purchase shares at the market price of the shares on the date of grant. One share option entitles the holder to the purchase of one share. The options are to be drawn from the pool of shares bought back by ANDRITZ under the corporate share buy-back program. All options must be fulfilled by physical delivery of shares.

Key characteristics

Contractual terms and conditions

	Share option program 2024	Share option program 2022	Share option program 2020
Number of options granted	1,187,000	1,020,250	948,500
thereof Executive Board and Supervisory Board	187,500	197,500	247,500
Grant date	June 1, 2024	June 1, 2022	September 1, 2020
Exercise period	May 1, 2027 - April 30, 2031	May 1, 2025 - April 30, 2029	May 1, 2023 - April 30, 2027

The number of options includes options that were granted prior to the responsibilities as Executive Board member or Supervisory Board member.

General exercise conditions

The beneficiary must have been in an active employment relationship with a company belonging to the ANDRITZ Group from the grant date until the date of exercise of an option.

Another requirement is that the beneficiary must have a personal investment in ANDRITZ shares of at least 5 TEUR for junior executives, at least 20 TEUR for senior executives and at least 40 TEUR for members of the Executive Board.

If the conditions of exercise are met, 50% of the options can be exercised immediately, 25% after three months, and the remaining 25% after a further three months.

Detailed exercise conditions per program

Share Option Program 2024

30% of the options can be exercised, provided that

- the average unweighted closing price of the ANDRITZ share over 20 consecutive trading days within the period from May 1, 2026 to April 30, 2027 is at least 10% above the exercise price or
- the average unweighted closing price of the ANDRITZ share over 20 consecutive trading days within the period from May 1, 2027 to April 30, 2028 is at least 15% above the exercise price.

Up to 60% of the options can be exercised, provided that the comparable EBITA margin for the 2024, 2025 or 2026 business year is within or above the EBITA corridor. The EBITA corridor is defined the following way: With a comparable EBITA margin between 8.0% and 9.5% the aliquot exercise of options is possible depending on the level of the comparable EBITA margin, and with a comparable EBITA margin of 9.5% or higher 60% of the options can be exercised.

Up to 10% of the options can be exercised if the “Accident Frequency Rate (AFR1) > 1 days absence” for the 2024, 2025 or 2026 business year is within or lower than the AFR1 corridor. The AFR1 corridor is defined the following way: With an AFR1 between 2.0 and 1.5 the aliquot exercise of options is possible depending on the level of the AFR1, and with an AFR1 of 1.5 or lower 10% of the options can be exercised.

Share Option Program 2022

30% of the options can be exercised, provided that

- the average unweighted closing price of the ANDRITZ share over 20 consecutive trading days within the period from May 1, 2024 to April 30, 2025 is at least 10% above the exercise price or
- the average unweighted closing price of the ANDRITZ share over 20 consecutive trading days within the period from May 1, 2025 to April 30, 2026 is at least 15% above the exercise price.

Up to 60% of the options can be exercised, provided that the comparable EBITA margin for the 2022, 2023 or 2024 business year is within or above the EBITA-corridor. The EBITA corridor is defined the following way: With a comparable EBITA margin between 7.5% and 9.0% the aliquot exercise of options is possible depending on the level of the comparable EBITA margin, and with a comparable EBITA margin of 9.0% or higher 60% of the options can be exercised.

10% of the options can be exercised only if the “Accident Frequency Rate (AFR1) > 1 day absence” is ≤ 2.4 in 2022, ≤ 1.7 in 2023 or ≤ 1.2 in 2024.

Share Option Program 2020

Up to 90% of the options can be exercised, provided that the average unweighted closing price of the ANDRITZ share over 20 consecutive trading days within the period from May 1, 2022 to April 30, 2023 is at least 10% above the exercise price and the comparable EBITA margin for the 2021 or 2022 business year is within the EBITA-corridor; or the average unweighted closing price of the ANDRITZ share over 20 consecutive trading days within the period from May 1, 2023 to April 30, 2024 is at least 15% above the exercise price and the comparable EBITA margin for the 2022 or 2023 business year is within or above the EBITA-corridor. The EBITA corridor is defined the following way: With a comparable EBITA margin between 6.5% and 7.9% the aliquot exercise of options is possible depending on the level of the comparable EBITA margin, and with a comparable EBITA margin of 8.0% or higher 90% of the options can be exercised.

10% of the options can be exercised if the “Accident Frequency Rate (AFR) > 3 days absence” is ≤ 3.5 in 2021, 2022 or 2023.

Valuation

The following parameters were used to determine the fair values at the grant date of the share-based payment programs:

	Share option program 2024	Share option program 2022	Share option program 2020
Fair value at grant date (in EUR)	12.15	10.14	3.28
Share price at grant date (in EUR)	54.95	43.56	27.64
Exercise price (in EUR)	57.15	38.80	31.20
Estimated volatility (weighted average, in %, per anno)	28.3	27.8	26.8
Estimated duration (weighted average, in years)	6.9 years	6.9 years	6.7 years
Estimated dividend yield (in %)	3.0	2.9	2.8
Risk-free interest rate (based on government bonds, in %, per anno)	2.7	0.9	-0.6
Model	Black-Scholes and/or Monte Carlo	Black-Scholes and/or Monte Carlo	Black-Scholes and Monte Carlo

The expected volatility is derived from the historical development of the stock price over a certain period of time.

Movement

The number and weighted average exercise prices of the stock options developed as follows:

	2024		2023	
	Number of options	Average exercise price per option (in EUR)	Number of options	Average exercise price per option (in EUR)
Balance as of January 1	**1,618,000**	**35.99**	**1,955,250**	**35.16**
Options granted	1,187,000	57.15	0	0.00
Options exercised	-375,850	31.20	-272,250	31.20
Options expired and forfeited	-114,000	42.02	-65,000	31.20
Balance as of December 31	**2,315,150**	**47.32**	**1,618,000**	**35.99**
Exercisable as of December 31	221,900	31.20	597,750	31.20

The number of options assigned in the 2022 stock option program was adjusted to the actual number of options. This has no impact on the ANDRITZ Group’s consolidated financial statements.

The options outstanding as of December 31, 2024, had an exercise price between 31.20 EUR and 57.15 EUR (2023: 31.20 EUR and 38.80 EUR) and a weighted average remaining contract term of 5.2 years (2023: 3.6 years). The weighted average share price on the exercise date of the stock options exercised in 2024 was 57.17 EUR (2023: 54.85 EUR).

Total expenses arising from share-based payment programs recognised during the period as part of employee benefit expense were 5.0 MEUR (2023: 3.2 MEUR).

SOURCES OF ESTIMATION UNCERTAINTY AND CRITICAL JUDGMENTS

The share option programs are measured based on the fair value of the options on the grant date. The fair value of the options is based on parameters such as volatility, interest rate, share price, duration of the options, and expected dividends. The interpretation of market information necessary for the estimation of fair values also requires a certain degree of subjective judgment. This can result in a difference between the amounts recorded and values subsequently realized in the market.

e) Non-controlling interests

ACCOUNTING POLICIES

The share attributable to non-controlling interests is shown separately in equity of the consolidated statement of financial position, in the consolidated income statement, and in the consolidated statement of other comprehensive income. The purchase method was applied for all companies acquired. Companies purchased or sold during the year were included in the consolidated financial statements as from the date of their purchase or up to the date of their sale.

(in MEUR)	Main office	Proportion of ownership interests and voting rights held by non-controlling interests		Net income allocated to non-controlling interests		Non-controlling interests	
		2024	2023	2024	2023	2024	2023
OTORIO LTD	Tel Aviv, Israel	-	49.99%	-0.7	-6.7	0.0	-22.1
PT. ANDRITZ HYDRO	Jakarta, Indonesia	49.00%	49.00%	0.7	0.8	2.6	1.9
Dabaki Grundstücksverwaltungs-gesellschaft mbH & Co. Vermietungs KG	Mainz, Germany	6.00%	6.00%	0.0	0.0	0.0	0.0
				0.0	**-5.9**	**2.6**	**-20.2**

ANDRITZ Group deconsolidated lost control on the company OTORIO LTD, Israel in the financial year 2024.

Read more in chapter 4. Consolidation scope.

f) Additional capital management disclosures

ANDRITZ is committed to maintain a strong financial profile, characterized by a conservative capital structure that provides financial flexibility. As of December 31, equity and total assets amounted to the following:

(in MEUR)	2024	2023
Total equity	2,280.0	2,157.5
Total assets	8,163.0	8,497.3
Equity ratio	27.9%	25.4%

ANDRITZ is not subject to any statutory capital requirements. The company has obligations to sell or issue shares in connection with existing share-based payment programs. In recent years, commitments from share-based payments have primarily been satisfied through buy-back of the company's shares.

The goal in capital management is on the one hand to ensure the going concern of the Group entities and on the other hand to maximize the return to shareholders by optimizing the debt and equity balance. In the past Schuldscheindarlehen (in 2017, 2018, and 2019) were issued to safeguard the financial stability and to provide the basis for further growth of the ANDRITZ Group. The capital structure of the Group consists of debt, cash, and equity attributable to shareholders of the parent, comprising share capital, capital reserves, and retained earnings.

The capital structure is reviewed on an ongoing basis. The cost of capital and the risks associated with each class of capital are taken into account. The Group will continue to optimize its capital structure through the payment of dividends, share buy-backs as well as the issue and repayment of debt.

The Group's overall strategy remains unchanged from 2023.

35. Bank loans and Schuldscheindarlehen

The terms and conditions of outstanding bank loans and Schuldscheindarlehen are as follows:

			2024			2023
	Nominal interest rate (%)	Year of maturity	Net book value (in MEUR)	Nominal interest rate (%)	Year of maturity	Net book value (in MEUR)
Schuldscheindarlehen in EUR	1.0%-2.0%	2025-2028	428.8	1.0%-2.0%	2024-2028	728.7
OeKB bank loan in EUR	1.3%	2025-2028	68.0	1.3%	2024-2028	85.0
Bank loans in CNY	2.3%-2.4%	2025	12.0	0.0%	2024	5.6
Bank loans in INR	7.5%-8.1%	2025	11.8	5.6%-5.9%	2024	38.2
Further bank loans	-	2025-2029	8.9	-	2024-2028	13.4
			529.5			**870.9**

36. Other financial liabilities

(in MEUR)	2024	2023
Derivatives	20.0	14.5
Earn out and contingent considerations	16.8	11.6
Miscellaneous	0.2	0.2
Non-current	**37.0**	**26.3**
Bills of exchange payable	74.1	58.6
Derivatives	54.3	39.8
Liabilities from commissions	18.7	13.6
Earn out and contingent considerations	5.7	11.9
Miscellaneous	19.9	18.5
Current	**172.7**	**142.4**
	209.7	**168.7**

Miscellaneous other financial liabilities include, but are not limited to, customers with credit balances, liabilities to non-consolidated companies as well as interest accruals.

37. Derivatives

ACCOUNTING POLICIES

The Group uses derivatives to hedge interest rate and foreign currency risks arising from operational, financing, and investment activities. Financial liabilities to obtain profits from short-term fluctuations in the market price or from the trader's margin are not held.

Accounting for derivatives, that are not designated as a hedging relationship

Derivatives that are not designated as a hedging relationship are classified as held for trading in accordance with IFRS 9 and recorded at fair value. As of the balance sheet date, the fair value of open derivatives is calculated as the present value of future cash flows using currency and interest rate quotations. The own credit risk as well as the credit risk of the contractual partner are included. Any gain or loss resulting from the valuation is recognized in the income statement.

Hedge Accounting

In order to better present the economic effects of the risk management activities, ANDRITZ applies the regulations on the accounting of hedging transactions according to IFRS 9.

At inception of the hedge, ANDRITZ documents the economic relationship between the hedging instrument and the hedged underlying transaction, including the risk management objectives and the underlying corporate strategy. The essential conditions of the payments from the underlying transactions and hedging instruments (in particular nominal and payment dates) are basically identical or behave in opposite directions ("critical terms match").

Derivatives are initially recorded at fair value at the time a derivative contract is concluded and are measured at fair value at the end of each reporting period. Depending on the fair value (positive or negative), the derivative financial instruments are recorded as other financial receivables or other financial liabilities. The instruments are classified as non-current if the remaining terms exceed 12 months and current if the remaining terms are 12 months or less. The changes in fair value are recorded differently depending on the type of hedging relationship:

Fair value hedge

In connection with the hedge of the fair value of a recognized asset or recognized liability, the change in fair value of the hedging instrument and the underlying transaction are recognized in the income statement.

Cash flow hedge

If a derivative is designated as a cash flow hedge, the effective part of the change in fair value is recognized in other comprehensive income and accumulated in the reserve for cash flow hedges (hedging reserve). The effective part of the changes in fair value is limited to the cumulative change in the fair value of the hedged underlying (calculated based on the present value) since the inception of the hedge. The ineffective portion of the changes in the fair value of the derivative is recognized immediately in income statement.

The Group only records the change of the fair value of the spot component of currency forwards as a hedging instrument in the hedging reserve. The change in the fair value of the forward element of forward exchange transactions (forward points) or the basis spread of swaps is accounted for separately as cost of hedging and is allocated in a reserve for cost of hedging in equity.

When the cash flow hedge results in the recognition of a non-financial asset or non-financial liability or becomes a firm commitment to which hedge accounting is applied, the amounts recognized in other comprehensive income up to the date of recognition become part of the acquisition cost of the non-financial asset or non-financial liability.

In all other cases of cash flow hedges, the amount recognized in other comprehensive income is transferred from equity to the income statement, at the point at which the underlying transaction affects the income statement.

If a hedging instrument expires, is terminated or the hedge no longer meets the criteria for hedge accounting, all cumulative gains or losses and the accrued cost of hedging remain in equity until the forecasted transaction takes place. If the forecasted transaction is no longer expected, the cumulative gains or losses and the cost of the hedging are immediately reclassified to the income statement.

In the ANDRITZ Group, cash flows from purchases and sales in the operating business are hedged by use of foreign currency forwards and foreign currency swaps. This is intended to secure the expected and highly likely future transactions in foreign currencies.

ANDRITZ also uses interest rate swaps to hedge against the interest rate risk of future cash flows from financial liabilities. From 2017 to 2019, Schuldscheindarlehen were issued in ten tranches with a total nominal value of 1,075.0 MEUR. The tranches were concluded with terms of five to ten years and have variable or fixed interest rates. To hedge the interest rate risk of future cash flows, four interest rate swaps were concluded. The future cash flows expected from the floating-rate nominal amount of 190.5 MEUR were defined as the underlying. Combined with the related interest rate swaps it was designated as a cash flow hedge relationship. In 2024, there is no related interest rate swap or cash flow hedge anymore, as all remaining tranches of the Schuldscheindarlehen issued have a fixed interest rate that is below the reference interest rates. (In 2023, the last variable-interest tranche with a total nominal value of 80.0 MEUR was repaid as planned, with the associated interest rate swaps falling due analogously.) In addition, interest rate swaps were concluded in 2020 to hedge the interest rate risk of the future cash flows of a variable-interest loan with a total nominal value of 5.0 MEUR and were designated as a cash flow hedge relationship. As of December 31, 2024, a nominal value of 2.0 MEUR remains.

The following overview shows the nominal values and fair values by type of forward contract:

As of December 31, 2024

(in MEUR)	Remaining terms nominal values			Fair value		
	not exceeding 1 year	more than 1 year	Total	positive	negative	Total
Foreign exchange forward contracts	2,088.7	653.2	2,741.9	24.4	74.3	-49.9
thereof hedge accounting	1,396.3	571.6	1,967.9	17.3	57.7	-40.4
Interest rate swaps	1.0	1.0	2.0	0.1	0.0	0.1
thereof hedge accounting	1.0	1.0	2.0	0.1	0.0	0.1
Forward contracts - Commodities	2.1	2.4	4.5	0.3	0.0	0.3
	2,091.8	**656.6**	**2,748.4**	**24.8**	**74.3**	**-49.5**

As of December 31, 2023

(in MEUR)	Remaining terms nominal values			Fair value		
	not exceeding 1 year	more than 1 year	Total	positive	negative	Total
Foreign exchange forward contracts	2,906.0	710.8	3,616.8	77.1	54.1	23.0
thereof hedge accounting	1,886.4	751.9	2,638.3	65.2	30.9	34.3
Interest rate swaps	1.0	2.0	3.0	0.2	0.0	0.2
thereof hedge accounting	1.0	2.0	3.0	0.2	0.0	0.2
Forward contracts - Commodities	1.1	4.5	5.6	0.0	0.2	-0.2
	2,908.1	**717.3**	**3,625.4**	**77.3**	**54.3**	**23.0**

These hedging instruments are included in the balance sheet items “Other financial assets” and “Other financial liabilities”. The net gains and losses from forwards contracts, that do not qualify as hedging relationship, contained in other gains and losses are shown in the respective table.

Read more in chapter 31. c) Net gains and losses.

a) Information on hedge accounting derivatives

The hedging instruments designated as a hedging relationship are included in the balance sheet items “Other financial assets” and “Other financial liabilities”. Information on nominal values, book values, and conditions of the hedge accounting derivatives is provided below:

As of December 31, 2024

	Nominal value	Book value - receivables	Book value - liabilities	Book value - net	Hedging period until	Average hedging rate	Change in fair value used to calculate ineffectiveness
	(in MEUR)	(in MEUR)	(in MEUR)	(in MEUR)			(in MEUR)
Currency risk							
EUR / BRL	73.7	0.4	-6.2	-5.8	January 2025 - September 2029	6.7	-9.1
EUR / CHF	66.9	0.4	-1.0	-0.6	January 2025 - June 2029	0.9	-0.4
EUR / CNY	39.6	0.2	-0.7	-0.5	January 2025 - June 2027	7.7	-0.5
EUR / INR	66.5	1.2	-0.3	0.9	January 2025 - February 2029	93.1	-0.1
EUR / SEK	73.7	0.2	-0.5	-0.3	January 2025 - September 2027	11.4	-0.9
EUR / USD	105.0	0.8	-3.5	-2.7	January 2025 - August 2027	1.1	-2.3
USD / BRL	76.4	0.8	-3.5	-2.7	January 2025 - March 2028	5.9	-6.8
USD / CNY	104.4	0.0	-3.9	-3.9	January 2025 - May 2027	7.0	-1.7
USD / EUR	698.8	2.6	-24.7	-22.1	January 2025 - January 2029	0.9	-27.7
USD / INR	66.5	0.2	-0.6	-0.4	January 2025 - March 2030	87.4	-1.3
USD / MXN	100.1	4.7	-5.2	-0.5	January 2025 - November 2027	20.7	-17.8
AUD / EUR	24.3	0.3	-0.1	0.2	January 2025 - August 2026	0.6	0.3
CNY / EUR	249.6	2.7	-2.7	0.0	January 2025 - December 2029	0.1	4.9
GBP / EUR	53.8	0.1	-2.2	-2.1	January 2025 - March 2028	1.2	-2.5
Others	168.6	2.7	-2.6	0.1	January 2025 - April 2027	-	-0.9
	1,967.9	**17.3**	**-57.7**	**-40.4**			
Interest risk							
variable / fixed	2.0	0.1	0.0	0.1	May 2025 - May 2026	-	-0.1
	2.0	**0.1**	**0.0**	**0.1**			

As of December 31, 2023

	Nominal value	Book value - receivables	Book value - liabilities	Book value - net	Hedging period until	Average hedging rate	Change in fair value used to calculate ineffectiveness
	(in MEUR)	(in MEUR)	(in MEUR)	(in MEUR)			(in MEUR)
Currency risk							
EUR / BRL	173.2	4.4	-0.5	3.9	January 2024 - September 2029	6.3	1.4
EUR / CHF	64.7	1.9	-1.5	0.4	January 2024 - December 2027	1.0	0.4
EUR / CNY	43.2	0.5	-0.6	-0.1	January 2024 - January 2027	7.7	0.8
EUR / INR	218.0	0.2	-0.7	-0.5	January 2024 - May 2026	84.0	-1.1
EUR / SEK	75.5	1.1	-2.0	-0.9	January 2024 - December 2026	11.4	-1.2
EUR / USD	93.3	1.6	-1.5	0.1	January 2024 - August 2027	1.1	1.3
USD / BRL	321.9	7.8	-0.2	7.6	January 2024 - November 2026	5.3	3.7
USD / CNY	82.0	0.3	-0.9	-0.6	January 2024 - May 2027	7.0	-2.4
USD / EUR	866.3	22.6	-8.4	14.2	January 2024 - March 2028	0.9	27.2
USD / INR	72.3	0.2	-0.1	0.1	January 2024 - March 2030	86.4	-0.1
USD / MXN	89.7	19.8	0.0	19.8	January 2024 - November 2027	20.6	11.9
AUD / EUR	32.7	0.1	-0.4	-0.3	January 2024 - June 2026	0.6	1.6
CNY / EUR	275.6	0.7	-10.7	-10.0	January 2024 - January 2028	0.1	-12.6
GBP / EUR	64.0	0.2	-0.2	0.0	January 2024 - March 2028	1.1	-0.1
Others	165.9	3.8	-3.2	0.6	January 2024 - February 2026	-	2.9
	2,638.3	**65.2**	**-30.9**	**34.3**			
Interest risk							
variable / fixed	3.0	0.2	0.0	0.2	May 2024 - May 2026	-	-0.3
	3.0	**0.2**	**0.0**	**0.2**			

b) Development of the cash flow hedge reserve

Development of the cumulative other comprehensive income from hedging relationships shown in the fair value reserve, broken down by risk component and cost of hedging:

(in MEUR)	Currency risk	Interest risk	Total hedging reserve	Cost of hedging	Total cashflow hedge reserve
Balance as of December 31, 2022	**-3.2**	**0.3**	**-2.9**	**-0.3**	**-3.2**
Changes in fair values	33.7	-0.3	33.4	-1.6	31.8
Transfers to income statement	14.9	0.0	14.9	4.6	19.5
Tax effect	-15.2	0.1	-15.1	-0.9	-16.0
Balance as of December 31, 2023	**30.2**	**0.1**	**30.3**	**1.8**	**32.1**
Changes in fair values	-66.8	-0.1	-66.9	6.2	-60.7
Transfers to income statement	32.4	0.0	32.4	-9.9	22.5
Tax effect	10.9	0.0	10.9	1.2	12.1
Balance as of December 31, 2024	**6.7**	**0.0**	**6.7**	**-0.7**	**6.0**

Transfers to income statement are mainly to revenue and interest result.

c) Information on ineffectiveness

When assessing the ineffectiveness of the hedging of currency risks, the default risk of a counterparty, significant changes in the credit risk of a contracting party in the hedging relationship or the change in the payment date of the hedged item, a reduction in the total invoice amount or the price of the hedged item are used. With regard to the interest rate risk, the effectiveness of the hedging relationship is determined using the cumulative dollar offset method based on forward rates.

The ineffectiveness of the designated underlying transactions is as follows:

			2024			2023
(in MEUR)	Change in fair value used to calculate ineffectiveness	Ineffectiveness	Change in fair value recorded in other result	Change in fair value used to calculate ineffectiveness	Ineffectiveness	Change in fair value recorded in other result
Currency risk						
Foreign exchange forward contracts - purchase and sale	-66.8	0.0	-66.8	33.7	0.0	33.7
Interest risk						
Interest rate swaps - variable rate loans and Schuldscheindarlehen	-0.1	0.0	-0.1	-0.3	0.0	-0.3

The result of the calculation of the ineffectiveness from hedging currency and interest rate risk is recorded in the item “other financing expenses” in the income statement.

d) Offsetting

The Group concludes derivatives in accordance with the Global Netting Agreements (Framework Agreement) of the International Swaps and Derivative Association (ISDA) and similar agreements. These agreements do not meet the criteria for netting in the balance sheet. This is because at present the Group has no legal entitlement to offset the amounts recognized. In the case of a termination of the framework agreement or an early termination of the outstanding contracts, the net amounts of the market values of all contracts to be terminated would be compensated.

The following table sets out the book values of all derivative financial instruments that are subject to the arrangements described:

(in MEUR)		2024		2023
	positive	negative	positive	negative
Gross and net amounts (in the statement of financial position)	**24.8**	**-74.3**	**77.3**	**-54.3**
Netting (potential effects)	-2.7	2.7	-3.6	3.6
NET AMOUNTS	**22.1**	**-71.6**	**73.7**	**-50.7**

SOURCES OF ESTIMATION UNCERTAINTY AND CRITICAL JUDGMENTS

Assumptions are made about the fair values of derivatives, in particular derivatives in foreign currencies, as of the balance sheet date, which essentially reflect the future cash inflows or outflows from such instruments.

38. Risk management – risks relating to financial instruments

As a global company serving a variety of different markets and customers, the Group is subject to risks relating to financial instruments as well as strategic and operational risks. ANDRITZ has implemented an established Group-wide control and risk management system with the main task of identifying emerging risks at an early stage and quickly taking countermeasures. It is an important element in the active risk management system within the Group. Despite having this control and risk management system in place, it cannot be guaranteed that all risks will be identified at an early stage. Consequently, assets, liabilities, financial position, and profit or loss of the Group could be adversely affected. In order to minimize the financial risks at the best possible rate and to enhance monitoring, control, and assessment of its financial and liquidity position, the ANDRITZ Group has implemented comprehensive policies and a transparent information system. The individual risks relating to financial instruments are described below.

ANDRITZ does not have any loan agreements that include climate targets, so climate-related covenants cannot be broken. Any environmental aspects that would lead to a reduction in the interest rate upon settlement and thus trigger the accounting for an embedded derivative were not considered by existing lenders when pricing a loan. In this context, climate risks do not represent any financial risks for ANDRITZ.

a) Credit risks

ACCOUNTING POLICIES

The impairment model applies to the following assets:

- Financial assets valued at amortized cost
- Debt instruments valued at FVTOCI
- Contract assets

The impairment model of "expected credit losses" (ECL) is applied. This model requires significant judgment to what extent the expected credit losses are affected by changes in economic factors. This assessment is determined based on weighted probabilities. One of the following principles serves as a basis:

- 12-month credit losses: These are the expected credit losses due to possible defaults within 12 months after the balance sheet date.
- Lifetime credit losses: These are expected credit losses due to all possible defaults during the expected lifetime of a financial instrument.

General approach

If an asset does not yet show an impairment loss at the time of acquisition, it is assessed based on the concept of 12-month credit loss at initial recognition. In principle, this assessment is retained for the following balance sheet dates. If the credit risk of a financial asset has increased significantly on the balance sheet date since initial recognition, the valuation is based on the concept of lifetime credit loss. When determining if the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers appropriate and supporting information that is relevant and available without unreasonable effort. This includes both quantitative and qualitative information and analysis, based on the historical experience of the Group and forward-looking information as well as a thorough credit assesment.

The Group assumes that the credit risk of a financial asset has **significantly increased** if

- the financial asset is more than 30 days past due, unless there are reasonable causes or
- an instrument needs to be renegotiated and stricter requirements (e.g. increase in collateral, etc.) are applied or
- there is a significant change in credit spreads, credit default swap rates for borrowers, etc. for a specific or similar instrument.

At each balance sheet date, the Group assesses whether the respective assets are **credit-impaired**. This is the case when one or more events that adversely affect estimated future cash flows have occurred. A corresponding impairment reduces the gross book value of the assets. The following indicators are used to assess, based on reasonable estimation, that a significant change in credit risk has occurred and that it cannot be realized:

- The borrower is unlikely to (fully) offset its credit commitments to the Group without the Group taking any action such as claiming a payment security (if any) or
- the financial asset is more than 90 days overdue, unless there are reasonable causes or
- the rating no longer meets the notation "investment grade". The Group defines this as Baa3 respectively BBB- or higher (Cash and cash equivalents and time deposits included in “other financial assets“ deposited at banks; or financial institutions are generally rated from Aaa to Baa3 by the rating agency Moody's and from AAA to BBB- by Standard & Poor’s and Fitch).

Simplified approach

For **trade accounts receivable** and **contract assets** that do not have a material financing component, the lifetime credit losses model always applies. ANDRITZ has also decided to apply this method to contract assets with a material financing component and other financial receivables. In addition to considering individual valuation allowances, the estimated expected credit losses are calculated based on experience of actual credit losses over the past five years. Credit risk within the Group is segmented by common default risk characteristics such as credit risk assessment. Actual credit losses are adjusted using scaling factors to reflect the differences between the economic conditions at the time the historical data was collected, the current conditions as well as the Group’s view of economic conditions over the expected life of the receivables. The scaling factor is based on the gross domestic product (GDP) and the unemployment rate forecasts as well as the industry indicators.

When recognizing the impairments, special disclosure requirements must be considered. There is a differentiation depending on the type of financial instrument and the level of the impairment model to which a financial instrument is assigned:

- Impairment losses on financial assets measured at amortized cost are deducted from the gross carrying amount of the assets.
- If, for instance, there are objective indications of impairment at the time of acquisition, the expected credit loss is priced into the interest rate. At the time of acquisition, a separate disclosure of the valuation allowance is not necessary. For changes after initial recognition, a separate valuation allowance is required.

Risk minimization strategies

The risk of a possible default (insolvency) by individual or several counterparties is minimized by means of an internal counterparty limit system. In this system, the maximum investment limit for each individual counterparty is determined based on the respective counterparty's credit rating (by international rating agencies such as Moody's, Standard & Poor's, Fitch) and the credit default swap spreads (CDS spreads – indicator of the probability of the counterparty defaulting). The counterparty limit is adjusted on a monthly basis so that it is possible to react quickly in the event of credit rating changes at short notice. If there are larger, short-term changes in CDS spreads or counterparty ratings, the counterparty exposure is reduced immediately.

Without considering risk minimization strategies as described above, the carrying values of financial assets recorded in the financial statements represent the Group's maximum exposure to credit risk.

Valuation allowances are included for all known risks. The possibility of future payment defaults exceeding the recorded valuation allowance cannot be avoided with certainty.

(in MEUR)	Trade accounts receivable	Contract assets	Other financial assets	Cash and cash equivalents	Time deposits	Total
Balance as of December 31, 2022	**-49.7**	**-1.5**	**-36.4**	**-0.2**	**-0.6**	**-88.4**
Charged to expenses	-5.9	0.0	-0.2	0.0	0.0	-6.1
Usage	3.6	0.0	0.0	0.0	0.0	3.6
Release	0.0	0.1	0.0	0.1	0.6	0.8
Currency translation adjustments	1.1	0.0	0.0	0.0	0.0	1.1
Balance as of December 31, 2023	**-50.9**	**-1.4**	**-36.6**	**-0.1**	**0.0**	**-89.0**
Charged to expenses	-8.9	0.0	0.0	0.0	0.0	-8.9
Usage	11.7	0.0	3.0	0.0	0.0	14.7
Release	0.0	0.7	0.3	0.0	0.0	1.0
Currency translation adjustments	-0.2	0.0	0.0	0.0	0.0	-0.2
Changes in consolidation scope	0.0	0.0	-6.4	0.0	0.0	-6.4
Balance as of December 31, 2024	**-48.3**	**-0.7**	**-39.7**	**-0.1**	**0.0**	**-88.8**

Already in the bidding phase, customer credit assessments are carried out and corresponding credit limits are set. To minimize bad debt risks, payment securities are agreed with customers and default risks are largely covered by public or private insurers. Default and late payment risks are controlled using credit approvals, credit limits, and monitoring procedures.

The Group does not have any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. The Group defines counterparties as ones with similar characteristics if they are related entities. There is no revenue from transactions with a single external customer that amount to 10% or more of the Group's revenue. On an overall basis, there is no significant concentration of credit risk.

To ensure transparency with respect to financial risks on projects and to enable immediate countermeasures credit risk is reported to the Executive Board on a quarterly basis. The reporting shows the maximum expected unsecured credit risk for orders with a value of over one million euros as well as customer ratings.

Changes in gross book values that contribute to changes in impairment are mainly related to the project portfolio and regional distributions. For assets that were assessed according to the model of 12-month credit losses at inception, there was no significant increase in default risk since initial recognition. Therefore, there was no change to the valuation to the model of lifetime credit losses.

The following tables show the gross book values and value adjustments of the assets included in the impairment model of IFRS 9, separated by risk category. The risk classes are based on the method of determining the valuation allowance.

Trade accounts receivable

In order to control the credit risks from outstanding trade receivables effectively, the ANDRITZ Group has established a uniform risk management process and issued an appropriate Group-wide policy. In the ANDRITZ subsidiaries, the respective credit risk managers are responsible for regular assessments of creditworthiness of customer and project risks, including the valuation of risk cover. In particular, risk cover includes credit insurance, advance payments, letters of credit, and guarantees.

In addition to individual valuation allowances, the estimated expected credit losses are calculated based on experience with actual payment defaults over the last five years and the inclusion of a scaling factor separated into days overdue and risk classes. Key parameters in this assessment are the unemployment rate, commodity prices, automotive market, and economic growth.

As of December 31, 2024

(in MEUR)	Average weighted loss rate - risk category 1	Average weighted loss rate - risk category 2	Gross amount	Impairment loss	Net amount
Not due	0.03%	0.31%	866.1	-1.0	865.1
Up to 60 days past due	0.24%	1.60%	170.2	-1.0	169.2
61 to 120 days past due	0.72%	4.79%	55.0	-1.0	54.0
More than 120 days past due	1.91%	12.78%	80.4	-3.1	77.3
Individually impaired			45.4	-42.2	3.2
			1,217.1	**-48.3**	**1,168.8**

As of December 31, 2023

(in MEUR)	Average weighted loss rate - risk category 1	Average weighted loss rate - risk category 2	Gross amount	Impairment loss	Net amount
Not due	0.03%	0.22%	791.4	-0.8	790.6
Up to 60 days past due	0.18%	1.23%	184.2	-0.9	183.3
61 to 120 days past due	0.55%	3.70%	39.4	-0.7	38.7
More than 120 days past due	1.48%	9.87%	59.4	-2.9	56.5
Individually impaired			52.5	-45.6	6.9
			1,126.9	**-50.9**	**1,076.0**

Contract assets

Based on internal credit risk reporting, contract assets are valued differently, depending on whether there is a risk cover or not.

As of December 31, 2024

(in MEUR)	Average weighted loss rate	Gross amount	Impairment loss	Net amount
Individually impaired	-	0.0	0.0	0.0
Unsecured proportion	0.12%	103.6	-0.2	103.4
Secured proportion	0.06%	996.4	-0.5	995.9
		1,100.0	**-0.7**	**1,099.3**

As of December 31, 2023

(in MEUR)	Average weighted loss rate	Gross amount	Impairment loss	Net amount
Individually impaired	-	0.0	0.0	0.0
Unsecured proportion	0.65%	131.7	-0.8	130.9
Secured proportion	0.05%	1,109.1	-0.6	1,108.5
		1,240.8	**-1.4**	**1,239.4**

Other financial assets

In addition to individual valuation allowances, the estimated expected credit losses are calculated based on experience with actual credit defaults over the last five years and the inclusion of a scaling factor.

As of December 31, 2024

(in MEUR)	Average weighted loss rate	Gross amount	Impairment loss	Net amount
Individually impaired	-	44.7	-39.4	5.3
Lump sum impaired	0.34%	96.5	-0.3	96.2
		141.2	**-39.7**	**101.5**

As of December 31, 2023

(in MEUR)	Average weighted loss rate	Gross amount	Impairment loss	Net amount
Individually impaired	-	49.8	-36.4	13.4
Lump sum impaired	0.22%	152.8	-0.2	152.6
		202.6	**-36.6**	**166.0**

Cash and cash equivalents and time deposits included in the item “other financial assets”

ANDRITZ pursues a risk-averse investment strategy. Cash is largely invested in low-risk financial assets, such as government bonds, government-guaranteed bonds, senior bank bonds, money market funds, investment funds to cover pension obligations, or time deposits. However, turbulences on the international financial markets may lead to unfavorable price developments for various securities or make them non-tradable. This could have an adverse effect on the ANDRITZ Group’s financial result or equity due to necessary impairment or valuation allowances. On a monthly basis the Executive Board is informed about the extent and volume of current risk exposure and the respective counterparty limits in the ANDRITZ Group.

Credit risk related to cash and cash equivalents and time deposits, included in the item “other financial assets“, is low, since a conservative investment strategy determines a preferably wide diversification with minimum criteria for the counterparty's credit rating of the investment. Bank balances and time deposits are assessed based on ratings.

As of December 31, 2024

(in MEUR)	External rating	Average weighted loss rate	Gross amount	Impairment loss	Net amount
Low risk	AAA to BBB-	0.01%	1,215.9	-0.1	1,215.8
Medium risk	BB+ to BB-	0.00%	65.3	0.0	65.3
High risk	B+ to D	0.05%	11.2	0.0	11.2
			1,292.4	**-0.1**	**1,292.3**

As of December 31, 2023

(in MEUR)	External rating	Average weighted loss rate	Gross amount	Impairment loss	Net amount
Low risk	AAA to BBB-	0.01%	1,454.3	-0.1	1,454.2
Medium risk	BB+ to BB-	0.01%	163.8	0.0	163.8
High risk	B+ to D	0.08%	2.0	0.0	2.0
			1,620.1	**-0.1**	**1,620.0**

! SOURCES OF ESTIMATION UNCERTAINTY AND CRITICAL JUDGMENTS

The valuation allowance based on the model of "expected credit losses" comprises to a considerable extent assessments and judgments that are based on the creditworthiness of individual groups, the current economic developments as well as the analysis of historical bad debts and future-oriented forecasts. The parameters used in the model are updated regularly.

The value adjustment of individual dubious claims also includes the assessment of the creditworthiness of the respective customer.

When assessing whether a transition from the 12-month credit losses model to the lifetime credit losses model is to be used in individual cases, considerable judgment is required and existing information about customer and market is taken into account.

b) Liquidity risks

To minimize the financial risks at the best possible rate and to enhance monitoring, control, and assessment of its financial and liquidity position, the ANDRITZ Group has implemented comprehensive policies and a transparent information system. The Group manages liquidity risks especially by holding adequate financial reserves, having existing and unutilized credit lines, and by requiring customer advances. Refinancing risks are mitigated by financial planning and by reconciling maturity date profiles of financial assets, receivables, and liabilities. Monthly rolling liquidity forecasts are used to ensure the necessary liquidity supply for the ANDRITZ Group.

The Group endeavors to mitigate the risk of payment failure by customers at the best possible rate by means of bank guarantees and export insurance. However, it cannot be excluded that there will not be any individual payment default that will have a substantial negative impact on development of earnings and liquidity of the Group in the event of occurrence.

Read more in chapter 38. a) Credit risks.

The ANDRITZ Group's position in terms of liquidity is very good and it has high liquidity reserves. The Group avoids dependence on a single bank or a few banks. To ensure independence, only a certain volume of each major financial product (cash and cash equivalents, financial liabilities, securities, guarantees, and derivatives) is handled by only one bank at a time. In the ANDRITZ Group, liquidity not only means the ability to meet financial obligations in the narrower sense, but also the availability of bank guarantees and surety bonds. Operative business requires that bid bonds, contract performance guarantees, downpayment guarantees as well as performance and warranty bonds are provided on a continuous basis. As a result, financial flexibility is also determined by sufficient bank guarantee and surety lines. ANDRITZ Group had credit lines of 650 MEUR (thereof 2 MEUR utilized) as well as surety lines of 6,886 MEUR (thereof 3,160 MEUR utilized) as of December 31, 2024.

ANDRITZ offers a supplier finance arrangement, whose purpose is to enable more efficient payment processing of supplier invoices. The arrangement enables ANDRITZ to centralize payments of trade payables to the bank and optimize cashflow and liquidity in the supply chain. The supplier finance arrangement improves financial planning and reduces operational risks. It also supports sustainable partnerships because financial stability strengthens suppliers and promotes long-term collaboration.

Read more in chapter 29. Trade accounts payable.

There are no substantial credit delays by the ANDRITZ Group; in general, all financial liabilities are settled on due date. The following tables show the undiscounted future contractual cash flows from financial liabilities:

2024

(in MEUR)	Net book value	Contractual cash flows						
		Not exceeding 1 year	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	More than 5 years	Total
Bank loans	100.7	46.4	19.0	18.4	17.4	2.0	0.0	103.2
Lease liabilities	208.7	55.2	45.7	29.2	21.9	16.5	74.7	243.2
Trade accounts payable	954.8	954.8	0.0	0.0	0.0	0.0	0.0	954.8
Earn out and contingent considerations	22.5	6.2	6.0	6.3	1.7	1.7	1.7	23.6
Schuldscheindarlehen	428.8	133.7	131.9	138.4	37.5	0.0	0.0	441.5
Other financial liabilities	112.9	112.7	0.0	0.0	0.0	0.0	0.2	112.9
Non-derivative financial liabilities	**1,828.4**	**1,309.0**	**202.6**	**192.3**	**78.5**	**20.2**	**76.6**	**1,879.2**
Derivatives	74.3	51.9	14.9	4.7	3.0	0.4	0.0	74.9
Derivative financial liabilities	**74.3**	**51.9**	**14.9**	**4.7**	**3.0**	**0.4**	**0.0**	**74.9**
	1,902.7	**1,360.9**	**217.5**	**197.0**	**81.5**	**20.6**	**76.6**	**1,954.1**

2023

(in MEUR)	Net book value	Contractual cash flows						
		Not exceeding 1 year	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	More than 5 years	Total
Bank loans	142.2	67.3	22.1	21.4	17.8	17.3	0.0	145.9
Lease liabilities	209.5	55.5	43.7	34.9	22.1	17.0	67.2	240.4
Trade accounts payable	1,022.9	1,022.9	0.0	0.0	0.0	0.0	0.0	1,022.9
Earn out and contingent considerations	23.5	11.8	2.1	4.0	1.9	1.7	3.3	24.8
Schuldscheindarlehen	728.7	308.9	133.7	131.9	138.4	37.5	0.0	750.4
Other financial liabilities	90.9	90.7	0.0	0.0	0.0	0.0	0.2	90.9
Non-derivative financial liabilities	**2,217.7**	**1,557.1**	**201.6**	**192.2**	**180.2**	**73.5**	**70.7**	**2,275.3**
Derivatives	54.3	41.1	9.1	7.7	3.8	1.1	0.1	62.9
Derivative financial liabilities	**54.3**	**41.1**	**9.1**	**7.7**	**3.8**	**1.1**	**0.1**	**62.9**
	2,272.0	**1,598.2**	**210.7**	**199.9**	**184.0**	**74.6**	**70.8**	**2,338.2**

c) Market risks

Market risk comprises the risk that market prices, for example exchange rates, interest rates or share prices, change and that this will affect the Group's earnings or the value of the financial instruments held. The aim of market risk management is to steer and control the market risk within acceptable ranges and at the same time to optimize the return. The main market risks for the ANDRITZ Group include currency risks and interest rate risks.

To manage market risks, the Group purchases and sells derivatives or enters into financial liabilities. All transactions are carried out within the guidelines of the Treasury Policy. If possible, hedge accounting should be used to control earnings volatility.

Currency risks

The Group’s risk management policy is to hedge 75 to 85% of its estimated foreign currency exposure in respect of forecasted advance and progress payments received from customers and payments made to suppliers over the following 12 months at any point in time. The Group uses forward exchange contracts to hedge its currency risk, most with a maturity of less than one year from the reporting date.

The currency risks of the Group occur since the Group operates worldwide in different countries with different currencies. The Group enters into foreign exchange forward contracts and swaps in order to exclude or minimize the foreign exchange risk (hedging) resulting from customer orders that are concluded in foreign currency. Currency risks resulting from the recognition of equity are not hedged. Foreign exchange forward contracts are concluded exclusively with first-class national or international banks whose credit rating is checked continuously by Group Treasury to avoid a “cluster risk”. The necessary measures and rules in connection with the hedging of customer or supplier orders that were not concluded in the respective functional currency of the Group company are regulated in the Group-wide Treasury Policy.

The sensitivity analysis provides an approximate quantification of the risk exposure if certain specified parameters were to be changed under a specific set of assumptions. Currency risks occur particularly with the US-Dollar (USD), Chinese Renminbi Yuan (CNY), Canadian Dollar (CAD), Brazilian Real (BRL) and Indian Rupee (INR). The following details describe the sensitivity to a rise or fall in the above noted currencies against the Euro (EUR) from the Group's point of view. The change shows the amount applied in internal reporting of foreign currency risk and reflects the Group's assessment of a possible change in foreign exchange rates. Currency risks in the meaning of IFRS 7 arise from financial instruments that are denominated in a currency other than the functional currency and are of a monetary nature. Translation differences from converting the financial statements of foreign Group companies into the Group currency are disregarded. The sensitivity analysis includes the material financial instruments of the ANDRITZ Group outstanding on the balance sheet date.

The impacts on net income and equity are as follows:

(in MEUR)			2024		2023
		Net income	Equity	Net income	Equity
EUR / USD	+10%	29.3	61.3	29.4	78.2
	-10%	-29.3	-61.3	-29.4	-78.2
EUR / CNY	+10%	-16.0	-13.7	-7.3	-20.9
	-10%	16.0	13.7	7.3	20.9
EUR / BRL	+10%	-1.2	17.2	-1.9	8.4
	-10%	1.2	-17.2	1.9	-8.4
EUR / INR	+10%	-0.1	10.4	0.1	11.3
	-10%	0.1	-10.4	-0.1	-11.3
EUR / CAD	+10%	1.5	6.5	11.8	16.7
	-10%	-1.5	-6.5	-11.8	-16.7

The effect on net income is the change in the fair value of the financial instruments that are exposed to an exchange rate risk and are measured at fair value through profit or loss or at amortized cost.

The effect in equity consists of the effects on net income and the changes in the fair value of the financial instruments that are measured at fair value through other comprehensive income, such as derivatives that qualify as cash flow hedges.

Interest rate risks

The ANDRITZ Group estimates that the exposure to interest rate risk of its financial assets and liabilities is low due to the risk-averse strategy. No derivatives are used to hedge interest rate risks. The interest rate risks are managed by internal Cash-flow-at-Risk (CfaR) and Value-at-Risk (VaR) calculations as well as by defined limits. The limits for CfaR and VaR are set by using a benchmarking approach. The compliance with the defined limits is monitored on a quarterly basis.

The weighted average interest rates, referred to the remaining terms of the respective financial assets or financial liabilities, were as follows at the balance sheet date:

2024

(in %)	EUR	USD	BRL	CNY	INR
FINANCIAL ASSETS					
Cash on current accounts	1.5	2.5	0.0	1.1	0.0
Current deposits	3.3	4.4	11.6	2.1	7.1
Investments - current	1.1	0.0	0.0	1.5	0.0
Investments - non-current	0.0	0.0	0.0	0.0	0.0
FINANCIAL LIABILITIES					
Lease liabilities	4.1	3.7	8.7	3.6	7.6
Overdrafts on current accounts	0.0	0.0	0.0	0.0	7.4
Current loans	0.4	0.0	0.0	2.4	7.8
Non-current loans	1.4	0.0	0.0	0.0	0.0
Schuldscheindarlehen - non-current	1.6	0.0	0.0	0.0	0.0

2023

(in %)	EUR	USD	BRL	CNY	INR
FINANCIAL ASSETS					
Cash on current accounts	1.6	2.9	0.7	1.4	0.1
Current deposits	3.9	4.9	12.8	3.2	6.8
Investments - current	0.0	0.0	0.0	2.1	0.0
Investments - non-current	0.7	0.0	0.0	0.0	0.0
FINANCIAL LIABILITIES					
Lease liabilities	3.8	2.9	7.9	3.3	6.2
Current loans	0.0	5.8	0.0	0.0	5.7
Non-current loans	1.4	0.0	0.0	0.0	0.0
Schuldscheindarlehen - non-current	1.4	0.0	0.0	0.0	0.0

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Interest rate sensitivity is assumed at 50 basis points in internal reporting on the interest rate risk. This reflects the Group's estimate with respect to a possible change in the interest rate.

A rise in the interest level by 50 basis points, while simultaneously keeping all other variables constant, would have led to an increase in the interest result of 4.5 MEUR in the 2024 financial year (2023: increase of 4.0 MEUR). A decline in the interest level would have led to a decrease in the interest result in the same amount.

G) OTHER INFORMATION

39. Consolidated statement of cash flows

ACCOUNTING POLICIES

In the consolidated statement of cash flows, cash flows are separated into cash inflows and outflows from operating activities, investing activities, and financing activities, irrespective of how the items are classified in the consolidated statement of financial position.

The cash flow from operating activities is derived indirectly based on the net income, which is adjusted for non-cash expenses and income (primarily depreciation and amortization as well as provisions). The cash flow from operating activities is calculated considering the change in net working capital and consumption of provisions and changes in other assets and liabilities as well as income taxes paid. Interest received and interest paid as well as dividends received are also presented in the cash flow from operating activities based on a policy choice.

Investing activities mainly comprise payments for property, plant, and equipment and intangible assets as well as payments received, and payments made for non-current and current financial assets and payments for the acquisition of subsidiaries. The payments made for property, plant, and equipment as well as intangible assets include capital expenditure (additions to property, plant, and equipment and intangible assets) for the fiscal year to the extent that they already had an effect on cash.

Financing activities include not only cash flows from the issue or repayment of bank loans and other financial liabilities as well as those of lease liabilities, but also dividend payments, payments made for buy-back of treasury shares, and payments received for the issuance of treasury shares.

Non-cash transactions encompass mainly the capitalization of right of use assets as property, plant, and equipment by means of a lease or the acquisition of intangible assets or property, plant, and equipment by assuming directly related liabilities (purchase on credit).

The changes of the items in the consolidated statement of financial position shown in the consolidated statement of cash flows cannot be derived directly as among other things effects of currency translation adjustments, additions and releases of valuation allowances, changes in consolidation type of companies not fully consolidated in prior periods or no longer consolidated in the current period, as well as assets classified as held for sale do not result in cash flows.

a) Cash flow from operating activities

The cash flow from operating activities, at 636.5 MEUR, was significantly above the reference figure of the previous year (2023: 375.0 MEUR). The increase is partly due to changes in net working capital (-114.7 MEUR in 2024 compared to -315.4 MEUR in 2023). The table below shows the change of the respective items of the net working capital. Other non-cash income/expenses contain a one-time effect of 38.4 MEUR from the disposal of a loan granted to OTORIO LTD in the fiscal year 2024. In addition, a decrease in income taxes paid was recorded (-152.3 MEUR in 2024 compared to -193.4 MEUR in 2023).

The change in net working capital was as follows:

(in MEUR)	2024	2023
Changes in inventories	9.9	-50.4
Changes in advance payments made	27.2	42.6
Changes in receivables	-134.7	-20.1
Changes in contract assets	135.5	-202.2
Changes in contract liabilities from sales recognized over time	-93.0	-143.7
Changes in contract liabilities from sales recognized at a point in time	-16.7	-38.7
Changes in liabilities	-42.9	97.1
Change in net working capital in the consolidated statement of cash flows	**-114.7**	**-315.4**
Non-cash changes	70.9	-40.4
Difference in definition for current income taxes	16.9	-21.6
Currency translation adjustments	34.0	-22.9
Changes in consolidation scope	-15.3	14.2
Change in net working capital in the consolidated statement of financial position	**-8.2**	**-386.1**

Read more details in chapter 24. Overview on net working capital.

The Group has entered into a supplier finance arrangement.

Read more details in chapter 29. Trade accounts payable.

b) Cash flow from investing activities

The cash flow from investing activities amounted to -207.5 MEUR (2023: 266.9 MEUR). The change is mainly due to higher payments made for non-current and current financial assets as well as lower payments received from sale of non-current and current financial assets.

Material non-cash investing activities comprise of the capitalization of right of use assets as property, plant, and equipment by means of a lease.

Read more details in chapter 19. Right of use assets from lease contracts and lease liabilities.

Non-material non-cash investing activities comprise of acquisition of property, plant, and equipment as well as intangible assets by assuming directly related liabilities (purchase on credit).

The net cash flow from company acquisitions was as follows:

(in MEUR)	2024	2023
Net assets	**25.9**	**11.7**
Goodwill	28.8	44.9
CONSIDERATION TRANSFERRED	**54.7**	**56.6**
Cash and cash equivalents acquired	-4.3	-9.4
Receivables for purchase price overpaid / Payables from purchase price not yet paid (incl. contingent consideration)	-13.5	-10.8
NET CASH FLOW FROM COMPANY ACQUISITIONS	**36.9**	**36.4**

Read more details in chapter 5. Acquisitions.

c) Cash flow from financing activities

The cash flow from financing activities amounted to -753.3 MEUR (2023: -410.6 MEUR). The change mainly resulted from higher payments made for Schuldscheindarlehen (-300.0 MEUR compared to -165.5 MEUR in 2023), as well as higher dividends paid (-248.5 MEUR in 2024 compared to -208.3 MEUR in 2023). In 2024, own shares at 116.7 MEUR were bought back (2023: 0.0 MEUR) and payments at 14.9 MEUR were made to former shareholders for contingent considerations (2023: 0.0 MEUR).

The carrying amounts of the financial liabilities shown in the cash flow from financing activities, broken down by cash and non-cash changes, developed as follows:

(in MEUR)	Schuldschein-darlehen	Lease liabilities	Bank loans	Bills of exchange payable	Other financial liabilities
Balance as of December 31, 2022	**893.9**	**207.4**	**170.1**	**12.8**	**4.0**
Payments received	0.0	0.0	43.8	92.6	0.0
Payments made	-165.5	-57.4	-84.8	-44.9	-1.4
Other non-cash changes	0.3	55.5	0.0	0.0	0.0
Currency translation adjustments	0.0	-1.2	-2.2	-1.9	0.0
Changes in consolidation scope	0.0	5.2	15.3	0.0	1.1
Balance as of December 31, 2023	**728.7**	**209.5**	**142.2**	**58.6**	**3.7**
Payments received	0.0	0.0	24.6	134.1	2.7
Payments made	-300.0	-62.2	-71.8	-121.0	-0.3
Other non-cash changes	0.1	58.9	0.0	0.0	0.0
Currency translation adjustments	0.0	0.0	3.6	2.4	0.1
Changes in consolidation scope	0.0	2.5	2.2	0.0	0.0
Balance as of December 31, 2024	**428.8**	**208.7**	**100.7**	**74.1**	**6.2**

The item Bills of exchange payable refers to drafts issued to suppliers that are subject to Chinese law and have a maximum validity of six months. These drafts are usually endorsed or discounted by the holder before maturity. Issuing the draft changes the nature of the liability, resulting in the derecognition of trade payables and the recognition of the corresponding bill of exchange payable. The cash flows from these liabilities are assigned to the financing activities, presented on a gross basis. This means that the settlement of the trade payable was recorded in the cash flow from operating activities with an offsetting entry in the cash flow from financing activities. The redemption of the bill of exchange liability results in a payment made, which is accordingly presented in the cash flow from financing activities.

The other non-cash changes in lease liabilities relate to non-cash investment activities in property, plant, and equipment and intangible assets.

Additional material non-cash financing activities concern the share options issued to executives with an expense recorded at 5.0 MEUR.

Read more details in chapter 34. d) Share-based payment programs.

40. Assets held for sale

ACCOUNTING POLICIES

The requirements of IFRS 5 for classification as assets held for sale are met if assets can be sold in their current condition, the sale is highly probable, and the sale is expected to be completed within one year of the reclassification. The assets that are shown as held for sale contain individual assets and directly associated liabilities. Assets held for sale are recognized at their fair value less costs to sell, if this amount is lower than the book value. An assessment takes place immediately before the initial classification as held for sale. Any resulting impairment losses are recognized in the income statement.

The following assets and directly associated liabilities are reported as held for sale:

(in MEUR)	2024	2023
Intangible assets other than goodwill	0.0	0.0
Property, plant, and equipment	8.2	5.2
ASSETS HELD FOR SALE	**8.2**	**5.2**

In the Metals business area, the sale of property, plant, and equipment (land and buildings) in Germany was initiated at the end of 2024. Assets of 7.7 MEUR were recognised as held for sale and no impairment losses were recognized in 2024. The sale of the property, plant, and equipment will probably be completed in 2025.

In the Pulp & Paper business area property, plant, and equipment in Canada amounting to 0.5 MEUR were classified as held for sale at the end of 2024. No impairment losses were recorded from the preceding valuation. The sale will be finalised in the first half of 2025.

In the Metals business area, the sale of property, plant, and equipment (land and buildings) in Germany was initiated at the end of 2021. In 2024, part of the property, plant, and equipment was sold with a gain on disposal of 0.7 MEUR. The remaining part was reclassified to fixed assets because there was no longer an intention to sell.

In the Hydropower business area, the sale of property, plant, and equipment in Canada was initiated in 2023. Assets in the amount of 0.9 MEUR were recognised as held for sale and no impairment losses were recorded from the preceeding valuation. In 2024, the assets were sold with a gain on disposal of 1.2 MEUR.

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The determination of the fair value less costs to sell includes estimates and assumptions that are subject to a certain degree of uncertainty. The proceeds that actually occur may deviate from the assumptions made.

41. Effects of hyperinflation

ACCOUNTING POLICIES

IAS 29 – Financial Reporting in Hyperinflationary Economies is applicable if an entity's functional currency is that of a hyperinflationary economy.

A country is classified as hyperinflationary if, based on inflation rates published by local statistical authorities, cumulative inflation has exceeded 100% over the past three years.

The items of the income statement for the current reporting year have been adjusted to the current price level by applying the change in the general price index. The items are indexed monthly or quarterly by use of an average monthly or quarterly index. The effects from the first-time application were recognized in equity, the effects on the current year in the financial result.

Argentina has been classified as a hyperinflationary economy since July 1, 2018, and Turkey since March 1, 2022. In the ANDRITZ Group this applies to:

- ANDRITZ FABRICS AND ROLLS S.A., Argentina
- ANDRITZ HYDRO Ltd. Sti., Turkey
- ANDRITZ FABRICS AND ROLLS TECHNOLOGIES MAKINA HIZMETLERI SANAYI LIMITED SIRKETI, Turkey

In the IFRS financial statements of these three subsidiaries all items with material effects from the change in the purchasing power of the functional currency were adjusted accordingly and reported in the measurement unit applicable on the reporting date.

The calculations were based on the following parameters:

Three-year inflation rate Turkey

	2020	2021	2022	2023	2024
Annual inflation rate	15%	36%	64%	65%	44%
Cumulative three-year rate	55%	75%	156%	268%	290%
Price index	1.15	1.36	1.64	1.65	1.44

Three-year inflation rate Argentina

	2020	2021	2022	2023	2024
Annual inflation rate	36%	51%	95%	211%	140%
Cumulative three-year rate	210%	216%	300%	816%	1354%
Price index	1.36	1.51	1.95	3.11	2.40

For the 2024 financial year, the effect of the application of IAS 29 on net income amounted to -8.0 MEUR (2023: -3.4 MEUR).

42. Contingent assets and liabilities

ACCOUNTING POLICIES

A contingent asset is not recognized in the financial statements but is disclosed if an inflow of economic benefit is probable. Contingent liabilities are not recognized in the financial statements. They are only disclosed if the possibility of an outflow of resources embodying economic benefit is not probable but possible or the amount of the obligation cannot be measured with sufficient reliability.

In the course of its business, the ANDRITZ Group is party to numerous legal proceedings before both administrative and judicial courts and bodies as well as before arbitration tribunals. The substantial majority of such proceedings is typical for the Group's industry, including e.g. contract and project disputes, product liability claims, and intellectual property litigation. The ANDRITZ Group records adequate provisions to cover the expected outcome of those proceedings to the extent that negative outcomes are likely and reliable estimates can be made. There is no guarantee that these provisions will be sufficient. Given the amounts involved in some of these legal disputes, a negative decision for ANDRITZ in one or several of these disputes may have a material adverse effect on the earnings and liquidity position of the Group. In cases, where a negative outcome is not probable, though seems possible (and is not totally remote), the ANDRITZ Group does not record provisions.

The material cases for contingent liabilities are as follows:

The subject area product liability includes a number of cases alleging injuries and/or death resulting from exposure to asbestos. As of December 31, 2024, certain subsidiaries of the ANDRITZ Group are defendants in asbestos cases in the USA. All cases relate to claims against multiple defendants. All subsidiaries intend to defend each claim vigorously.

ANDRITZ HYDRO Ltda., Brazil, faces tax claims based on allegations of joint and several liabilities with the Inepar Group arising out of the previous minority holding of Inepar. The tax claim enforcement actions, which were also contested, are not active due to a settlement agreement between Inepar Group and the National Treasury Attorney-General's Office (PGFN). At the same time, an appeal is pending to determine that ANDRITZ was never part of the Inepar Group.

43. Expenses for services by the group auditor

The following table provides an overview of the fees charged by the group auditor KPMG Austria GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft which were recorded as expenses in the financial year:

(in TEUR)	2024	2023
Year-end audits	727	656
Other reviews	150	55
Other services	0	0
	877	**711**

KPMG Austria GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft has been the auditor of ANDRITZ, without interruption, since the consolidated financial statements at 31 December 2016. The engagement partner is Mr Johannes Bauer.

44. Events after the reporting period

The ANDRITZ Group has signed an agreement to acquire 100% of the shares of the LDX Solution group. The parent company Dustex LLC is headquartered in Kennesaw, Georgia, USA. The acquisition also includes the subsidiary Western Pneumatics, LLC, based in Eugene, Oregon, USA. The closing of the transaction took place in February 2025. The acquisition expands the existing product range in the Environment & Energy business area. LDX Solution group, with around 250 employees has an annual revenue of apporximately 100 MEUR.

There are no further extraordinary events after the balance sheet date.

45. Group companies

		2024		2023	
Company	Main office	Share*	Type of consolidation	Share*	Type of consolidation
Anstalt für Strömungsmaschinen Gesellschaft mbH	Graz, Austria	-	-	100.00%	NC
ANDRITZ Technology and Asset Management GmbH	Graz, Austria	100.00%	FC	100.00%	FC
ANDRITZ Power & Water GmbH	Vienna, Austria	100.00%	FC	100.00%	FC
ANDRITZ Environment S.r.l.	Monza, Italy	100.00%	NC	100.00%	NC
ANDRITZ Separation GmbH [2)]	Cologne, Germany	100.00%	FC	100.00%	FC
LENSER Filtration GmbH [2)]	Senden, Germany	100.00%	FC	100.00%	FC
Lenser Asia Sdn. Bhd.	Petaling Jaya,Malaysia	100.00%	FC	100.00%	FC
Modul Systeme Engineering GmbH [2)]	Laufen, Germany	100.00%	FC	100.00%	FC
ANDRITZ S.R.L.	Cisnadie, Romania	100.00%	NC	100.00%	NC
ANDRITZ Deutschland Beteiligungs GmbH [2)]	Göppingen,Germany	100.00%	FC	100.00%	FC
Andritz Deutschland Holding GmbH [2)]	Göppingen,Germany	100.00%	FC	100.00%	FC
ANDRITZ GmbH [2)]	Hemer, Germany	-	-	100.00%	FC
ANDRITZ Kaiser GmbH [2)]	Bretten-Gölshausen, Germany	100.00%	FC	100.00%	FC
ANDRITZ Metals Germany GmbH [2)]	Hemer, Germany	100.00%	FC	100.00%	FC
ANDRITZ Fiedler GmbH [2)]	Regensburg, Germany	100.00%	FC	100.00%	FC
ANDRITZ Fliessbett Systeme GmbH [2)]	Ravensburg, Germany	100.00%	FC	100.00%	FC
ANDRITZ HYDRO GmbH [2)]	Ravensburg, Germany	100.00%	FC	100.00%	FC
ANDRITZ Küsters GmbH [2)]	Krefeld, Germany	100.00%	FC	100.00%	FC
ANDRITZ Kufferath GmbH [2)]	Düren, Germany	100.00%	FC	100.00%	FC
AKRE Real Estate GmbH [2)]	Düren, Germany	100.00%	FC	100.00%	FC
ANDRITZ Ritz GmbH [2)]	Schwäbisch Gmünd, Germany	100.00%	FC	100.00%	FC
ANDRITZ Pumps Germany GmbH [2)]	Schwäbisch Gmünd, Germany	100.00%	NC	100.00%	NC
Ritz Pumps South Africa (Pty) Ltd.	Germiston, South Africa	25.00%	NC	25.00%	NC
ANDRITZ MeWa GmbH [2)]	Gärtringen,Germany	100.00%	FC	100.00%	FC
Schuler Group GmbH [2)]	Göppingen,Germany	100.00%	FC	100.00%	FC
Schuler Pressen GmbH [2)]	Göppingen,Germany	100.00%	FC	100.00%	FC
Schuler Italia S.r.l.	Turin, Italy	90.00%	NC	90.00%	NC
Beutler Nova AG	Gettnau, Switzerland	100.00%	FC	100.00%	FC
Schuler Presses UK Limited	Walsall, United Kingdom	100.00%	FC	100.00%	FC
BCN Technical Services Inc.	Hastings / Michigan, USA	100.00%	FC	100.00%	FC
Pressensysteme Schuler-México, S.A. de C.V.	Puebla, Mexico	100.00%	FC	100.00%	FC
Schuler Thailand Co. Ltd.	Banglamung Chonburi, Thailand	100.00%	NC	100.00%	NC
Gräbener Pressensysteme GmbH & Co. KG [1)]	Netphen, Germany	100.00%	FC	100.00%	FC
Vögtle Service GmbH [2)]	Eislingen, Germany	100.00%	FC	100.00%	FC
Schuler France S.A.	Strasbourg, France	100.00%	FC	100.00%	FC
Schuler Inc.	Canton / Michigan,USA	100.00%	FC	100.00%	FC
Prensas Schuler S.A.	São Paulo, Brazil	100.00%	FC	100.00%	FC
Gräbener Pressensysteme-Verwaltungs GmbH	Netphen, Germany	100.00%	NC	100.00%	NC
Graebener Press Systems Inc.	Warwick / Rhode Island, USA	100.00%	NC	100.00%	NC

Company	Main office	2024 Share*	2024 Type of consolidation	2023 Share*	2023 Type of consolidation
Schuler Ibérica S.A.U.	Sant Cugat del Vallès, Spain	100.00%	NC	100.00%	NC
Schuler Slovakia Services s.r.o.	Dubnica nad Váhom, Slovakia	100.00%	NC	100.00%	NC
Schuler India Private Limited	Pune, India	100.00%	NC	100.00%	NC
Schuler Poland Service Sp. Z.o.o.	Kedzierzyn-Kózle, Poland	100.00%	NC	100.00%	NC
Tianjin GMS Machine Tool Service Co. Ltd.	Tianjin, China	50.00%	NC	50.00%	NC
PRESSE ITALIA - S.p.A.	Naples, Italy	95.00%	NC	95.00%	NC
AWEBA Werkzeugbau GmbH Aue [2)]	Aue, Germany	100.00%	FC	100.00%	FC
WVL Werkzeug- und Vorrichtungsbau Lichtenstein GmbH [2)]	St. Egidien, Germany	100.00%	FC	100.00%	FC
Dabaki Grundstücksverwaltungs-gesellschaft mbH & Co. Vermietungs KG	Mainz, Germany	94.00%	FC	94.00%	FC
PTW Powertrain Tools Weingarten GmbH[2)]	Weingarten, Germany	100.00%	FC	100.00%	FC
Schuler Service Rus Limited Liability Company	Toljatti, Russia	100.00%	NC	100.00%	NC
Farina Presse S.r.l.	Suello, Italy	100.00%	FC	100.00%	FC
Smart Press Shop GmbH & Co. KG	Halle (Saale), Germany	50.00%	EQ	50.00%	EQ
Smart Press Shop Verwaltungs-GmbH	Stuttgart, Germany	50.00%	NC	50.00%	NC
SOVEMA GROUP S.p.A.	Villafranca di Verona, Italy	100.00%	FC	100.00%	FC
SOVEMA GLOBAL SERVICES Inc.	St. Louis / Missouri, USA	100.00%	NC	100.00%	NC
SOVEMA TIANJIN BATTERY EQUIPMENT Ltd.	Tianjin, China	100.00%	NC	100.00%	NC
Bitrode corporation	St. Louis / Missouri, USA	100.00%	FC	100.00%	FC
Bitrode UK Ltd.	Cheltenham, United Kingdom	100.00%	FC	100.00%	FC
BITRODE NL B.V.	Rotterdam, The Netherlands	100.00%	FC	100.00%	FC
ANDRITZ Slovakia s.r.o.	Humenné, Slovakia	100.00%	FC	100.00%	FC
ANDRITZ HYDRO GmbH	Vienna, Austria	100.00%	FC	100.00%	FC
ANDRITZ HYDRO SAS	Châteauroux,France	100.00%	NC	100.00%	NC
ANDRITZ HYDRO Private Ltd.	Mandideep, India	100.00%	FC	100.00%	FC
ANDRITZ HYDRO Nepal Pvt. Ltd.	Kathmandu, Nepal	100.00%	NC	100.00%	NC
Bhutan Automation & Engineering Limited	Chhukha, Bhutan	49.00%	NC	49.00%	NC
ANDRITZ HYDRO S.L.	Algete, Spain	100.00%	NC	100.00%	NC
ANDRITZ HYDRO S.r.l. Unipersonale	Schio, Italy	100.00%	FC	100.00%	FC
ANDRITZ HYDRO AG	Kriens, Switzerland	100.00%	FC	100.00%	FC
ANDRITZ HYDRO GUINÉE SARLU	Kinda, Guinea	100.00%	NC	-	-
ANDRITZ S.A. de C.V.	Morelia, Mexico	100.00%	FC	100.00%	FC
ANDRITZ HYDRO AS	Jevnaker, Norway	100.00%	FC	100.00%	FC
ANDRITZ HYDRO Ltd. Sti.	Tekeli, Turkey	100.00%	FC	100.00%	FC
PT. ANDRITZ HYDRO	Jakarta, Indonesia	51.00%	FC	51.00%	FC
ANDRITZ HYDRO S.A.	Lima, Peru	100.00%	NC	100.00%	NC
ANDRITZ HYDRO (Pty) Ltd	Kyalami, South Africa	100.00%	NC	100.00%	NC
ANDRITZ HYDRO Ltda.	Bogotá, Colombia	100.00%	NC	100.00%	NC
ANDRITZ HYDRO s.r.o.	Prague,Czech Republic	100.00%	NC	100.00%	NC
ANDRITZ O&M Private Limited	Mandideep, India	100.00%	FC	100.00%	FC

		2024		2023	
Company	Main office	Share*	Type of consolidation	Share*	Type of consolidation
ANDRITZ HYDRO C.A.	Caracas, Venezuela	100.00%	NC	100.00%	NC
ANDRITZ Sdn. Bhd.	Kuala Lumpur,Malaysia	100.00%	FC	100.00%	FC
ANDRITZ HYDRO, Inc.	Makati City, Philippines	100.00%	NC	100.00%	NC
PHP PHILIPPINES HYDRO PROJECT, Inc.	Makati City, Philippines	24.98%	NC	24.98%	NC
ANDRITZ HYDRO Hammerfest AS	Jevnaker, Norway	100.00%	FC	100.00%	FC
ANDRITZ HYDRO Hammerfest (UK) Limited	Glasgow, United Kingdom	100.00%	FC	100.00%	FC
ANDRITZ HYDRO, UNIPESSOAL LDA	Porto, Portugal	100.00%	NC	100.00%	NC
ANDRITZ HYDRO DRC SARL	Kinshasa, Democratic Republic of the Congo	100.00%	NC	100.00%	NC
AH PUMPSTORAGE GMBH	Vienna, Austria	60.00%	NC	60.00%	NC
ANDRITZ HYDRO Beteiligungsholding GmbH	Graz, Austria	100.00%	FC	100.00%	FC
ANDRITZ HYDRO Brasilien Beteiligungsgesellschaft mbH	Graz, Austria	100.00%	FC	100.00%	FC
ANDRITZ HYDRO LTDA.	Barueri, Brazil	100.00%	FC	100.00%	FC
ANDRITZ Construcoes e Montagens Ltda	Barueri, Brazil	100.00%	FC	100.00%	FC
ANDRITZ HYDRO (SU), LDA.	Luanda, Angola	100.00%	NC	100.00%	NC
ANDRITZ VIETNAM COMPANY LIMITED	Hanoi, Vietnam	100.00%	NC	100.00%	NC
ANDRITZ HYDRO NIGERIA LIMITED	Victoria Island, Nigeria	100.00%	NC	100.00%	NC
ANDRITZ Hydro Pty Ltd	Sydney, Australia	100.00%	NC	100.00%	NC
ANDRITZ FEED & BIOFUEL A/S	Esbjerg, Denmark	100.00%	FC	100.00%	FC
ANDRITZ Chile Ltda.	Santiago de Chile,Chile	100.00%	FC	100.00%	FC
ANDRITZ CHILE SITE SERVICES SpA	Santiago de Chile,Chile	-	-	100.00%	NC
ANDRITZ CHILE SERVICES SpA	Santiago de Chile,Chile	100.00%	NC	100.00%	NC
ANDRITZ (USA) Inc.	Alpharetta / Georgia, USA	100.00%	FC	100.00%	FC
ANDRITZ Inc.	Alpharetta / Georgia, USA	100.00%	FC	100.00%	FC
Imagine That, Inc.	San José / California, USA	-	-	100.00%	FC
ANDRITZ SEPARATION Inc.	Arlington / Texas, USA	100.00%	FC	100.00%	FC
ANDRITZ SEPARATION Technologies Inc.	Arlington / Texas, USA	100.00%	FC	100.00%	FC
ANDRITZ HYDRO Corp.	Charlotte / North Carolina, USA	100.00%	FC	100.00%	FC
ANDRITZ METALS USA Inc.	Callery / Pennsylvania, USA	100.00%	FC	100.00%	FC
ANDRITZ ASKO Emera B.V.	Amsterdam, The Netherlands	100.00%	FC	100.00%	FC
ANDRITZ Metals Netherlands B.V.	Amsterdam, The Netherlands	100.00%	FC	100.00%	FC
SOTEC S.A. de C.V.	San Francisco Cuautlalpan, Mexico	25.00%	NC	25.00%	NC
MFA Risk Solutions Inc.	Burlington / Vermont, USA	100.00%	FC	100.00%	FC
Andritz Fabrics and Rolls Inc.	Raleigh / North Carolina, USA	100.00%	FC	100.00%	FC
ANDRITZ Fabrics and Rolls Asia Holding Limited	Hong Kong, China	100.00%	FC	100.00%	FC
Beloit Asia Pacific (M) Inc.	Port Louis, Mauritius	-	-	100.00%	FC
Andritz Fabrics and Rolls (Shanghai) Limited	Shanghai, China	100.00%	FC	100.00%	FC
Huyck Wangner (Shanghai) Trading Co. Ltd.	Shanghai, China	100.00%	FC	100.00%	FC

Company	Main office	2024 Share*	2024 Type of consolidation	2023 Share*	2023 Type of consolidation
JJ Plank Company, LLC	Neenah / Wisconsin, USA	100.00%	FC	100.00%	FC
Weavexx, LLC	Raleigh / North Carolina, USA	100.00%	FC	100.00%	FC
ANDRITZ FABRICS AND ROLLS S.A.	Florencio Varela / Buenos Aires, Argentina	100.00%	FC	100.00%	FC
Huyck Licensco Inc.	Raleigh / North Carolina, USA	100.00%	FC	100.00%	FC
Xerium V (US) Limited	Raleigh / North Carolina, USA	100.00%	FC	100.00%	FC
ANDRITZ Fabrics and Rolls Ltd.	Kentville / Nova Scotia, Canada	100.00%	FC	100.00%	FC
ANDRITZ FABRICS AND ROLLS SPA	Coronel, Chile	100.00%	FC	100.00%	FC
Stowe Woodward LLC	Raleigh / North Carolina, USA	100.00%	FC	100.00%	FC
Stowe Woodward Licensco LLC	Raleigh / North Carolina, USA	100.00%	FC	100.00%	FC
Wangner Itelpa I LLC	Raleigh / North Carolina, USA	100.00%	FC	100.00%	FC
Wangner Itelpa Participacoes Ltda	Piracicaba, Brazil	100.00%	FC	100.00%	FC
Wangner Itelpa II LLC	Raleigh / North Carolina, USA	100.00%	FC	100.00%	FC
Xerium IV (US) Limited	Raleigh / North Carolina, USA	100.00%	FC	100.00%	FC
Xerium do Brasil Ltda	Piracicaba, Brazil	100.00%	FC	100.00%	FC
Robec Brazil LLC	Raleigh / North Carolina, USA	100.00%	FC	100.00%	FC
ANDRITZ FABRICS AND ROLLS INDUSTRIA E COMERCIO S.A.	Piracicaba, Brazil	100.00%	FC	100.00%	FC
ANDRITZ FABRICS AND ROLLS S.A. de C.V.	Queretaro, Mexico	100.00%	FC	100.00%	FC
ANDRITZ Fabrics and Rolls Limited	Tokyo, Japan	100.00%	FC	100.00%	FC
Andritz Fabrics and Rolls Germany Holding GmbH [2)]	Reutlingen,Germany	100.00%	FC	100.00%	FC
Robec Walzen GmbH [2)]	Düren, Germany	100.00%	FC	100.00%	FC
Andritz Fabrics and Rolls AG [2)]	Düren, Germany	100.00%	FC	100.00%	FC
ANDRITZ Fabrics and Rolls GmbH [2)]	Reutlingen,Germany	100.00%	FC	100.00%	FC
ANDRITZ Fabrics and Rolls AB	Bälinge, Sweden	100.00%	FC	100.00%	FC
ANDRITZ Fabrics and Rolls Scandinavia AB	Uppsala, Sweden	100.00%	FC	100.00%	FC
ANDRITZ Fabrics and Rolls, S.A.	Madrid, Spain	100.00%	FC	100.00%	FC
ANDRITZ JohnsonFoils Limited	Chachoengsao, Thailand	100.00%	NC	100.00%	NC
ANDRITZ FABRICS AND ROLLS HOLDINGS LIMITED	Herne Bay / Kent, United Kingdom	100.00%	FC	100.00%	FC
Huyck.Wangner UK Limited	Herne Bay / Kent, United Kingdom	100.00%	FC	100.00%	FC
Stowe-Woodward (UK) Limited	Herne Bay / Kent, United Kingdom	100.00%	FC	100.00%	FC
ANDRITZ Fabrics and Rolls GmbH	Gloggnitz, Austria	100.00%	FC	100.00%	FC
ANDRITZ Fabrics and Rolls Oy	Kerava, Finland	100.00%	FC	100.00%	FC
ANDRITZ Fabrics and Rolls Holdings. S.p.A.	Milan, Italy	-	-	100.00%	FC
ANDRITZ Fabrics and Rolls S.p.A.	Latina, Italy	100.00%	FC	100.00%	FC

		2024		2023	
Company	Main office	Share*	Type of consolidation	Share*	Type of consolidation
ANDRITZ FABRICS AND ROLLS TECHNOLOGIES MAKINA HIZMETLERI SANAYI LIMITED SIRKETI	Corlu / Tekirdag, Turkey	100.00%	FC	100.00%	FC
ANDRITZ FABRICS AND ROLLS PTY. LIMITED	Geelong, Australia	100.00%	FC	100.00%	FC
ANDRITZ SAS	Châteauroux,France	100.00%	FC	100.00%	FC
ANDRITZ Metals France SAS	Asnières-sur-Seine, France	100.00%	FC	100.00%	FC
ANDRITZ Selas Tianjin Industrial Furnace Equipment Co., Ltd.	Tianjin, China	-	-	40.00%	NC
ANDRITZ Fabrics and Rolls SAS	Ville-la-grand, France	100.00%	FC	100.00%	FC
Jaybee Eng. (Holdings) Pty. Ltd.	Carrum Downs / Victoria, Australia	100.00%	FC	100.00%	FC
ANDRITZ Pty. Ltd.	Carrum Downs / Victoria, Australia	100.00%	FC	100.00%	FC
ANDRITZ (NZ) Ltd.	Tauranga, New Zealand	100.00%	FC	100.00%	FC
ANDRITZ Ingeniería S.A.	Algete, Spain	100.00%	FC	100.00%	FC
ANDRITZ BRASIL LTDA.	Curitiba, Brazil	100.00%	FC	100.00%	FC
ANDRITZ SEPARATION Indústria e Comércio de Equipamentos de Filtraçâo Ltda.	Pomerode, Brazil	100.00%	FC	100.00%	FC
Sindus ANDRITZ Ltda.	Porto Alegre, Brazil	100.00%	FC	100.00%	FC
ANDRITZ PARAGUAY SOCIEDAD ANONIMA - USUARIO DE ZONA FRANCA	Asunción, Paraguay	100.00%	FC	-	-
ANDRITZ Oy	Helsinki, Finland	100.00%	FC	100.00%	FC
ANDRITZ Savonlinna Works Oy	Savonlinna, Finland	100.00%	FC	100.00%	FC
ANDRITZ HYDRO Oy	Tampere, Finland	100.00%	FC	100.00%	FC
ANDRITZ Warkaus Works Oy	Varkaus, Finland	100.00%	FC	100.00%	FC
Enmas ANDRITZ Pvt. Ltd.	Chennai, India	40.00%	NC	40.00%	NC
VA Brazil Oy	Espoo, Finland	-	-	40.00%	NC
ANDRITZ Enviroburners Oy	Vantaa, Finland	-	-	100.00%	NC
J. Parpala Oy	Kokkola, Finland	100.00%	NC	100.00%	NC
Scitech-Service Oy	Helsinki, Finland	100.00%	NC	100.00%	NC
Experimentis Oy Inc	Rauma, Finland	100.00%	NC	100.00%	NC
Procemex Oy	Jyväskylä, Finland	100.00%	FC	-	-
Procemex, Inc.	Greenvile / South Carolina, USA	100.00%	NC	-	-
Procemex GmbH	Dierdorf, Germany	100.00%	NC	-	-
Procemex K.K.	Tokyo, Japan	100.00%	NC	-	-
ANDRITZ HYDRO Canada Inc.	Pointe-Claire / Québec, Canada	100.00%	FC	100.00%	FC
ANDRITZ Ltd.	Lachine / Québec, Canada	100.00%	FC	100.00%	FC
ANDRITZ Feed and Biofuel Canada Inc.	Blenheim / Ontario, Canada	100.00%	FC	100.00%	FC
ANDRITZ Asselin-Thibeau S.A.S.	Elbeuf, France	100.00%	FC	100.00%	FC
ANDRITZ Gouda B.V.	Waddinxveen, The Netherlands	100.00%	FC	100.00%	FC
ANDRITZ AB	Örnsköldsvik, Sweden	100.00%	FC	100.00%	FC
ANDRITZ Technologies AB	Stockholm, Sweden	51.00%	NC	51.00%	NC
Andritz NAF AB	Linköping, Sweden	100.00%	FC	-	-
PulpEye AB	Örnsköldsvik, Sweden	100.00%	NC	-	-

Company	Main office	2024 Share*	2024 Type of consolidation	2023 Share*	2023 Type of consolidation
PulpEye Canada Inc.	Ottawa / Ontario, Canada	100.00%	NC	-	-
ANDRITZ Ltd.	Newcastle-under-Lyme, United Kingdom	100.00%	FC	100.00%	FC
ANDRITZ (China) Ltd.	Foshan, China	100.00%	FC	100.00%	FC
ANDRITZ (Shanghai) Equipment & Engineering Co., Ltd	Shanghai, China	100.00%	FC	100.00%	FC
ANDRITZ SHENDE (SHANGHAI) FEED & BIOFUEL CO., LTD.	Shanghai, China	-	-	100.00%	FC
Xerium China Co. Ltd.	Kunshan City, China	100.00%	FC	100.00%	FC
ANDRITZ ROLLS (CHANGZHOU) CO., LTD	Changzhou, China	100.00%	FC	100.00%	FC
Schuler (Dalian) Forming Technologies Co. Ltd.	Dalian, China	100.00%	FC	100.00%	FC
Schuler (China) Co., Ltd.	Shanghai, China	100.00%	FC	100.00%	FC
Yangzhou Metal Forming Machine Tool Co., Ltd.	Yangzhou City, China	100.00%	FC	100.00%	FC
Wuhan Arrows Creation Co., Ltd.	Wuhan, China	51.00%	NC	-	-
ANDRITZ (Foshan) Intelligent Manufacturing Co., Ltd.	Foshan, China	100.00%	FC	100.00%	FC
ANDRITZ Technologies H.K. Ltd.	Hong Kong, China	100.00%	FC	100.00%	FC
ANDRITZ Technologies Private Limited	Chennai, India	100.00%	FC	100.00%	FC
ANDRITZ FEED & BIOFUEL Ltd.	Hull, United Kingdom	100.00%	FC	100.00%	FC
ANDRITZ FEED & BIOFUEL B.V.	Geldrop, The Netherlands	100.00%	FC	100.00%	FC
ANDRITZ B.V.	Den Helder, The Netherlands	100.00%	FC	100.00%	FC
ANDRITZ Singapore Pte. Ltd.	Singapore, Singapore	100.00%	FC	100.00%	FC
ANDRITZ Uruguay S.A.	Fray Bentos, Uruguay	100.00%	FC	100.00%	FC
ANDRITZ Industrias S.A.	Montevideo, Uruguay	100.00%	NC	100.00%	NC
ANDRITZ PULP TECHNOLOGIES S.A.	Montevideo, Uruguay	100.00%	FC	100.00%	FC
ANDRITZ K.K.	Tokyo, Japan	100.00%	FC	100.00%	FC
ANDRITZ DELKOR (Pty) Ltd.	Kyalami, South Africa	100.00%	FC	100.00%	FC
GKD Delkor (Pty) Ltd.	Kyalami, South Africa	100.00%	NC	100.00%	NC
PT. ANDRITZ	Jakarta, Indonesia	100.00%	FC	100.00%	FC
LLC ANDRITZ	St. Petersburg,Russia	100.00%	FC	100.00%	FC
LLC ANDRITZ HYDRO	Moscow, Russia	100.00%	NC	100.00%	NC
ANDRITZ Kufferath s.r.o.	Levice, Slovakia	100.00%	FC	100.00%	FC
ANDRITZ Kft.	Tiszakécske, Hungary	100.00%	FC	100.00%	FC
ANDRITZ Perfojet SAS	Montbonnot Saint-Martin, France	100.00%	FC	100.00%	FC
ANDRITZ Biax SAS	Le Bourget du Lac, France	100.00%	NC	100.00%	NC
ANDRITZ Separation Italy S.r.l.	Milan, Italy	100.00%	FC	100.00%	FC
ANDRITZ COMO S.R.L.	Grandate, Italy	100.00%	NC	100.00%	NC
ANDRITZ Soutec AG	Neftenbach,Switzerland	100.00%	FC	100.00%	FC
ANDRITZ Euroslot SAS	Scorbé-Clairvaux, France	100.00%	FC	100.00%	FC
ANDRITZ FZCO	Dubai, United Arab Emirates	100.00%	NC	100.00%	NC
OTORIO LTD	Tel Aviv, Israel	41.43%	EQ	50.01%	FC
ANDRITZ Novimpianti S.r.l.	Capannori, Italy	100.00%	FC	100.00%	FC

		2024		2023	
Company	Main office	Share*	Type of consolidation	Share*	Type of consolidation
ANDRITZ Diatec S.r.l.	Collecorvino, Italy	100.00%	FC	100.00%	FC
Psiori GmbH	Freiburg im Breisgau, Germany	25.10%	EQ	25.10%	EQ
ANDRITZ Laroche S.A.S.	Cours-la-Ville, France	100.00%	FC	100.00%	FC
ANDRITZ Digital Factory d.o.o.	Zagreb, Croatia	100.00%	NC	100.00%	NC
ANDRITZ BONETTI S.P.A.	Milan, Italy	100.00%	FC	100.00%	FC
ANDRITZ BONETTI CO. INC.	Sturtevant / Wisconsin, USA	100.00%	FC	100.00%	FC
Bonetti GmbH	Hagen, Germany	-	-	100.00%	FC
GIOBONETTI INTERNATIONAL CANADA INC.	Montrèal / Québec, Canada	100.00%	FC	100.00%	FC
ANDRITZ Bonetti Canada Inc.	Trois-Rivières / Québec, Canada	100.00%	FC	100.00%	FC
ANDRITZ TEP D.O.O.	Slavonski Brod, Croatia	100.00%	FC	100.00%	FC
ANDRITZ DAN-WEB A/S	Galten, Denmark	100.00%	FC	100.00%	FC
Dedert International A/S	Ballerup, Denmark	100.00%	FC	100.00%	FC
Dedert Canada Inc.	Rosemère / Québec, Canada	100.00%	FC	100.00%	FC
Dedert Holding Corporation	Homewood / Illinois, USA	100.00%	FC	100.00%	FC
Dedert Corporation	Homewood / Illinois, USA	100.00%	FC	100.00%	FC
Dedert (Shanghai) Drying and Evaporating Technology Co Ltd.	Shanghai, China	100.00%	NC	100.00%	NC
Dedert Mexico	Mexico City, Mexico	100.00%	NC	100.00%	NC
Andritz Middle East Industrial Company LLC	Jubail Industrial City, Saudi Arabia	75.00%	NC	-	-
INTEA d.d.	Zagreb, Croatia	100.00%	NC	-	-
ATN Engineering B.V.	Stadskanaal, The Netherlands	100.00%	NC	-	-

* The share is shown as the share of the immediate parent company. If a subsidiary has more than one immediate parent company within the ANDRITZ Group, the subsidiary is included with its share of the total ANDRITZ Group under the parent company with the majority share.

FC ... Full consolidation; EQ ... Equity valuation; NC ... Non-consolidated due to minor importance

1) The exemption rule according to section 264b HGB (German Commercial Code) is applied.
2) The exemption rule according to section 264 paragraph 3 HGB (German Commercial Code) is applied.

Graz, February 28, 2025

Joachim Schönbeck e.h. (President and CEO)	Dietmar Heinisser e.h.	Vanessa Hellwing e.h.	Norbert Nettesheim e.h. (CFO)	Jarno Nymark e.h.	Frédéric Sauze e.h.

STATEMENT BY THE EXECUTIVE BOARD

STATEMENT BY THE EXECUTIVE BOARD OF ANDRITZ AG, PURSUANT TO SECTION 124 PARAGRAPH 1 OF THE (AUSTRIAN) STOCK EXCHANGE ACT

We confirm to the best of our knowledge that the consolidated financial statements give a true and fair view of the assets, liabilities, financial position, and profit or loss of the Group as required by the applicable accounting standards and that the Group management report gives a true and fair view of the development and performance of the business and the position of the Group, together with a description of the principal risks and uncertainties the Group faces.

We confirm to the best of our knowledge that the financial statements of the parent company give a true and fair view of the assets, liabilities, financial position, and profit or loss as required by the applicable accounting standards and that the management report gives a true and fair view of the development and performance of the business and the position of the company, together with a description of the principal risks and uncertainties the company faces.

Graz, February 28, 2025

The Executive Board of ANDRITZ AG

Joachim Schönbeck e.h. (President and CEO)	Dietmar Heinisser e.h.	Vanessa Hellwing e.h.	Norbert Nettesheim e.h. (CFO)	Jarno Nymark e.h.	Frédéric Sauze e.h.

GLOSSARY

ATX
Austrian Traded Index, the leading stock market index of the Vienna stock exchange.

BEUR
Billion euros.

Capital employed
Net working capital plus intangible assets and property, plant, and equipment.

Capital expenditure
Additions to intangible assets and property, plant, and equipment.

CGU
Cash generating unit.

Dividend per share
Part of earnings per share, which is distributed to shareholders.

Earnings per share
Net income attributable to owners of the parent / weighted average number of shares.

EBIT
Earnings before interest and taxes.

EBITA
Earnings before interest, taxes, amortization of identifiable assets acquired in a business combination and recognized separately from goodwill and impairment of goodwill.

EBITDA
Earnings before interest, taxes, depreciation, and amortization.

EBT
Earnings before taxes.

EE
Environment & Energy business area.

Employees
Number of employees without apprentices.

Equity ratio
Total equity / total assets.

EV
Enterprise Value: Market capitalization as of end of period minus net liquidity.

Free cash flow
Cash flow from operating activities minus capital expenditure.

Free cash flow per share
Free cash flow / weighted average number of shares.

FVTOCI
Fair value through other comprehensive income.

FVTPL
Fair value through profit and loss.

Gearing
Net debt / total equity.

HY
Hydropower business area.

Leverage-Ratio
Net debt / EBITDA

Liquid funds
Cash and cash equivalents plus investments and time deposits.

Market capitalization
Number of shares outstanding at reporting date multiplied by the closing price at reporting date.

ME
Metals business area.

MEUR
Million euros.

Net debt
Bank loans and Schuldscheindarlehen as well as lease liabilities less liquid funds.

Net liquidity
Liquid funds less bank loans and Schuldschein-darlehen.

Net working capital
Total of inventories, advance payments made, trade accounts receivable, contract assets, current tax assets, other non-financial assets (excluding plan assets in excess of defined benefit obligation) and derivatives (which are part of other financial assets) less the total of trade accounts payable, contract liabilities, current tax liabilities, other non-financial liabilities and derivatives (which are part of other financial liabilities).

Non-current assets (as reported internally) consist of property, plant, and equipment, goodwill, intangible assets as well as other non-current non-financial assets. Investments accounted for using the equity method and other financial assets as well as deferred tax assets are not part of the non-current assets.

OCI
Other comprehensive income

Order backlog
The order backlog consists of present customer orders at the reporting date. The order backlog at the end of the period is basically calculated by the order backlog at the beginning of the period plus order intake less revenue during the reporting period.

Order intake
The order intake is the estimated revenue of orders which have been put into effect in the reporting period; letters of intents are not part of the order intake.

Payout ratio
Part of net income, which is distributed to share-holders and calculated as dividend per share / earnings per share.

PP
Pulp & Paper business area.

Return on sales
Earnings before interest and taxes / revenue.

ROE
Return On Equity: Net income / total equity.

ROIC
Return on invested capital. EBITA reduced by cash taxes in relation to the average capital invested including 5% operating cash.

Sureties
These contain bid bonds, contract performance guarantees, down payment guarantees as well as performance and warranty bonds at the expense of the ANDRITZ Group.

TEUR
Thousand euros.

Total equity
Total equity including non-controlling interests.

AUDITOR'S REPORT

REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

Audit Opinion

We have audited the consolidated financial statements of

Andritz AG,
Graz, Austria

and its subsidiaries („the Group"), which comprise the Consolidated Statement of Financial Position as at December 31, 2024, and the Consolidated Income Statement and Consolidated Statement of Comprehensive Income, Consolidated Statement of Cash Flows and Consolidated Statement of Changes in Equity for the year then ended, and the Notes to the Consolidated Financial Statements.

In our opinion, the consolidated financial statements comply with the legal requirements and present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2024, and its consolidated financial performance and consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as adopted by the EU, and the additional requirements pursuant to Section 245a UGB (Austrian Commercial Code).

Basis for our Opinion

We conducted our audit in accordance with the Regulation (EU) No. 537/2014 („AP Regulation") and Austrian Standards on Auditing. These standards require the audit to be conducted in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the „Auditor's Responsibilities" section of our report. We are independent of the audited Group in accordance with Austrian company law and professional regulations, and we have fulfilled our other responsibilities under those relevant ethical requirements. We believe that the audit evidence we have obtained up to the date of the auditor's report is sufficient and appropriate to provide a basis for our audit opinion on this date. Our liability as auditors is guided under Section 275 UGB.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, however, we do not provide a separate opinion thereon.

Project Accounting

Refer to notes chapter 9 and 23

Risk for the Consolidated Financial Statements

A major component of the revenues and net income contribution is derived from the project business. The project business comprises a large number of projects with individual project revenues of more than EUR 100 million and project terms extending over several years. When certain criteria are met, revenue is recognized over time according to the progress of the respective projects, which is measured using the cost to cost method. This method is not applied to projects for which a project loss is expected. Such loss is immediately recognized in the income statement. For completed projects the Group is liable for warranty over a defined period of time. In certain active and completed projects, the Group is involved with customers and/or suppliers with regard to contractual obligations, resulting in potential or active legal proceedings. The Group recognizes provisions for warranty liabilities as well as for potential obligations as a result of legal proceedings. The application of over time revenue recognition, determination of the stage of completion, the estimate of costs to complete as well as the measurement of project provisions require a substantial number of assumptions and forward-looking estimates. Due to the significant volume of project business, this results in a risk of project revenue, net income, and project-related balance sheet items being materially misstated.

Our response

We have assessed the project accounting as follows:

- When performing our audit, we obtained an understanding of the processes and internal controls relevant to project accounting and we tested the effectiveness of selected internal controls. This relates specifically to internal controls with respect to approval of project cost estimates at contract inception, approval of the ongoing cost status reports, the actual cost-to-budget-analysis, the status reports relating to current projects, and estimate of the amount of outstanding or potentially outstanding costs to complete the project. Based on the results of these tests, we have planned additional audit procedures.

- We have applied these procedures to selected current projects and we have assessed management's assumptions regarding those projects. The selection was based on risk criteria such as project volume, low or negative project margin or significant margin changes. Audit procedures mainly included: review of underlying contracts and agreements, a plausibility check on current project information, inquiries of individuals responsible for project execution or project controlling as to the reasonableness of estimates and assumptions used, evaluation of the accuracy of accounting estimates by comparing actual results to prior period estimates, and a reconciliation of the assumptions used for estimates with contract information and other relevant documents.

- In addition, we have evaluated the method used to determine the stage of completion and the proper allocation of contract cost to individual contracts.

- To assess whether the provisions for litigations and claims from costumers are appropriate, we have read the relevant documents, obtained attorney confirmation letters and discussed the cases with personnel involved and inspected their documentation.

- In addition, we have assessed whether the presentation of the project business in the consolidated financial statements as well as the disclosures in the notes are in line with the IFRS 15 requirements.

Valuation of Goodwill

Refer to notes chapter 20

Risk for the Consolidated Financial Statements

Goodwill capitalized in the consolidated statement of financial position as of balance sheet date amounts to EUR 860.4 million. Once a year, or if a triggering event occurs, Andritz AG conducts an impairment test in order to confirm the valuation of goodwill. The approach for measuring goodwill, the allocation (adjusted due to reorganization) of goodwill to the cash generating units as well as the assumptions used and the results of the impairment tests are described in the notes.

Testing goodwill for impairment requires a considerable number of estimates concerning future development of revenues, earnings, and net cash inflows as well as assumptions on discount rates used and is therefore exposed to significant uncertainty. For the financial statements, this leads to the risk of goodwill being overstated.

Our response

We have assessed the project accounting as follows:

- We have evaluated the reasonableness of forward-looking estimates and significant assumptions as well as the valuation methodologies used, consulting our own valuation experts.

- We have reconciled the revenue and margin projections used for impairment testing to the Group's current business plan as approved by the supervisory board. We have tested the underlying assumptions for reasonableness in discussions with the management and reconciliation to information relating to the current and expected development of the respective cash generating units. We also verified the historical accuracy of the business plan by comparing plans for prior periods with the actual results.

- With regard to the discount rates used, we have tested the underlying assumptions by comparing them to market and industry-specific benchmarks and methodologies, and we have reviewed the respective calculation formula, consulting our own valuation experts. Insofar as there are CGUs with excess returns, we verified the reasons using historical data as well as future market- and economic positions.

- We reviewed the appropriate allocation of goodwill to the cash generating units that had changed as a result of the reorganization and verified the related impairment tests.

- Furthermore, we have assessed whether the entity-prepared impairment test disclosures in the notes are appropriate.

Other Information

Management is responsible for other information. Other information is all information provided in the annual financial report, other than the consolidated financial statements, the group management report and the auditor's report.

Our opinion on the consolidated financial statements does not cover other information and we do not provide any kind of assurance thereon.

In conjunction with our audit, it is our responsibility to read this other information and to assess whether, based on knowledge gained during our audit, it contains any material inconsistencies with the consolidated financial statements or any apparent material misstatement of fact. If we conclude that there is a material misstatement of fact in other information, we must report that fact. We have nothing to report in this regard.

Responsibilities of Management and the Audit Committee for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the EU, the additional requirements pursuant to Section 245a UGB (Austrian Commercial Code) as well as other legal or regulatory requirements and for such internal controls as management determines are necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Management is also responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless management either intents to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The audit committee is responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities

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 to issue an auditor's report that includes our audit opinion. Reasonable assurance represents a high level of assurance, but provides no guarantee that an audit conducted in accordance with the AP Regulation and Austrian Standards on Auditing (and therefore ISAs), will always detect a material misstatement, if any. Misstatements may result from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with the AP Regulation and Austrian Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit.

Moreover:

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

- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

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

- We conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our audit report to the respective note in the consolidated financial statements. If such disclosures are not appropriate, we will modify our audit opinion. 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 continue as a going concern.

- We evaluate the overall presentation, structure and content of the consolidated financial statements, including the notes, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- We plan and conduct the audit of the consolidated financial statements in order to obtain sufficient appropriate audit evidence on the financial information of the components within the Group, in order to form an audit opinion.

We are responsible for directing, supervising and reviewing the audit activities carried out for the purposes of auditing the consolidated financial statements. We remain solely responsible for our audit opinion.

- We communicate with the audit committee regarding, amongst other matters, the planned scope and timing of our audit as well as significant findings, including any significant deficiencies in internal control that we identify during our audit.

- We communicate to the audit committee that we have complied with the relevant professional requirements in respect of our independence, that we will report any relationships and other events that could reasonably affect our independence and, where appropriate, the related safeguards.

- From the matters communicated with the audit committee, we determine those matters that were of most significance in the audit i.e. key audit matters. We describe these key audit matters in our auditor's report unless laws or other legal regulations preclude public disclosure about the matter or when in very rare cases, we determine that a matter should not be included in our audit report because the negative consequences of doing so would reasonably be expected to outweigh the public benefits of such communication.

REPORT ON OTHER LEGAL REQUIREMENTS

Group Management Report

In accordance with Austrian company law, the group management report is to be audited as to whether it is consistent with the consolidated financial statements and prepared in accordance with legal requirements.

Management is responsible for the preparation of the group management report in accordance with Austrian company law.

We have conducted our audit in accordance with generally accepted standards on the audit of group management reports.

Opinion

In our opinion, the group management report is consistent with the consolidated financial statements and has been prepared in accordance with legal requirements. The disclosures pursuant to Section 243a UGB (Austrian Commercial Code) are appropriate.

Statement

Based on our knowledge gained in the course of the audit of the consolidated financial statements and our understanding of the Group and its environment, we did not note any material misstatements in the group management report.

Additional Information in accordance with Article 10 AP Regulation

We were elected as auditors at the Annual General Meeting on March 21, 2024 and were appointed by the supervisory board on October 25, 2024 to audit the financial statements of Company for the financial year ending on December 31, 2024.

In addition, during the Annual General Meeting, we have been elected as auditors for the following financial year and appointed by the supervisory board.

We have been auditors of the Company, without interruption, since the consolidated financial statements at December 31, 2016.

We declare that our opinion expressed in the „Report on the Consolidated Financial Statements" section of our report is consistent with our additional report to the Audit Committee, in accordance with Article 11 AP Regulation.

We declare that we have not provided any prohibited non-audit services (Article 5 Paragraph 1 AP Regulation) and that we have ensured our independence throughout the course of the audit, from the audited Group.

ENGAGEMENT PARTNER

The engagement partner is Mr Johannes Bauer.

Vienna

February, 28 2025

KPMG Austria GmbH
Wirtschaftsprüfungs- und Steuerberatungsgesellschaft

signed by:
Johannes Bauer
Wirtschaftsprüfer
(Austrian Chartered Accountant)

This report is a translation of the original report in German, which is solely valid.
The consolidated financial statements together with our auditor's opinion may only be published if the consolidated financial statements and the group management report are identical with the audited version attached to this report. Section 281 Paragraph 2 UGB (Austrian Commercial Code) applies.

ANDRITZ AG

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Produced in-house using firesys

Disclaimer

Certain statements contained in the 2024 annual report and in the 2024 annual financial report constitute “forward-looking statements.” These statements, which contain the words “believe”, “intend”, “expect”, and words of a similar meaning, reflect the Executive Board’s beliefs and expectations and are subject to risks and uncertainties that may cause actual results to differ materially. As a result, readers are cautioned not to place undue reliance on such forward-looking statements. The company disclaims any obligation to publicly announce the result of any revisions to the forward-looking statements made herein, except where it would be required to do so under applicable law.

The 2024 annual report and the 2024 annual financial report contain assumptions and forecasts based on the information available up to the copy deadline on February 27, 2025, midnight. If the premises for these assumptions and forecasts do not occur, or risks indicated in the chapter “Risk Management” and in the management report in the 2024 annual financial report do arise, actual results may vary from the forecasts made in the 2024 annual report and in the 2024 annual financial report. Although the greatest caution was exercised in preparing data, all information related to the future is provided without guarantee.