

ANNUAL REPORT

2024



SICK

Sensor Intelligence

→ [SICK.COM](https://www.sick.com)

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AT A GLANCE

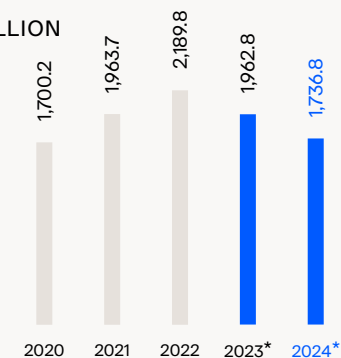
KEY FIGURES

		2020	2021	2022	2023*	2024*	Change in %
Sales	in EUR million	1,700.2	1,963.7	2,189.8	1,962.8	1,736.8	-11.5
EBITDA	in EUR million	231.7	296.1	263.7	246.8	152.7	-38.1
EBIT	in EUR million	140.6	202.3	164.6	150.7	55.0	-63.5
Net income for the year	in EUR million	101.1	147.8	119.5	134.4	237.3	76.6
Cashflow	in EUR million	227.7	231.1	55.0	117.6	140.6	19.6
Employees on December 31		10,433	11,022	11,909	12,185	11,804	-3.1
Employees, annual average		10,389	10,770	11,558	12,164	11,874	-2.4
Trainees on December 31		384	373	381	345	321	-7.0
Personnel expenses	in EUR million	757.8	829.7	913.1	836.1	844.5	1.0
Investments	in EUR million	60.2	86.1	120.8	123.2	139.5	13.2
Depreciation and amortization	in EUR million	91.1	93.8	99.1	96.1	97.7	1.7
R&D expenditure	in EUR million	201.1	210.3	240.8	234.6	231.6	-1.3
Total assets	in EUR million	1,487.2	1,698.5	1,867.4	1,925.6	2,095.6	8.8
Equity	in EUR million	737.7	870.8	960.4	1,038.0	1,244.9	19.9
Equity ratio	in %	49.6	51.3	51.4	53.9	59.4	
Return on equity	in %	15.9	20.4	14.2	14.9	23.6	
ROCE	in %	14.6	19.9	13.2	10.8	3.8	
Net return on sales	in %	5.9	7.5	5.5	6.8	13.7	
Earnings per share	in EUR	3.86	5.64	4.56	5.12	9.05	76.8

* The figures from 2023 onwards reflect continuing operations under IFRS 5 due to the reclassification of the "Cleaner Industries" business unit and are not directly comparable with previous years.

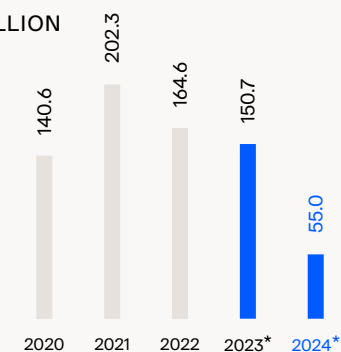
SALES

IN EUR MILLION



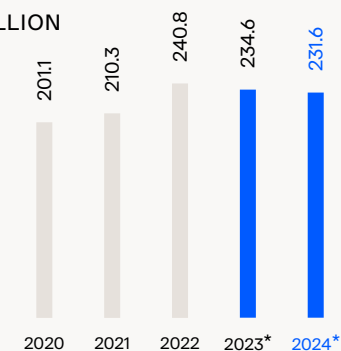
EBIT

IN EUR MILLION



R&D EXPENDITURE

IN EUR MILLION



OUR BUSINESS FIELDS



SENSOR SOLUTIONS

SICK's Sensor Solutions business field continues to supply easy-to-use and easy-to-integrate industrial sensors and sensor solutions as well as software-based lidar and vision solutions. The end-to-end solutions offer customers added value along the entire value chain. The continuous increase in the performance of semiconductors and software algorithms enables the transition from application-based sensors for automation to software-defined sensors for autonomous intelligence.



INTEGRATED SOLUTIONS

SICK's Integrated Solutions business field develops complete sensor system solutions and related services as well as a portfolio for integration into customers' ecosystems. These solutions close the gap between sensors and IT and integrate at machine and process level. This is SICK's response to the increasing dynamics and complexity of customer requirements.

MEMBERS OF THE EXECUTIVE BOARD



DR. NIELS SYASSEN
TECHNOLOGY &
SOLUTIONS

JAN-H. EBERHARDT
FINANCE & IT

NICOLE KUREK
PEOPLE & CULTURE

DR. MATS GÖKSTORP
CHAIRMAN OF THE
EXECUTIVE BOARD,
MARKETS & GOVERNANCE

FENG JIAO
SALES & SERVICE

ULRIKE KAHLE-ROTH
SUPPLY CHAIN &
FULFILLMENT

MESSAGE FROM THE EXECUTIVE BOARD

EVEN STRONGER FOR CUSTOMERS IN FACTORY AND LOGISTICS AUTOMATION

DEAR SHAREHOLDERS, BUSINESS PARTNERS,
COLLEAGUES, AND FRIENDS OF SICK,

The fiscal year 2024 was characterized by uncertainties and a stagnant economy, without a noticeable reversal of this trend. The global automation market developed slowly and the hoped-for recovery failed to materialize. This has prompted us to actively counteract these developments. Thanks to internal efficiency gains and continued innovative strength, as well as strengthened sales activities, we were able to mitigate the decline in revenue and generate profit.

As a team of all employees, we have overcome these challenges together. And we proved once again what is possible with flexibility, determination, and perseverance.

In the fiscal year 2024, we entered into a strategic partnership with Endress+Hauser Management AG, Switzerland. This strategic partnership comprises the acquisition of “Cleaner Industries” sales and service business segment by the Endress+Hauser Group and the operation of a joint venture with a 50% stake in Endress+Hauser, which will strengthen and further expand the range of process solutions for decarbonization. The process automation product solutions produced in the scope of this partnership will be sold by E+H from the start of the fiscal year 2025.

We are therefore focusing on sensor intelligence for factory and logistics automation and using the strong synergies to optimally support our customers in creating value through automation. Automation is important for industrial companies, to ensure their productivity despite

scarce resources. Industrial automation, which increases productivity through AI and digital connectivity of production and its supply chains, requires sensor solutions. SICK’s portfolio of solutions promotes higher productivity and better quality in industrial tasks. With an eye on customer requirements, SICK combines sensor technology and industrial AI technology and offers innovative solutions.

In early 2025, we acquired the Dutch tech startup Accerion. The acquisition is an important step in our growth strategy in the area of autonomous mobile robots. We are already one of the leading solution providers in this area and intend to further expand our global market share. Our goal is to offer our customers a globally unique solution offer. We invest in the further development of our own solutions and in acquisitions. This expands our portfolio of solutions for localization, navigation and fleet management, and mobile robot security applications.

In November 2024, Gisela Sick sadly passed away shortly before her 102nd birthday. Gisela Sick was an impressive and influential person. We owe her a great deal. From the very first day of the company’s founding, she was and remains inextricably linked to our culture, our long-term orientation, and our sustainable success. She was a woman of great courage, great creative power, and entrepreneurial foresight. Gisela Sick was closely associated with the company until the end. She followed the company’s path with tireless personal interest and attended last year’s shareholder meeting. It wasn’t long ago that she said, “You have to be courageous.” We will heed this appeal and continue to implement it.

Our brand identity combines the past and future. We continue the visionary path of Dr. Erwin Sick and his family: As pioneers of sensor technology, we are mindful of customer requirements and combine sensor technology with the latest technologies for higher productivity and better quality in our customers' automation tasks.

Every technological innovation leaves its mark, paving the way for what lies ahead. In 2025, we will continue to explore new avenues with our customers and partners and implement cutting-edge, innovative solutions. Follow where partnership, digitalization, Industrial AI, and confidence have led us in this year's TRACES magazine.

Best regards,



DR. MATS GÖKSTORP
(CHAIRMAN)



JAN-H. EBERHARDT



FENG JIAO



ULRIKE KAHLE-ROTH



NICOLE KUREK



DR. NIELS SYASSEN

REPORT BY THE SUPERVISORY BOARD

Report of SICK AG's Supervisory Board, pursuant to the German Stock Corporation Act, Section 171, Para. 2 on the fiscal year 2024

The course of business in 2024 was influenced by the difficult economic environment. While the disruptions in global supply chains as well as the bottlenecks in procurement markets largely resolved, the global economic situation did not recover as anticipated, with the result that many sales markets trended along a persistently weak trajectory. The global automation market developed slowly and the hoped-for recovery failed to materialize.

In the fiscal year 2024, the SICK Group's business performance remained based on a broad foundation, extending across established markets and growth regions. SICK succeeded in stabilizing the situation by introducing cost-cutting measures, price adjustments, and changes to its product portfolio, as well as increasing sales volumes in the second half of 2024.

A strategic partnership was concluded between Endress+Hauser Management AG, Basel-Landschaft, Switzerland, and SICK AG in the fiscal year 2024. This strategic partnership comprises the acquisition by the Endress+Hauser Group of the "Cleaner Industries" sales and service segment and the operation of a joint venture with a 50% stake in Endress+Hauser, which will strengthen and further expand the range of process solutions for decarbonization. As part of the partnership, the product solutions manufactured there will mostly be sold by Endress+Hauser at the start of the fiscal year 2025. This transfer and the sales result in the application of IFRS 5 to the non-current assets held for sale and discontinued operations. The "Cleaner Industries" business mainly comprises the discontinued operations.

In the strained business environment, the business development of the SICK Group recorded a decline of 11.8 percent in continuing operations and 8.9 percent including "Cleaner Industries". The latter figure would be a comparable figure as of 2023, assuming no changes in the distribution of business.

DR. ROBERT BAUER
CHAIRMAN OF THE
SUPERVISORY BOARD



The SICK Group's earnings performance in the fiscal year 2024 was dominated by the decline in revenue. The development of consolidated sales affected the Group's revenue performance. Assuming unchanged average prices compared to the previous business year, the decline in revenue would have slowed to -10.5% (-7.8%, including the discontinued operation of "Cleaner Industries").

EBIT is negatively impacted by discontinued operations in accordance with IFRS 5 as well as additional transaction action costs, while the net result is positively affected by a partial payment of the purchase price.

In 2024, the company continued to invest more than 12% of its revenue in research and development and therefore in its own innovative strength. A large number of new solutions based on deep learning and AI technologies for industry were developed for customers in the past fiscal year.

In November 2024, Gisela Sick passed away at the age of 101. From the very beginning, starting in 1946 in Vaterstetten near Munich, she supported the SICK company on its path to the global corporation it is today. Gisela Sick was a great person who will be missed. Combined with her natural authority and high social standards, Gisela Sick has had an impact far beyond the company. The modest matter-of-factness with which she lived out her values is a legacy and underscores her impressive life's work.

COLLABORATION BETWEEN THE EXECUTIVE BOARD AND SUPERVISORY BOARD

In the fiscal year 2024, SICK AG's Supervisory Board performed its duties under the law, the Articles of Association, and the Rules of Procedure with thoroughness and diligence. It continually advised the Executive Board on the management of the Company and has continuously reviewed and monitored its management. In particular, the legality, regularity, and appropriacy, as well as the profitability of the Group-wide management by the Management Board, served as the benchmarks. The Supervisory Board discussed the company's organization with the Executive Board and verified its performance. The Executive Board and the Supervisory Board also continuously coordinated the company's strategic direction. The respective status of strategy implementation was discussed at regular intervals. The Supervisory Board was directly involved in all decisions of the Executive Board that are of fundamental importance to the Company.

The Executive Board provided the Supervisory Board with regular, timely, and comprehensive briefings in both written and oral forms. This way, the Supervisory Board was continuously informed about the planning, implementation of the strategy, business performance, and

business position of SICK AG and the Group, including its risk position, risk management, and compliance. In addition, the Supervisory Board was always aware of transactions of particular importance to the Company or the Group. Deviations in the course of business from the established plans and goals were proactively communicated and the reasons for these differences were explained.

The subject matter and scope of the Executive Board's reporting fully met the requirements set by the Supervisory Board. In addition to the reports, the Executive Board provided additional information to the Supervisory Board. In particular, the Executive Board was available to discuss and answer all questions at the Supervisory Board's meetings. The Supervisory Board reviewed the plausibility of the information provided by the Executive Board and assessed and questioned it critically. The Chairman of the Supervisory Board and the Chairman of the Audit Committee were also continuously and thoroughly briefed by the Executive Board between the Supervisory Board's and its committees' meetings. In particular, the Chairman of the Executive Board held regular discussions with the Chair of the Supervisory Board in order to discuss strategy, planning, current business development, and position, including the risk situation, risk management and compliance, as well as significant material individual issues and decisions. The Chairman of the SICK Supervisory Board was promptly informed of important events that were of material importance for the assessment of the situation and development as well as for the management of the SICK Group.

The Chairman of the Supervisory Board did not take part in the Supervisory Board's discussion and resolution on the repurchase of shares in SICK AG, which had been transferred to the Chairman of the Supervisory Board during his time as Chairman of the Executive Board on the basis of long-term remuneration arrangements. There were no other conflicts of interest of Supervisory Board members in connection with the performance of their duties in the reporting period.

MEETINGS AND RESOLUTIONS OF THE SUPERVISORY BOARD

SICK AG's Supervisory Board met five times in the fiscal year 2024. At its meetings, the Board dealt with all issues relevant to the Company and made the necessary decisions. One meeting was held in hybrid format with the option of attending in person or via video conference. The other meetings were held in person. One resolution was also passed by written procedure. The Supervisory Board met four times, in part without the Executive Board, dealing with agenda items that either concerned the Executive Board itself or required a purely internal discussion by the Supervisory Board. At its meetings, the Supervisory Board focused in particular on the following issues:

At the meeting of the Supervisory Board on March 20, 2024, the Executive Board provided the Supervisory Board with comprehensive and detailed information on the course of the fiscal year 2023. In the presence of the auditor, the Supervisory Board then dealt with SICK AG's accounting and consolidated financial statements for the fiscal year 2023, with the audit of the financial statements carried out by EY GmbH & Co. KG Wirtschaftsprüfungsgesellschaft, Stuttgart (EY) and the Executive Board's proposal on the appropriation of the net retained profits generated in the fiscal year 2023. The Audit Committee reported on all issues for which it is responsible in connection with SICK AG's financial reporting and consolidated financial reporting, in particular on the nature and extent of its audit of the financial statement documents. It recommended that the whole body approve these documents. The auditor presented its audit findings and the course of the discussion at the Audit Committee meeting on March 14, 2024, where these results were discussed in detail. The auditor answered the questions asked about this. The Supervisory Board approved the audit results. The Supervisory Board did not raise any objections following the final outcome of its own audit and approved SICK AG's financial statements and consolidated financial statements for the fiscal year 2023. It also examined the Executive Board's proposal regarding the appropriation of profits and, on the recommendation of the Audit Committee, endorsed this proposal. In addition, the Supervisory Board adopted its proposed resolutions for the agenda of the Annual General Meeting on May 17, 2024. During the meeting, the Executive Board also provided information on the course of the first few months of the fiscal year 2024 and provided a brief outlook on the subsequent months. The Executive Board reported in detail on cost-cutting measures involving reductions in both material and personnel expenses that were initiated because the previous active cost management measures were not sufficient to deal with the difficult economic situation. The Executive Board also provided information on the current status of the planned strategic partnership with the Swiss measurement and automation technology specialist Endress+Hauser in the area of process automation. In addition, the Supervisory Board dealt with the current situation of employees, especially in connection with the results of another survey conducted as part of the Great Place to Work program in 2023, in which SICK once again achieved very good results. The Executive Board then provided information about current construction projects. Finally, the Supervisory Board dealt with a survey to assess the Supervisory Board's efficiency.

In April 2024, the Supervisory Board agreed in writing to update the Executive Board's medium-term financial plan after it had reported that the start of the fiscal year 2024 was much weaker than anticipated, in tandem with a deterioration in the market outlook.

At its meeting on May 17, 2024, the Supervisory Board dealt with the current business situation in particular, especially against the backdrop of the still difficult global economic situation and hesitant demand in China. During this meeting, too, the Executive Board provided infor-

mation on the status of the current construction projects as well as the status of negotiations regarding the planned strategic partnership with Endress+Hauser in the area of process automation. In addition, the Executive Board presented the Executive Board's various communication channels and measures to the Supervisory Board.

At the meeting of the Supervisory Board on July 1, 2024, the Supervisory Board considered the presentation by the Executive Board of a draft decision regarding the planned strategic partnership with Endress+Hauser in the area of process automation as well as the structure of the partnership presented in depth, and approved the conclusion of a corresponding Master Transactions Agreement. As part of the strategic partnership, the contracting parties are establishing an equal joint venture in the area of research and development for Sick's former "Cleaner Industries" business segment, while worldwide sales and service in this business segment will be handled by Endress+Hauser.

At the Supervisory Board's meeting on October 1 and 2, 2024, the agenda initially included a presentation by the Executive Board on the business performance to date in 2024, together with an outlook, followed by a comprehensive strategic outlook and a report on the implementation status of the "SICK Beyond Borders" strategy. The Executive Board also presented the medium-term financial plan from 2025 to 2027. During this meeting, the Supervisory Board also approved an adjustment to SICK's claim, a reallocation and naming of the Executive Board, and a business acquisition to expand the portfolio in the area of mobile robot localization. Furthermore, the Supervisory Board renewed Ms. Nicole Kurek's employment contract, which was scheduled to end on June 30, 2025, for five years, and renewed Ms. Kurek's term of office as a member of the Executive Board for the same period.

At its meeting on December 19, 2024, the Executive Board reported on ongoing business developments and on the potential and opportunities related to digitalization and artificial intelligence in connection with new products that set SICK apart from its competitors.

In addition, the Executive Board provided an overview of the detailed budget and medium-term planning for all Group units and the entire company for the fiscal year 2025. Together with the Executive Board, the Supervisory Board discussed the objectives, general conditions, and assumptions contained in the strategy as well as the resulting opportunities and risks related to its planning in detail. The Supervisory Board approved the budget for 2025 and the associated investment measures, including the construction of a new production facility at the site in Malaysia and the expansion of a multifunctional building on the campus in the USA, also in light of the aforementioned financing. During this meeting, the Executive Board again provided information on the current status of the strategic partnership with Endress+Hauser in the area of process automation, which will be concluded in the first half of the fiscal year 2025.

WORK ON THE SUPERVISORY BOARD'S COMMITTEES

The Supervisory Board's work was supported by comprehensive preparation and monitoring of the assigned topics in committees. In the reporting period, the Audit Committee and the Personnel Committee met three times each and the Investment Committee met once. The committees' chairs gave detailed reports on the committees' work at the subsequent plenary sessions. As in previous years, it was not necessary to convene the Mediation Committee pursuant to Section 27 (3) of the German Co-determination Act. Due to the extensive preparatory work carried out by the committees, the entire body had a broad and comprehensive information base about all the areas assigned to the committees. It was therefore able to deal intensively and efficiently with relevant topics at all times.

The following members of the Supervisory Board belonged to the committees in the reporting period:

- Audit Committee: Thomas Kusterer (Chairman), Dorothea Sick-Thies, Prof. Dr. Boris Otto, Dr. Matthias Müller, Thomas Weckopp
- Personnel Committee: Dr. Robert Bauer (Chairman), Sebastian Glaser, Thomas Franz, Susanne Tröndle, Dr. Eberhard Veit
- Investment Committee: Sebastian Glaser (Chairman), Dr. Robert Bauer, Norbert Göbelsmann, Gabriele Pontiggia
- Mediation Committee pursuant to section 27 (3) of the German Co-determination Act: Dr. Robert Bauer (Chairman), Dorothea Sick-Thies, Norbert Göbelsmann, Susanne Tröndle

The committees' work in the fiscal year 2024 focused on the following:

- The Audit Committee dealt with its mandate in preparing the audit work and making recommendations for dealing with the financial statements to the full board. In addition, it dealt with the topics of internal auditing, business risk management, enterprise risk management, sustainability reporting, compliance, the key audit focuses of the 2024 audit, credit lines, and cyber security.
- The Personnel Committee dealt with personnel matters and long-term succession planning for the appointment of the Executive Board and prepared the extension of Ms. Nicole Kurek's term of office as a member of the Executive Board, as decided by the General Board and as described above. The meetings also dealt with the development of the structure and the level of remuneration of the members of the Executive Board.
- Work in the Investment Committee focused on the audit of the 2025 investment plan and the related financial planning.
- The Mediation Committee did not need to meet.

ANNUAL AND CONSOLIDATED FINANCIAL STATEMENTS FOR THE FISCAL YEAR 2024

The audit of SICK AG's financial statements and consolidated financial statements for the fiscal year 2024 was conducted by EY GmbH & Co. KG Wirtschaftsprüfungsgesellschaft, Stuttgart (EY), which was elected as auditor of the financial statements and consolidated financial statements by SICK AG's Annual General Meeting on May 17, 2024. The Annual General Meeting therefore followed the Supervisory Board's proposal, which was in line with the recommendation of the Audit Committee. Before the Supervisory Board proposed EY's election as an auditor to the Annual General Meeting, there were no circumstances that could affect its independence as an auditor or cast doubt on its independence. EY also explained the extent to which services outside the audit were provided for the company in the previous fiscal year or were contractually agreed upon for the following year. EY audited SICK AG's annual financial statements prepared in accordance with the German Commercial Code (HGB), the consolidated financial statements prepared on the basis of the International Financial Reporting Standards (IFRS), and SICK AG's combined group management report and management report, and issued unqualified audit opinions. Hence, the auditor has confirmed that, based on the findings of the audit, the financial statement and the consolidated financial statements provide a fair presentation of SICK AG and the SICK Group's financial position, financial performance and cash flows, taking the applicable accounting provisions into account. Furthermore, the auditor confirmed that SICK AG's combined group management report and management report are consistent with the annual financial statements and the consolidated financial statements, and that on the whole, they give a true and fair view of the SICK Group and SICK AG's position, and that they appropriately present the opportunities and risks of future development. In due time, all members of the Audit Committee and the Supervisory Board received the aforementioned financial statements and the audit reports from EY as well as the Executive Board's proposal for the appropriation of net retained profit.

On March 21, 2025, the Executive Board of SICK AG prepared SICK AG's financial and consolidated financial statements for the fiscal year 2024, consisting of SICK AG's financial statement, consolidated financial statements, and the combined consolidated management report and management report, and authorized them for disclosure to the Supervisory Board. At the Audit Committee's meeting on March 21, 2025 and at the Supervisory Board's Annual Report meeting on April 1, 2025, the Executive Board explained SICK AG's accounting and consolidated financial statements, as well as its proposal for the appropriation of net retained profit. The Executive Board also answered questions from the Committee and/or Supervisory Board members.

The Audit Committee and the Supervisory Board reviewed the company's and the Group's financial statements after their explanations by the Executive Board, taking EY's audit reports into account. The auditor present at the Audit Committee's meeting and at the Supervisory Board's annual meeting provided detailed reports on the audit and the results of the audit and explained the audit reports. In doing so, the auditor also reported that its audit did not identify any material weaknesses in the internal control and risk management system with respect to the financial reporting process. The auditor was thoroughly questioned by both the Audit Committee and the Supervisory Board about the audit results and the nature and scope of the audit work. The issue of the legality of the corporate governance, of which the Supervisory Board has satisfied itself, was also discussed with the auditor. The Audit Committee also reported to the Supervisory Board on its own audit of SICK AG's accounting and consolidated financial reporting, its discussions with the Executive Board and the auditor, and its monitoring of the accounting process. The Committee also stated in its report that, as part of its monitoring function, it had considered the effectiveness of the internal control, risk management, and internal audit systems and had verified the effectiveness of the systems.

The Audit Committee also reported that, according to EY, there were no circumstances that would cause the auditor to be biased. The Committee also reported on its monitoring of the auditor's independence in light of EY's non-audit services provided and its assessment that the auditor is independent, as required.

The Audit Committee and the Supervisory Board were able to verify that EY had carried out the verification correctly. In particular, they concluded that the audit reports, as well as the audit itself, complied with the legal requirements. The Supervisory Board discussed all the available financial statements and information from EY for the company and the Group, and then, based on the Audit Committee's report and recommendation, gave its approval to the results of the audit at the Annual Report meeting on April 1, 2025. The Supervisory Board's assessment of the company's and Group's position was in line with that expressed by the Executive Board in SICK AG's consolidated management report and management report. The Executive Board's assessment was also in line with the Executive Board's reports to the Supervisory Board during the reporting period. As no objections were raised following the final result of its own audit, the Supervisory Board approved SICK AG's financial statement, consolidated financial statements, and combined consolidated management report and management report for the fiscal year 2024. The financial statement was therefore adopted.

The Supervisory Board examined the proposal on the appropriation of net retained profit, which was discussed by the Executive Board in advance, in particular with regard to the distribution policy, impacts on the liquidity of the SICK Group, and shareholder interests. At the balance sheet meeting on April 1, 2025, at the recommendation of the Audit Committee, the Supervisory Board approved and endorsed the Executive Board's proposal for the appropriation of profits. Finally, the Supervisory Board approved this report at the Annual General Meeting.

The Executive Board also prepared a report on its relations with affiliated companies in the fiscal year 2024 (dependency report) and submitted it to the Supervisory Board together with an audit report about it prepared by the auditor. The dependency report was checked by the auditor and received the following audit opinion from the auditor:

"After conducting our due diligence and assessment, we confirm that

1. the actual disclosures in the report are correct and
2. the company's performance was not unreasonably high with respect to the transactions listed in the report."

The Supervisory Board reviewed the Executive Board's dependency report and the auditor's audit report. At the Audit Committee's meeting on March 21, 2025 and at the Supervisory Board's Annual Report meeting on April 1, 2025, the Audit Committee and/or Supervisory Board were given the opportunity to explain the dependency report to the members of the Executive Board. The Executive Board answered questions from the committee and/or Supervisory Board members in this regard as well. The auditor in attendance reported on his review of the dependency report and its key audit findings, explained his audit report, and answered questions about it. This enabled the Supervisory Board to verify the legality of the dependency report, the dependency report review, and the audit report. The Supervisory Board declares that, based upon the final outcome of its own review, there are no objections to the Executive Board's statement at the end of the report on relations with affiliated companies.

The Supervisory Board thanks the entire Executive Board and all of its employees for being flexible in taking the necessary cost-savings measures, and for their commitment to achieving a solid result under the difficult circumstances. The Supervisory Board also thanks everyone who enabled and implemented the strategic partnership with Endress+Hauser, and expresses its appreciation for the employees who will be part of the strategic partnership.

Gisela Sick, like her husband and company founder Dr. Erwin Sick, left an impressive mark. With the support of its founding family, the company will take advantage of these opportunities and drive digitalization in the fiscal year 2025 through innovations and the application of artificial intelligence in order to grow successfully.

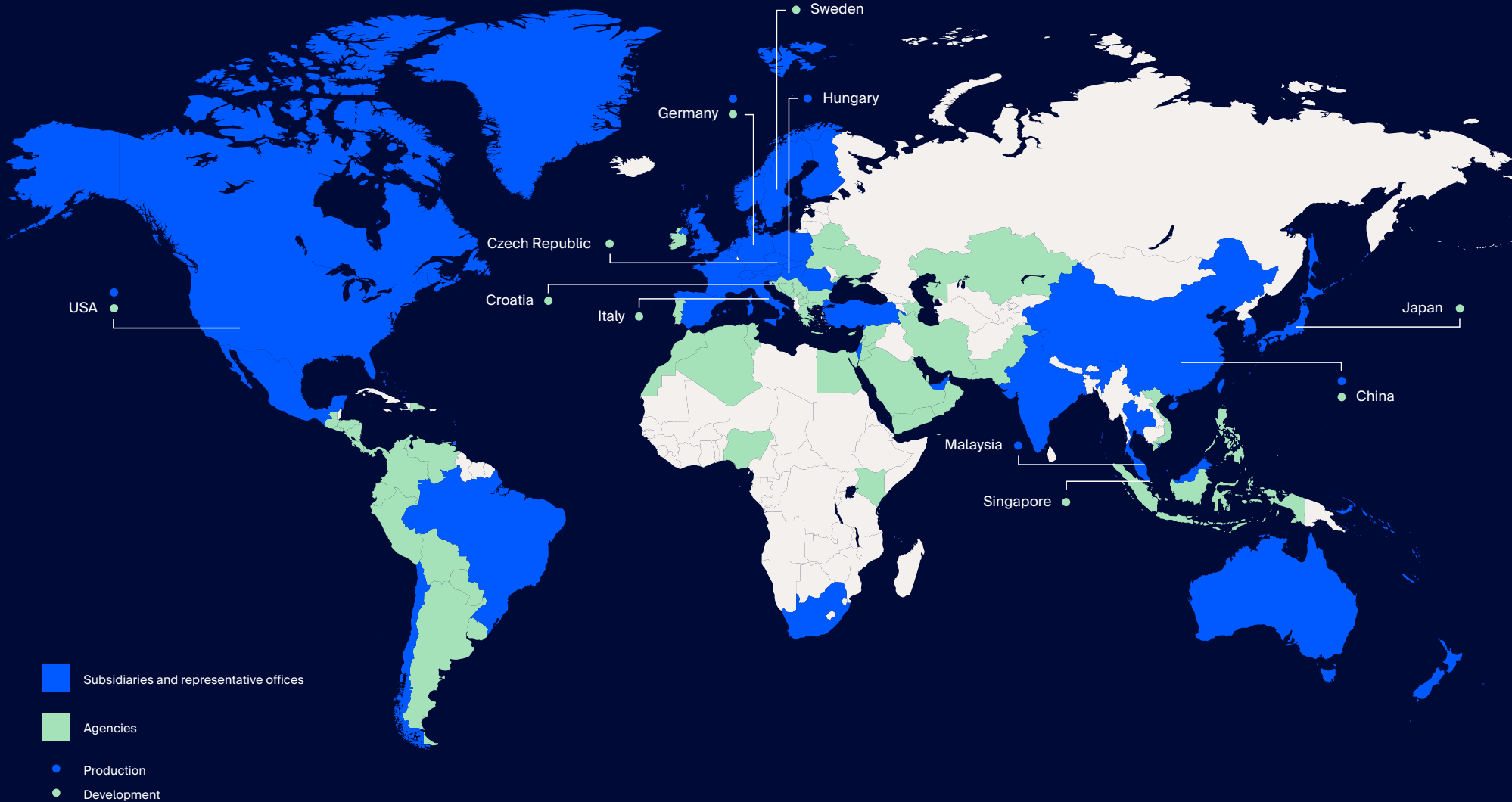
Waldkirch, April 1, 2025

For the Supervisory Board



DR. ROBERT BAUER
(CHAIRMAN)

SICK WORLDWIDE



COMBINED GROUP MANAGEMENT REPORT

OF SICK AG FOR FISCAL YEAR 2024

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COMBINED GROUP MANAGEMENT REPORT

OF SICK AG FOR FISCAL YEAR 2024

ABOUT THIS REPORT

Pursuant to Sec. 315 (5) HGB (“Handelsgesetzbuch”: German Commercial Code) in conjunction with Sec. 298 (2) HGB, the SICK group management report has been combined with the management report of SICK AG. The management report is therefore hereinafter referred to as the combined management report. The annual financial statements of SICK AG, prepared in accordance with HGB provisions, and the combined management report will be published in the German Company Register (“Unternehmensregister”) at the same time.

Due to the partnership entered into with the Endress+Hauser Group (hereinafter Endress+Hauser) in fiscal year 2024, the comparative figures for the prior year were adjusted in accordance with IFRS 5 and therefore differ in the corresponding items from the figures published in the 2023 annual report. For further information, reference is made to the comments in [section B. “Report on economic position” under “III. Course of business.”](#)

Unless stated otherwise, the information provided below applies equally to the SICK Group and to SICK AG. Sections that contain information relating only to SICK AG are designated accordingly. Due to rounding differences, figures may differ slightly from the actual figures. The basis of consolidation is presented in the notes to the consolidated financial statements.

The combined management report for the SICK Group and SICK AG for the fiscal year is presented below as of the end of the reporting period December 31, 2024.

A. FUNDAMENTAL INFORMATION ABOUT THE GROUP

- Successful worldwide: The SICK Group is one of the leading companies in the field of sensor technology, particularly with regard to automation.
- Forward-looking: The combination of sensor technology and artificial intelligence (AI) allows for further innovations and ensures efficient processes.

I. ORGANIZATIONAL STRUCTURE OF THE GROUP

SICK AG and its [subsidiaries](#) (hereinafter “the SICK Group,” “SICK,” or “the Group”) are one of the world’s leading manufacturers of sensors and sensor solutions for industrial applications.

In the reporting period, the term “Group” is used for continuing operations. Any different use of the term is specifically stated.

The parent company of the SICK Group is SICK AG. The company was founded by Dr. Erwin Sick in Vaterstetten near Munich in 1946. Today, SICK AG carries out the tasks of group management from its head office in Waldkirch near Freiburg in Germany. In addition to SICK AG, the SICK Group comprised 63 affiliates in fiscal year 2024 (prior year: 61). Of these, 53 affiliates (prior year: 53) plus SICK AG were included in the consolidated financial statements. Their composition is presented in the notes to the consolidated financial statements.

The SICK Group reports on the performance of business in four [regions](#):

- Germany
- EMEA (comprising Europe (excluding Germany), the Middle East, and Africa)
- Americas (consisting of North, Central, and South America)
- Asia-Pacific

The SICK Group is managed by an [Executive Board](#) that comprises six members. A 12-member [Supervisory Board](#) with equal numbers of employer and employee representatives forms the oversight body. The regional structure of the Group reflects the complex structure of the customers and markets. As a result, competence and production centers are located in all regions of the world. The sales function is generally performed by the Group’s own sales and service companies in the key industrial countries. The product-generating entities are controlled from the locations in Germany, Malaysia, Singapore, Hungary, and the US. These centers develop and produce products for their respective regions and for the global market. The largest manufacturing and development location in Germany is the Group’s headquarters in Waldkirch near Freiburg.

II. BUSINESS MODEL AND BUSINESS FIELDS

Increasing digitalization and networking have been fundamentally changing production and logistics processes, as well as all value creation of global industries, for many years now. Machines, sensors and other devices are increasingly communicating with each other in order to optimize processes. This development is also being driven by the use of industrial AI, the application of artificial intelligence to industry.

In accordance with its brand claim of “Sensor Intelligence” SICK focuses on the development, production, and marketing of smart industrial automation sensors, systems, and services. Sensor technology is a core element of this connectivity in the industrial sector, and lays the foundation for transparent, uninterrupted, efficient, and sustainable process flows. Sensor technology also plays an important role in traffic systems, critical infrastructure, buildings, and in the field of research.

SICK offers solutions for almost all industries and applications, which allows it to make up for divergent market developments. The SICK Group considers itself equipped for the future thanks to its strong technological expertise, successful business model and pronounced sense of responsibility toward employees, society, and the environment.

A. SALES MARKETS

The main sales markets for the SICK Group are industrialized countries as well as those growth regions that are on the cusp of industrialization. SICK extends its regional reach by setting up new sales companies and by continuously maintaining a global network of distributors.

Alongside innovation, SICK's regional proximity to its customers is one of its main competitive advantages. The central distribution center in Buchholz near Waldkirch and other regional logistics centers situated around the world ensure rapid deliveries to the sales and service companies.

SICK offers innovative application solutions in the form of individual sensor components, system solutions and software (including cloud services), and consulting, to its customers in four sales regions around the world.

B. BUSINESS FIELDS

Since the beginning of the current fiscal year, SICK has been offering its solutions in two business fields instead of the previous three. The reason for the reorganization is the partnership with Endress+Hauser. Some of the solutions previously offered are now part of the partnership.

The former business fields of Factory Automation and Logistics Automation have considerable overlaps. Their applications and sensor solutions must be conceived and developed together and are often part of the same value chain. For this reason, SICK has refined the business fields and views the restructured business fields from the two perspectives of sensor level (Sensor Solutions) and sensor integration (Integrated Solutions).

SICK's **Sensor Solutions business field** continues to supply easy-to-use and easy-to-integrate industrial sensors and sensor solutions as well as software-based lidar and vision solutions. The end-to-end solutions offer customers added value along the entire value chain.

SICK's **Integrated Solutions business field** develops complete sensor system solutions and related services as well as a portfolio for integration into customers' ecosystems. These solutions close the gap between sensors and IT and integrate at machine and process level. This is SICK's response to the increasing dynamics and complexity of customer requirements. The continuous increase in the performance of semiconductors and software algorithms enables the transition from application-based sensors for automation to software-defined sensors for autonomous intelligence.

There are considerable synergy effects between the two business fields in terms of both the market and the technologies, where SICK thrives on strong networks. Sensor Solutions enhances the competitiveness of Integrated Solutions and vice versa. Additional market potential and strategic synergy effects can also be achieved by expanding the range to include solutions for purely digital automation at process level.

C. TARGET INDUSTRIES

Sensor Solutions and Integrated Solutions are relevant for a wide range of industries, including the automotive industry and the field of consumer goods, the mechanical engineering, electronics and solar industries as well as drive technology. The most important tasks performed by the non-contact sensors and camera systems as well as the encoders and distance measurement systems in this field include controlling manufacturing, packaging, and assembly procedures as well as quality assurance. With special sensors that reli-

ably detect invisible labeling, SICK protects against product and brand piracy, thus making a major contribution to the safety of customers. In the field of hazardous machines, sensor products, complete solutions, and software solutions in the area of safety technology prevent accidents. With the help of the bar code, 2D code, and RFID identification technologies as well as volume measurement technology, processes are managed to ensure high-quality end products while guaranteeing seamless tracking of packaging, an article, or an electronic component.

In addition, "Sensor Intelligence" is used in airports, industrial vehicles, traffic, buildings, ports, trade and distribution centers. This involves designing and optimizing the entire logistics supply chain by automating material flows or making sorting, picking, and warehousing processes more efficient, faster, and more reliable. SICK's sensor-based solutions optimize productivity, safety, and sustainability in all these sectors.

D. EXTERNAL FACTORS INFLUENCING THE BUSINESS

The main external factors influencing the business of SICK include changes in economic developments, sector-specific framework conditions, currency effects, and the effects of possible new or amended import tariffs. These are explained below in [B. "Report on economic position" under "I. Macroeconomic environment"](#) Other external factors influencing the business are presented in [section C. "Risk and opportunity report."](#) These include, in particular, technological progress, intense competition, significant changes in the prices of commodities and intermediate products, a shortage of specialists, disruptions in international supply chains, as well as changing legal framework conditions and norms.

III. RESEARCH AND DEVELOPMENT

The industrial present and future are shaped by digitalization, Industry 4.0, and industrial AI. Industrial AI – artificial intelligence in industry – is used in manufacturing, the energy sector, aerospace, construction, and transportation. It is tailored to the automation and optimization of complex industrial processes. AI uses data from sensors, machines, and networks to improve decision-making, increase productivity and promote innovation. The opportunities to harness AI to produce and deliver more efficiently, with greater flexibility, using fewer resources, and to a higher standard of quality depend to a large extent on the reliability and robustness of the data that form the foundation for many process chains. SICK uses sensor intelligence to capture reality in the form of data, bridging the gap between physical sensors and digital applications for automation.

Industrial automation is undergoing a huge transformation with the advent of the **“Industrial Metaverse,”** a virtual 3D environment designed for the development, testing, and training of artificial intelligence (AI). It is the prerequisite for the ongoing digitalization of industry. New technologies such as 3D platforms and tools are changing value chains and promoting a new form of networking. Simulation in such virtual environments will play a key role in this context, as it will allow specific aspects such as training or validation to be modeled before they are even used in the real world. SICK leverages these opportunities to offer its customers comprehensive service and advice and uses them to develop more intelligent services and tools to support applications such as simulations in production or logistics.

Back in 2004, SICK adapted to the changes in the world of automation, which were only just starting to appear at the time. Since then, the company’s “Sensor Intelligence” claim has expressed its early identification of and focus on technical intelligence. As a result, the company’s focus extends well beyond the application of mechanical automation tech-

nology and, in the next few years, attention will be given to expanding the existing product portfolio, the networking capacity of sensor systems in the context of Industry 4.0 and industrial AI, and the subject of data sovereignty. The combination of sensor technology and industrial AI allows for new innovations and ensures efficient processes.

SICK turns to start-up initiatives in order to ensure greater diversity and innovative capacity in the development, production, and sale of sensor solutions and to develop these solutions faster, more efficiently, and with higher internal synergies.

To this end, the company is making targeted investments in disruptive ideas. Future-focused start-up management and networking with existing Group divisions create synergies. The aim of the start-up initiatives is to quickly harness the benefits of Industry 4.0 and industrial AI using SICK’s expertise, offering customers additional added value from the improved use of data. Every year, start-up initiatives at SICK are transferred to the company’s operating units and new start-up initiatives are formed through ideas competitions for new digital business models.

INNOVATIVE SOLUTIONS

SICK combines sensor intelligence with extensive sector and application expertise, and provides a comprehensive portfolio of solutions, thereby setting new standards for sensor-based applications. The digital portfolio is based on SICK’s broad expertise in the field of application, and allows the simple, vertical integration of data, from sensors to the cloud. This is because SICK understands the complexities of digital transformation behind software and hardware and can seamlessly connect the two to create a fully integrated, automated supply chain. Additionally, SICK has the ability to embed industrial AI software into its sensor hardware and offer it as a complete package.

Convinced of the added value that industrial AI can generate for sensor technology, SICK invested in industrial AI research at an early stage. In recent years, investments have primarily focused on software, industrial AI, and digitalization competencies. In 2024, more than 40 new solutions for customers were developed, some of which are based on deep learning and industrial AI technology. These solutions enable customers to reach new heights in terms of performance, while remaining easy to use.

INVESTMENT IN INNOVATION

As in past years and as planned, SICK invested more than 12 percent of sales in R&D activities in fiscal year 2024. For more information, reference is made to section [C. “Risk and opportunity report.”](#)

Intensive dialog with customers, universities, and research institutes serves as a catalyst for research and development. Gearing the global sales organization consistently to the industries served also creates a basis for understanding customers’ requirements and translating these into new products, system solutions, and service concepts.

The number of employees working in research and development remained at a high level, and helped translate innovative ideas into marketable products.

Thanks to the intense R&D activities, SICK has a highly diversified product portfolio that meets the requirements of completely different industries and also serves markets ranging from those that respond quickly to cyclical fluctuations to those that are slower to respond. This makes it easier for SICK to compensate for any inconsistent developments, such as economic fluctuations in SICK’s target industries.

B. REPORT ON ECONOMIC POSITION

- Strategic partnership: “Cleaner Industries” in collaboration with Endress+Hauser
- Slightly lower GDP growth
- Business trend: profitable in a challenging environment

PRELIMINARY REMARKS ON THE STRATEGIC PARTNERSHIP WITH ENDRESS+HAUSER

The following should be noted when comparing the present business figures with the published business figures for the prior year:

In fiscal year 2024, SICK AG entered into a strategic partnership with Endress+Hauser to jointly drive forward the decarbonization of the process industry. This concerns the former SICK business unit “Cleaner Industries”, which offers product solutions for analytical measurement technology and gas flow measurement.

At the end of 2024, most of the sales and service business of “Cleaner Industries”, including the related assets and liabilities, was sold to group entities of the Endress+Hauser Group. Around 600 employees transferred to Endress+Hauser entities.

The strategic partnership also includes the operation of a joint venture, which will strengthen and further expand the range of process solutions for decarbonization. Employing more than 700 employees of the former SICK business unit “Cleaner Industries”, Endress+Hauser SICK GmbH+Co. KG, Ottendorf-Okrilla, Germany (formerly SICK Engineering

GmbH, Ottendorf-Okrilla, Germany), develops and manufactures product solutions for analytical measurement technology and gas flow measurement. The product solutions manufactured there will mainly be sold by Endress+Hauser under the partnership from the beginning of fiscal year 2025. SICK AG, Waldkirch, and Endress+Hauser Group Services (Deutschland) AG+Co. KG, Weil am Rhein, Germany, have each held 50 percent of Endress+Hauser SICK GmbH+Co. KG since 1 March, 2025.

The entity SICK MAIHAK (Beijing) Co., Ltd., Beijing, China, was sold to the Endress+Hauser Group in a share deal in fiscal year 2025. This transfer and the sales lead to the application of IFRS 5 “Non-current Assets Held for Sale and Discontinued Operations.” The “Cleaner Industries” business makes up most of the discontinued operations.

Continuing operations are reported separately from discontinued operations in the income statement. In accordance with IFRS 5, all expenses and income from discontinued operations are presented in a separate line. The prior-year figures were adjusted accordingly.

In the reporting period, the term “Group” is used for continuing operations. Any different use of the term is specifically stated.

Certain assets and liabilities were derecognized from the consolidated statement of financial position due to the carve-out of the “Cleaner Industries” business. Other assets and liabilities of the “Cleaner Industries” business that will be transferred in 2025 are presented as assets and liabilities

held for sale as of December 31, 2024. In accordance with IFRS, the prior-year figures in the statement of financial position are presented consistently from one period to the next and are therefore unchanged on the prior year.

I. MACROECONOMIC ENVIRONMENT

Following a phase of negative shocks, the global economy has regained some momentum since fall 2024 and is growing by around three percent. However, strong expansion in some economies is offset by a weaker development in other countries.

Inflation has largely fallen in the **advanced economies** and the monetary easing measures have had an effect.

Industrial economic activity varies widely and remains under pressure from ongoing local crises and geopolitical uncertainties. Protectionist measures, in particular the threat of further and higher import tariffs, are having a negative impact on global trade and investing activities.

In addition, there are profound structural changes and overcapacity in some industrial sectors. Having grown in the first half of 2024, industrial production has slowed down again. The Purchasing Managers’ Index in manufacturing, a leading indicator for industrial production, closed the year at an index score of 49.6. This suggests that a sustained recovery in the industry is still a long way off.

Activity in **emerging and developing countries** largely stabilized in 2024, supported by continued expansion in the service sector and improved financing conditions. These factors helped to offset the slowdown in industrial activity in the second half of the year.

GDP growth (%)	2024 (estimated)	2025 (forecast)
Advanced economies	1.7	1.9
USA	2.8	2.7
Eurozone	0.8	1.0
Germany	-0.2	0.3
Emerging and developing economies	4.2	4.2
Latin America and the Caribbean	2.4	2.5
Emerging and developing economies, Asia	5.2	5.1
Global	3.2	3.3

Source: IMF, World Economic Outlook, January 2025

GERMANY

Germany's economy is currently facing a challenging environment. Sectors that are significant to the economy as a whole, such as capital goods manufacturers and energy-intensive industries, continue to record a decline due to a weak order backlog, high competitive pressure, and structural challenges.

Political disagreements in Germany and uncertainties in connection with the presidential elections in the US, Germany's most important trading partner, have led to further uncertainty among companies.

EMEA (EXCLUDING GERMANY)

In the **eurozone**, economic output remained below its potential, mainly due to the ongoing weakness in manufacturing and goods exports. Many manufacturing companies consider their order backlogs to be too low. However, on a positive note, consumer demand gradually increased over the course of the year thanks to rising real wages.

NORTH, CENTRAL, AND LATIN AMERICA

In the advanced economies, the US in particular recorded strong growth rates on the back of robust private consumption. In Latin America, the dynamic expansion continued in Brazil, with year-on-year GDP growth of 4% in the third quarter, driven by strong domestic demand. Overall economic output also increased in Mexico, after growth had virtually stagnated in the summer half-year.

ASIA-PACIFIC

Economic performance in the Asia-Pacific region is robust. The **Chinese** economy, on the other hand, is suffering from a fragile real estate market, a weak domestic economy and overcapacity in industry, and is not gaining momentum despite an expansive economic policy. Nevertheless, significant growth was recorded in the last quarter of the reporting year. Production growth in Southeast Asia slowed somewhat. In **India**, after two strong years of post-pandemic recovery, there are signs of a significant slowdown due to higher consumer prices, with the slowdown also affecting industry.

CONDITIONS IN THE SENSOR TECHNOLOGY INDUSTRY

The members of the sector association AMA ("AMA Verband für Sensorik und Messtechnik e.V.": AMA Association for Sensors and Measurement) reported a two percent decline in orders received in the third quarter of 2024 compared to

the prior-year quarter. Companies do not expect any growth for the fourth quarter of 2024. However, on a positive note, the survey results point to a stable book-to-bill ratio of 1. This ratio, which represents the ratio of orders received to sales over the same period, is considered an indicator of the medium-term trend in order backlog.

II. EMPLOYEES

As of the reporting date, the SICK Group employed around 11,800 people. This figure includes the employees from discontinued operations ("Cleaner Industries") and decreased by 3.1 percent in the reporting year.

The composition of employees is as follows:

	2024	2023	Change
Headcount as of December 31:	11,804	12,185	-3.1%
Of which "Cleaner Industries" (discontinued operations)	1,628	1,640	-0.7%
Other information:			
Average age of SICK's workforce (years)	41.8	41.2	+0.6
Average number of years working for the company	9.7	9.3	+0.4
Proportion of women (%)	31.0	31.8	-0.8 pp
Research and development employees	1,725	1,760	-2.0%
Apprentices and trainees in the SICK Group	321	345	-7.0%
Training expenses (EUR million)	13.7	15.6	-12.2%

The average age of SICK's workforce and the average length of service increased further in the reporting year. The percentage of women in the workforce of the SICK Group fell by 0.8 percentage points.

321 apprentices and trainees were learning a profession at the SICK Group in the past fiscal year, which is seven percent fewer than in 2023. Spending on training decreased by around 12 percent in the past fiscal year.

Following a disproportionately high increase in headcount in fiscal year 2023, the number of employees in the important area of research and development fell by two percent in the past fiscal year, which is less than the decrease in the total number of employees.

III. COURSE OF BUSINESS

COURSE OF BUSINESS IN 2024

The course of business in 2024 was affected by difficult economic conditions. While the disruptions to global supply chains and the bottlenecks on the procurement markets largely eased, the global economic situation did not recover as expected, leading to persistently weak trends in many sales markets. As a result, the business performance of SICK's continuing operations declined.

A. FINANCIAL PERFORMANCE

The financial performance of the SICK Group (continuing operations) in fiscal year 2024 was shaped by a decline in both sales and income.

The financial performance breaks down as follows:

Income statement in EUR million	2024	2023 ¹⁾	Change
Sales	1,736.8	1,962.8	-11.5%
Changes in finished goods and work in process	14.0	6.5	>100%
Own work capitalized	24.5	29.2	-16.1%
Total operating performance	1,775.4	1,998.6	-11.2%
Cost of materials	551.2	643.6	-14.4%
Personnel expenses	844.5	836.1	+1.0%
Depreciation and amortization	97.7	96.1	+1.7%
Other operating expenses	235.5	289.9	-18.8%
Other operating income	17.4	19.0	-8.4%
Currency results	-8.9	-1.6	>100%
Net investment income / expense	0.0	0.3	n/a
EBIT	55.0	150.7	-63.5%
EBIT margin	3.2%	7.7%	-4.5 pp
Net interest income / expense	-11.2	-9.7	-15.5%
Profit or loss from continuing operations before tax	43.8	140.9	-68.9%
Income taxes	10.2	33.8	-69.8%
Profit or loss from continuing operations after tax	33.6	107.1	-68.6%
Profit or loss from discontinued operations after tax	203.7	27.3	>100%
Consolidated net income	237.3	134.4	+76.6%
Net return on sales	13.7%	6.8%	+6.9 pp
Return on equity ²⁾	23.6%	14.9%	+8.7 pp

¹⁾ Adjustment of comparative figures due to IFRS 5

²⁾ Return on equity = consolidated net income / (equity less consolidated net income)

The EBIT margin as a percentage of sales decreased by 4.5 percentage points year on year, and was thus below the forecast development. Targeted measures taken in response to the absence of the expected market recovery prevented a further decline in earnings.

The earnings contribution from discontinued operations also increased the net return on sales by 6.9 percentage points compared to the prior-year figure.

B. ORDER BACKLOG

The restored supply capacity enabled the order backlog accumulated in prior years to be reduced.

At the same time, the order backlog for continuing operations recovered in the past fiscal year after a decline in orders received in the prior year. However, the recovery was not as strong as hoped due to the persistently uncertain economic development.

C. TREND FOR SALES

In fiscal year 2024, sales decreased by 11.5 percent overall. Difficult economic conditions led to a decline in demand from important markets for the SICK Group, which was exacerbated by the continued negative impact of changes in key currencies. If average exchange rates had remained unchanged against the prior year, the decrease in sales would have been less pronounced at 10.5%.

In fiscal year 2024, the business development of the SICK Group was once again broad-based, spanning established markets and regions.

Sales growth in the regions was as follows:

Sales by region	2024 In EUR million	2023* In EUR million	Change
Germany	275.0	342.1	-19.6%
EMEA excluding Germany	629.9	689.2	-8.6%
Americas	466.8	477.4	-2.2%
Asia-Pacific	365.1	454.1	-19.6%
Total	1,736.8	1,962.8	-11.5%

* Adjustment of comparative figures due to IFRS 5

In the domestic market of **Germany**, SICK was unable to escape the difficult market environment and recorded a corresponding decrease in sales across its main core industries. Growth sectors such as robotics are not yet able to compensate for the high volumes in the core industries.

In **EMEA (excluding Germany)**, sales fell less sharply than in the domestic market, as the sharp decrease in sales in key countries such as Italy was partially offset. Particularly noteworthy here are large European markets such as Austria and the UK, which recorded positive growth rates.

There was also a decrease in sales in the **Americas** region, albeit to a comparatively minor extent. Adjusted for currency effects, fiscal year 2024 in the Americas was almost on a par with the prior year. In the US, the Group recorded a decline in sales in the Sensor Solutions business field, while sales in the Integrated Solutions business field increased. In addition, the markets in Canada and Brazil, among others, achieved positive growth.

Sales in the **Asia-Pacific** region fell significantly, mirroring the domestic market in Germany. Adjusted for the negative exchange rate effects, there was a decline of around 18%.

This is mainly attributable to the Chinese market. The general market uncertainties in China continued, which meant that the declines were spread across almost all key industries. As China accounted for as much as two thirds of sales (continuing operations) in the Asia-Pacific region in the past, the decrease in sales in China is particularly significant within the region. Although sales also declined in Australia and Japan, other countries proved very robust, and markets such as India and Southeast Asia boasted double-digit growth rates.

D. COSTS

The material income and expense items of the consolidated income statement changed as follows:

Income statement in EUR million	2024	2023*	Change
Sales	1,736.8	1,962.8	-11.5%
Cost of materials	551.2	643.6	-14.4%
Cost of materials ratio (as % of sales)	31.7	32.8	-1.1 pp
Personnel expenses	844.5	836.1	+1.0%
Personnel ratio (as % of sales)	48.6	42.6	+6.0 pp
Depreciation and amortization	97.7	96.1	+1.7%
Depreciation and amortization ratio (as % of sales)	5.6	4.9	+0.7 pp
Net balance of operating expenses and operating income	-218.1	-270.8	+19.5%
Expense ratio (as % of sales)	12.6	13.8	-1.2 pp
Currency results	-8.9	-1.6	>100%

* Adjustment of comparative figures due to IFRS 5

The **cost of materials** fell more sharply than the decrease in sales. The further normalization of prices on the procurement markets played a role here, as did the distribution of sales. In the past fiscal year, the weighting of sales that are less reliant on materials increased. This relates in particular to sales from services and digital solutions, which rose year on year, while the serial business declined.

Personnel expenses remained virtually unchanged compared to the prior year. Due to the lack of market recovery, the number of employees was not increased as planned and instead the increase in wage costs (such as from collective wage increases) was largely offset by making savings. The decline in employment occurred in particular at the production facilities in response to falling production volumes.

The **personnel ratio** rose by 6.0 percentage points amid a decline in sales and almost unchanged personnel expenses. The Group has initiated a restructuring program to drive forward the necessary structural adjustments, which are also related to the sale of the discontinued operations ("Cleaner Industries").

The table below provides an overview of the number of employees by region:

Headcount as of December 31	2024	2023	Change
Germany	6,694	6,953	-3.7%
EMEA excluding Germany	2,244	2,330	-3.7%
Americas	1,194	1,204	-0.8%
Asia-Pacific	1,672	1,698	-1.5%
Total headcount	11,804	12,185	-3.1%
of which from discontinued operations ("Cleaner Industries")	1,628	1,640	-0.7%

The changes in **depreciation and amortization** reflect the substantial levels of investment in past fiscal years. The focus of investment for fiscal year 2024 was on buildings and production facilities.

In the fiscal year, the net balance of **other operating expenses and other operating income** decreased significantly (resulting in an increase in earnings). The systematic cost-cutting measures in response to the lack of market recovery are especially evident in this context. Active cost management, particularly of purchased services and travel expenses, made an important contribution to earnings.

The **currency results** are much more negative than in the prior year, in particular due to the performance of the Turkish lira and the Hungarian forint.

On account of the aforementioned developments, earnings before interest and taxes (EBIT) decreased in fiscal year 2024. The **EBIT ratio** declined by 4.5 percentage points.

E. ASSETS AND LIABILITIES

SICK's assets and liabilities break down as follows:

in EUR million	2024	2023	Change
Non-current assets	659.2	655.2	+0.6%
Deferred taxes	65.4	62.6	+4.5%
Current assets	1,371.0	1,207.9	+13.5%
Total assets	2,095.6	1,925.6	+8.8%
Equity	1,244.9	1,038.0	+19.9%
Non-current liabilities	349.1	319.7	+9.2%
Current liabilities	501.6	567.9	-11.7%
Total equity and liabilities	2,095.6	1,925.6	+8.8%

The increase in **total assets** is mainly attributable to the increase in current assets in connection with discontinued operations.

Non-current assets break down as follows:

in EUR million	2024	2023	Change
Non-current assets	659.2	655.2	+0.6%
of which intangible assets	61.5	73.1	-15.9%
of which property, plant, and equipment	594.6	578.2	+2.8%
(including right-of-use assets)	80.8	91.4	-11.6%
of which financial investments	2.0	2.5	-20.0%
of which other financial assets	1.1	1.3	-15.4%

The increase in **non-current assets** reflects the high investing activities, especially in Germany, the US, and Malaysia.

The decrease in **intangible assets** resulted from disposals in connection with discontinued operations.

Current assets break down as follows:

in EUR million	2024	2023	Change
Current assets	1,371.0	1,207.9	+13.5%
of which inventories	553.1	677.1	-18.3%
of which trade receivables	351.1	354.1	-0.8%
of which tax receivables	10.2	20.5	-50.2%
of which other assets	113.4	90.5	+25.3%
of which cash and cash equivalents	173.0	65.6	>100%
of which assets held for sale	170.2	0	n/a

Adjusted inventory management and the disposal of **inventories** in connection with discontinued operations led to a decrease in inventories.

Trade receivables remained on a par with the prior year.

The increase in **cash and cash equivalents** was largely due to cash inflows in connection with discontinued operations.

The item **assets held for sale** includes assets that are allocated to discontinued operations.

The **equity and liabilities side** of the consolidated statement of financial position breaks down as follows:

in EUR million	2024	2023	Change
Equity	1,244.9	1,038.0	+19.9%
- Equity ratio (%)	59.4	53.9	+5.5 pp
Debt capital	850.7	887.6	-4.2%
of which non-current liabilities	349.1	319.7	+9.2%
of which current liabilities	501.6	567.9	-11.7%
Total equity and liabilities	2,095.6	1,925.6	+8.8%

On the equity and liabilities side of the consolidated statement of financial position, the SICK Group's equity rose due to the increase in earnings and the reinvestment of profits.

Non-current liabilities changed as follows:

in EUR million	2024	2023	Change
Non-current liabilities	349.1	319.7	+9.2%
of which financial liabilities	237.9	205.4	+15.8%
(including lease obligations)	63.4	73.8	-14.1%
(including other financial liabilities)	174.5	131.6	+32.6%
of which provisions and liabilities	106.7	112.3	-5.0%
of which deferred taxes	4.6	2.0	>100%

In the past fiscal year, current financial liabilities were converted into non-current financial liabilities, leading to an increase in **non-current financial liabilities**. In total, **financial liabilities** fell from EUR 313.8 million to EUR 268.2 million. In particular, the transfer of pension obligations attributable to discontinued operations led to a decrease in **non-current provisions and other liabilities**.

For information on the nature, terms to maturity, currency, and interest rates of liabilities, including their main terms and conditions, as well as information on undrawn credit lines available, reference is made to [section H. \(36\) "Financial risk management"](#) in the notes to the consolidated financial statements.

Current liabilities break down as follows:

in EUR million	2024	2023	Change
Current liabilities	501.6	567.9	-11.7%
of which financial liabilities	30.4	108.4	-72.0%
(including lease liabilities)	22.3	22.7	-1.8%
(including other financial liabilities)	8.1	85.7	-90.5%
of which provisions	30.2	25.2	+19.8%
of which tax liabilities	42.1	23.3	+80.7%
of which trade payables	162.5	182.9	-11.2%
of which contract liabilities	50.0	74.8	-33.2%
of which other liabilities	137.2	153.3	-10.5%
of which liabilities held for sale	49.2	0.0	n/a

The cash inflows related to discontinued operations were used mostly to settle **other current financial liabilities**.

The decline in business performance, in particular, led to a reduction in **current trade payables**.

Fewer payments on account for projects led to a decrease in **contract liabilities**.

Other current liabilities decreased due to a drop in obligations to employees.

The item **liabilities held for sale** relates to liabilities that are allocated to discontinued operations.

Working capital changed as follows:

in EUR million	2024	2023	Change
+ inventories	553.1	677.1	-18.3%
+ trade receivables	351.1	354.1	-0.8%
- trade payables	-162.5	-182.9	-11.2%
- contract liabilities	-50.0	-74.8	-33.2%
= working capital	691.7	773.5	-10.6%

Working capital decreased in fiscal year 2024. The changes in inventories, trade receivables, trade payables, and contract liabilities are described in the preceding sections.

The **net financial position** changed as follows:

in EUR million	2024	2023	Change
Financial liabilities	268.2	313.8	-14.5%
of which lease liabilities	85.6	96.5	-11.3%
Financial liabilities (before lease liabilities)	182.6	217.3	-16.0%
Cash and cash equivalents	173.0	65.6	>100%
Net financial position	-9.6	-151.7	+93.7%

Lower financial liabilities and higher cash and cash equivalents significantly improved the net financial position. This is due in particular to cash inflows in connection with discontinued operations.

F. FINANCIAL POSITION

The financial position can be summarized as follows:

Abridged statement of cash flows (in EUR million)	2024	2023	Change
Cash flow from operating activities	140.6	117.6	+19.6%
Cash flow from investing activities	95.7	-122.8	>100%
Free cash flow	236.3	-5.2	>100%
Cash flow from financing activities	-108.2	7.8	>100%
Effect of changes in foreign exchange rates and changes in consolidated entities	0.6	-0.2	>100%
Net change in cash and cash equivalents	128.7	2.4	>100%

The change in **cash flow from operating activities** in the past fiscal year reflects a number of cash inflows and outflows in connection with discontinued operations. Overall, this resulted in an increase of around EUR 23 m.

Cash received from the sale of discontinued operations significantly exceeded cash paid for investments in Property, plant, and equipment. All in all, this led to a positive balance of **cash flow from investing activities**.

Overall, **free cash flow** increased significantly.

In addition to dividend payments, the positive free cash flow for the fiscal year was used mostly to settle current financial liabilities.

FINANCIAL SOLIDITY

The SICK Group's equity ratio changed as follows:

in EUR million	2024	2023	Change
Equity	1,244.9	1,038.0	+19.9%
Equity ratio (%) *	59.4%	53.9%	+5.5 pp

* Ratio of equity to total assets

The ratios in SICK's consolidated statement of financial position are still solid.

IV. DEVELOPMENT OF NON-FINANCIAL PERFORMANCE INDICATORS

At SICK, capacity for innovation through effective R&D work, and motivated employees, play a key role in achieving growth for the SICK Group.

[Section B. "Report on economic position"](#) contains information on the number of employees and changes in headcount under "II. Employees." Please refer to [section A. "Fundamental information about the Group"](#) under "III. Research and development" for information regarding changes in the expense ratio for R&D.

[Section D. "Report on expected developments"](#) contains statements regarding the anticipated development of the main non-financial performance indicators, the number of employees, and the expense ratio for research and development.

V. REPORT ON THE PERFORMANCE OF THE SICK GROUP IN FISCAL YEAR 2024 IN COMPARISON TO THE FORECAST

Note: The forecast published in the prior year 2023 referred to the business units existing at that time and therefore included "Cleaner Industries". The same forecasts apply to continuing operations.

In the fiscal year, the SICK Group's targets for sales and income, and its non-financial performance indicators, developed as follows:

	ACTUAL figure for 2024	ACTUAL figure for 2023*	Change	Forecast from 2023 group management report
Group sales (in EUR million)	1,736.8	1,962.8	-11.5%	Increase in mid single-digit percentage range
EBIT margin (as a %)	3.2%	7.7%	-4.5 pp	In high single-digit percentage range
Employees	11,804	12,185	-3.1%	Increase in low single-digit percentage range
of which from discontinued operations ("Cleaner Industries")	1,628	1,640	-0.7%	
R&D expenses as % of sales (both figures excluding discontinued operations)	13.3%	12.0%	+1.3 pp	Low double-digit percentage

* Adjustment of comparative figures due to IFRS 5. The presentation of employees includes employees from discontinued operations ("Cleaner Industries").

The forecast targets for sales growth and profitability for fiscal year 2024 were not achieved. The number of employees was intentionally not increased, contrary to the forecast, as the market recovery did not occur as expected. The R&D ratio is within the target range, with the increase in the ratio attributable to the decline in sales combined with the Group's decision to retain its high level of expenditure on research and development.

OVERALL ASSESSMENT

The course of business in 2024 was shaped by the persistently adverse macroeconomic conditions in many markets and the related lack of recovery. SICK had anticipated this in its forecast for the second half of 2024. The absence of this recovery meant that important targets were not achieved, leading to a result that, overall, was not entirely satisfactory.

SICK's prompt, systematic and focused response to this situation allowed the company to remain profitable without compromising its future. This is evidenced by its continued high level of investment and expenditure on research and development, which forms a good basis for the further expansion of the Group's business activities and future growth.

C. RISK AND OPPORTUNITY REPORT

- Ongoing focus: economic risks and opportunities
- Cybercrime: enhancing resilience
- To be on the safe side: reinforcing our own production locations
- Shortage of specialists: attracting and retaining employees

I. RISK AND OPPORTUNITY POLICY

Giving consideration to, evaluating and taking opportunities and risks is part of sound company policy, and implemented as part of SICK's organization.

The risk management function helps the Executive Board and management to effectively identify, monitor, and control risks and to exploit business opportunities and therefore potential offered by the business.

Risk management is firmly incorporated into many of SICK's corporate processes and is embedded in an opportunity and risk cycle that comprises the central and decentralized planning, management, and control processes and follows uniform group standards.

The aim is to enhance the value of the company in the long term.

II. RISK AND OPPORTUNITY MANAGEMENT SYSTEM

SICK practices active opportunity management by developing entrepreneurial opportunities as part of its corporate planning. At the same time, management incorporates the

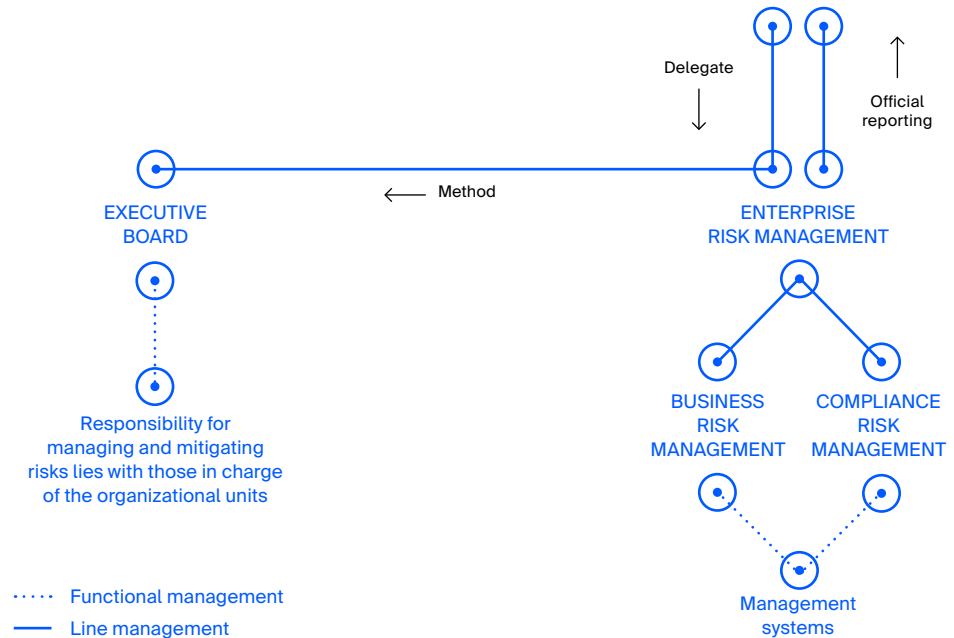
exploitation of opportunities into its detailed strategic, medium-term and operating planning.

The risks stemming from SICK's business activities and opportunities are identified, described, evaluated, managed, and minimized by means of differentiated processes and procedures as part of the Group's Enterprise Risk Management system. SICK identifies the material risks in particular using special processes, and has integrated management processes in order to identify a number of operating risks. This allows us to influence strategic, operating, financial, and compliance-related targets to a significant degree.

The Executive Board is ultimately responsible for the efficient management and control of risks and opportunities. All members of management reporting directly to the Executive Board are also responsible for managing the opportunities and risks within their areas of responsibility.

Strategic opportunities and risks are monitored in close partnership with the Supervisory Board.

SUPERVISORY BOARD AND EXECUTIVE BOARD
Corporate responsibility pursuant to Sec. 91 AktG



SICK's management use all processes and features contained in the risk and opportunity management system to control all risks and opportunities as well as the associated business decisions from the business processes of all entities, the Group and SICK AG itself.

Risks are classified using a traffic light system derived from a defined risk classification matrix with inputs including "extent of loss" and "probability of loss." This is crucial for prioritizing, developing responses, and reporting risks. Each identified risk is documented in the global risk management system and assigned appropriate measures.

III. RISKS

In its Enterprise Risk Management system, SICK distinguishes between four categories of risk that can affect the Group or one or more areas of the Group:

- a. Market and strategy risks
- b. ESG risks
- c. Financial risks
- d. Operating risks

The risks described below relate to SICK's business activities as a whole. These risks can have negative consequences for SICK's business, assets, liabilities, financial position, and financial performance as well as its reputation, human well-being, or the environment.

A. MARKET AND STRATEGY RISKS

Competitiveness

Competition risks may stem from intensified competition, as a result of which SICK is unable to achieve its targets for market share, margins or growth.

SICK counters these risks by constantly analyzing the market, competition and statutory framework in the relevant lines of business and regions. The information obtained in this way allows SICK to develop and offer products and system solutions to meet demand, build on its competitive position, and raise its profile even more.

Development activities are pursued and new fields in connection with digitalization and Industry 4.0 are exploited in order to improve the Group's competitive position.

Economic risks

Weaker global economic growth than planned and unexpected economic turbulence could have a negative impact on customer demand as a whole and therefore also on demand for SICK's products and system solutions. This could lead to declining unit sales, pressure on margins, and delayed or defaulted payments. SICK regularly analyzes economic reports and forecasts in order to be able to respond promptly to changes.

This risk is minimized by the fact that SICK is established in various business fields and customer industries.

2024 was characterized by slowing momentum in the global economy and a weak level of orders received in the manufacturing industry. According to the current economic forecasts, the risks persist. They include a delayed recovery in manufacturing, a tightening of protectionist measures on the part of the US and corresponding countermeasures that make trade more difficult, as well as a possible escalation of conflicts and geopolitical tensions.

Strategy risks

Strategy risks include topics such as strategy development and drawing up location blueprints, but also risks associated with cultural transformation and development of the organization and capabilities within the company. The Management Control Circle is used to integrate the decentralized areas of responsibility into institutionalized control and communication cycles with respect to decision-making processes within the company. Opportunities and risks are regulatory reported within the Circle, and decisions are made about how to address them.

B. ESG RISKS

Compliance risks

The risk that employees may violate applicable laws or internal regulations in their work for the company constitutes a compliance risk. Such misconduct can have serious consequences for the persons involved as well as for SICK, such as the threat of high fines or claims for damages against the company. SICK maintains a compliance management system to ensure that employees and management behave in accordance with regulations. Risks associated with compliance violations are identified via the compliance management system and analyzed and managed as part of risk management at SICK.

In the context of the implementation of the LkSG ("Lieferkettensorgfaltspflichtengesetz": German Act on Corporate Due Diligence in Supply Chains), the related risk assessment includes risks arising from violations of human rights in our own organization and in the supply chain, as well as their potential impact on those affected.

Personnel risks

Personnel risks could arise as a result of a lack of qualified specialists, without whom an innovative technology company like SICK would be unable to succeed commercially. In response to the intensifying competition for qualified staff, which is compounded by demographic change, SICK must actively present itself as an attractive and secure employer

on the global labor market in line with its mission statement, and offer good prospects to its employees.

Environmental risks

As a company that operates and manufactures on a global scale, SICK's business activities pose a risk to the environment. The main environmental aspects and their risk for the environment are determined and managed annually pursuant to ISO 14001.

Despite a long-term and environmentally-aware management approach, it cannot be ruled out that the SICK Group's financial performance could be significantly impacted by the occurrence of an environmental risk.

Once a year, process owners and central environmental management experts carry out a systematic assessment of environmentally relevant activities in order to minimize SICK's environmental risks. The aim is to create added value for the company by acting sustainably as well as to hedge against environmental risks and define suitable measures for this purpose. Certain environmental risks in our own organization and in the supply chain are part of the LKSG risk assessment at SICK.

Force majeure

SICK considers force majeure to be mainly exogenous risks to its business. This includes political turbulence in relevant target markets as well as natural disasters or fires. It also covers disruptions to media or infrastructure such as the interruption of the supply of power or water to its various locations. Besides production capacity, this also affects the security of the company's data and IT systems. In addition to comprehensive prevention measures, the main safeguard to preserve the company's value in this respect is insurance coverage for these loss events. It is, however, also important to ensure that the smooth operation of the company's processes is restored as quickly as possible in a loss event.

This process is supported by business continuity management and supplemented by crisis and contingency management.

If an event is imminent, a task force is formed at management level to design, evaluate, and steer concrete action plans so as to prevent disruptions to business activities.

C. FINANCIAL RISKS

Liquidity risks

Ensuring that the company is solvent at all times is critical to its ability to continue as a going concern. The SICK Group's operational liquidity management comprises a cash concentration process whereby cash and cash equivalents are pooled on a daily basis. This allows liquidity surpluses and shortages to be controlled in line with the requirements of the Group as a whole as well as of individual group entities. The maturities of financial assets and financial liabilities as well as estimates of cash flows from operating activities are included in short-term and medium-term liquidity management.

Finance and interest rate risks

The debt finance of the SICK Group is primarily denominated in euro and takes the form of long-term loans and loans against a promissory note. The Group's creditors are banks and insurance companies with which a long-term trusted business relationship exists. There are sufficient lines of credit in place to meet future investment requirements. The counterparty credit risk in financing is countered by limiting business relationships to dealings with banks with investment grade credit ratings.

The SICK Group responds to interest rate risks largely by entering into fixed-interest agreements over the term of its loans. When structuring loan maturities, SICK tries to ensure that these fall due for extension in different fiscal years.

Currency risks

The global business activities of the SICK Group entail a large number of cash flows in different currencies. The company is particularly exposed to fluctuations in the exchange rate between the euro and other key currencies, as described in the notes to the financial statements. Depending on the expected risk potential, exchange rates are hedged using traditional forward contracts or options over varying periods.

Valuation allowances

Default risks from receivables are minimized by ongoing monitoring of the creditworthiness of the counterparty and by limiting the aggregated risks from the individual counterparty. One major component of this is guidelines for granting and monitoring credit limits.

The application of these specifications kept the default rate for receivables pertaining to sales consistently low.

D. OPERATING RISKS

Innovation risk

The risks associated with innovation processes may involve opportunities for future product developments not being identified or being spotted too late, or, in connection with development processes, mistakes being made in terms of product positioning or development costs and times being estimated inaccurately or exceeded.

SICK counters this risk by means of modern product portfolio management, which manages and controls the content and performance of solutions and tailors them to the needs of the market. Foresight methods – such as market research and predictive forecasting – are also used to identify relevant technological and economic trends and drivers. In addition to constantly monitoring market developments and customer needs, the SICK Group has a systematic product development process that takes account of all key market, technical,

and economic aspects with the aim of achieving technological leadership. This leadership is secured by registering relevant intellectual property rights. Areas in which a need for action is identified are transferred to projects that are managed using overarching coordinated methods.

Internal start-ups have been established at SICK as an additional innovation tool. They test new market opportunities in a targeted manner, obtain rapid customer feedback, and drive them forward with success-based adapted scaling.

Risks from procurement, production, and distribution

Procurement

SICK products feature leading technology and therefore also use state-of-the-art bought-in parts (semiconductor elements to process signals and generate light in particular). Bought-in parts that are developed and produced specifically for SICK create dependencies on suppliers and therefore risks in the event of any kind of disruption to their production or even stoppages. Risks on the procurement side also stem from price fluctuations as a result of increased costs for materials or bottlenecks in the delivery of certain groups of products.

That is why a special inventory management program and goods category-specific procurement strategies are used for bought-in parts. The inventory management program monitors operating, safety, and strategic stocks. The purchasing strategies are applied over the entire lifecycle of a product, from the development phase to the discontinuation of a product.

Even though delivery times and prices are stabilizing, economic and geopolitical uncertainties continue to pose a risk to the global procurement situation. These include potential fluctuations in material and freight costs, in particular due to possible changes in customs tariffs, transportation delays and production issues.

It can be assumed there will be more economic upswings and downswings in shorter cycles in the future. SICK is preparing for this by continuing its “Intelligent Make and Buy” strategy, which is based on two principles: first, a defined approach for dealing with critical components, e.g., by defining secondary suppliers; and second, a make and buy strategy for particularly critical production processes in order to make the value chain more resilient.

Production

In order to address production risks, for example due to interruptions in production and logistics, production lines in the global SICK network are duplicated and located in the proximity of customers. Depending on the product group, local for local, local for region or local for global strategies are pursued. This applies to our own production and suppliers alike. Important technologies are kept available both internally and at suppliers using the “Intelligent Make and Buy” principle. These second source strategies are in place in order to prevent disruptions to the value chain. Strategic partners are also integrated into this network. SICK also avoids unplanned system downtimes through preventive maintenance. A further building block is the long-term location policy. Over the past few years, investments have been made in additional space at almost all of our international production locations.

The existing property and business interruption insurance covers the financial risks arising from damage to property and personal injury caused by SICK up to the agreed amount of cover. All consolidated SICK entities are included in this cover. The insured amount is based on property, plant, and equipment as well as the Group’s sales.

Distribution

Delays to distribution or violations of national and international trade and transport restrictions could lead to trading restrictions, lost sales, or delayed deliveries, with higher costs. That is why SICK has installed a management system for international trade processes such as export, import, export control, product tariffs, and origin of goods. These are monitored by an efficient export control, customs, and VAT organization.

E. PROCESS RISKS RELATING TO MANAGEMENT AND SUPPORTING PROCESSES

Quality

Risk management, process orientation and the principle of continuous improvement are the basic principles of the ISO 9001 standard, which SICK has been implementing effectively in an integrated management system since 2009. In accordance with the requirements of ISO 9001, SICK employs strategies to protect itself against business risks and increase the probability of opportunities occurring by analyzing the business environment, stakeholders and their expectations at planned intervals. The risks and opportunities arising from environmental factors and the expectations of stakeholders are monitored as part of the risk management process. Clear and comprehensive documentation of workflows in processes and documents in process management software helps prevent misunderstandings and gaps.

Clearly defined and systematically applied methods for identifying, analyzing and eliminating errors and their causes help to avoid the risk of errors recurring and systematically exploit potential for improvement. Contingency plans and strategies for maintaining business operations in crisis situations ensure a rapid and effective response to unexpected events.

IT

IT risks can have a significant impact on the SICK Group.

A prolonged outage of the IT infrastructure or the loss of data can result in considerable business disruption or a loss of reputation in the eyes of customers and partners. As a result, the aim of our IT security policy is to proactively identify and analyze IT risks and to make them manageable by taking appropriate action. For this reason, SICK has an ISO 27001 information security management system. The system includes a comprehensive security plan that reflects the high value attached to security and data protection at SICK to identify potential risks.

Despite all of the measures taken to constantly improve IT security, complete protection against cyber attacks is impossible to achieve. To minimize the risk posed by new attack patterns, SICK follows a comprehensive strategy for improving cyber resilience, which both regularly checks IT systems for vulnerabilities and updates them and also makes all preparations to remain operational even in the aftermath of a cyber attack.

IV. OPPORTUNITIES

SICK is a market leader in the growth segment of sensor technology for industrial applications. SICK's Executive Board and management look for opportunities to exploit potential for growth. Possibilities to achieve stronger growth than planned stem from a number of different strategic and operating opportunities. These are evaluated on a regular basis, and corresponding measures are implemented in order to take advantage of them.

As a global market leader and technological pioneer, the SICK Group is in a better position than most to benefit from the opportunities for growth presented by an innovative sector. The company sees six different categories of significant opportunities:

- Improved global economic growth
- Digitalization, AI, and Industry 4.0
- Internationalization
- Excellence in research and development
- Solid financial ratios and strong earnings power
- Attractive employer

A. OPPORTUNITIES ARISING FROM IMPROVED GLOBAL ECONOMIC GROWTH

Even though the short-term indicators of the economic situation are modest at the start of 2025, experts expect the market for industrial sensor technology applications to continue to grow by a solid single-digit percentage over the next few years. This opens up growth opportunities in the various regions and industries in which SICK operates.

B. OPPORTUNITIES ARISING FROM DIGITALIZATION, AI, AND INDUSTRY 4.0

Demand for sensor products and solutions that generate high benefit for customers through digitalization and AI applications is rising considerably. These technologies are opening up a wealth of possibilities. SICK is well prepared and can therefore take greater advantage of the growth opportunities of an innovative industry than the average company.

SICK is involved in a wide range of activities relating to Industry 4.0 and digital solutions. Its product portfolio is placed to benefit from this growth market. The company is also constantly analyzing how new product developments could tap further potential here.

In its business activities, SICK demonstrates the current opportunities of Industry 4.0 in a very practical way at its production facility in Freiburg, where a highly flexible and adaptable production system has been set up. Innovative future sensor solutions are already used there and presented to customers on an assembly system that is used to make SICK's own sensors.

C. OPPORTUNITIES ARISING FROM INTERNATIONALIZATION / RESHORING

SICK is constantly expanding its customer, product, and system base as part of the ongoing internationalization of value added and vertical integration in its sales and procurement regions. This global strategic direction presents SICK with numerous opportunities, both in the labor market and through greater proximity to its customers. SICK is for example constantly working to establish new facilities or branch offices and to introduce standardized business processes in new international markets. A global network of production, logistics, and sales facilities is an important aspect of this international expansion drive.

Our international focus helps our customers become less dependent on individual countries or production facilities. The close cooperation between SICK's facilities can also support the reshoring of customer sites.

D. OPPORTUNITIES ARISING FROM RESEARCH AND DEVELOPMENT

SICK is a highly innovative company. Both the number of employees and expenditure on research and development remained high in 2024, reflecting the Group's long-term orientation.

	2024	2023*	Change
Sales (EUR million)	1,736.8	1,962.8	-11.5%
R&D expenses (EUR million)	231.6	234.6	-1.3%
R&D expenses as % of sales	13.3	12.0	+1.3 pp
R&D employees on reporting date (excluding "Cleaner Industries" employees*)	1,544	1,579	-2.2%

* Adjustment of comparative figures due to IFRS 5.

These investments are laying the foundation for future opportunities that stem from new products and system solutions and have the potential to accelerate the company's growth more than average if they are accepted by customers.

E. OPPORTUNITIES ARISING FROM SOLID FINANCIAL RATIOS AND STRONG EARNINGS POWER

The SICK Group has solid financial ratios and strong earnings power:

	2024	2023*	Change
Equity ratio (%)	59.4	53.9	+5.5 pp
EBIT (EUR million)	55.0	150.7	-63.5%
Cash and cash equivalents (EUR million)	173.0	65.6	>100%
Operating cash flow (EUR million)	140.6	117.6	+19.6%

* Adjustment of comparative figures due to IFRS 5.

SICK's solid financial ratios and strong earnings power allow it to exploit additional opportunities for growth using its own financial muscle.

F. OPPORTUNITIES AS AN ATTRACTIVE EMPLOYER

As a highly innovative technology company, SICK is dependent on the skills, qualifications, innovation, and motivation of all its employees. They are the ones who secure growth opportunities and make our company future-proof. The SICK Group endeavors to ensure that employees remain loyal to the company for a long time by offering an attractive system of compensation and extensive social benefits as well as comprehensive training opportunities and an attractive working environment. These are some of the reasons why SICK has been named several times as one of Germany's best employers.

GENERAL STATEMENT CONCERNING RISKS AND OPPORTUNITIES

Although the assessments of some risks changed over the course of the fiscal year due to external developments, geopolitical risks, economic circumstances, and measures implemented by the company or changes to planning, the overall situation with respect to risks and opportunities is largely in line with the prior year's estimates.

The growing importance of Industry 4.0 and the fact that intelligent sensors are essential as a data basis for smart factories open up major opportunities for technological and economic growth for SICK. The topics of connecting sensor systems to upstream cloud solutions, applications in the data landscape, and data sovereignty are particularly relevant. However, the approaching technological changes also entail continued, substantial investment and corresponding expenses as well as risks.

The Executive Board firmly believe that the risks described for the SICK Group are manageable and do not jeopardize the company's ability to continue as a going concern, either individually or in their totality. At the same time, technological and economic growth opportunities create the basis for the SICK Group to continue its positive development.

D. REPORT ON EXPECTED DEVELOPMENTS

- Global economic development: cautiously positive
- Domestic market Germany: sales expected to rise
- R&D activities: as high as ever

The comments regarding the company's anticipated performance in 2025 are based on the information, expectations, and assumptions that were known and available at the time the forecast was issued. As forward-looking statements, these are subject to a high degree of uncertainty – especially in terms of the development of the global economy.

I. ECONOMIC PROSPECTS FOR 2025

Despite the uncertainties regarding economic policy in the US, particularly due to the announced introduction of further protective tariffs, the global economy is expected to grow slightly faster in 2025 than in 2024. The International Monetary Fund (IMF) has revised its economic forecasts for 2025 at country level. The forecast for the US was sharply revised upwards, while it was adjusted downwards for the eurozone, particularly for Germany.

Falling inflation rates in the industrialized countries and rising real incomes will further boost private consumer demand and have a positive impact on economic development. From a corporate perspective, however, rising wage costs could weigh on profit margins, which could lead to lower investment despite the fundamentally positive gradual easing of monetary policy.

After a difficult year in 2024 with declining growth rates, VDMA economists expect global machine sales to improve in the second half of 2025 and see marginal growth of one percent. In China, the mechanical engineering industry is likely to continue to develop as positively as in the prior year, supported by government-led incentives. For major mechanical engineering countries in Europe such as Germany, Italy, and France, 2025 could begin with a statistical shortfall, which means that a decrease in sales could also be possible in 2025.

GDP growth (%)	2025 (forecast)	2026 (forecast)
Advanced economies	1.9	1.8
USA	2.7	2.1
Eurozone	1.0	1.4
Germany	0.3	1.1
Emerging and developing economies	4.2	4.3
Latin America and the Caribbean	2.5	2.7
Emerging and developing economies, Asia	5.1	5.1
Global	3.3	3.3

Source: IMF, World Economic Outlook, January 2025

SICK's industry-specific market analyses indicate potential for growth for innovative international companies in the sensor technology industry, based on the following trends:

- Increasing automation within Industry 4.0, digitalization, and networking of industrial production processes and supply chains
- Increased use of sensors and corresponding sensor solutions in the production, warehousing and distribution of goods
- Use of artificial intelligence to open up new applications
- High standards of data security and sovereignty
- Rising demands with respect to the management of industrial processes and the distribution of products in the manufacturing industry
- Rising quality and documentation requirements
- Stricter environmental regulations

Based on the continued positive trend for general economic and sector-specific conditions for SICK, as described in [section B. "Report on economic position,"](#) the Executive Board of the SICK Group expects its important financial and non-financial indicators to change as follows.

II. SALES FORECASTS FOR THE SALES REGIONS

Based on our current knowledge and the general economic and sector-specific conditions outlined, the Executive Board expects the SICK Group's sales to develop positively again. The Executive Board expects sales to grow in the high single-digit percentage range in fiscal year 2025.

Group sales	Increase in high single-digit percentage range
Sales forecasts by region:	
Germany	Increase in low double-digit percentage range
EMEA (excluding Germany)	Increase in mid-to-high single-digit percentage range
Americas	Increase in mid-to-high single-digit percentage range
Asia-Pacific	Increase in low double-digit percentage range

GERMANY

SICK still enjoys a strong market position in its domestic German market. The Group therefore anticipates significant growth in sales for fiscal year 2025, despite the weak economic development in Germany that is currently forecast.

EMEA (EXCLUDING GERMANY)

SICK expects growth in the EMEA region to be in the mid-to-high single-digit percentage range. SICK continues to see this region as a source of growth and expects a return to positive development.

AMERICAS

Growth is also expected again in the North, Central, and South America (Americas) region. Sales growth in the mid-to-high single-digit percentage range is expected for the US, the largest market in this region. Sales growth is also forecast for other important markets such as Brazil, Canada, and Mexico.

ASIA-PACIFIC

Following a decline in sales in the Asia-Pacific region in the past two fiscal years, sales development in the important market of China is expected to stabilize in fiscal year 2025, which means that the region will again see double-digit growth overall.

III. EBIT FORECAST

The implementation of the SICK Group's strategy of growth requires more significant expenditure and investment. In fiscal year 2025, the company is planning to once again spend a low double-digit percentage of its sales on research and development. At the same time, SICK forecasts a lower increase in other expenses than in sales in 2025 thanks to further optimization of internal structures and processes. Overall, operating profitability is therefore expected to improve in fiscal year 2025 compared to the prior year.

The company is aiming to achieve a mid-range to high single-digit percentage EBIT margin in fiscal year 2025. The target for the EBIT margin underpins SICK's traditional aim of striking a balance between securing income in the short term and technology in the long term. Based on this, SICK will continue to operate and remain profitable for the long term.

IV. DEVELOPMENT OF OTHER FINANCIAL PERFORMANCE INDICATORS

Capital management will be pursued in fiscal year 2025 based on the assumption that liquidity will remain solid and the equity ratio will remain high. At the same time, SICK is focusing on a low-risk financing structure. Dividend payments are made in a way that takes into account the need for investment and the target range for the planned capital structure. The Group's further growth will also be safeguarded by maintaining sufficient liquidity as well as short-term and long-term credit lines that offer flexibility in covering refinancing needs.

V. DEVELOPMENT OF NON-FINANCIAL PERFORMANCE INDICATORS

The positive development of the most important non-financial performance indicators in fiscal year 2025 will ensure the sustainable and profitable growth that SICK is aiming to achieve.

The key indicators are the persistently strong R&D activities, attracting and retaining qualified employees, and meeting high standards of quality and sustainability targets.

GENERAL STATEMENT CONCERNING PROJECTED DEVELOPMENT

Global economic growth is expected to be 3.3 percent in 2025. Divergent developments in the individual economies, ongoing trade uncertainties, and geopolitical tensions continue to pose risks, while progress in consumer demand is expected. With our innovative portfolio of products and services, the SICK Group stands a good chance of continuing to benefit from increasing demands, particularly in the context of digitalization and industrial AI.

Based on the company's strong technological expertise and established market position in important growth regions, the Executive Board expects a positive overall development for the SICK Group in fiscal year 2025. This will be reinforced by the focus on continuing operations.

KEY FIGURES OF THE FORECAST FOR FISCAL YEAR 2025

Global economic growth	3.3%
Group sales	Increase in high single-digit percentage range
EBIT margin	Increase in mid-to-high single-digit percentage range
Employees	Unchanged
R&D expenses	Increase in low double-digit percentage range

SICK is characterized by its global presence and balanced portfolio. The SICK Group once again demonstrated that it has the flexibility to respond rapidly to changes in fiscal year 2024. On this basis, and assuming a global economic recovery, profitable revenue growth is forecast for the SICK Group in fiscal year 2025.

E. DEPENDENT COMPANY REPORT

More than 50 percent of the shares in SICK AG are held by SICK Holding GmbH, Freiburg, Germany, which in turn belongs to the Sick family that founded the company. As a result, the Executive Board prepared a dependent company report in accordance with Sec. 312 AktG (“Aktengesetz”: German Stock Corporations Act), which was audited and on which an auditor’s report was issued as part of the audit of the annual financial statements. The Executive Board declares the following pursuant to Sec. 312 (3) AktG: “In the legal transactions listed in the dependent company report, and according to the circumstances that were known to us when those legal transactions were performed, our company received an appropriate consideration in each legal transaction. We did not undertake, or refrain from taking, any actions motivated by or in the interest of the controlling company or its affiliates.”

F. MANAGEMENT REPORT OF SICK AG

SICK AG has its headquarters in Waldkirch near Freiburg in the State of Baden-Württemberg in Germany. This is the head office of the SICK Group and is also its largest development and production location. The development of the Group's international sales and service companies is closely coordinated with the Waldkirch location in order to mitigate risks.

The financial statements of SICK AG are prepared in accordance with the requirements of the HGB ("Handelsgesetzbuch": German Commercial Code), while the consolidated financial statements are prepared in accordance with International Financial Reporting Standards (IFRS). The basic statements in the combined management report, in particular in relation to the market and strategy as well as the opportunities and risks relating to business activities, also apply with respect to SICK AG.

More information that is not already apparent from the Group's assets, liabilities, financial position, and financial performance is provided below.

The company's **financial performance** breaks down as follows:

in EUR million	2024	2023	Change
Sales	1,385.0	1,487.2	-6.9%
Changes in finished goods and work in process	10.9	10.7	+1.9%
Own work capitalized	11.9	15.1	-21.2%
Other operating income	76.8	61.1	25.7%
Cost of materials	624.9	700.8	-10.8%
Gross profit	859.7	873.3	-1.6%
Personnel expenses	510.5	506.7	+0.7%
Depreciation and amortization	44.8	45.8	-2.2%
Other operating expenses	346.1	308.5	+12.2%
Financial result	67.3	78.3	-14.0%
Earnings before tax	25.6	90.6	-71.7%
Income taxes	10.2	16.1	-36.6%
Other taxes	0.3	0.4	-25.0%
Net income for the year	15.1	74.1	-79.6%

Revenue fell by 6.9%, in particular due to difficult economic conditions. Prices on the procurement markets continued to normalize compared to the prior year, leading to a disproportionately high reduction in the cost of materials of 10.8%.

Personnel expenses remained virtually unchanged compared to the prior year. Due to the lack of market recovery, the number of employees was not increased as planned. At the same time, a restructuring program was initiated in connection with the sale of the "Cleaner Industries" business unit. The increase in wage costs (such as from collective wage increases) and restructuring expenses were largely offset by making savings.

Other operating expenses rose by 12.2%, at a higher rate than sales, which was mainly due to an increase in intragroup allocations.

Lower income from affiliates led to a decline in the **financial result**.

Overall, the AG's **net income for the year** decreased significantly.

The company's **statement of financial position** is as follows:

in EUR million	2024	2023	Change
Intangible assets	10.3	13.2	-22.0%
Property, plant, and equipment	289.4	314.8	-8.1%
Financial assets	272.3	170.4	+59.8%
Inventories	334.1	379.7	-12.0%
Receivables and other assets and prepaid expenses	453.8	475.0	-4.5%
Cash and cash equivalents	101.0	8.8	>100%
Total assets	1,460.9	1,361.9	+7.3%
Equity	509.9	536.5	-5.0%
Provisions	138.0	150.4	-8.2%
Liabilities	813.0	675.0	+20.4%
Total equity and liabilities	1,460.9	1,361.9	+7.3%
Equity ratio	34.9%	39.4%	-4.5 pp

Financial assets increased due to the contribution of assets from the analyzer business operation to Endress+Hauser SICK GmbH+Co. KG and the contribution of real property and other assets to SICK Real Estate GmbH & Co. KG.

Further adjustments to inventory management and a downward trend in purchase prices led to a decline in **inventories**.

Cash and cash equivalents and **liabilities** increased in particular as a result of cash received from affiliates from the transfer of assets and liabilities in connection with discontinued operations. Most of these cash receipts were transferred to the AG as part of the Group's cash concentration process and credited to the companies' clearing accounts.

SICK AG does not issue its own separate forecast. The forecast issued by the SICK Group therefore also applies to SICK AG.

The Group's course of business in fiscal year 2024 was shaped by the persistently difficult macroeconomic conditions in many markets and the related lack of recovery. SICK had anticipated this in its forecast for the second half of 2024. The absence of this recovery meant that important targets were not achieved. SICK's prompt, systematic, and focused response to this situation allowed the company to remain profitable without compromising its future. This is evidenced by its continued high level of investment and expenditure on research and development, which forms a good basis for the further expansion of the Group's business activities and future growth.

CORPORATE GOVERNANCE DECLARATION PURSUANT TO SEC. 289f (4) HGB

As part of the company's efforts to achieve equal opportunities, targets were set in 2015 for the equal representation of men and women in management positions. At its meeting held on March 17, 2023, the Supervisory Board of SICK AG set a target of 17 percent of women on the Supervisory Board and the Executive Board for the period from July 1, 2023 to June 30, 2027, in accordance with Sec. 111 AktG. As of December 31, 2024, the target for the Supervisory Board was met at 25 percent and for the Executive Board at 33 percent.

Furthermore, the SICK AG Executive Board set a target of between six and 10 percent pursuant to Sec. 76 (4) AktG for the percentage of women in management positions at the level directly below the Executive Board of SICK AG, i.e., the managers who report directly to members of the Executive Board. This target was to be met or exceeded by December 31, 2025. This quota stood at 12 percent as of the reporting date. For management positions at the second level below Executive Board of SICK AG; i.e., the managers who report directly to

the first-level managers described above, a target of between six and 10 percent was also set that was to be met or exceeded by December 31, 2025. This figure stood at around 13 percent on the reporting date.

Waldkirch, March 21, 2025

SICK AG

The Executive Board



**DR. MATS GÖKSTORP
(CHAIRMAN)**



JAN-H. EBERHARDT



FENG JIAO



ULRIKE KAHLE-ROTH



NICOLE KUREK



DR. NIELS SYASSEN

GROUP FINANCIAL STATEMENTS

OF SICK AG

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GROUP FINANCIAL STATEMENTS

for SICK AG for the fiscal year 2024

SICK AG, WALDKIRCH, GERMANY CONSOLIDATED INCOME STATEMENT

in EUR million	Notes	2024	2023
Sales	(1)	1,736.8	1,962.8
Changes in finished goods and work in process		14.0	6.5
Own work capitalized	(2)	24.5	29.2
Cost of materials	(3)	551.2	643.6
GROSS PROFIT		1,224.2	1,355.0
Personnel expenses	(4)	844.5	836.1
Depreciation and amortization	(5)	97.7	96.1
Other operating expenses	(6)	235.5	289.9
Other operating income	(7)	17.4	19.0
Currency results	(8)	-8.9	-1.6
OPERATING RESULTS		55.0	150.4
Net investment income / expense	(9)	0.0	0.3
EARNINGS BEFORE INTEREST AND TAX (EBIT)		55.0	150.7
Interest expense	(10)	12.0	10.8
Interest income	(11)	0.8	1.1
PROFIT OR LOSS FROM CONTINUING OPERATIONS BEFORE TAX		43.8	140.9
Income taxes	(12)	10.2	33.8
PROFIT OR LOSS FROM CONTINUING OPERATIONS AFTER TAX		33.6	107.1
PROFIT OR LOSS FROM DISCONTINUED OPERATIONS AFTER TAX	(D)	203.7	27.3
CONSOLIDATED NET INCOME		237.3	134.4
of which attributable to shareholders of SICK AG		237.3	134.4
EARNINGS per SHARE (basic and diluted)	(13)	EUR 9.05	EUR 5.12
thereof from continuing operations	(13)	EUR 1.28	EUR 4.08
thereof from discontinued operations	(13)	EUR 7.77	EUR 1.04

SICK AG, WALDKIRCH, GERMANY

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

in EUR million

	2024	2023
CONSOLIDATED NET INCOME	237.3	134.4
OTHER COMPREHENSIVE INCOME		
Items that will never be reclassified to profit or loss		
Remeasurement of pension obligations	1.5	-5.3
Tax effect	-0.6	1.4
Remeasurement of pension obligations	0.9	-3.9
Items that were or that can be reclassified to profit or loss		
Currency translation differences	10.1	-15.6
Tax effect	0.0	0.0
Currency translation differences	10.1	-15.6
OTHER COMPREHENSIVE INCOME	11.0	-19.5
COMPREHENSIVE INCOME	248.3	114.9
of which attributable to shareholders of SICK AG	248.3	114.9

SICK AG, WALDKIRCH, GERMANY
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS OF DECEMBER 31, 2024

ASSETS

in EUR million	Notes	2024	2023
A. Non-current assets			
I. Intangible assets	(14)	61.5	73.1
II. Property, plant, and equipment		594.6	578.2
III. Investments accounted for using the equity method	(15)	2.0	2.5
IV. Other financial assets	(16)	1.1	1.3
V. Deferred taxes	(12)	65.4	62.6
		724.6	717.7
B. Current assets			
I. Inventories	(17)	553.1	677.1
II. Trade receivables	(18)	351.1	354.1
III. Tax receivables	(19)	10.2	20.5
IV. Other assets	(20)	113.4	90.5
V. Cash and cash equivalents	(21)	173.0	65.6
VI. Assets held for sale	(D)	170.2	0.0
		1,371.0	1,207.9
		2,095.6	1,925.6

EQUITY AND LIABILITIES

in EUR million	Notes	2024	2023
A. Equity			
I. Issued capital	(22)	26.4	26.4
II. Capital reserves	(23)	23.4	23.4
III. Treasury shares	(24)	-5.1	-3.9
IV. Revenue reserves	(25)	1,200.2	992.1
		1,244.9	1,038.0
B. Non-current liabilities			
I. Financial liabilities	(27)	237.9	205.4
II. Provisions and other liabilities	(28)	106.7	112.3
III. Deferred taxes	(12)	4.6	2.0
		349.1	319.7
C. Current liabilities			
I. Financial liabilities	(27)	30.4	108.4
II. Other provisions	(28)	30.2	25.2
III. Tax liabilities	(29)	42.1	23.3
IV. Trade payables	(30)	162.5	182.9
V. Contract liabilities	(31)	50.0	74.8
VI. Other liabilities	(32)	137.2	153.3
VII. Liabilities held for sale	(D)	49.2	0.0
		501.6	567.9
		2,095.6	1,925.6

SICK AG, WALDKIRCH, GERMANY

CONSOLIDATED STATEMENT OF CASH FLOWS

in EUR million	2024	2023
Consolidated net income	237.3	134.4
Adjustments for:		
Income taxes	74.3	42.9
Net interest income / expense	14.2	12.1
Depreciation and amortization	102.8	101.2
Gains / losses from disposals of assets and of the "Cleaner Industries" business unit	-233.9	0.0
Income from financial investments	0.0	-0.3
Other non-cash transactions	-14.9	15.2
Change in inventories	61.9	-47.9
Change in trade receivables and other assets	-15.3	-7.8
Change in non-current provisions	0.5	10.6
Change in trade payables and other liabilities	-28.7	-84.5
Cash flow from operating activities	198.2	175.9
Interest paid	-14.7	-12.0
Interest received	1.3	1.4
Income taxes paid	-44.2	-47.7
Cash flow from operating activities	140.6	117.6
Cash received from the sale of the "Cleaner Industries" business unit	234.9	0.0
Cash received from disposals of non-current assets	0.3	0.9
Cash paid for investments in property, plant, and equipment	-124.8	-109.5
Cash paid for investments in intangible assets	-14.7	-13.7
Cash paid for the acquisition of a business unit	0.0	-0.5

in EUR million	2024	2023
Cash flow from investing activities	95.7	-122.8
Acquisition of treasury shares	-1.2	-0.4
Cash paid to owners	-40.6	-36.7
Repayment of lease liabilities	-31.8	-25.7
Cash received from loans	50.2	81.2
Cash repayments of loans	-84.8	-10.6
Cash flow from financing activities	-108.2	7.8
Effect of changes in foreign exchange rates and changes in consolidated entities on cash and cash equivalents	0.6	-0.2
Net change in cash and cash equivalents	128.7	2.4
Cash and cash equivalents at the beginning of the period	65.6	63.2
Cash and cash equivalents from continuing and discontinued operations at the end of the period	194.3	65.6
Less cash and cash equivalents from discontinued operations	21.4	n.a.
Cash and cash equivalents from continuing operations at the end of the period	173.0	n.a.

For additional explanations, reference is made to the disclosures in the notes to the consolidated financial statements in E. Consolidated statement of cash flows.

SICK AG, WALDKIRCH, GERMANY

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

in EUR million	Issued capital	Capital reserves	Treasury shares	Revenue reserves	Equity attributable to the shareholders
Balance as of Jan. 1, 2023	26.4	23.3	-3.5	914.3	960.4
Consolidated net income				134.4	134.4
Other comprehensive income				-19.5	-19.5
Comprehensive income				114.9	114.9
Change in treasury shares		0.2	-0.4	0.0	-0.2
Dividend payment				-36.7	-36.7
Other changes				-0.3	-0.3
Balance as of Dec. 31, 2023	26.4	23.4	-3.9	992.1	1,038.0
Balance as of Jan. 1, 2024	26.4	23.4	-3.9	992.1	1,038.0
Consolidated net income				237.3	237.3
Other comprehensive income				11.0	11.0
Comprehensive income				248.3	248.3
Change in treasury shares			-1.2	0.0	-1.2
Dividend payment				-40.6	-40.6
Other changes				0.4	0.4
Balance as of Dec. 31, 2024	26.4	23.4	-5.1	1,200.2	1,244.9

Other comprehensive income includes effects from the remeasurement of pension obligations and from currency translation.

IFRS NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS

of SICK AG, Waldkirch, for fiscal year 2024

A. GENERAL DISCLOSURES

GENERAL

The consolidated financial statements of SICK AG, Waldkirch, Germany, for the year 2024 were prepared according to the International Financial Reporting Standards (IFRS), as adopted by the EU, and in accordance with the additional requirements of German commercial law pursuant to Sec. 315e (1) HGB (“Handelsgesetzbuch”: German Commercial Code). The consolidated financial statements consist of the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of financial position, consolidated statement of cash flows, consolidated statement of changes in equity, and the notes on the consolidated financial statements. SICK AG also prepared a group management report.

SICK AG, with registered offices in Waldkirch, Erwin-Sick-Str. 1, Germany, and recorded in the commercial register of Freiburg Local Court under HRB 280355, is the parent company of the SICK Group.

SICK AG is a subsidiary of SICK Holding GmbH, Freiburg, Germany.

ECONOMIC BACKGROUND

SICK is one of the leading global manufacturers of intelligent sensors and sensor solutions for industrial applications. The Group has been in the sensor technology business for more than 75 years, has over 11,000 employees worldwide today, and comprises 54 consolidated entities in around 40 countries, as well as numerous equity investments and agencies.

The company has its main production sites in Germany, Malaysia, Hungary, and the United States. SICK is well positioned internationally and has a worldwide distribution network with its own subsidiaries, equity investments, and agencies in all major industrial countries.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

All IFRSs subject to mandatory adoption as of December 31, 2024 have been applied. These include the International Accounting Standards (IAS) as well as the IFRIC Interpretations developed by the IFRS Interpretations Committee (IFRS IC) and the Standing Interpretations Committee (SIC). The Group has decided not to early adopt standards or interpretations that are not yet effective. These standards and interpretations are listed in [section H. \(42\), “Financial reporting standards not early adopted.”](#)

The fiscal year of the SICK Group and all the entities included in consolidation is the calendar year.

The group currency is the euro. As a rule, all amounts are stated in millions of euro (EUR million). Deviations from this rule are indicated accordingly. Due to rounding, it is possible that some figures do not add up precisely to the sums stated.

As a rule, the consolidated financial statements have been prepared on the basis of the historical cost convention, apart from derivatives and financial instruments reported at fair value.

The income statement has been prepared using the nature of expense method.

In fiscal year 2024, a strategic partnership was formed between Endress+Hauser Management AG, Reinach, Switzerland, and SICK AG to jointly drive the decarbonization of the process industry. In this context, certain assets and liabilities were derecognized from the consolidated statement of financial position as part of the carve-out of the “Cleaner Industries” business. Other assets and liabilities from the “Cleaner Industries” business that will be transferred in 2025 are presented as assets and liabilities held for sale as of December 31, 2024. In accordance with IFRS, the prior-year figures in the statement of financial position are presented consistently from one period to the next and are therefore unchanged on the prior year.

Continuing operations are reported separately from discontinued operations in the income statement. Discontinued operations after tax are presented in a separate line. The prior-year figures were adjusted accordingly.

In the reporting period, the term “Group” is used for continuing operations. Any different use of the term is specifically stated.

Further information on the carve-out of the “Cleaner Industries” business can be found in [section D., “Notes on discontinued operations.”](#)

EFFECTS OF NEW FINANCIAL REPORTING STANDARDS

The financial reporting principles applied were virtually unchanged in the prior year, except for the following standards:

Standards / interpretations	Title	Applicable from	Impact on SICK
Amendments to IAS 1	Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants	Jan. 1, 2024	Immaterial
Amendments to IAS 7 and IFRS 7	Supplier Finance Arrangements	Jan. 1, 2024	Immaterial
Amendments to IFRS 16	Lease Liability in a Sale and Leaseback	Jan. 1, 2024	Immaterial

B. CONSOLIDATION PRINCIPLES

CONSOLIDATION METHODS

The consolidated financial statements include the financial statements of SICK AG and its subsidiaries as of December 31, 2024. Subsidiaries are fully consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control by the parent ceases.

For a list of group entities, reference is made to [Exhibit A5](#) of these notes to the consolidated financial statements.

The financial statements of the subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies.

All intra-group balances, transactions, unrealized gains, and losses resulting from intragroup transactions and dividends are eliminated in full. Comprehensive income within a subsidiary is attributed to the non-controlling interests on a pro rata basis, even if it results in a negative balance. A change in the ownership interest of a subsidiary which does not involve a loss of control is accounted for as an equity transaction.

Business combinations are accounted for using the purchase method. The cost of an acquisition is the aggregate of the consideration transferred, measured at acquisition date fair value, and the amount of any non-controlling interest in the acquiree. For each business combination, the Group elects whether the non-controlling interest in the acquiree is measured either at fair value or at the proportionate share of the acquiree's identifiable net assets. Costs incurred in the course of the acquisition are expensed.

If the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value on the acquisition date through profit or loss.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognized for the non-controlling interest over the net identifiable assets acquired and liabilities of the Group assumed. If this consideration is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognized in profit or loss after reexamination.

Associates and joint ventures are consolidated using the equity method.

BASIS OF CONSOLIDATION

CHANGES IN THE BASIS OF CONSOLIDATION

The following table shows the change in the basis of consolidation in fiscal years 2024 and 2023:

	Germany	Abroad	Total
As of Dec. 31, 2022	5	49	54
Additions	0	0	0
Disposals	0	0	0
As of Dec. 31, 2023	5	49	54
Additions	1	0	1
Disposals	0	1	1
As of Dec. 31, 2024	6	48	54

The subsidiary SICK Real Estate GmbH & Co. KG, Waldkirch, Germany, was consolidated for the first time in fiscal year 2024. The first-time consolidation did not give rise to any significant effects. In the reporting year, SICK AG transferred real property to SICK Real Estate GmbH & Co. KG.

SICK Metering Systems NV, Stabroek, Belgium, was deconsolidated in fiscal year 2024. The deconsolidation effect is included in profit or loss from discontinued operations.

In December 2023, four entities were acquired for a purchase price of EUR 0.1 million. As of the end of 2023, these were SICK Real Estate GmbH & Co. KG, SICK Real Estate Management GmbH, SICK Operations GmbH & Co. KG, and SICK Operations Management GmbH. All four entities have their registered offices in Waldkirch, Germany. They were not yet operational in fiscal year 2023 and were not consolidated for reasons of immateriality in fiscal year 2023.

CURRENCY TRANSLATION

The functional currency is the euro. Foreign currency business transactions are translated at the exchange rate prevailing on the date of the transaction. Gains and losses from the settlement of such business transactions as well as from the translation of monetary assets and liabilities as of the reporting date are reported in the income statement.

The separate financial statements of foreign subsidiaries are translated using the functional currency method in accordance with IAS 21 – “The Effects of Changes in Foreign Exchange Rates.” Generally speaking, the entities work independently of one another for financial and economic purposes. The functional currency is the local currency of these entities.

Assets and liabilities, contingent liabilities, and other financial obligations are translated at the closing rate. The income and expenses in the income statement and thus the net profit or loss for the year reported in the income statement are translated at the annual average rate.

The currency difference arising from translation is offset against the revenue reserves in the item currency translation differences.

Goodwill and adjustments of assets and liabilities resulting from the purchase of a foreign entity are translated at the closing rate.

When translating the financial statements of foreign entities accounted for using the equity method, the equity is measured in accordance with the same principles used for consolidated subsidiaries.

In fiscal year 2022, Türkiye was classified as a hyperinflationary economy according to IAS 29 – “Financial Reporting in Hyperinflationary Economies.” The non-monetary statement of financial position items and the income statement were restated using a general price index to reflect changes in general purchasing power. For Türkiye, a general consumer price index from the Turkish Statistical Institute was used, according to which inflation stood at 44.4 percent in 2024.

Application for the reporting year had an effect of EUR -0.1 million (prior year: EUR 0.4 million) on consolidated net income. The loss on the net monetary position amounted to EUR 0.2 million (prior year: EUR 0.3 million) and is included in interest expense.

Currency translation is based on the following key exchange rates:

	ISO code	Closing rate Dec. 31, 2024	Annual average rate 2024	Closing rate Dec. 31, 2023	Annual average rate 2023
China	CNY	7.62	7.75	7.87	7.66
United Kingdom	GBP	0.83	0.85	0.87	0.87
India	INR	89.21	90.57	92.14	89.30
Japan	JPY	164.65	163.86	156.29	151.97
Malaysia	MYR	4.67	4.96	5.12	4.93
Poland	PLN	4.28	4.31	4.34	4.54
Sweden	SEK	11.48	11.43	11.04	11.48
Singapore	SGD	1.42	1.45	1.46	1.45
South Korea	KRW	1,537.65	1,474.87	1,426.64	1,412.94
Hungary	HUF	411.45	395.00	383.53	381.67
USA	USD	1.04	1.08	1.11	1.08

C. ACCOUNTING POLICIES

SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES, AND ASSUMPTIONS

The preparation of the Group's consolidated financial statements requires management to make judgments, estimates, and assumptions that affect the reported amounts of income, expenses, assets, and liabilities as well as the disclosure of contingent liabilities at the end of the reporting period. However, uncertainty about these assumptions and estimates can result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

The main judgments, estimates, and assumptions are explained in detail below:

In order to recognize revenue, management generally makes estimates that relate to identifying and defining performance obligations as well as allocating the transaction price to the individual performance obligations. As a rule, control is transferred upon acceptance by the customer because the conditions for recognizing revenue over time are not met.

When serial products or systems are bundled with service contracts, the respective performance obligations are generally separated if these represent distinct services.

Impairment tests for goodwill are carried out at least once a year at the level of the cash-generating unit. The recoverable amount of the cash-generating units is determined based on a value in use calculation. To calculate this, cash flow projections are based on medium-term planning approved by the management. The basic assumptions and carrying amounts are explained in more detail in [section G. \(14\), "Intangible assets."](#)

Development costs are capitalized in accordance with the accounting policy presented. Initial recognition of development costs is based on an assessment by management that the development is both technically and economically feasible. In determining the amounts

to be capitalized, management makes assumptions regarding the expected future cash flows from the project, discount rates to be applied, and the expected period of benefits. For a presentation of the carrying amounts of the capitalized development costs, reference is made to [Exhibit A1](#) of these notes to the consolidated financial statements.

SICK uses provision matrices to calculate the expected credit losses on financial assets. The provision matrices take the Group's historical default rates as a starting point. The Group then calibrates the matrices to adjust its historical default rates to prospective information. For instance, if the assumption is that the forecast economic conditions (such as gross domestic product) will worsen over the course of the coming year, which may lead to a higher level of default rates in the manufacturing industry, then the historical default rates are adjusted. The historical default rates are updated and amendments to the forward-looking estimates are analyzed as of each reporting date.

Assessing the link between the historical default rates, forecast economic conditions, and expected credit losses constitutes a significant estimate. The amount of the expected credit losses depends on changes to circumstances and the forecast economic conditions. The Group's historical credit losses and the forecast of the economic conditions are potentially not representative of customers' actual defaults in the future. Information about the expected credit losses on trade receivables can be found in [section H. \(36d\), "Credit risks."](#)

Uncertainties exist with respect to the interpretation of complex tax law regulations and the amount and timing of future taxable income. Given the wide range of international business relationships and the long-term nature and complexity of existing contractual agreements, differences arising between the actual results and the assumptions made, or changes to such assumptions, could necessitate future adjustments to tax income or expenses already recorded.

Deferred tax assets are recognized for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilized. Significant management judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and the level of future taxable profits together with future tax planning strategies. Further details on taxes are presented in [section F. \(12\), "Income taxes."](#)

The cost of defined benefit plans and the present value of the pension obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that can differ from actual developments in the future. These include future anticipated increases in salaries and pensions, the determination of discount rates, and of biometric data. Due to the complexity of the valuation, the underlying assumptions, and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. Further information about the assumptions used is given in [section G. \(28\), "Provisions and other liabilities."](#)

REVENUE RECOGNITION

SICK sells sensor solutions in the form of serial products, systems, and individual services.

Revenue from contracts with customers is generally recognized when control over the distinct goods and services is transferred to the customer.

In general, revenue from serial products and systems is realized at a point in time when the customer obtains control. This is the case upon delivery to the customer or following acceptance by the customer. Serial products are invoiced on delivery; the payment terms usually stipulate payment within 30 to 90 days following billing. Invoices for systems are issued pursuant to the contractual conditions; the payment terms may stipulate payments on account as well as a final payment within 30 to 90 days following billing.

Revenue from services tends to be realized over time on a straight-line basis when control is transferred to the customer over a period of time. Invoices are issued pursuant to the contractual conditions; the payment terms usually stipulate payment within 30 to 90 days following billing.

The revenue to be recorded is measured based on the transaction price. This corresponds to the amount of consideration to which the entity expects to be entitled once the performance obligations have been fulfilled as defined in the contract.

Calculation of the transaction price takes other factors, such as variable consideration and financing components, into account. Variable consideration such as price and volume discounts are included when it is highly probable that there will be no significant withdrawal of revenue. The amount of variable consideration is determined either using the expected value or the most likely amount method, depending on which of these is the more accurate prediction of the variable consideration.

SICK also determines whether the contracts contain additional performance obligations to which a portion of the transaction price is assigned. If a contract comprises several distinct goods or services, the transaction price is allocated to the performance obligations based on the relative stand-alone selling prices. If the stand-alone selling prices are not directly observable, SICK estimates these appropriately. In the Group, this primarily relates to service contracts. In this regard, reference is made to [section G. \(31\), "Contract liabilities."](#)

SICK exercises the practical expedient whereby the costs to obtain contracts with customers are recognized immediately in profit or loss if the asset resulting from recognizing these costs would be written down within a year. The Group did not incur any significant costs to obtain contracts with customers or any significant costs to fulfill a contract that qualify for capitalization.

RECOGNITION OF EXPENSES AND OTHER INCOME

Operating expenses are recognized upon utilization of the underlying services or on the date they are incurred. Interest expenses and income are recognized in the income statement in the period in which they are incurred or generated.

GOODWILL

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is not subject to systematic amortization, but tested for impairment at least annually in accordance with IAS 36.

For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the business combination. Further details are presented in [section G. \(14\), "Intangible assets."](#)

INTANGIBLE ASSETS (EXCLUDING GOODWILL)

Intangible assets acquired separately are initially measured at cost. The cost of an intangible asset acquired within the scope of a business combination is its fair value on the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and any accumulated impairment losses. Internally generated intangible assets are capitalized provided that the requirements are met. As regards intangible assets, it is initially important to determine whether they have a finite or an indefinite useful life. Intangible assets with a finite useful life are amortized over their useful lives and tested for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at the end of each fiscal year at the latest.

Changes in the expected useful life or the expected pattern of consumption of the future economic benefits embodied in the asset are accounted for by changing the amortization period or method, as appropriate, and treated as changes in accounting estimates. The amortization of intangible assets with a finite useful life is reported in the income statement under the expense category "Depreciation and amortization." Intangible assets with an indefinite useful life are tested for impairment at least once a year, either individually or at the cash-generating unit level. Such intangibles are not subject to systematic amortization.

Purchased industrial rights and similar rights and assets, as well as licenses to such rights and assets recognized under intangible assets, are amortized on a straight-line basis over a useful life of three to ten years.

Development costs are capitalized at cost if the recognition criteria of IAS 38 are met. The capitalized development costs generally relate to product innovations; the other internally generated intangible assets include process-related developments as well as software developments.

Production costs comprise the costs directly allocable to the development process. Borrowing costs are capitalized if the recognition criteria are met. Capitalized development costs and other internally generated intangible assets are amortized systematically over a useful life of four to six years.

PROPERTY, PLANT, AND EQUIPMENT

Property, plant, and equipment is measured at cost less systematic depreciation over the estimated useful life. These costs comprise the expenses for replacement parts, which are recognized at the time they are incurred, provided they meet the recognition criteria. The cost of internally generated plant and equipment includes all costs which can be directly allocated to the production process as well as an appropriate portion of production-related overheads. This also includes production-related depreciation, a proportionate amount of production-related administrative expenses, and pro rata welfare costs. Borrowing costs for long-term construction projects are capitalized if the recognition criteria are met. Depreciation of property, plant, and equipment is charged using the straight-line method. The depreciation period and the depreciation method are reviewed at least at each fiscal year end and adjusted for any significant changes.

Specifically, the carrying amounts are based on the following useful lives:

Buildings	10–40 years
Technical equipment and machinery	3–15 years
Other equipment, furniture, and fixtures	3–20 years

IMPAIRMENT LOSSES

An impairment test is performed for all intangible assets (including goodwill) and items of property, plant, and equipment if the situation or changes in circumstances indicate that the carrying amount of the assets exceeds the recoverable amount. In addition, annual impairment tests are carried out for goodwill, intangible assets with indefinite useful lives, or intangible assets that are not yet available for use.

If the recoverable amount of the asset falls short of the carrying amount, an impairment loss is recognized. The recoverable amount is the higher of the fair value of the assets less costs to sell and the value in use. The fair value less costs to sell is the amount obtainable from the sale of an asset in an arm's length transaction less the costs necessary to make the sale. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. The recoverable amount is determined for each asset individually or, if that is not possible, for the cash-generating unit to which the asset belongs.

With the exception of goodwill, impairment losses recognized in prior years are reversed where there is an indication that the impairment recognized for the asset no longer exists or has decreased. The reversal is posted as a gain in the income statement.

A reduction of an impairment loss, however, may not exceed the carrying amount of the asset which would have resulted if no impairment losses had been recognized in prior periods.

ASSETS AND LIABILITIES HELD FOR SALE

Assets, liabilities, and disposal groups classified as held for sale are non-current assets and liabilities whose carrying amounts are expected to be recovered principally through a sale transaction rather than through continuing use. For this to be the case, the assets and liabilities must be available for immediate sale in their present condition and the planned sale must be highly probable. The classification also requires it to be unlikely that significant changes to the plans to sell will be made or that the decision to sell will be withdrawn.

The planned sale must be expected to be completed within one year from the date of classification. Therefore, assets and liabilities classified as held for sale are presented separately as current items in the statement of financial position.

They are measured at the lower of their carrying amount and fair value less costs to sell. Costs to sell are the incremental costs directly attributable to the disposal of the asset or disposal group, excluding finance costs and income tax expense.

Non-current assets are not depreciated once classified as held for sale.

Impairment losses on initial classification as held-for-sale or held-for-distribution and subsequent gains and losses on remeasurement are recognized in profit or loss. Reversals of impairment losses due to a subsequent increase in fair value are carried out up to a maximum of the amount of impairment losses that, unless they are attributable to goodwill, were recognized before classification of the asset or disposal group in accordance with IFRS 5 and IAS 36 or were recognized at or after the date of classification in accordance with IFRS 5.

A discontinued operation can also be classified as held for sale in accordance with IFRS 5. A discontinued operation is a component of an entity that either has been disposed of or is classified as held for sale, and represents a separate major line of business or geographical area of operations, is part of a single coordinated plan to dispose of a separate major line of business or geographical area of operations, or is a subsidiary acquired exclusively with a view to resale. The classification of a component of an entity as a discontinued operation is also appropriate when it is classified as held for distribution, provided the criteria are satisfied.

FINANCIAL INSTRUMENTS

A financial instrument is any contract that gives rise to both a financial asset of one entity and a financial liability or equity instrument of another entity. Pursuant to IFRS 9, financial instruments are classified in the following measurement categories:

- Financial assets measured at amortized cost
- Financial assets measured at fair value through other comprehensive income
- Financial assets measured at fair value through profit or loss
- Financial liabilities measured at amortized cost
- Financial liabilities measured at fair value through profit or loss

Financial instruments are recognized in the consolidated statement of financial position if a contractual obligation results from the financial instrument. Regular way purchases or sales of financial assets; i.e., purchases or sales under a contract whose terms require delivery of the asset within the time frame established, generally by regulation or convention in the marketplace concerned, are recorded on the date of trading. Financial instruments are initially measured at fair value, or at the transaction price in the case of trade receivables. The Group takes the directly attributable transaction costs into account in the calculation of the carrying amount only if the financial instruments are not measured at fair value through profit or loss.

FINANCIAL ASSETS

In compliance with IFRS 9, financial assets are classified on the basis of the business model for managing the financial assets as well as on the basis of the contractual cash flow characteristics of the financial assets. The objective of the Group's business model is to hold the financial assets to collect contractual cash flows.

At the same time, it is examined whether the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The Group's financial assets are measured at amortized cost, provided that the business model is adhered to and the contractual cash flows satisfy the requirements.

The business model for financial assets measured at fair value through other comprehensive income is not only to hold the financial assets, but also to sell them. The contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

In general, equity instruments are classified as measured at fair value through profit or loss upon initial recognition. However, an irrevocable option to designate equity instruments as measured at fair value through other comprehensive income may be exercised upon initial recognition. This option is only available if the equity instruments are neither held for trading nor constitute unconditional consideration as part of a business combination. The Group principally holds its equity interests for strategic reasons in order to expand the Group's operating activities. The focus here is not on generating a significant portion of short-term capital gains. Fluctuations in the measurement of equity investments are therefore not expected to have any impact on the income statement. Accordingly, equity instruments are classified at fair value through other comprehensive income. These equity instruments are posted to the statement of financial position under other financial assets.

Financial assets that do not meet the requirements to be measured at amortized cost or at fair value through other comprehensive income are designated as measured at fair value through profit or loss. At present, the Group does not make use of the option to measure financial assets at fair value through profit or loss upon initial recognition.

The Group's financial assets mainly include cash and cash equivalents, trade receivables, unlisted financial instruments, loan receivables, other assets, and derivative financial instruments with a positive fair value.

Subsidiaries that are not included in the consolidated financial statements on the grounds of immateriality are recognized in [section G. \(16\), "Other financial assets."](#)

FINANCIAL LIABILITIES

With the exception of the derivative financial instruments, financial liabilities are measured at amortized cost using the effective interest method. Upon initial recognition, financial liabilities are measured at fair value less transaction costs that are directly allocable to the financial liability.

The Group's financial liabilities chiefly include trade and other payables, bank overdrafts, loans, and lease liabilities as well as derivative financial instruments with a negative fair value.

For further information, reference is made to [section H.\(37\), "Financial instruments."](#)

IMPAIRMENT OF FINANCIAL ASSETS

IFRS 9 introduces an impairment model based on the expected credit losses model. The new model applies to all financial assets (debt instruments) that are carried at amortized cost or at fair value through other comprehensive income. The expected losses model allocates impairment to three stages.

The Group recognizes a loss allowance for expected credit losses on all debt instruments that are not measured at fair value through profit or loss. Expected credit losses are based on the difference between the contractual cash flows to be paid in accordance with the contract and the total cash flows expected to be received by the Group, discounted using an approximation of the original effective interest rate. The expected cash flows include, as the case may be, the cash flows from the sale of collateral held or other security provided that are a significant component of the contractual terms.

Expected credit losses are recognized in two steps. For financial instruments the credit risk of which has not increased significantly since initial recognition, a risk provision is recognized in the amount of the expected credit losses based on a default within the next 12 months. For financial instruments the credit risk of which has increased significantly since initial recognition, the entity must recognize a risk provision in the amount of the expected credit losses over residual term, regardless of when the default occurs.

The Group applies IFRS 9's simplified impairment model to trade receivables and recognizes the lifetime expected credit loss. The Group uses specific provision matrices for each region and entity to calculate the expected credit losses. The impairment factors specific to maturity are based on historical and prospective information, including forecasts on economic conditions (such as gross domestic product).

The risk provision for cash and cash equivalents is set up on the basis of current market data and internal risk assessments.

Financial assets are derecognized as soon as they are deemed by appropriate judgment to be uncollectible; for example, after the end of insolvency proceedings, after court rulings, or depending on other circumstances in the local law. A central monitoring and local collection management system counters the risk of bad debts. This includes regular credit ratings, the conclusion of credit insurance policies, and – particularly in the export business – issuing letters of credit.

Bad debt allowances are posted under other operating expenses.

CONTRACT BALANCES

A contract asset is an entity's right to consideration in exchange for goods or services that the entity has transferred to a customer.

A receivable is an entity's right to consideration that is unconditional.

A contract liability is an entity's obligation to transfer goods or services to a customer for which the entity has received consideration or an amount of consideration is due from the customer. This includes payments on account on contracts with customers as well as unrealized revenue from service contracts.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash, demand deposits, and other short-term, highly liquid financial assets with an original term to maturity of less than three months. They are recognized at face value less a risk provision. The risk provision is recognized on the basis of current market data and internal risk assessments. Further information about the impairment can be found in [section C., "Impairment of financial assets."](#)

INVENTORIES

Inventories are measured at the lower of cost and net realizable value. In addition to direct costs, cost includes an appropriate portion of necessary materials and production overheads, as well as production-related depreciation that can be directly allocated to the production process. Administrative and welfare costs that can be allocated to the production process are also considered. Inventories having a similar nature are measured using the weighted average cost method. Borrowing costs are not capitalized.

Cost of materials contain appropriate allowance for inventory risks associated with slow-moving stocks, reduced salability, etc. When the circumstances that previously caused inventories to be written down below cost no longer exist, the write-down is reversed.

DEFERRED TAXES

Deferred tax assets and liabilities are recognized for all temporary differences between the carrying amounts in the tax accounts and under IFRS, in accordance with the balance sheet liability method. Deferred tax assets also include tax benefits that result from the expected utilization of existing unused tax losses and tax credits in subsequent years and the realization of which can be reasonably assumed. Deferred tax assets and liabilities are measured at the tax rates enacted or substantively enacted in the individual countries at the time of realization.

The carrying amount of a deferred tax asset is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow the benefit of part or all of that deferred tax asset to be utilized. Unrecognized deferred tax assets are reviewed at the end of each reporting period and recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be realized.

For transactions and other events recognized in other comprehensive income, any taxes on income are also reported in other comprehensive income, not through profit or loss.

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

PROVISIONS FOR PENSIONS AND SIMILAR OBLIGATIONS

The Group's post-employment benefits include both defined contribution plans and defined benefit plans.

The Group's net obligation in terms of defined benefit plans is calculated separately for each plan by estimating the future payments that the employees have earned in the current period and in earlier periods. This amount is discounted, and the fair value of any plan assets is deducted from that figure.

The calculation of the defined benefit obligations is carried out annually by a recognized actuary using the projected unit credit method. If the calculation results in a potential asset for the Group, the asset recognized is limited to the present value of any economic benefit in the form of any future reimbursements from the plan or reductions in future contributions to the plan. Any applicable minimum funding requirements are taken into consideration in the calculation of the present value of any economic benefit.

Remeasurements of the net liability from defined benefit plans are recognized directly in other comprehensive income. Remeasurement involves the actuarial gains and losses, the return on plan assets (excluding interest), and the effect of any limit on a defined benefit asset (excluding interest). The Group calculates the net interest expenses (income) on the net liability (asset) from defined benefit plans for the reporting period by applying the discount rate that was used to measure the defined benefit obligations at the beginning of the annual reporting period. This discount rate is applied to the net liability (asset) from defined benefit plans as of that date. Any changes are taken into account which result in the net liability (asset) from defined benefit plans during the reporting period as a result of contributions and benefit payments. Net interest expenses and other expenses for defined benefit plans are recognized in the interest result.

If the plan benefits are amended or a plan is curtailed, the resulting amendment is recognized directly in profit or loss. The Group recognizes gains and losses from the settlement of a defined benefit plan on the settlement date.

Under defined contribution plans, the entity pays fixed contributions into a state or private fund in accordance with legal or contractual provisions or on a voluntary basis and will have no legal or constructive obligation to pay further contributions. The current contribution payments are recognized in the personnel expenses of the respective year.

Further details about pension obligations are given in [section G. \(28\), “Provisions and other liabilities.”](#)

OTHER PROVISIONS

Pursuant to IAS 37 – “Provisions, Contingent Liabilities and Contingent Assets,” provisions are recognized when an entity has a current obligation from a past event that will probably lead to an outflow of resources embodying economic benefits in future and a reliable estimate can be made of the amount of the obligation. The amount recognized as a provision for recognizable risks and uncertain obligations is based on its probability of occurrence and is not offset against rights of recourse. The amount needed to settle the obligation also includes any expected cost increases at the end of the reporting period.

Provisions for warranty claims are recognized taking account of the past or estimated future claims pattern. Non-current provisions due in more than one year are discounted where the effect of the time value of money is material.

LEASES

A lease is a contract that conveys the right to use an asset (the leased asset) for a specified period of time in exchange for payment.

The Group as lessee generally recognizes right-of-use assets relating to the leased items and liabilities for the payment obligations received at present value in the statement of financial position for all leases.

The lease liabilities contain the following lease payments:

- Fixed payments less lease incentives to be provided by the lessor,
- Variable payments dependent on an index or an interest rate,
- Expected residual payments from residual value guarantees,
- The exercise price of a purchase option if it was estimated to be reasonably certain that the option will be exercised, and
- Contractual penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

Lease payments are discounted using the interest rate implicit in the lease if this can be determined. Otherwise, they are discounted using the incremental borrowing rate.

Right-of-use assets are measured at cost, which breaks down as follows:

- Lease liability,
- Lease payments made at or before the commencement date, less lease incentives received,
- Initial direct costs, and
- Restoration obligations.

They are subsequently measured at amortized cost. Right-of-use assets are depreciated on a straight-line basis over the duration of the contractual relationship.

Exemptions are exercised for low-value leased assets and short-term leases (less than 12 months), and payments are expensed in profit or loss on a straight-line basis. Moreover, the regulations are not applied to leases of intangible assets. For contracts that contain both lease components and non-lease components, non-lease components are accounted for separately from lease components, in line with the respective standards.

The recognized right-of-use assets primarily relate to leased real estate and vehicles in various locations, both in Germany and abroad. A series of leases, in particular for real estate, include options to extend or terminate each lease. Such contractual conditions offer the Group maximum operational flexibility. All facts and circumstances that offer an economic incentive to exercise an option to extend a lease or not to exercise an option to terminate a lease are considered when deciding on contractual terms. Lease term changes as a result of exercising or not exercising such options are only taken into account for the contractual term if these are reasonably certain.

FAIR VALUE MEASUREMENT

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. This applies regardless of whether the price is directly observable or has been estimated using a valuation technique.

When calculating the fair value of an asset or a liability, the Group takes into account certain features of the asset or liability that market participants would also take into consideration when setting the pricing for the purchase of the respective asset or the transfer of the liability as of the measurement date. In these consolidated financial statements, the fair value for measurement and/or disclosure requirements is calculated on this basis.

The fair value is not always available as a market price. Often, it has to be calculated based on different measurement inputs. Fair value is rated as Level 1, 2, or 3 depending on the availability of observable inputs and the significance of those inputs for the calculation of the fair value as a whole.

The breakdown as of the end of each reporting period is based on the following:

- Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities
- Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly (derived from prices)
- Level 3: techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data

CONTINGENT LIABILITIES / ASSETS

Contingent liabilities pursuant to IAS 37 – “Provisions, Contingent Liabilities and Contingent Assets” are defined as a possible obligation whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity. This pertains to obligations which are not likely to lead to an outflow of resources embodying economic benefits or for which it is not possible to measure the amount of the obligation with sufficient reliability. Pursuant to IAS 37, contingent liabilities are not presented in the statement of financial position. They are, however, disclosed in the notes, unless the possibility of an outflow of resources embodying economic benefits is remote.

Contingent assets are not shown in the statement of financial position. However, they are disclosed in the notes to the financial statements when an inflow of economic benefits is probable.

EXEMPTION FROM THE DUTY OF STOCK CORPORATIONS TO PREPARE ANNUAL FINANCIAL STATEMENTS

For fiscal year 2024, the following subsidiaries make use of the exemption pursuant to Sec. 264b HGB:

- Endress+Hauser SICK GmbH+Co. KG, Ottendorf-Okrilla, Germany (formerly SICK Engineering GmbH, Ottendorf-Okrilla, Germany)
- SICK Real Estate GmbH & Co. KG, Waldkirch, Germany

The entity SICK Vertriebs-GmbH, Düsseldorf, Germany, makes use of the exemption option pursuant to Sec. 264 (3) HGB for fiscal year 2024.

D. NOTES ON DISCONTINUED OPERATIONS

In fiscal year 2024, a strategic partnership was formed between Endress+Hauser Management AG, Reinach, Switzerland, and SICK AG to jointly drive the decarbonization of the process industry. This concerns the former SICK business unit “Cleaner Industries”, which offers product solutions for analytical measurement technology and gas flow measurement. In the first step of forming the partnership, most of the sales and service business was sold to companies in the Endress+Hauser Group (hereinafter Endress+Hauser) in 2024. In 2025, the second step will be the formation of a joint venture and the sale of a subsidiary to Endress+Hauser.

At the end of 2024, most of the sales and service business of “Cleaner Industries”, including the related assets and liabilities, was sold to Endress+Hauser. Around 600 SICK employees from the global SICK sales and service units with a focus on “Cleaner Industries” transferred to Endress+Hauser in more than 40 countries. In Endress+Hauser’s sales centers, they will sell product solutions in the field of analytical measurement technology and gas flow measurement to additional process customers worldwide, enabling them to reach further markets and open up new fields of application.

The strategic partnership also includes the operation of a joint venture, which will strengthen and further expand the range of process solutions for decarbonization. Employing more than 700 employees of the former SICK business unit “Cleaner Industries”, Endress+Hauser SICK GmbH+Co. KG, Ottendorf-Okrilla, Germany (hereinafter Endress+Hauser SICK GmbH+Co. KG), develops and manufactures product solutions for analytical measurement technology and gas flow measurement.

The product solutions manufactured there will mainly be sold by Endress+Hauser under the partnership from the beginning of fiscal year 2025. SICK AG and Endress+Hauser Group Services (Deutschland) AG+Co. KG, Weil am Rhein, Germany, will each hold 50 percent of Endress+Hauser SICK GmbH+Co. KG from March 2025. The entity SICK MAIHAK (Beijing) Co, Ltd., Beijing, China (hereinafter SICK MAIHAK (Beijing) Co., Ltd.), was sold to Endress+Hauser in a share deal in March 2025.

SICK’s former “Cleaner Industries” business unit is a clearly distinguishable component of the business and met the criteria of IFRS 5 – “Non-current Assets Held for Sale and Discontinued Operations” in the fourth quarter of fiscal year 2024. The assets and liabilities attributable to “Cleaner Industries” represent a disposal group pursuant to IFRS 5.

As there was a high probability of immediate disposal in its present condition, the “Cleaner Industries” business unit was classified as a discontinued operation held for sale.

As a result of this carve-out of the “Cleaner Industries” business, the assets and liabilities described in step 1 were derecognized from the consolidated statement of financial position in the reporting year 2024. The carrying amounts of the derecognized assets and liabilities at the date of derecognition are as follows:

	2024 in EUR million
Intangible assets	7.6
Property, plant, and equipment	4.6
Inventories	21.5
Other assets	0.1
Total assets	33.8
Non-current financial liabilities	1.3
Provisions and other non-current liabilities	1.0
Current financial liabilities	1.1
Contract liabilities	2.1
Other liabilities	1.2
Total liabilities	6.7
Net assets	27.1

Assets and liabilities from the “Cleaner Industries” business that will be transferred in 2025 are presented in the following table as assets and liabilities held for sale as of December 31, 2024. In accordance with IFRS, the prior-year figures in the statement of financial position are presented consistently from one period to the next and are therefore unchanged on the prior year.

	2024 in EUR million
Intangible assets	6.0
Property, plant, and equipment	44.2
Deferred taxes	1.9
Inventories	60.3
Trade receivables	21.0
Other assets	15.5
Cash and cash equivalents	21.4
Total assets	170.2
Non-current financial liabilities	11.5
Provisions and other non-current liabilities	5.5
Current provisions	5.0
Trade payables	6.5
Current financial liabilities, contract liabilities, and other liabilities	20.8
Total liabilities	49.2

Continuing operations are reported separately from discontinued operations in the income statement. In accordance with IFRS 5, all expenses and income from discontinued operations are presented in a separate line. The prior-year figures were adjusted accordingly.

The following table shows profit or loss from discontinued operations:

	2024 in EUR million	2023 in EUR million
Sales	366.1	344.5
Expenses	332.1	308.1
Profit or loss from operating activities before tax	33.9	36.3
Income taxes	7.4	9.1
Profit or loss from operating activities after tax	26.5	27.3
Profit or loss from the sale of the discontinued operations after transaction costs	233.8	0.0
Income taxes	56.7	0.0
Profit or loss from the sale of the discontinued operations after tax	177.2	0.0
Profit or loss from discontinued operations after tax	203.7	27.3

The consolidated statement of cash flows for discontinued operations is as follows:

	2024 in EUR million	2023 in EUR million
Cash flow from operating activities	16.8	10.7
Cash flow from investing activities	-5.2	-5.1
Cash flow from financing activities	-9.8	5.9

In the reporting period, the term “Group” is used for continuing operations. Any different use of the term is specifically stated.

E. CONSOLIDATED STATEMENT OF CASH FLOWS

GENERAL

The consolidated statement of cash flows presents the source and utilization of cash flows. In accordance with IAS 7 – “Statement of Cash Flows,” a distinction is made in the statement of cash flows between cash flows from operating activities and cash flows from investing and financing activities.

The cash and cash equivalents presented in the statement of cash flows contain all cash and cash equivalents shown in the statement of financial position; i.e., cash in hand, checks, and bank balances. Cash and cash equivalents are not subject to any restrictions.

Cash flows from investing activities and financing activities are derived from the actual cash payments, while cash flows from operating activities are calculated indirectly from consolidated net income. When performing the indirect calculation, changes in items of the statement of financial position considered in connection with ordinary activities are adjusted for effects from currency translation and from acquisition and sales of subsidiaries and other business units. Interest paid and received and included as cash inflow from operating activities as well as dividends received and income taxes paid are recognized separately. Investing activities comprise additions to property, plant, and equipment and financial assets as well as additions to purchased intangible assets. This item also shows any additions resulting from the recognition of development costs and other internally generated intangible assets.

F. NOTES TO THE CONSOLIDATED INCOME STATEMENT

(1) SALES

Since fiscal year 2024, SICK has offered its solutions in two business fields. SICK's Sensor Solutions business field continues to supply easy-to-use and easy-to-integrate industrial sensors and sensor solutions, as well as software-based lidar and vision solutions. The end-to-end solutions offer customers added value along the entire value chain. SICK's Integrated Solutions business field develops complete sensor system solutions and related services as well as a portfolio for integration into customers' ecosystems. These solutions close the gap between sensors and IT and integrate at machine and process level.

The prior-year figures were restated.

	2024 in EUR million	2023 in EUR million
Sensor Solutions	1,345.7	1,573.0
Integrated Solutions	382.0	384.2
Other	9.2	5.6
Total	1,736.8	1,962.8

	2024 in EUR million	2023 in EUR million
Germany	275.0	342.1
Europe (excluding Germany), Middle East, and Africa (EMEA)	629.9	689.2
North, Central, and South America (Americas)	466.8	477.4
Asia-Pacific	365.1	454.1
Total	1,736.8	1,962.8

(2) OWN WORK CAPITALIZED

	2024 in EUR million	2023 in EUR million
Capitalized development work	10.2	9.3
Own work for internally generated intangible assets and property, plant, and equipment	14.3	19.9
Total	24.5	29.2

(3) COST OF MATERIALS

	2024 in EUR million	2023 in EUR million
Cost of materials and supplies and of purchased merchandise	508.6	601.7
Cost of purchased services	42.5	41.9
Total	551.2	643.6

(4) PERSONNEL EXPENSES AND NUMBER OF EMPLOYEES

The following table shows aggregate amounts for continuing and discontinued operations:

	2024 in EUR million	2023 in EUR million
Wages and salaries	862.4	839.5
Social security, pension and other benefit costs	147.6	140.5
– of which are for old-age pensions	(67.2)	(64.3)
Total	1,010.0	980.0
– of which are for continuing operations	(844.5)	(836.1)

Pension costs mainly include contributions to state or private pension funds, as well as service cost from defined benefit plans.

The wages and salaries item includes termination benefits of EUR 7.4 million for continuing operations (prior year: EUR 4.1 million).

EMPLOYEES

The number of employees relates to continuing and discontinued operations.

	2024			2023		
	Germany	Abroad	Total	Germany	Abroad	Total
Average headcount in FTEs	6,063	5,032	11,095	6,150	5,127	11,277
– of which are in research and development	(1,368)	(263)	(1,631)	(1,350)	(261)	(1,610)
Average headcount	6,497	5,058	11,554	6,643	5,157	11,800
– of which are in research and development	(1,460)	(263)	(1,723)	(1,455)	(261)	(1,716)

The number of employees is converted to full-time equivalents (FTEs). Part-time employees are taken into account proportionate to their contractual working time.

The average number of trainees was 320 (prior year: 364), of whom 256 were in Germany (prior year: 284).

(5) DEPRECIATION AND AMORTIZATION

This item pertains to intangible assets and property, plant, and equipment. It contains impairment losses on intangible assets and property, plant, and equipment of EUR 0.5 million (prior year: EUR 0.5 million) as a result of lower earnings forecasts.

(6) OTHER OPERATING EXPENSES

In addition to administrative and selling expenses and the cost of purchased services and repairs, other operating expenses include rent and lease expenses as well as sundry other expenses.

For information on rent and lease expenses, reference is made to [section H.\(35\), “Leases.”](#)

(7) OTHER OPERATING INCOME

In addition to cost reimbursements, other operating income includes income from subsidies and other sales.

(8) CURRENCY RESULTS

	2024 in EUR million	2023 in EUR million
Exchange gains	45.8	58.3
Exchange losses	54.7	59.9
Total	-8.9	-1.6

(9) NET INVESTMENT INCOME / EXPENSE

This item includes income from investments accounted for using the equity method in the amount of EUR 0.0 million (prior year: EUR 0.3 million).

(10) INTEREST EXPENSE

This item includes interest and similar expenses. For details on the interest effects in relation to pension provisions and lease liabilities, reference is made to [section G. \(28\), "Provisions and other liabilities"](#) and [section H. \(35\), "Leases."](#) In the reporting period, borrowing costs of EUR 0.7 million (prior year: EUR 0.1 million) were capitalized in non-current assets. The interest rate used in 2024 was 2.4 percent (prior year: 1.0 percent).

(11) INTEREST INCOME

This item contains other interest and similar income of EUR 0.8 million (prior year: EUR 1.1 million).

(12) INCOME TAXES

	2024 in EUR million	2023 in EUR million
Current income taxes		
Current tax expense / income (-) for the reporting period	11.7	47.6
Tax expense / income (-) relating to other periods	-1.2	-1.8
Deferred tax expense / income (-)		
From temporary measurement differences	-0.4	-12.2
From unused tax losses	0.2	0.1
Total	10.2	33.8

Current income tax expense includes corporate income tax (including solidarity surcharge) and trade tax of German entities and comparable income taxes of foreign entities. Withholding taxes are also recognized here.

As in the prior year, no deferred taxes were recognized as of the end of the reporting period on retained earnings by subsidiaries held for the foreseeable future. Timing differences in connection with investments in subsidiaries on which no deferred tax liabilities have been recognized amount to around EUR 38.0 million (prior year: EUR 28.1 million).

Of the deferred taxes recognized in the statement of financial position, an amount of EUR 6.9 million (prior year: EUR 7.5 million) relates to transactions that directly increase equity as of the reporting date.

The income tax expense reported as of the end of the reporting period is lower than the expected tax expense.

The table below reconciles the estimated tax expense to the income taxes reported:

	2024 in EUR million	2023 in EUR million
Earnings before tax	43.8	140.9
Theoretical tax rate (%)	29.0	29.0
Estimated tax expense	12.8	40.9
Reasons for the change in theoretical tax expense:		
– Deviating foreign tax rates	-2.7	-5.7
– Taxes from other periods	-1.2	-1.8
– Tax-free income	1.5	-1.2
– Non-deductible expenses	0.7	3.7
– Tax incentives	-1.2	-1.7
– Use of unused tax losses that have not yet been recognized	-0.2	-0.2
– Other	0.5	-0.2
Income taxes reported	10.2	33.8
Effective tax rate (%)	23.3	24.0

As in the prior year, the calculation of the estimated tax expense for fiscal year 2024 is based on a theoretical tax rate of 29 percent. This rate is derived from the corporate income tax rate applicable in Germany of 15 percent, plus the solidarity surcharge of 5.5 percent of that figure and an average trade tax burden in Germany of 13.2 percent. Current taxes of foreign subsidiaries are calculated on the basis of the relevant national tax law and the tax rate applicable in the respective domicile of the subsidiaries.

SICK AG falls within the scope of the global minimum taxation rules (Pillar Two) published by the OECD. The provisions of the German Minimum Tax Act were applied for the first time for fiscal year 2024. Any regulations on qualified domestic minimum top-up taxes (QDMTT) will be accounted for as of their first-time application dates. Based upon our analysis, it is assumed that minimum taxes will be levied for a small number of countries. For fiscal year 2024, a current tax expense of EUR 0.8 million was recognized for minimum taxes, which includes a minimum tax allocation by SICK Holding GmbH. The Group continuously monitors the development of the global minimum taxation rules in terms of their possible future effects.

Deferred tax assets and liabilities relate to the following:

	Deferred tax assets		Deferred tax liabilities	
	2024 in EUR million	2023 in EUR million	2024 in EUR million	2023 in EUR million
Intangible assets	16.5	10.2	8.2	8.1
Property, plant, and equipment / financial assets	1.9	1.1	24.2	27.0
Inventories	29.3	35.3	0.0	2.3
Other current assets	5.0	4.4	8.1	8.6
Pension provisions	22.1	22.1	0.0	0.0
Liabilities	31.3	34.9	5.1	2.0
Unused tax losses	0.5	0.7	0.0	0.0
Gross value	106.5	108.6	45.7	48.1
Offsetting	-41.1	-46.1	-41.1	-46.1
Carrying amount	65.4	62.6	4.6	2.0

Deferred tax assets are recognized if sufficient taxable profit will be available in the future. These take account, among other things, of the budgeted result from operating activities, the impact on earnings from the reversal of taxable temporary differences, and potential tax strategies. The Group assesses the recoverability of the deferred tax assets based on the budgeted taxable income in the future as of each reporting date. Based on past experience and the forecast taxable income, the Group assumes that the deferred tax assets can be realized. In Germany and abroad, deferred tax assets and liabilities are measured at the tax rates expected to be applicable at the time the asset is realized or the liability is settled.

Unused tax losses developed as follows:

	2024 In EUR million	2023 In EUR million
Unused tax losses		
– on which no deferred tax assets were recognized	0.0	1.0
of which available for offsetting for more than ten years	(0.0)	(1.0)
– on which deferred tax assets were recognized	2.2	2.9
Total	2.2	3.9

(13) EARNINGS PER SHARE

	2024 In EUR million	2023 In EUR million
Consolidated net income	237.3	134.4
– of which continuing operations	33.6	107.1
– of which discontinued operations	203.7	27.3
<i>of which attributable to shareholders of SICK AG</i>	237.3	134.4
Number of shares (weighted average) in millions	26.2	26.2
Earnings per share (basic and diluted) in EUR / share	9.05	5.12
– of which continuing operations	1.28	4.08
– of which discontinued operations	7.77	1.04

In accordance with IAS 33, basic earnings per share are calculated by dividing consolidated net income for the year attributable to the shareholders of SICK AG by the weighted average number of shares outstanding during the year. As SICK AG has only issued no-par value bearer shares, there are no dilutive effects.

G. NOTES TO THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

For a presentation of the consolidated statement of changes in non-current assets, reference is made to [Exhibit A1](#) of these notes to the consolidated financial statements.

(14) INTANGIBLE ASSETS

The goodwill acquired from business combinations has been allocated to the Industrial Sensing, Autonomous Perception, and Integrated Automation cash-generating units for impairment testing since 2024. Up to the prior year, it was allocated to the Factory, Logistics, and Process Automation business fields.

The table below shows the carrying amounts of the cash-generating units:

	2024 In EUR million
Industrial Sensing	6.4
Autonomous Perception	6.5
Integrated Automation	9.6
Total	22.5

The recoverable amount of the Industrial Sensing, Autonomous Perception, and Integrated Automation cash-generating units is determined based on a value in use calculation. To calculate this, cash flow projections are based on medium-term planning approved by the management for a three-year period. The financial planning is adjusted to reflect the current information available. Beyond the three-year period, an appropriate growth factor customary for the industry of 10.0 percent is assumed for the following two years. For the following years, a terminal growth rate of one percent was used.

This planning is based on appropriate assumptions on macroeconomic trends, expected growth rates on the relevant markets and market shares as well as historical developments. The figures allocated to the key assumptions are based on external sources of information. A discount rate of 13.1 percent (prior year: 13.3 percent) before taxes has been used for the cash flow forecasts.

The recoverable amounts exceed the carrying amounts of the Industrial Sensing, Autonomous Perception, and Integrated Automation cash-generating units by EUR 723.3 million, EUR 510.2 million and EUR 64.1 million, respectively.

An increase in the discount rate of one percent or a decrease in long-term growth of one percent was assumed in a sensitivity analysis for the cash-generating units. Based on this, SICK came to the conclusion that the goodwill of none of the cash-generating units would need to be impaired.

In the prior year, the carrying amounts of the Factory, Logistics, and Process Automation cash-generating units came to EUR 12.3 million, EUR 9.3 million and EUR 9.0 million, respectively. In the prior year, the actual recoverable amounts exceeded the carrying amounts of the Factory, Logistics, and Process Automation cash-generating units by EUR 822.6 million, EUR 606.3 million and EUR 287.6 million, respectively.

The carrying amounts of the capitalized development costs and of the other internally generated intangible assets amount to EUR 26.5 million (prior year: EUR 26.7 million).

EUR 231.6 million (prior year: EUR 234.6 million) was recognized in profit or loss for research and development work on product innovations in continuing operations.

(15) INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

The table below provides a summary of financial information for one joint venture (prior year: one joint venture). The entity is presented in the list of group entities in [Exhibit A5](#) of the notes to the consolidated financial statements.

	2024 In EUR million	2023 In EUR million
Carrying amounts of the shares	2.0	2.5
Share in:		
Profit or loss from continuing operations	0.0	0.3
Comprehensive income	0.0	0.3

(16) OTHER FINANCIAL ASSETS

	2024 In EUR million	2023 In EUR million
Other equity investments	0.2	0.1
Other financial assets	0.9	1.2
Total	1.1	1.3

(17) INVENTORIES

	2024 In EUR million	2023 In EUR million
Materials and supplies	308.9	369.2
Work in process	123.7	145.8
Finished goods and goods for resale	120.5	161.8
Payments on account	0.1	0.2
Total	553.1	677.1

Based on the gross value, the value of the inventories was impaired by EUR 74.6 million (prior year: EUR 90.3 million).

(18) TRADE RECEIVABLES

Appropriate allowance is made for the risk of receivables being uncollectible or other risks in trade receivables from third parties. As in the prior year, the receivables are generally due in up to one year. For further information, reference is made to [section H.\(36d\) "Credit risks."](#)

(19) TAX RECEIVABLES

This item records income tax receivables.

(20) OTHER ASSETS

	2024 In EUR million	2023 In EUR million
Purchase price receivables	30.5	0.0
Reimbursement rights	26.6	25.7
Prepaid expenses	14.9	12.3
Other tax assets	13.7	20.6
Derivative financial instruments (held for trading)	0.6	5.2
Sundry other	27.1	26.6
Total	113.4	90.5

The purchase price receivables item comprises receivables from the sale of the "Cleaner Industries" business unit.

(21) CASH AND CASH EQUIVALENTS

Bank deposits payable on demand are reported in this item as well as checks and cash. Changes in cash and cash equivalents are shown in the statement of cash flows.

(22) ISSUED CAPITAL

As in the prior year, capital stock totals EUR 26.4 million and is divided into a total of 26,405,400 no-par bearer shares. The imputed nominal value amounts to EUR 1.00 per share.

On the basis of the resolution of the Annual General Shareholders' Meeting of May 19, 2020, the Executive Board was authorized, subject to the approval of the Supervisory Board, to acquire – once or several times – up to 2,640,540 treasury shares for the purpose of redemption or resale in the period up to May 18, 2025.

(23) CAPITAL RESERVES

The capital reserves relate exclusively to share premiums in connection with the capital increases implemented at SICK AG and treasury shares transferred. Owing to the provisions of the German Stock Corporation Act, dividends may not be distributed from the capital reserves.

(24) TREASURY SHARES

On December 31, 2024, SICK AG had 201,812 (prior year: 186,959) treasury shares with a nominal value of EUR 0.2 million (prior year: EUR 0.2 million). This is equivalent to 0.8 percent of the capital stock (prior year: 0.7 percent).

Shares outstanding developed as follows:

	2024	2023
Opening balance	26,218.441	26,221.754
Acquisition of treasury shares	-14,853	-6,202
Disposal of treasury shares	0	2,889
Closing balance	26,203.588	26,218.441

(25) REVENUE RESERVES

Revenue reserves include the profits of SICK AG and consolidated subsidiaries earned in prior years and not yet distributed. In addition, currency translation differences of EUR -15.4 million (prior year: EUR -25.5 million) are also reported here as well as losses from the remeasurement of pension obligations of EUR -24.2 million (prior year: losses of EUR -25.7 million) less deferred taxes of EUR 6.9 million (prior year: EUR 7.5 million).

(26) PROPOSED DIVIDEND

Pursuant to Sec. 58 (2) AktG ("Aktiengesetz": German Stock Corporations Act), the proposed SICK AG dividend is based on the retained earnings reported in the commercial-law annual financial statements of SICK AG.

Pursuant to the resolution of the Annual General Shareholders' Meeting of SICK AG of May 17, 2024, a dividend of EUR 1.55 per share or a total of EUR 40.6 million was distributed from the retained earnings of SICK AG as of December 31, 2023 for fiscal year 2023, i.e., not including treasury shares that are not entitled to dividends.

The company plans to distribute a dividend of EUR 1.55 per share for the past fiscal year 2024 or a total of EUR 40.6 million, i.e., not including treasury shares that are not entitled to dividends.

The individual components of equity and their development in 2024 and 2023 are shown in the consolidated statement of changes in equity.

(27) NON-CURRENT AND CURRENT FINANCIAL LIABILITIES

in EUR million	2024 of which due in			2023 of which due in		
	Total	≤ one year	> one year	Total	≤ one year	> one year
Liabilities to banks	182.6	8.1	174.5	217.3	85.7	131.6
Lease liabilities	85.6	22.3	63.4	96.5	22.7	73.8
Total	268.2	30.4	237.9	313.8	108.4	205.4

Liabilities to banks due in more than five years come to a total of EUR 30.0 million (prior year: EUR 26.5 million).

Non-current liabilities owed to banks are fixed-interest loans. The interest rates range from 0.8 to 5.1 percent (prior year: from 0.6 to 5.1 percent).

For additional information about the interest rate risks, reference is made to [section H. \(36\) "Financial risk management."](#)

As in the prior year, no financial liabilities are secured by land charges in the reporting year.

in EUR million	Jan. 1, 2024	Cash	Non-cash	Dec. 31, 2024
Liabilities to banks	217.3	-34.7	0.0	182.6
Lease liabilities	96.5	-31.8	20.9	85.6
Total	313.8			268.2

(28) PROVISIONS AND OTHER LIABILITIES

Non-current provisions and other liabilities break down as follows:

	2024 In EUR million	2023 In EUR million
Provisions for pensions and similar obligations	73.7	80.1
Other non-current provisions	31.4	30.7
Other non-current liabilities	1.6	1.6
Total	106.7	112.3

Other non-current liabilities primarily include non-current contract liabilities and other deferrals. For further information, reference is made to [section G. \(31\) "Contract liabilities."](#)

Provisions for pensions and similar obligations

Pension provisions are recorded as a result of benefit plans for old age, disability, and surviving dependents' pension obligations. The benefits vary according to local legal, tax, and economic conditions and are usually based on the length of service and on salary.

The Group's post-employment benefits include both defined contribution plans and defined benefit plans.

In the case of defined contribution plans, the company pays contributions into a state or private fund in accordance with legal or contractual provisions or on a voluntary basis. No further payment obligations arise for the company from the payment of contributions. The current contributions are recognized as a personnel expense for the respective year. Including contributions to statutory pension insurance, these amounted to EUR 63.3 million in total in fiscal year 2024 (prior year: EUR 61.0 million).

In addition, some of the company pension schemes are based on defined benefit plans, which guarantee the beneficiaries lifelong monthly old-age pensions when they reach retirement age. These are co-funded by the company and by the employees.

If pension obligations are insured with insurance firms, these employer's liability insurance claims are netted with the provisions and recognized as plan assets if the criteria of IAS 19 are satisfied.

The amounts recognized in the income statement are as follows:

	2024 In EUR million	2023 In EUR million
Current service cost	5.4	5.7
Interest expense / interest income	1.4	1.5
Total	6.8	7.2

The amounts cited are generally recorded in the personnel expense for the period; the interest components from the obligations are reported as interest expense.

The defined benefit obligations developed as follows:

	2024 In EUR million	2023 In EUR million
As of January 1	121.5	111.9
Expenses recognized in profit or loss		
Current service cost	5.4	5.7
Interest expense	3.4	3.6
Benefits paid	-4.0	-5.4
Amounts recognized in other comprehensive income		
Change in financial assumptions	0.9	4.0
Experience adjustments, gains / losses	-2.6	0.4
Employee contributions	0.6	0.6
Exchange rate differences / other changes	-8.8	0.7
As of December 31	116.4	121.5

The weighted average term of the defined benefit obligations in Germany is between 2.5 and 4.6 years (prior year: 2.7 and 5.1 years).

The plan assets chiefly concern pledged employer's liability insurance claims against insurance companies.

Changes in the fair value of plan assets are as follows:

	2024 In EUR million	2023 In EUR million
As of January 1	41.4	38.3
Expenses / income recognized in profit or loss		
Interest income	1.1	1.2
Amounts recognized in other comprehensive income		
Return on plan assets	0.3	-0.6
Experience adjustments, gains / losses	-0.1	0.1
Employer contributions	3.6	3.8
Benefits paid	-0.6	-2.0
Exchange rate differences / other changes	-3.0	0.7
As of December 31	42.7	41.4

The Group expects to contribute EUR 1.8 million to its defined benefit pension plans in Germany in 2025 (prior year: EUR 2.2 million).

Pension payments of an estimated EUR 3.8 million (prior year: EUR 3.0 million) are expected to be made in Germany in the subsequent year as part of defined benefit obligations.

The amounts recognized in the statement of financial position for defined benefit obligations are as follows:

	2024 In EUR million	2023 In EUR million
Defined benefit obligation	116.4	121.5
Fair value of plan assets	-42.7	-41.4
Provisions for pensions and similar obligations	73.7	80.1

The reimbursement rights do not qualify as plan assets, as they contain unpledged contributions to employer's liability insurance. These developed as follows:

	2024 In EUR million	2023 In EUR million
As of January 1	25.7	23.4
Expenses / income recognized in profit or loss		
Interest income	0.9	0.9
Amounts recognized in other comprehensive income		
Experience adjustments, gains / losses	-0.4	-0.3
Employer contributions	2.3	2.2
Benefits paid	-0.5	-0.5
Other changes	-1.4	0.0
As of December 31	26.6	25.7

The quantitative sensitivity analysis leads to the following effect on the defined benefit obligations of the significant entities subject to these changes in key assumptions:

	2024 In EUR million	2023 In EUR million
Discount rate (-1%)	4.0	5.0
Discount rate (+1%)	-3.3	-4.1
Future salary development (-0.5%)	0.0	-0.1
Future salary development (+0.5%)	0.0	0.1
Future pension development (-0.25%)	-0.6	-0.9
Future pension development (+0.25%)	0.6	0.8
Life expectancy (+1 year)	2.2	2.8

The method used to calculate the sensitivity of the obligations to the authoritative actuarial assumptions was the same as that used to calculate the obligation. The effects of the changes in assumptions were determined separately in each case. As a result, possible interdependencies were not analyzed. If a number of assumptions are changed simultaneously, the total impact does not necessarily equate to the sum of the individual effects.

The following mortality tables were used for the main countries as of December 31, 2024:

- Germany: Heubeck 2018G mortality tables (modified)
- Switzerland: BVG 2020

The calculation of pension provisions is based on the following assumptions:

	Germany 2024 in %	Germany 2023 in %	Switzerland 2024 in %	Switzerland 2023 in %
Discount rate as of December 31	3.50	3.25	0.75	1.50
Future salary development	3.25	3.25	1.75	1.75
Future pension development	2.00	2.25	0.00	0.00

A non-recurring increase of 1.25 percent was also factored into the pension development in the reporting year.

Other provisions

Other non-current and current provisions developed as follows:

in EUR million	Jan. 1, 2024	Exchange rate differences / changes in the basis of consolidation	Utilization	Reversal	Additions	Reclassification / disposals	Dec. 31, 2024
Personnel and welfare expense	21.4	0.0	2.8	2.5	20.9	3.3	33.7
Warranties and onerous contracts	12.6	0.1	5.6	4.4	9.7	3.4	9.0
Sundry other provisions	21.8	0.7	7.6	1.7	6.8	1.0	18.9
Total	55.8	0.7	16.0	8.6	37.4	7.8	61.6

The provisions for personnel and welfare expense essentially comprise restructuring, special German phased retirement obligations ("Altersteilzeit"), long-service bonus obligations, severance payments, and similar obligations.

The provisions for warranties and onerous contracts mainly contain obligations from statutory warranty and non-contractual warranty agreements.

Sundry other provisions account for various discernible individual risks and contingent liabilities based on their probable occurrence.

The "Reclassifications / disposals" column contains reclassifications to the available-for-sale liabilities item and disposals from the sale of the "Cleaner Industries" business unit.

Other provisions are classified based on their expected utilization as follows:

in EUR million	2024 of which due in			2023 of which due in		
	Total	≤ one year	> one year	Total	≤ one year	> one year
Personnel and welfare expenses.	33.7	15.1	18.6	21.4	2.4	19.0
Warranties and onerous contracts	9.0	9.0	0.0	12.6	12.6	0.0
Sundry other provisions	18.9	6.1	12.8	21.8	10.2	11.6
Total	61.6	30.2	31.4	55.8	25.2	30.7

(29) TAX LIABILITIES

This item records income tax liabilities.

(30) TRADE PAYABLES

	2024 In EUR million	2023 In EUR million
Trade payables due to		
– third parties	162.5	182.9
– other	0.1	0.1
Total	162.5	182.9

As in the prior year, the liabilities are generally due in less than one year.

(31) CONTRACT LIABILITIES

Current and non-current contract liabilities break down as follows:

in EUR million	2024			2023		
	Total	≤ one year	> one year	Total	≤ one year	> one year
Payments on account received	48.2	48.2	0.0	72.9	72.9	0.0
Deferred revenue	2.4	1.7	0.7	2.4	1.9	0.5
Total	50.6	50.0	0.7	75.3	74.8	0.5

Deferred revenue mainly contains unrealized revenue from service contracts, such as maintenance agreements or extended warranty contracts.

Contract liabilities developed as follows in the fiscal year:

	2024 In EUR million	2023 In EUR million
As of January 1	75.3	85.4
Recognized as revenue in the fiscal year	74.8	85.1
Deferred during the reporting period	50.1	75.0
As of December 31	50.6	75.3

Non-current contract liabilities are included in non-current provisions and other liabilities in the statement of financial position. For further information, reference is made to [section G. \(28\) "Provisions and other liabilities."](#)

(32) OTHER LIABILITIES

	2024 In EUR million	2023 In EUR million
Liabilities to employees	71.5	94.7
Other tax liabilities	39.0	35.2
Social security liabilities	13.0	15.8
Derivative financial instruments held for trading	3.3	0.3
Deferred income	1.5	0.6
Sundry other liabilities	8.9	6.7
Total	137.2	153.3

As in the prior year, other liabilities are generally due in less than one year.

H. OTHER NOTES

(33) CONTINGENT LIABILITIES

As an internationally active company with various fields of business, the Group is exposed to many legal risks. This is especially true of risks relating to warranties, tax litigation, and other legal disputes. The outcome of currently pending and/or future litigation cannot be predicted with certainty. Decisions may therefore result in expenses that are not fully covered by insurance and that may have significant effects on the business and its results. Management does not expect pending litigation to result in judgments that will significantly and negatively influence the assets, liabilities, and financial performance of the Group.

(34) CONTINGENT LIABILITIES AND OTHER FINANCIAL OBLIGATIONS

Contingent liabilities

There are no contingent liabilities subject to disclosure requirements.

Other financial obligations

The Group has purchase obligations (mainly for property, plant, and equipment) and the like amounting to EUR 12.9 million (prior year: EUR 48.1 million) which are due in the next 12 months as well as several maintenance agreements and other obligations which will lead indefinitely to other financial obligations of EUR 41.1 million per year (prior year: EUR 44.3 million).

The remaining financial obligations are on a scale customary for the industry.

For discontinued operations, other financial obligations come to EUR 2.4 million for 2025.

(35) LEASES

The following table refers to both continuing and discontinued operations:

In the income statement	2024 In EUR million	2023 In EUR million
Depreciation of right-of-use assets	27.9	25.8
Expenses relating to short-term leases	3.7	3.4
Expenses relating to leases of low-value assets	5.0	3.9
Interest expenses on lease liabilities	3.5	3.6

The following table refers to both continuing and discontinued operations:

In the statement of cash flows	2024 In EUR million	2023 In EUR million
Cash outflows for lease liabilities	31.8	25.7

There were also cash outflows for short-term leases and leases of low-value assets of EUR 8.7 million (prior year: EUR 7.3 million).

Depreciation, additions, and other changes relating to right-of-use assets break down by category as follows:

in EUR million	Property	Vehicles and technical equipment	Furniture and fixtures	Total
Carrying amount as of Jan. 1, 2024	71.1	18.2	2.1	91.4
Additions	20.4	11.8	0.1	32.3
Depreciation	-16.5	-9.8	-1.6	-27.9
Other changes	-12.1	-2.9	0.0	-15.1
Carrying amount as of Dec. 31, 2024	62.8	17.4	0.6	80.8

in EUR million	Property	Vehicles and technical equipment	Furniture and fixtures	Total
Carrying amount as of Jan. 1, 2023	79.3	13.7	0.9	94.0
Additions	8.6	12.7	2.5	23.8
Depreciation	-16.0	-8.5	-1.3	-25.8
Other changes	-0.8	0.3	0.0	-0.6
Carrying amount as of Dec. 31, 2023	71.1	18.2	2.1	91.4

Furthermore, there are future payments from leases that have not commenced but have already been contractually agreed of EUR 0.9 million (prior year: EUR 3.8 million).

For details on future payment obligations, reference is made to [section H. \(36e\) "Liquidity risks."](#)

(36) FINANCIAL RISK MANAGEMENT

Through its financial activities, the Group is subject to various risks that are recognized, assessed, managed, and monitored by a systematic and documented risk management system which aims to avoid concentrations of risk. The Group is exposed to market price risks due to changes in exchange rates or interest rates. On the procurement side, the Group faces commodity price risks and exchange rate risks. Furthermore, the Group is subject to credit risks resulting primarily from trade receivables. There are also liquidity risks in connection with the credit and market price risks or a deterioration in operations or disruptions on the financial markets. These financial risks could impact negatively on the assets, liabilities, financial position, and financial performance of the Group.

Details of the Group's management of market risks (exchange rates, interest rates, commodity prices), credit risks, and liquidity risks are presented below.

(a) Exchange rate risks

The Group performs foreign currency transactions worldwide and is therefore subject to exchange rate fluctuations which have an effect on the assets and earnings of the Group denominated in euro. Foreign currency risks in financing stem from financial receivables and liabilities in foreign currency and loans in foreign currency granted to finance group entities. As far as operations are concerned, the individual group entities mainly carry out their activities in their functional currency. There is also an intensive exchange of goods and services between the group entities.

Furthermore, there are transaction-related exposures due to financial assets and liabilities listed in foreign currencies. Exchange rate risks are managed by forward exchange contracts and options. Derivative financial instruments are used to hedge future revenue against exchange rate risks. Portions of the exposure expected for the next fiscal year in the most important currencies for the Group are hedged.

Risks from the use of derivative financial instruments include, on the one hand, counterparty risks which can be avoided in the selection process. On the other, they lie in the change in the fair value of derivatives; this is, however, generally counterbalanced by the opposing development of the fair value of the underlying.

The hedged revenue amount is calculated on the basis of the estimate for the coming fiscal year. The figures are monitored constantly.

IFRS 7 requires that sensitivity analyses be carried out to present market risks, showing how profit or loss and equity would have been affected by changes in the relevant risk variables. Apart from exchange rate risks, the Group is exposed to interest rate risks. The periodic expenses are determined by relating the hypothetical changes of the risk variables to the financial instruments as of the end of the reporting period. It is assumed that the financial instruments as of the end of the reporting period are representative for the entire year.

Exchange rate risks or currency risks as defined by IFRS 7 arise on financial instruments that are denominated in a currency other than the functional currency and that have a monetary nature; differences from the translation of financial statements to the group currency caused by exchange rates are not taken into account. The relevant risk variables are all currencies (other than the functional currency) in which the Group uses financial instruments.

The currency sensitivity analyses are based on the following assumptions:

- Significant non-derivative monetary financial instruments are either denominated in functional currency or transferred to the functional currency using derivatives.
- Interest income and expenses from financial instruments are also either reported directly in functional currency or transferred to the functional currency using derivatives. As a result, there cannot be any material effects on the volumes under consideration.

The following table, which relates to both continuing and discontinued operations, demonstrates the sensitivity of the consolidated net income before income taxes to changes in fair value of monetary foreign currency items:

2024	Change in foreign exchange rates in %		Effect on earnings in EUR million	
			Income (+)	Expense (-)
CNY	+10	-10	7.2	-4.7
Total			7.2	-4.7

2023	Change in foreign exchange rates in %		Effect on earnings in EUR million	
			Income (+)	Expense (-)
CNY	+10	-10	11.4	-8.4
Total			11.4	-8.4

(b) Interest rate risks

By interest rate risks, the Group means the negative effects on the assets, liabilities, and financial performance resulting from changes in interest rates. The external financing consists primarily of fixed-interest rate loans. This is one of the methods used to manage these risks. In addition, derivative financial instruments are used in risk management. Due to the structure of assets and liabilities, interest rate risks are mostly linked to liabilities to banks.

The following table shows the breakdown between floating-interest and fixed-interest liabilities to banks:

	2024 In EUR million	2023 In EUR million
Fixed interest	181.6	183.3
Floating interest	1.1	34.0
Total	182.6	217.3

The table below shows the structure of the repricing dates:

	2024 In EUR million	2023 In EUR million
Repricing dates within 12 months	8.1	85.7
Repricing dates after 12 months	174.5	131.6
Total	182.6	217.3

Under IFRS 7, interest rate risks are presented using sensitivity analyses. These present the effects of changes in market interest rates on interest payments, interest income and expenses, other comprehensive income, and, if applicable, on equity. The interest rate sensitivity analyses are based on the following assumptions:

- Market interest rate fluctuations of non-derivative financial instruments with fixed interest only affect profit or loss if they are measured at fair value. Therefore, the financial instruments with fixed interest that are measured at amortized cost do not constitute interest rate risks as defined by IFRS 7.
- Market interest rate fluctuations affect the interest result of non-derivative financial instruments with floating interest for which the interest payments are not designed as underlyings using cash flow hedges against interest rate risks, and are thus included when calculating the earnings-related sensitivities.
- Market interest rate fluctuations of interest derivatives (interest rate swaps, interest/currency swaps) that are not part of a hedge relationship pursuant to IFRS 9 affect the other financial results (measurement result from adjusting the financial assets to the fair value) and are therefore taken into account when calculating the earnings-related sensitivities.
- Currency derivatives are not subject to any interest rate risks and therefore do not affect interest rate sensitivities.

The following table demonstrates the sensitivity of the consolidated net income before income taxes due to a change in market interest rates as of the end of the reporting period:

in EUR million	2024		2023	
	+100 basis points	-100 basis points	+100 basis points	-100 basis points
Effects from financial liabilities and assets	1.1	-1.1	0.5	-0.5
Total	1.1	-1.1	0.5	-0.5

(c) Commodity price risks

The Group is exposed to risks from changes in commodity prices that stem from the procurement of the goods used in production. The Group generally does not use derivative financial instruments to hedge against this risk. Instead, the Group minimizes the risk in combination with quality and procurement assurance aspects using a procurement strategy adjusted to reflect current conditions and changes. This involves continuously assessing potential procurement sources according to regional, technological, qualitative, and price aspects, approving the sources and embedding these in development and production processes accordingly. Sudden price fluctuations due to the cost of materials or supply bottlenecks for certain product groups are countered using a planning basis that is constantly updated and also includes strategic buffer stocks.

(d) Credit risks

Credit risk describes the risk of financial loss resulting from counterparties failing to discharge their contractual payment obligations. Credit risk involves both the direct risk of default and the risk of a deterioration in creditworthiness, linked to the risk of a concentration of individual risks.

Credit risk is countered by only maintaining business relationships with first-class banks. Default risks from receivables are minimized by ongoing monitoring of the creditworthiness of the counterparty and by limiting the aggregated risks from the individual counterparty. The maximum risk of default on financial assets corresponds to their carrying amounts.

Business with major customers is subject to special credit monitoring. However, measured in terms of the overall risk potential from the default risk, the receivables from these customers are not significant enough to constitute an extraordinary concentration of risk.

The Group uses specific provision matrices for each region and entity to calculate the expected credit losses. The impairment factors specific to maturity are based on historical and prospective information, such as individual and macroeconomic data. The following tables provide information on the extent of the credit risks entailed in trade receivables:

	2024 in EUR million	2023 in EUR million
Gross value	358.8	364.2
Impairment	-7.7	-10.1
Net value	351.1	354.1

in EUR million	2024			2023		
	Gross value	Impairment	Weighting in %	Gross value	Impairment	Weighting in %
not past due	298.9	1.0	0.3	290.8	1.3	0.4
past due						
– less than 30 days	35.0	0.6	1.6	36.5	0.6	1.6
– between 30 and 90 days	15.0	0.9	5.9	21.8	1.3	6.0
– between 91 and 360 days	6.7	2.1	30.7	10.9	3.5	32.1
– more than 360 days	3.2	3.1	98.2	4.2	3.4	81.6
Total	358.8	7.7		364.2	10.1	

Bad debt allowances on trade receivables developed as follows in the reporting year:

	2024 In EUR million	2023 In EUR million
As of January 1	10.1	9.0
Exchange rate differences	0.0	-0.3
Derecognition	-2.9	-1.1
Adjustment to loss allowance	0.4	2.5
As of December 31	7.7	10.1

(e) Liquidity risks

Liquidity risk describes the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Group generates liquidity primarily from operations and external financing. The funds are chiefly used to finance working capital and capital expenditures. The Group controls its liquidity by maintaining sufficient cash and cash equivalents, and lines of credit at banks in addition to cash inflows from operating activities. Cash and cash equivalents comprise cash and other assets.

	2024 In EUR million	2023 In EUR million
Credit lines and loans	584.1	569.5
- utilized	(182.6)	(217.3)

Operational liquidity management comprises a cash concentration process whereby cash and cash equivalents are pooled on a daily basis. This allows liquidity surpluses and short-ages to be controlled in line with the requirements of the Group as a whole as well as of individual group entities. The maturities of financial assets and financial liabilities as well as estimates of cash flows from operating activities are included in short-term and medium-term liquidity management. Detailed information is included in the comments on [section G. \(27\) "Non-current and current financial liabilities."](#)

The following repayment schedule shows how the payments made for financial liabilities as of December 31, 2024 influence the Group's liquidity situation.

The schedule describes the procedure for undiscounted:

- principal and interest payments for financial liabilities
- net payments for derivative financial instruments as a total for the respective year
- payments for trade payables and
- payments for other financial liabilities

The undiscounted payments are subject to the following conditions:

- If the contractual party can demand a payment at different times, the liability is reported at the earliest possible repayment date.
- Derivative financial instruments include derivatives with negative fair values.
- The interest payments for floating-rate financial instruments are calculated on the basis of forward interest rates. This procedure corresponds to calculating the fair value of other financial instruments.

The financial liabilities of the Group have the following maturity profile. The disclosures are based on contractual payments without discounting.

in EUR million	Total	2025	2026	2027	2028	2029	≥ 2030
Liabilities to banks	202.3	13.1	61.6	31.0	37.2	28.1	31.2
Lease liabilities	99.0	25.0	20.8	14.2	7.4	5.9	25.6
Derivative financial instruments	3.3	3.3	0.0	0.0	0.0	0.0	0.0
Trade payables	162.5	162.5	0.0	0.0	0.0	0.0	0.0
Other financial liabilities	8.9	8.9	0.0	0.0	0.0	0.0	0.0
Total	475.9	212.8	82.4	45.2	44.6	34.1	56.9

The cash flows from the derivative financial instruments are shown as net figures.

These include foreign exchange contracts with negative fair values that break down into a cash outflow of EUR 26.9 million (prior year: EUR 34.5 million) and a cash inflow of EUR 23.7 million (prior year: EUR 34.3 million).

There are also derivative financial instruments with a positive fair value that break down into a cash outflow of EUR 154.3 million (prior year: EUR 170.7 million) and a cash inflow of EUR 154.9 million (prior year: EUR 175.8 million).

As of December 31, 2023, the financial liabilities of the Group had the following maturity profile. The disclosures were based on contractual payments without discounting.

in EUR million	Total	2024	2025	2026	2027	2028	≥ 2029
Liabilities to banks	230.7	89.2	10.1	59.6	9.0	36.1	26.8
Lease liabilities	112.2	26.0	20.1	14.5	11.0	7.6	33.0
Derivative financial instruments	0.3	0.3	0.0	0.0	0.0	0.0	0.0
Trade payables	182.9	182.9	0.0	0.0	0.0	0.0	0.0
Other financial liabilities	6.7	6.7	0.0	0.0	0.0	0.0	0.0
Total	532.8	305.1	30.2	74.1	20.0	43.6	59.8

The retained liquidity as well as short-term and long-term lines of credit give the Group adequate flexibility to cover the Group's refinancing needs. The Group is not subject to any concentration of liquidity risk on account of the diverse nature of its financing sources and its cash and cash equivalents.

(f) Capital management

The Group's primary capital management objective is to ensure that it maintains an appropriate equity ratio with a low-risk and flexible financing structure in order to support its business activity.

The Group manages the way its capital base is structured in light of changes in economic conditions and adjusts it accordingly. To adjust the way the capital base is structured, the dividend payment to shareholders may be adjusted, capital may be returned to shareholders, or new shares may be issued.

The Group monitors its capital taking into account the underlying parameters, e.g., consolidated net income, mainly using the equity ratio. The equity ratio is the ratio of equity in the statement of financial position to total assets. As of December 31, 2024, the equity ratio amounted to 59.4 percent (prior year: 53.9 percent).

(37) FINANCIAL INSTRUMENTS

(a) Fair value of financial instruments

Financial assets and financial liabilities regularly measured at fair value:

in EUR million	Level 1		Level 2		Level 3		Total	
	2024	2023	2024	2023	2024	2023	2024	2023
ASSETS								
Other financial assets	0.0	0.0	0.6	5.2	0.0	0.0	0.6	5.2
thereof derivatives not used for hedging	0.0	0.0	0.6	5.2	0.0	0.0	0.6	5.2
LIABILITIES								
Other financial liabilities	0.0	0.0	3.3	0.3	0.0	0.0	3.3	0.3
thereof derivatives not used for hedging	0.0	0.0	3.3	0.3	0.0	0.0	3.3	0.3

The fair value of forward exchange contracts is measured using the closing rates on the forward exchange markets. The fair values are calculated on the basis of the mean exchange rate.

The calculation methods and the variables used are in line with the provisions of IFRS 13.

The fair value of options is determined using the Black-Scholes model modified by Garman and Kohlhagen. An option is measured primarily by reference to exchange rates, the respective interest rates of the currency pair, and volatility as of the reporting date as well as its remaining term.

During the reporting periods ending December 31, 2024 and December 31, 2023, there were no transfers between Level 1 and Level 2 fair value measurements and no transfers into and out of Level 3 fair value measurements.

Financial assets and financial liabilities not regularly measured at fair value:

in EUR million	Level 1		Level 2		Level 3		Total	
	2024	2023	2024	2023	2024	2023	2024	2023
ASSETS								
Other financial assets	0.0	0.0	0.2	0.1	0.0	0.0	0.2	0.1
LIABILITIES								
Liabilities to banks	0.0	0.0	181.0	210.3	0.0	0.0	181.0	210.3

The fair value of securities and other financial assets is determined based on the market price as of the end of the reporting period, if available.

The carrying amounts of trade receivables and payables, other assets, cash and cash equivalents, and other liabilities closely correspond to the fair values due to the short-term maturities.

For liabilities to banks, the present value of the future cash flows was calculated on the basis of matched market interest rates.

For the presentation of the carrying amounts and fair values by class and category, reference is made to Exhibit A3 and Exhibit A4 of these notes to the consolidated financial statements.

Measurement of the financial instruments held as of December 31, 2024 at fair value gave rise to the following total gains and losses:

in EUR million	Assets		Liabilities	
	2024	2023	2024	2023
Recognized on the income statement:				
Derivatives not used for hedging	-0.4	3.4	-3.3	-0.3

(b) Net results by measurement category

The following table, which relates to both continuing and discontinued operations, presents the net gains and net losses from financial instruments taken into account on the income statement pursuant to IFRS 9:

	2024 In EUR million	2023 In EUR million
Financial assets at fair value through profit or loss	-3.5	-0.1
Financial liabilities at fair value through profit or loss	-3.3	0.9
Financial assets at cost	2.0	-3.0
Financial liabilities at cost	-11.2	-7.2
Total	-16.0	-9.4

The net gains and losses from financial assets and financial liabilities at fair value through profit or loss include the results of changes in fair value and from interest income and expenses from these financial instruments.

The net gains and losses from financial assets and financial liabilities at amortized cost chiefly include the effects of interest, currencies, and impairments.

The net gains and losses from loans and receivables chiefly include the effects of interest, currencies, and impairments.

The net gains and losses from financial liabilities at amortized cost relate first and foremost to results from interest expenses.

(c) Total interest income and expenses

The total interest income and expenses for financial assets and financial liabilities not measured at fair value through profit or loss are as follows for continuing operations:

	2024 In EUR million	2023 In EUR million
Total interest income	0.8	1.1
Total interest expenses	-8.4	-6.3
Total	-7.6	-5.2

(d) Derivative financial instruments

As of the end of the reporting period, the fair values of the derivative financial instruments are as follows:

in EUR million	Contract value or nominal value		Positive fair value		Negative fair value	
	2024	2023	2024	2023	2024	2023
Foreign currency instruments not used for hedging						
– Forward exchange contracts	137.4	139.3	0.1	2.7	3.3	0.3
– Currency options	40.5	65.6	0.5	2.5	0.0	0.0
Total foreign currency instruments	177.9	204.9	0.6	5.2	3.3	0.3

The foreign currency instruments are principally used to hedge exchange rate risks in CNY. The total hedges of EUR 177.9 million (prior year: EUR 204.9 million) have maturities of less than 12 months.

(38) GOVERNMENT GRANTS

The Group reported earmarked government grants in the fiscal year of EUR 0.4 million in total (prior year: EUR 0.6 million). EUR 0.1 million of this amount (prior year: EUR 0.6 million) was deducted from the cost of the assets in question. If earmarked subsidies are not used for the designated purpose, they may have to be repaid.

Furthermore, the Group reports government grants for R&D projects and other support services of EUR 2.0 million (prior year: EUR 2.6 million); these are not dependent on the success of the projects. They were recognized in profit or loss in full in 2024 in accordance with the percentage of project completion.

(39) RELATED PARTY DISCLOSURES

Related parties are members of the Executive Board, members of the Supervisory Board of the Group, members of the Sick family, Sick Glaser GmbH, Freiburg, Germany, the Gisela and Erwin Sick Foundation, Freiburg, Germany, joint ventures, associates, and SICK Holding GmbH, Freiburg, Germany. SICK Holding GmbH is the ultimate parent company of SICK AG and Mr. Sebastian Glaser is the ultimate controlling party with 84.8 percent of the equity interest in SICK Holding GmbH.

The consolidated financial statements of SICK Holding GmbH are published in the German Federal Gazette (“Bundesanzeiger”) and the German Company Register (“Unternehmensregister”).

All transactions with joint ventures and associates are settled at arm’s length conditions.

The table below provides the total amount of transactions with related parties for the fiscal year:

	2024 In EUR million	2023 In EUR million
Goods and services sold	0.2	0.2
Goods and services purchased	2.1	2.1
Liabilities as of the end of the reporting period	0.7	0.0

The Group’s goods and services sold mainly relate to services. The Group primarily received deliveries of the goods and services as part of goods and services purchased. No bad debt allowances were recognized on trade receivables.

As in the prior year, there were no significant transactions between the Group and SICK Holding GmbH, Freiburg, during the fiscal year other than dividends paid.

In the Group as of December 31, 2024, as in the prior year, there are no receivables and liabilities due from or to members of the Executive Board, apart from outstanding remuneration.

The members of the Executive Board of SICK AG are classified as key management personnel.

Remuneration of EUR 5.8 million (prior year: EUR 5.2 million) awarded to these individuals includes short-term benefits of EUR 5.4 million (prior year: EUR 4.5 million) expensed in the fiscal year, post-employment benefits of EUR 0.4 million (prior year: EUR 0.4 million) as well as other long-term benefits of EUR 0.3 million (prior year: EUR 0.2 million), of which EUR 0.1 million (prior year: EUR 0.1 million) can be settled in SICK AG shares.

Total remuneration pursuant to Sec. 314 (1) No. 6a HGB of the members of the Executive Board in office in the reporting year amounts to EUR 5.4 million excluding pension costs (prior year: EUR 4.8 million).

A long-term incentive arrangement (“LTI”) was concluded with the members of the Executive Board of SICK AG in fiscal years 2022, 2023 and 2024. The fundamental prerequisite for receiving the LTI is to belong to the Executive Board of SICK AG for a period of three years.

Generally speaking, the assessment base for the LTI is a positive value added accumulated over three fiscal years (either 2022 to 2024, or subsequent three-year periods, depending on the contract, referred to as the “time frame”). The LTI is partly measured as a percentage of the average value added calculated during this period and partly based on various financial performance indicators. It is limited to a certain percentage of the fixed remuneration. At the end of the time frame, the LTI is paid out in shares in SICK AG (max. 50 percent) and in cash (min. 50 percent). In fiscal year 2024, no shares were paid out under the LTI. The obligations from the cash settlement amount to EUR 0.1 million as of December 31, 2024. The percentage of shares is determined by the company, taking treasury shares into account. The price authoritative for calculating the percentage to be paid out in shares is the current price on the date of maturity. This share price is determined on the basis of inputs confirmed by the tax authorities. If a member of the Executive Board leaves during this three-year period, any entitlement to an LTI for this period is forfeited.

The SICK shares transferred as part of the LTI must be kept in a custodian account with a blocking notice stating that the shares can only be issued subject to the approval of the company. These shares can only be accessed if the member steps down from the Executive Board or retires.

Measurement of the LTI as of December 31, 2024 was based on the consolidated financial statements as of December 31, 2022 to 2024, taking the contractually stipulated limit into account. Based on the share price of EUR 79.56 calculated in fiscal year 2024, the 50 percent share of the LTI that can be paid in shares corresponds to EUR 0.1 million or 1,684 shares.

Compensation to former members of management and their surviving dependents totaled EUR 1.1 million in the fiscal year (prior year: EUR 2.7 million). Provisions totaling EUR 13.9 million (prior year: EUR 15.8 million) were recognized for pension obligations for this group of persons.

Compensation of the Supervisory Board of SICK AG came to EUR 0.7 million (prior year: EUR 0.7 million) for Supervisory Board activities and to EUR 0.5 million (prior year: EUR 0.5 million) for activities for SICK AG. Additional compensation for advisory services was not paid.

As of December 31, 2024, as in the prior year, the Sick family has no receivables or liabilities due from or to the Group.

(40) STOCK OPTION PLANS

From 1999 to 2003, SICK AG had annual employee stock option plans. Around 1.3 million shares were issued as part of employee stock option plans, of which SICK AG has since repurchased 0.3 million shares (prior year: 0.3 million) at market price.

(41) FEES AND SERVICES PROVIDED BY THE AUDITORS

The following table shows on an aggregated basis the fees incurred for the services provided by the auditor EY GmbH & Co. KG Wirtschaftsprüfungsgesellschaft, Stuttgart, Germany:

	2024 In EUR million	2023 In EUR million
Audit services	0.6	0.4
Tax services	0.1	0.1
Total	0.7	0.5

(42) FINANCIAL REPORTING STANDARDS NOT EARLY ADOPTED

The IASB and IFRIC have issued additional standards and interpretations. These regulations have not been adopted for this reporting year because they have either not yet been endorsed by the EU or their adoption is not yet mandatory.

Generally speaking, the Group intends to adopt all standards when their adoption becomes mandatory for the first time.

Standards / interpretations	Title	Applicable from	Expected impact on SICK
Amendments to IAS 21	Lack of Exchangeability	Jan. 1, 2025	Immaterial
Amendments to IFRS 9 and IFRS 7	Classification and Measurement of Financial Instruments	Jan. 1, 2026	Under review
Amendments to IFRS 9 and IFRS 7	Contracts Referencing Nature-dependent Electricity	Jan. 1, 2026	Under review
Improvements to IFRSs (Volume 11)	Amendments to various IFRSs: (IFRS 1, IFRS 7, IFRS 9, IFRS 10, IAS 7)	Jan. 1, 2026	Immaterial
IFRS 18	Presentation and Disclosure in Financial Statements	Jan. 1, 2027	Under review
IFRS 19	Subsidiaries without Public Accountability: Disclosures	Jan. 1, 2027	Immaterial

IFRS 18 supersedes IAS 1, Presentation of Financial Statements. The new standard becomes effective for the first time for fiscal years beginning on or after January 1, 2027. Earlier adoption is permitted. First-time adoption is to be performed retrospectively. SICK is currently reviewing what impact the first-time adoption of IFRS 18 will have on its consolidated financial statements.

(43) SUBSEQUENT EVENTS

The strategic partnership with Endress+Hauser in the “Cleaner Industries” business unit involves further steps in 2025, in particular the operation of a joint venture, which will strengthen and further expand the range of process solutions for decarbonization. Employing more than 700 employees of the former SICK business unit “Cleaner Industries”, Endress+Hauser SICK GmbH+Co. KG develops and manufactures product solutions for analytical measurement technology and gas flow measurement.

The product solutions manufactured there will be sold by Endress+Hauser under the partnership from 2025. SICK AG and Endress+Hauser Group Services (Deutschland) AG+Co. KG will each hold 50 percent of Endress+Hauser SICK GmbH+Co. KG from March 2025. The entity SICK MAIHAK (Beijing) Co., Ltd., was sold to the Endress+Hauser Group in a share deal in March 2025. From these transactions, the Group expects to generate a profit after tax in the upper double-digit to low three-digit million range.

In January 2025, the Group acquired all the shares in Unconstrained Robotics Holding B.V., Venlo, Netherlands, and its subsidiary Unconstrained Robotics B.V., Venlo, Netherlands. The acquisition expands SICK’s expertise and solution portfolio in the areas of localization, navigation and fleet management as well as safety applications for mobile robots. This is an important step in the market for sensor solutions for autonomous mobile robots.

Because the purchase price allocation had not been completed as of the reporting date, it was not possible to make statements concerning the amount of goodwill.

(44) EXECUTIVE BOARD AND SUPERVISORY BOARD DISCLOSURES

Executive Board

Dr. Mats Gökstorp (Chairman)
Markets & Governance

Jan-H. Eberhardt
Finance & IT

Feng Jiao
Sales & Service

Ulrike Kahle-Roth
Supply Chain & Fulfillment

Nicole Kurek
People & Culture

Dr. Niels Syassen
Technology & Solutions

Supervisory Board

In accordance with Sec. 95 AktG in conjunction with Art. 8 paragraph 1 of the articles of incorporation and bylaws, the Supervisory Board has 12 members. Six members are elected by the Annual General Shareholders' Meeting and six by the employees in accordance with the provisions of the 1976 MitbestG ("Mitbestimmungsgesetz": German Co-determination Act). The members of the Supervisory Board are:

Gisela Sick, Waldkirch
Honorary Chairwoman
Retired
Passed away on November 1, 2024

Shareholder representatives:

Dr. Robert Bauer (Chairman)
Former Chairman of the Executive Board of SICK AG, Waldkirch
Managing Partner of STRAVIN GmbH, Emmendingen

Sebastian Glaser
Managing Partner of SICK Holding GmbH, Freiburg

Thomas Kusterer
Deputy Chairman of the Board of Management and
CFO of EnBW Energie Baden-Württemberg AG, Karlsruhe

Prof. Dr.-Ing. Boris Otto
Director of the Fraunhofer Institute for Software and Systems Engineering ISST, Dortmund
Professor of Industrial Information Management at TU Dortmund University

Dorothea Sick-Thies
Founder and sole shareholder of Protect the Planet gGmbH, Munich

Dr. Dipl.-Ing. Eberhard Veit
Managing Partner of Robert Bosch Industrietreuhand KG, Gerlingen

Employee representatives:

Thomas Franz
Senior Vice President Global Supply of SICK AG, Waldkirch

Norbert Göbelsmann
Chief Authorized Representative of IG Metall, Freiburg branch

Dr. Matthias Müller
Former Head of Finance on the Federal Executive Board for the Confederation of German Trade Unions (DGB), Berlin

Gabriele Pontiggia
Speaker for Talent Acquisition & Employer Branding at SICK AG, Waldkirch

Susanne Tröndle (Deputy Chairwoman)
Chairwoman of the SICK AG Works Council and Group Works Council, Waldkirch
Chairwoman of the Group Works Council

Thomas Weckopp
Chairman of the Works Council of SICK Vertriebs-GmbH, Düsseldorf

(45) APPROVAL OF THE CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements were approved by the Executive Board on March 21, 2025. The financial statements were then submitted to the Supervisory Board for review.

Waldkirch, March 21, 2025

SICK AG

The Executive Board



DR. MATS GÖKSTORP
CHAIRMAN



JAN-H. EBERHARDT



FENG JIAO



ULRIKE KAHLE-ROTH



NICOLE KUREK



DR. NIELS SYASSEN

CONSOLIDATED STATEMENT OF CHANGES IN NON-CURRENT ASSETS

EXHIBIT A1

NON-CURRENT ASSETS	Cost							Accumulated depreciation and amortization							Net carrying amounts		
	Balance as of Jan. 1, 2024	Exchange rate differences	Additions	Disposals	Reclassifications to held for sale	Reclassifications	Balance as of Dec. 31, 2024	Balance as of Jan. 1, 2024	Exchange rate differences	Additions	Disposals	Reclassifications to held for sale	Reclassifications	Balance as of Dec. 31, 2024	Balance as of Dec. 31, 2024	Balance as of Dec. 31, 2023	
in EUR million																	
I. Intangible assets																	
1. Purchased industrial property rights and similar rights and assets as well as licenses to such rights and assets	110.1	0.0	1.9	7.0	6.5	1.4	99.9	97.1	0.0	5.6	7.0	6.4	0.0	89.3	10.6	13.0	
2. Goodwill	31.6	-0.1	0.0	0.0	8.5	0.0	23.0	1.0	0.0	0.0	0.0	0.5	0.0	0.5	22.5	30.6	
3. Capitalized development costs and other internally generated intangible assets	134.7	0.0	12.3	3.9	20.3	0.0	122.8	108.0	0.0	7.1	3.8	15.0	0.0	96.3	26.5	26.7	
4. Payments on account	2.8	0.0	0.5	0.0	0.0	-1.4	1.9	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1.9	2.8	
	279.2	-0.1	14.7	10.9	35.3	0.0	247.6	206.1	0.0	12.7	10.8	21.9	0.0	186.1	61.5	73.1	
II. Property, plant, and equipment																	
1. Land and buildings including buildings on third-party land	336.3	0.7	15.1	1.6	23.6	2.1	329.0	110.4	0.2	10.6	1.5	7.2	0.0	112.5	216.5	225.9	
2. Technical equipment and machinery	363.7	0.0	14.0	7.3	18.5	33.1	385.0	241.6	0.2	33.0	7.2	11.4	0.0	256.2	128.8	122.1	
3. Other equipment, furniture and fixtures	207.5	0.2	13.0	14.6	21.9	5.7	189.9	150.0	0.4	18.6	14.5	13.2	0.0	141.3	48.6	57.5	
4. Payments on account and assets under construction	81.3	0.2	82.7	0.0	3.4	-40.9	119.9	0.0	0.0	0.0	0.0	0.0	0.0	0.0	119.9	81.3	
5. Right-of-use assets from leases	201.3	-0.2	32.3	27.2	25.2	0.0	181.0	109.9	-0.3	27.9	25.6	11.7	0.0	100.2	80.8	91.4	
	1,190.1	0.9	157.1	50.7	92.6	0.0	1,204.8	611.9	0.5	90.1	48.8	43.5	0.0	610.2	594.6	578.2	
Total	1,469.3	0.8	171.8	61.6	127.9	0.0	1,452.4	818.0	0.5	102.8	59.6	65.4	0.0	796.3	656.1	651.3	

Additions to accumulated depreciation and amortization contain impairment losses on intangible assets of EUR 0.2 million and on property, plant, and equipment of EUR 0.3 million. They also include depreciation and amortization of EUR 5.1 million, which is reported in profit or loss from discontinued operations.

CONSOLIDATED STATEMENT OF CHANGES IN NON-CURRENT ASSETS

EXHIBIT A2

NON-CURRENT ASSETS	Cost					Accumulated depreciation and amortization						Net carrying amounts		
	Balance as of Jan. 1, 2023	Exchange rate differences	Additions	Disposals	Reclassifications	Balance as of Dec. 31, 2023	Balance as of Jan. 1, 2023	Exchange rate differences	Additions	Disposals	Reclassifications	Balance as of Dec. 31, 2023	Balance as of Dec. 31, 2023	Balance as of Dec. 31, 2022
in EUR million														
I. Intangible assets														
1. Purchased industrial property rights and similar rights and assets as well as licenses to such rights and assets	107.5	-0.3	1.8	2.1	3.2	110.1	93.9	-0.2	5.5	2.1	0.0	97.1	13.0	13.6
2. Goodwill	31.9	-0.3	0.0	0.0	0.0	31.6	1.0	0.0	0.0	0.0	0.0	1.0	30.6	30.9
3. Capitalized development costs and other internally generated intangible assets	124.0	0.1	10.6	0.0	0.0	134.7	99.3	0.0	8.7	0.0	0.0	108.0	26.7	24.7
4. Payments on account	4.7	0.0	1.3	0.0	-3.2	2.8	0.0	0.0	0.0	0.0	0.0	0.0	2.8	4.7
	268.1	-0.5	13.7	2.1	0.0	279.2	194.2	-0.2	14.2	2.1	0.0	206.1	73.1	73.9
II. Property, plant, and equipment														
1. Land and buildings including buildings on third-party land	321.0	-0.7	6.6	2.4	11.8	336.3	99.8	-0.2	10.9	1.7	1.6	110.4	225.9	221.2
2. Technical equipment and machinery	330.4	-0.4	22.2	11.6	23.1	363.7	223.6	-0.5	30.8	11.5	-0.8	241.6	122.1	106.8
3. Other equipment, furniture and fixtures	194.4	-1.4	19.5	9.5	4.5	207.5	141.8	-1.1	19.5	9.4	-0.8	150.0	57.5	52.6
4. Payments on account and assets under construction	59.6	-0.1	61.2	0.0	-39.4	81.3	0.0	0.0	0.0	0.0	0.0	0.0	81.3	59.6
5. Right-of-use assets from leases	191.8	-2.6	23.8	11.7	0.0	201.3	97.8	-2.0	25.8	11.7	0.0	109.9	91.4	94.0
	1,097.2	-5.2	133.3	35.2	0.0	1,190.1	563.0	-3.8	87.0	34.3	0.0	611.9	578.2	534.2
Total	1,365.3	-5.7	147.0	37.3	0.0	1,469.3	757.2	-4.0	101.2	36.4	0.0	818.0	651.3	608.1

Additions to accumulated depreciation and amortization contain impairment losses on intangible assets of EUR 0.3 million and on property, plant, and equipment of EUR 0.2 million. They also include depreciation and amortization of EUR 5.1 million, which is reported in profit or loss from discontinued operations.

CARRYING AMOUNTS AND FAIR VALUES

by measurement category in EUR million

EXHIBIT A3

	Measurement category pursuant to IFRS 9	Carrying amount pursuant to IFRS 9				Fair value 2024
		Carrying amount 2024	(Amortized) cost	Fair value through other comprehensive income	Fair value through profit or loss	
ASSETS						
Other financial assets						
Other equity investments	FVOCI	0.2		0.2		0.2
Trade receivables	AC	351.1	351.1			351.1
Other assets						
Purchase price receivables	AC	30.5	30.5			30.5
Derivatives held for trading	FVTPL	0.6			0.6	0.6
Sundry other	AC/n. a.	27.1	9.2	-	17.9	27.1
Cash and cash equivalents	AC	173.0	173.0			173.0
EQUITY AND LIABILITIES						
Financial liabilities						
Liabilities to banks	AC	182.6	182.6			181.0
Trade payables	AC	162.5	162.5			162.5
Other liabilities						
Derivatives held for trading	FVTPL	3.3			3.3	3.3
Sundry other	AC	8.9	8.9			8.9
Of which aggregated by measurement category pursuant to IFRS 9:						
Financial assets at amortized cost (AC) ¹⁾		563.8	563.8			
Financial assets at fair value through profit or loss (FVTPL) ²⁾		0.6			0.6	
Financial assets at fair value through other comprehensive income (FVOCI) ³⁾		0.2		0.2		
Financial liabilities at amortized cost (AC) ¹⁾		354.0	354.0			
Financial liabilities at fair value through profit or loss (FVTPL) ²⁾		3.3			3.3	

¹⁾ amortised cost

²⁾ Fair value through profit and loss

³⁾ Fair value through other comprehensive income

CARRYING AMOUNTS AND FAIR VALUES

by measurement category in EUR million

EXHIBIT A4

Wertansatz Bilanz nach IFRS 9								
	Measurement category pursuant to IFRS 9	Carrying amount 2023	(Amortized) cost	Fair value through other comprehensive income	Fair value through profit or loss	Carrying amount pursuant to IFRS 16	Other carrying amounts	Fair value 2023
ASSETS								
Other financial assets								
Other equity investments	FVOCI	0.1		0.1				0.1
Trade receivables	AC	354.1	354.1					354.1
Other assets								
Derivatives held for trading	FVTPL	5.2			5.2			5.2
Sundry other	FVOCI/AC/n. a.	52.4	10.3	0.7			41.4	52.4
Cash and cash equivalents	AC	65.6	65.6					65.6
LIABILITIES								
Financial liabilities								
Liabilities to banks	AC	217.3	217.3					210.3
Lease liabilities	n. a.	96.5				96.5		96.5
Trade payables	AC	182.9	182.9					182.9
Other liabilities								
Derivatives held for trading	FVTPL	0.3			0.3			0.3
Sundry other	AC	6.7	6.7					6.7
Of which aggregated by measurement category pursuant to IFRS 9:								
Financial assets at amortized cost (AC) ¹⁾		430.0	430.0					
Financial assets at fair value through profit or loss (FVTPL) ²⁾		5.2			5.2			
Financial assets at fair value through other comprehensive income (FVOCI) ³⁾		0.8		0.8				
Financial liabilities at amortized cost (AC) ¹⁾		406.9	406.9					
Financial liabilities at fair value through profit or loss (FVTPL) ²⁾		0.3			0.3			

¹⁾ amortised cost

²⁾ Fair value through profit and loss

³⁾ Fair value through other comprehensive income

LIST OF MAIN SHAREHOLDINGS

as of December 31, 2024

EXHIBIT A5

Name and registered offices of the entity	Investment (%)	Indirect investment via no.	Consolidation
Parent company			
SICK AG, Waldkirch, Germany			
I. Shares in affiliates			
1. SICK SARL, Émerainville, France	100		
2. SICK (UK) Ltd., St. Albans, United Kingdom	100		
3. SICK, Inc., Minneapolis, MN, USA	100		
4. SICK B.V., De Bilt, the Netherlands	100		
5. SICK AG, Stans, Switzerland	100		
6. SICK Pty Ltd., Heidelberg West, VIC, Australia	100		
7. SICK A/S, Værløse, Denmark	100		
8. SICK NV/SA, Asse, Belgium	100		
9. SICK K.K., Tokyo, Japan	100		
10. SICK Optic-Electronic S.A.U., Sant Just Desvern, Spain	100		
11. Endress+Hauser SICK GmbH+Co. KG, Ottendorf-Okrilla, Germany ¹⁾	100		
12. SICK Oy, Vantaa, Finland	100		
13. SICK Pte. Ltd., Singapore, Singapore	100		
14. SICK AS, Rud, Norway	100		
15. SICK AB, Stockholm, Sweden	100		
16. SICK Sp. z o.o., Warschau, Poland	100		
17. SICK Solução em Sensores Ltda., São Paulo, Brazil	100		
18. Sick Optic-Electronic Co., Ltd., Hongkong, China	100		

LIST OF MAIN SHAREHOLDINGS

as of December 31, 2024

EXHIBIT A5

Name and registered offices of the entity	Investment (%)	Indirect investment via no.	Consolidation
19. SICK S.p.A. società unipersonale, Vimodrone (MI), Italy	100		
20. SICK Kft., Kunsziget, Hungary	100		
21. SICK GmbH, Wiener Neudorf, Austria	100		
22. SICK spol. s r.o., Prag, Czech Republic	100		
23. SICK Co., Ltd., Seoul, Korea	100		
24. SICK Automatisierung International GmbH, Waldkirch, Germany	100		
25. SICK China Co., Ltd., Guangzhou, China	100	18.	
26. SICK MAIHAK (Beijing) Co., Ltd., Peking, China	100		
27. SICK IVP AB, Linköping, Sweden	100		
28. Sensörler ve İleri Cihazlar Kontrol A.Ş., İstanbul, Türkiye	100		
29. SICK LLC, Moskau, Russia ²⁾	100	24.	
30. SICK Vertriebs-GmbH, Düsseldorf, Germany ¹⁾	100		
31. SICK d.o.o., Ljubljana, Slovenia	100	21.	N
32. SICK INDIA Pvt. Ltd., Mumbai, India	100	24.	
33. SICK Sensors Ltd., Tzur Yigal, Israel	100		
34. SICK S.R.L., Dumbravita, Romania ³⁾	100	24.	N
35. SICK TAIWAN Co., Ltd., Taipei, Taiwan	100		
36. SICK Automation Solutions S.A. de C.V., León, Guanajuato, Mexico	100	24.	
37. SICK Ltd., Moncton, New Brunswick, Canada	100	3.	
38. SICK Automation Southern Africa (Pty) Ltd., Lanseria, South Africa	100	24.	
39. SICK Sdn. Bhd., Johor Bahru, Malaysia	100	41.	

LIST OF MAIN SHAREHOLDINGS

as of December 31, 2024

EXHIBIT A5

Name and registered offices of the entity	Investment (%)	Indirect investment via no.	Consolidation
40. SICK System Engineering AG, Buochs, Switzerland	100		
41. SICK Product Center Asia Pte. Ltd., Singapore, Singapore	100		
42. SICK FZE, Dubai, United Arab Emirates	100	24.	
43. SICK Sensor (Malaysia) Sdn. Bhd., Petaling Jaya, Malaysia	100	24.	
44. SICK (THAILAND) Co., Ltd., Bangkok, Thailand	100	24.	
45. SICK NZ Ltd, Auckland, New Zealand	100	24.	
46. SICK Értékesítő és Szolgáltató Kft., Budapest, Hungary	100	24.	N
47. SICK VSE s.r.o., Prag, Czech Republic	100	24.	
48. SICK Product & Competence Center Americas LLC, Minneapolis, MN, USA	100	3.	
49. SICK ATech GmbH, Witten, Germany	100		
50. SICK Hellas Ltd., Kifisia, Greece ⁴⁾	100	24.	
51. Zhejiang SICK Sensor Co., Ltd., Jiaxing, Zhejiang Province, China	100		
52. SICK SpA, Santiago de Chile, Chile	100	24.	
53. Jiangsu SICK Sensor Co., Ltd., Changzhou, Jiangsu Province, China	100		
54. SICK Slovakia s.r.o., Bratislava, Slovakia	100		
55. SICK MOBILISIS d.o.o., Varaždin, Croatia	100		
56. MOBILISIS d.o.o., Belgrad, Serbia	100	55.	N
57. SICK Real Estate GmbH & Co. KG, Waldkirch, Germany ¹⁾	100		
58. SICK Real Estate Management GmbH, Waldkirch, Germany	100	57.	N
59. SICK Operations GmbH & Co. KG, Waldkirch, Germany	100		N

LIST OF MAIN SHAREHOLDINGS

as of December 31, 2024

EXHIBIT A5

Name and registered offices of the entity	Investment (%)	Indirect investment via no.	Consolidation
60. SICK Operations Management GmbH, Waldkirch, Germany	100	59.	N
61. SICK Vietnam LLC, Ho Chi Minh City, Vietnam	100	13.	N
62. SICK Arabia Maintenance Co. (LLC – one person), Riad, Saudi Arabia	100	24.	N
63. EHS Administration GmbH, Ottendorf-Okrilla, Germany	100	11.	N
II. Equity investments and other interests			
64. SICK OPTEX Co., Ltd., Kyoto, Japan	50		A
65. WABE gGmbH, Waldkirch, Germany	17		N

¹⁾ The entity has exercised the exemption provision pursuant to Sec. 264 (3) HGB.

²⁾ 15 percent of the shares are held by SICK AG, Waldkirch / Germany.

³⁾ 0.5 percent of the shares are held by SICK AG, Waldkirch / Germany.

⁴⁾ 1 percent of the shares are held by SICK AG, Waldkirch / Germany.

The entities marked "N" are not included in the consolidated financial statements on grounds of immateriality.

The entities marked "A" are included in the consolidated financial statements at equity.

OTHER INFORMATION

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INDEPENDENT AUDITOR'S REPORT

To SICK AG

OPINIONS

We have audited the consolidated financial statements of SICK AG, Waldkirch, and its subsidiaries (the Group), which comprise the consolidated income statement, and the consolidated statement of comprehensive income for the fiscal year from January 1 to December 31, 2024, consolidated statement of financial position as of December 31, 2024, consolidated statement of cash flows and consolidated statement of changes in equity for the fiscal year from January 1 to December 31, 2024, and notes to the consolidated financial statements, including material accounting policy information. In addition, we have audited the group management report of SICK AG, which is combined with the management report of the SICK AG, for the fiscal year from January 1 to December 31, 2024. In accordance with the German legal requirements, we have not audited the content of the corporate governance declaration pursuant to Sec. 289f (4) HGB ("Handelsgesetzbuch": German Commercial Code) included on the last page of the group management report.

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

- the accompanying consolidated financial statements comply, in all material respects, with the IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB) (IFRS Accounting Standards) and adopted by the EU, and the additional requirements of German commercial law pursuant to Sec. 315e (1) HGB and, in compliance with these requirements, give a true and fair view of the assets, liabilities and financial position of the Group as of December 31, 2024 and of its financial performance for the fiscal year from January 1 to December 31, 2024, and
- the accompanying group management report as a whole provides an appropriate view of the Group's position. In all material respects, this group management report is consistent with the consolidated financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development. We do not express an opinion on the content of the corporate governance declaration referred to above.

Pursuant to Sec. 322 (3) Sentence 1 HGB, we declare that our audit has not led to any reservations relating to the legal compliance of the consolidated financial statements and of the group management report.

BASIS FOR THE OPINIONS

We conducted our audit of the consolidated financial statements and of the group management report in accordance with Sec. 317 HGB and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (Institute of Public Auditors in Germany) (IDW). Our responsibilities under those requirements and principles are further described in the "Auditor's responsibilities for the audit of the consolidated financial statements and of the group management report" section of our auditor's report. We are independent of the group entities in accordance with the requirements of German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions on the consolidated financial statements and on the group management report.

OTHER INFORMATION

The executive directors are responsible for the other information. The other information comprises the corporate governance declaration pursuant to Sec. 289f (4) HGB mentioned above.

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

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

- is materially inconsistent with the consolidated financial statements, with the group management report or our knowledge obtained in the audit, or
- otherwise appears to be materially misstated.

RESPONSIBILITIES OF THE EXECUTIVE DIRECTORS AND THE SUPERVISORY BOARD FOR THE CONSOLIDATED FINANCIAL STATEMENTS AND THE GROUP MANAGEMENT REPORT

The executive directors are responsible for the preparation of the consolidated financial statements that comply, in all material respects, with the IFRS Accounting Standards as adopted by the EU and the additional requirements of German commercial law pursuant to Sec. 315e (1) HGB, and that the consolidated financial statements, in compliance with these requirements, give a true and fair view of the assets,

liabilities, financial position and financial performance of the Group. In addition, the executive directors are responsible for such internal control as they have determined necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud (i.e., fraudulent financial reporting and misappropriation of assets) or error.

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

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

The Supervisory Board is responsible for overseeing the Group's financial reporting process for the preparation of the consolidated financial statements and of the group management report.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS AND OF THE GROUP MANAGEMENT REPORT

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

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements and of the group management report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than the risk of not detecting a material misstatement resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit of the consolidated financial statements and of arrangements and measures relevant to the audit of the group management report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control and of such arrangements and measures.
- Evaluate the appropriateness of accounting policies used by the executive directors and the reasonableness of estimates made by the executive directors and related disclosures.
- Conclude on the appropriateness of the executive directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the consolidated financial statements and in the group management report or, if such disclosures are inadequate, to modify our respective opinions. Our conclusions are based on the audit evidence obtained up to the date of our auditor's

report. However, future events or conditions may cause the Group to cease to be able to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements present the underlying transactions and events in a manner that the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Group in compliance with the IFRS Accounting Standards as adopted by the EU and the additional requirements of German commercial law pursuant to Sec. 315e (1) HGB.
- Plan and perform the audit of the consolidated financial statements to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming opinions on the consolidated financial statements and on the group management report. We are responsible for the direction, supervision and review of the work performed for the group audit. We remain solely responsible for our audit opinions.
- Evaluate the consistency of the group management report with the consolidated financial statements, its conformity with (German) law, and the view of the Group's position it provides.
- Perform audit procedures on the prospective information presented by the executive directors in the group management report. On the basis of sufficient appropriate audit evidence we evaluate, in particular, the significant assumptions used by the executive directors as a basis for the prospective information, and evaluate the proper derivation of the prospective information from these assumptions. We do not express a separate opinion on the prospective information and on the assumptions used as a basis. There is a substantial unavoidable risk that future events will differ materially from the prospective information.

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

Freiburg i. Br., March 21, 2025

EY GmbH & Co. KG
Wirtschaftsprüfungsgesellschaft

Schmidt
Wirtschaftsprüfer
[German Public Auditor]

Hunn
Wirtschaftsprüfer
[German Public Auditor]

THE SUPERVISORY BOARD

GISELA SICK

(Honorary Chairwoman)
deceased on November 1, 2024

DR. ROBERT BAUER

(Chairman)
Former Chairman of the Executive Board of SICK AG,
Waldkirch
Managing Partner of STRAVIN GmbH, Emmendingen
Member of the Supervisory Board since 2022

THOMAS FRANZ*

Senior Vice President Global Supply of SICK AG,
Waldkirch
Member of the Supervisory Board since 2022

SEBASTIAN GLASER

Managing Partner of SICK Holding GmbH, Freiburg
Member of the Supervisory Board since 2017

Additional Supervisory Board membership:

- Deputy Chairman of the Board of Trustees
of the Gisela und Erwin Sick Stiftung [Gisela and Erwin
Sick Foundation], Freiburg

NORBERT GÖBELSMANN*

First Representative of IG Metall, Freiburg office
Member of the Supervisory Board since 2022

THOMAS KUSTERER

CFO of EnBW Energie Baden-Württemberg AG,
Karlsruhe
Member of the Supervisory Board since 2022

Additional Supervisory Board memberships:

- natureenergie hochrhein AG, Rheinfelden, Chairman of the
Supervisory Board
- natureenergie Holding AG, Laufenburg (Switzerland),
Chairman of the Board of Directors

DR. MATTHIAS MÜLLER*

Former Head of Finance at the Federal Executive Board
of DGB, Berlin
Member of the Supervisory Board since 2022

Additional Supervisory Board membership:

- RWE Power AG, Essen, Member of the Supervisory Board

PROF. DR.-ING. BORIS OTTO

Head of the Fraunhofer Institute for Software and
Systems Engineering ISST, Dortmund
Professor of Industrial Information Management at
TU Dortmund University
Member of the Supervisory Board since 2022

Additional Supervisory Board membership:

- CDQ AG, St. Gallen (Switzerland),
Member of the Administrative Board

GABRIELE PONTIGGIA*

Consultant on Talent Acquisition & Employer Branding
at SICK AG, Waldkirch
Member of the Supervisory Board since 2022

DOROTHEA SICK-THIES

Founder and sole shareholder of Protect the Planet gGmbH,
Munich
Member of the Supervisory Board since 2022

Additional Supervisory Board membership:

- Chairwoman of the Board of Trustees of the Dorothea-
Laura-Janina Sick Environmental Foundation, Munich

* Employee representative

SUSANNE TRÖNDLE*

(Deputy Chairwoman)

Chairwoman of the Works Council and the General Works Council of SICK AG, Waldkirch

Chairwoman of the Group Works Council

Member of the Supervisory Board since 2018

DR. DIPL.-ING. EBERHARD VEIT

Managing partner of Robert Bosch Industrietreuhand KG, Gerlingen

Member of the Supervisory Board since 2017

Additional Supervisory Board memberships:

- Bizerba SE & Co. KG, Balingen, Member of the Supervisory Board
- ebm-papst GmbH & Co. KG, Mulfingen, Member of the Advisory Board/Member of the Supervisory Board
- Phoenix Contact GmbH & Co. KG, Blomberg Lippe, Chairman of the Advisory Board
- Robert Bosch GmbH, Stuttgart, Member of the Supervisory Board
- TÜV SÜD AG, Munich, Member of the Supervisory Board
- Wagner International, Markdorf, and Altstätten (Switzerland), Chairman of the Administrative Board

THOMAS WECKOPP*

Chairman of the SICK Vertriebs GmbH Works Council, Düsseldorf

Member of the Supervisory Board since 2017

* Employee representative

SICK AG'S EXECUTIVE BOARD

DR. MATS GÖKSTORP
CHAIRMAN OF THE EXECUTIVE BOARD
MARKETS & GOVERNANCE



Dr. Mats Gökstorp has been the Chairman of the Executive Board at SICK AG since October 1, 2021. He is also responsible for the Markets & Governance portfolio. He joined the company in 2003 with the acquisition of SICK IVP in Sweden and moved to Germany in 2007 where he became a member of the Corporate Management Board with responsibility for high industrial sensors. In 2011, he became responsible for the global sales processes at SICK. In May 2013, he was appointed to the Executive Board with responsibility for the Sales & Service portfolio, and later for Products & Marketing as well as Governance.

Mats Gökstorp was born in Stockholm, Sweden, in 1965. After studying Computer Science and Engineering both in Sweden and the USA, he received his doctorate in 1995. He joined a small startup company in 1993, where he worked in several roles from R&D to sales and was the General Manager from 2001 to 2007.

JAN-H. EBERHARDT
FINANCE & IT



Jan-H. Eberhardt is the Executive Board member for Finance & IT, effective October 16, 2023. Prior to his tenure on the SICK Executive Board, he held various positions in the financial sector at the medical technology company B. Braun for more than 15 years. Most recently, he was Group Vice President and Head of Corporate Accounting & Controlling at B. Braun and was a member of the management at various subsidiaries.

Jan-H. Eberhardt was born in Kassel in 1980. After training as an industrial clerk, he studied economics at the Witten-Herdecke University, specializing in corporate finance, corporate strategy, and capital market theory.

FENG JIAO
SALES & SERVICE



Feng Jiao has been appointed to the Executive Board with responsibility for the Sales & Service portfolio with effect from 1 January 2021. He joined the company in 2014 and, as Managing Director of SICK China Co., Ltd., was responsible for the Group's sales activities on the Chinese market. At Siemens, from 1994, he was active in leading sales positions in China and Canada. He took over sales management for the Asia-Pacific region at the Data-Linc Group in 2001, before moving to the technology company Harting in 2007 as Director Business Development Greater China.

Feng Jiao was born in Beijing, China in 1969 and completed his studies in Engineering at the Beijing Institute of Technology in 1992. He has Canadian citizenship.

ULRIKE KAHLE-ROTH
SUPPLY CHAIN & FULFILLMENT



Ulrike Kahle-Roth has been the Executive Board member for the Supply Chain & Fulfillment portfolio at SICK AG since December 1, 2022. Back in 2019 she commenced her role as Senior Vice President Customer Fulfillment in the company. Previously she held a variety of supply chain management positions at The Dow Chemical Company, finishing as Customer Service Director EMEA. She then took over the post of Senior Director Global Supply Chain at A. Schulman Europe GmbH.

Ulrike Kahle-Roth was born in Kehl in 1976. She studied business management and completed a Master of Business Administration (MBA) majoring in international management.

NICOLE KUREK
PEOPLE & CULTURE



Nicole Kurek has been a member of the Executive Board since July 1, 2022 and is responsible for the “People & Culture” portfolio. Before taking up her position on the board at SICK, she was the Senior Vice President of Talent and Transformation Management at the BMW Group where she acquired many years of experience in the automotive industry as well as in her role as an HR manager.

Nicole Kurek was born in Saarland in 1974. She studied education, sociology, and social psychology at Saarland University. She received her MBA, majoring in “Finance”, from FOM in Munich in 2012.

DR. NIELS SYASSEN
TECHNOLOGY &
SOLUTIONS



Dr. Niels Syassen has held the position of Director of the Technology & Solutions division at SICK AG since February 1, 2025. He joined the company in 2017 and, as a member of the Management Board, has been responsible for innovations in the Gas and Particle Analysis Solutions department since 2018. Before this he held various management roles in the sensor technology product development area in the Automotive Electronics Division at Bosch, and in the Safety Technology Division at Dräger. On October 1, 2021 he was appointed as Director of the Technology & Digitalization division.

Niels Syassen was born in Düsseldorf in 1977. He studied physics with an emphasis on lasers, optics and semiconductors at the TU Munich as well as at Imperial College in London. He received his PhD from the Max Planck Institute of Quantum Optics in 2008.

FINANCIAL CALENDAR 2025

- April 9** Publication of the 2024 balance sheet ratios
- May 21, 5 pm** Annual General Shareholders' Meeting
- May 26** Dividend payment

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PICTURES

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SILVIA WOLF FOTOGRAFIE, FREIBURG
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Sensor Intelligence