REMUNERATION REPORT

of Francotyp-Postalia Holding AG for the 2024 financial year

Please note that there may be rounding differences compared to exact mathematical figures (monetary units, percentages, etc.)
Translation from the German original – in case of doubt the German version shall prevail.

The following remuneration report, which was prepared jointly by the Management Board and the Supervisory Board in accordance with the statutory provisions of section 162 of the German Stock Corporation Act (AktG), presents and explains the remuneration of the current and former members of the Management Board and Supervisory Board of Francotyp-Postalia Holding AG in the 2024 fiscal year. As they are still relevant for the first few months of the fiscal year, the remuneration system (2021 remuneration system) for the Management Board resolved at the Annual General Meeting on 16 June 2021 and the remuneration system for the Supervisory Board resolved at the Annual General Meeting on 15 June 2022 are also outlined. The updated remuneration system for the Management Board, which was resolved by the Annual General Meeting on 25 June 2024, is also presented (2024 remuneration system). The remuneration report was formally audited by the auditor in accordance with section 162 (3) AktG. The auditor's report is attached to this report.

The aim of this report is to make clear the connection between the overarching corporate strategy and the structure of the remuneration system, while at the same time making the concrete operation of the remuneration system – pay for performance – comprehensible. This report will be presented for approval at the Annual General Meeting resolving on the 2024 fiscal year.

1. Remuneration system for the Management Board (2021)

Resolution on the approval of the remuneration system for the members of the Management Board

The remuneration system for the members of the Management Board of Francotyp-Postalia Holding AG was adopted by the Supervisory Board - with the support of third-party experts - in accordance with sections 87 (1) and 87a (1) AktG on 27 April 2021 and approved by the Annual General Meeting on 16 June 2021 with a majority of 97.4% of the capital represented. The remuneration report for the 2023 fiscal year was approved at the 2024 Annual General Meeting with a majority of 89.3% of the capital represented. There was therefore no reason to question or make adjustments to the reporting or application of the remuneration system.

The remuneration system complied with the requirements of the German Stock Corporation Act, in particular the requirements of the Act Implementing the Second Shareholders' Rights Directive (ARUG II), and was based on the recommendations of the German Corporate Governance Code as amended on 28 April 2022.

Summary of key aspects of the 2024 fiscal year from a remuneration perspective

The course of business in the 2024 fiscal year had no influence on the remuneration of the members of the Management Board, as no individual targets were agreed for short-term incentivisation.

As the business performance in recent years has not had an impact on the FP share price, no benefit was realised from the long-term incentives (LTI 1), which are linked to the share price performance. LTI 2, which is based on sustainability targets, is not reviewed during the course of the year; a final settlement was only made for Carsten Lind in connection with his departure.

In the opinion of the Supervisory Board, the incentivisation structure is based on a balanced weighting between short-term, annual successes and the company's sustainable development over several years. The first component of the LTI, virtual share options, which can be exercised after four years at the earliest, allows the Management Board member to participate in the increase in the share price. The second component of the LTI related to sustainability criteria and thus took into account the growing importance of environmental, social and governance ("ESG") criteria in corporate management.

Application of the Management Board remuneration system in the 2024 fiscal year

Since the resolution by the Supervisory Board, the current remuneration system for the Management Board has been taken into account by the company when concluding new contracts and renewing existing contracts. The remuneration system did not apply to the remuneration of the Management Board member Carsten Lind, as his contract was concluded before the resolution on the remuneration system was passed.

Where members of the Management Board within the meaning of section 162 AktG were granted individual remuneration in the 2024 fiscal year which had been approved in previous fiscal years under the remuneration system applicable at the time, this is also presented and explained.

The remuneration system for members of the Management Board of Francotyp-Postalia Holding AG is reviewed by the Supervisory Board in accordance with section 120a AktG, in particular as part of contract negotiations with existing or future members of the Management Board. The Supervisory Board may - in accordance with the legal requirements in section 87a (2) sentence 2 AktG - temporarily deviate from the remuneration system if this is necessary in the interests of the long-term well-being of the company. There is to be a regular review, although a specific date has not been set.

Disclosures on the remuneration components

The following presentation relates to the Management Board remuneration system approved by the 2021 Annual General Meeting (*2021 remuneration system*). Where the remuneration of the Management Board members in the 2024 fiscal year deviates from these explanations, this will be explained in the individual presentation of the specific Management Board remuneration for the fiscal year.

The remuneration of the Management Board members is made up of non-performance-related and performance-related components. Linking remuneration to both the short-term and long-term performance of the company can support successful and sustainable corporate governance. At the same time, the choice of suitable performance criteria provides important incentives for implementing the strategic realignment of the Group.

As non-performance-related fixed remuneration, the members of the Management Board receive an annual fixed salary in twelve equal monthly instalments. In the Supervisory Board’s opinion, this provides a secure and predictable income. They also receive fringe benefits in the form of non-cash remuneration, such as a company car and insurance premiums.

The performance-related remuneration components comprise short-term variable remuneration (short-term incentive, "STI") and long-term variable remuneration (long-term incentive, "LTI"). The short-term component has an assessment period of one year and is linked to two to four key performance indicators based on the budget for the respective fiscal year as approved by the Supervisory Board.

The long-term component (LTI) consists of two components and has an assessment period of four years to promote sustainable corporate development. The first component of the LTI are virtual share options, which are allocated to the Management Board member at a strike price and may be linked to a percentage of shares purchased and held by the Management Board member himself. The virtual share options can be exercised after four years at the earliest (vesting), so that the Management Board member participates accordingly in the increase in the share price via the difference between the strike price and the exercise price.

The second component of the LTI relates to two equally agreed sustainability criteria. The fulfilment of this component is remunerated in cash. The first criterion is the successful maintenance or re-certification of five ISO certifications over the entire period. The second criterion is the reduction of CO_2 emissions by certain target values agreed by contract compared with the beginning of the period and the end of the bonus period. The members of the Management Board receive advance payments on this second LTI component, which are offset after the assessment period.

The Supervisory Board determines the specific target remuneration for the Management Board members and the performance criteria for the variable remuneration components provided for in the remuneration system for the respective upcoming fiscal year. At least 80% of the planned target figures must be achieved in order to be entitled to the agreed bonus components. A target achievement of 120% constitutes the upper limit (cap).

The share of long-term variable remuneration exceeds the share of short-term variable remuneration in total target remuneration.

OVERVIEW OF REMUNERATION COMPONENTS

Remuneration component	Basis of assessment / parameters
Non-performance-based remuneration	
Fixed remuneration	Fixed remuneration, paid monthly pro rata as salary
Fringe benefits	Company car, insurance premiums; further one-off or time-limited (transitional) benefits possible in the case of new appointments with express resolution of the Supervisory Board
Performance-based remuneration	
Short-term incentive (STI)	• Annual bonus model: Basis for target achievement: a separate number of key performance indicators ("KPIs") for each member of the Management Board, to be determined annually by the Supervisory Board or already defined, each of which is to be considered equally (min. 2 KPIs, max. 4 KPIs) • Cap: 120% of the target amount
Long-term incentive (LTI)	Sustainability component 1: virtual share options ("virtual SO") • Allocation of virtual SO with appointment to the Management Board • Number of options to be allocated is left to the discretion of the Supervisory Board; additional options may be granted for the achievement of specific additional targets • Obligation of the Management Board to acquire a percentage of the virtual share options as real shares (holding period: 4 years) • Exercise of virtual option after 4 years (vesting period) • Exercise price: Arithmetical average of the Xetra closing prices of the last 90 trading days prior to exercise • Calculation: Payout amount = difference between exercise price and strike price, multiplied by the number of allocated virtual AO (no minimum amount)

- Cap payout amount per virtual SO: a price in EUR per virtual SO to be determined at the discretion of the Supervisory Board.

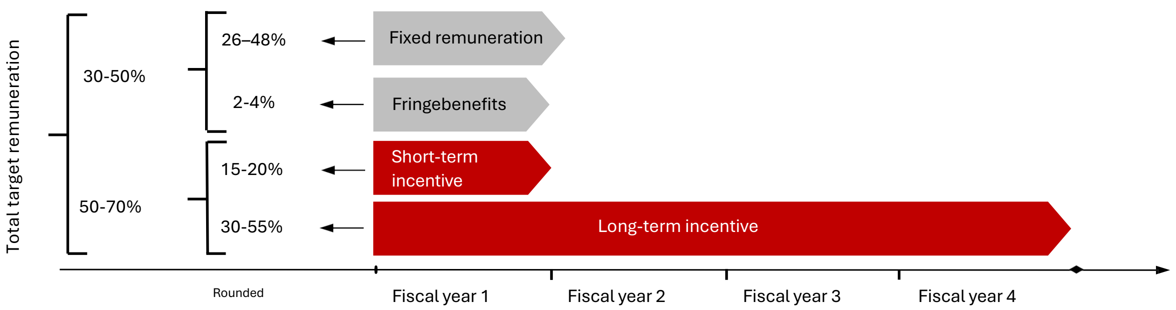
Sustainability component 2: ESG targets

- Determination of two ESG targets by the Supervisory Board, which should be identical for all Management Board members as far as possible, but do not have to be
- Example ESG targets up to 2024
- 1st ESG target: Annual ISO (re-)certifications
- 2nd ESG target: Reduction of CO_2 emissions
- Annual advance payments on payout amount
- Cap: 120% of the target amount

Other remuneration schemes	
Maximum remuneration	Limits on the total remuneration granted for a fiscal year in accordance with section 87a (1) sentence 2 no. 1 AktG
Severance pay cap	Severance payments of a maximum of one year's total remuneration; remuneration for the remaining term of the contract may not be exceeded
Penalty and clawback provision	Penalty: In the event of a serious violation of applicable law in the sense of individual misconduct or organisational culpability, the Supervisory Board may partially reduce or completely eliminate the variable remuneration components (STI/LTI) for the respective assessment period Clawback: Possibility for the Supervisory Board to reclaim variable remuneration already paid out in the event of a subsequent discovery of a penalty event

Determination of target remuneration

TOTAL TARGET REMUNERATION



According to the 2021 remuneration system, the share of non-performance-related remuneration should make up around 30-50% of total target remuneration. The fixed remuneration constitutes around 26-48% of total target remuneration and the regular fringe benefits normally around 2-4%.

The performance-related remuneration should account for around 50-70% of total target remuneration, which directly reflects the pay-for-performance approach. The target amount of the STI accounts for around 15–20% of total target remuneration, while the target amount of the LTI accounts for around 30–55% of total target remuneration. This ensures that the variable remuneration resulting from the achievement of long-term targets exceeds the share resulting from short-term targets.

2. Remuneration system for the Management Board (2024)

Resolution on the approval of the remuneration system for the members of the Management Board

The remuneration system for the members of the Management Board of Francotyp-Postalia Holding AG was adopted by the Supervisory Board - with the support of third-party experts - in accordance with sections 87 (1) and 87a (1) AktG and approved by the Annual General Meeting on 16 June 2024 with a majority of 88.2% of the capital represented. The remuneration system complies with the requirements of the German Stock Corporation Act, in particular the requirements of the Act Implementing the Second Shareholders' Rights Directive (ARUG II), and is based on the recommendations of the German Corporate Governance Code as amended on 28 April 2022.

Disclosures on the remuneration components

The following presentation relates to the Management Board remuneration system approved by the 2024 Annual General Meeting (2024 remuneration system). Where the remuneration of the Management Board members in the 2024 fiscal year deviates from these explanations, this will be explained in the individual presentation of the specific Management Board remuneration for the fiscal year.

The remuneration of the Management Board members is made up of non-performance-related and performance-related components. Linking remuneration to both the short-term and long-term performance of the company can support successful and sustainable corporate governance. At the same time, the choice of suitable performance criteria provides important incentives for implementing the strategic realignment of the Group.

As non-performance-related fixed remuneration, the members of the Management Board receive an annual fixed salary in twelve equal monthly instalments. In the Supervisory Board’s opinion, this provides a secure and predictable income. They may also receive one-off or repeated fringe benefits in the form of non-cash remuneration, such as a company car and insurance premiums.

The performance-related remuneration components comprise short-term variable remuneration (short-term incentive, "STI") and long-term variable remuneration (long-term incentive, "LTI"). The amount of the performance-related remuneration components is determined on the basis of the financial and non-financial targets set by the Supervisory Board.

The short-term component has an assessment period of one year and its assessment factors should include financial and non-financial targets. The assessment factors and their weighting are agreed annually between the Supervisory Board and the Management Board member by the end of the third month of the respective fiscal year at the latest.

The long-term component (LTI) consists of phantom shares, at least 80% of which reflect the development of total shareholder return as a financial performance target and up to 20% of which reflect the fulfilment of one or more ESG targets to be defined as a non-financial performance target.

The phantom shares are allocated to the Management Board member at a strike price and may be linked to a proportion of shares acquired and held by the Management Board member. The waiting period for exercising this right is specified in the employment contract and is generally four years. Up to 20% of the payout amount per phantom share (gross) is calculated according to the degree to which the defined ESG targets are achieved.

The Supervisory Board determines the specific target remuneration for the members of the Management Board. At least 80% of the planned target figures must be achieved in order to be entitled to the agreed bonus components. A target achievement of 120% constitutes the upper limit (cap).

The share of long-term variable remuneration exceeds the share of short-term variable remuneration in total target remuneration. According to the 2024 remuneration system, the share of non-performance-related remuneration should make up around 30-40% of the total target remuneration. The performance-related remuneration should account for around 60-70% of the total target remuneration, which directly reflects the pay-for-performance approach. The STI target amount accounts for around 5-15% of the total target remuneration, while around 45-65% of the total target remuneration is attributable to the LTI target amount. This ensures that the variable remuneration resulting from the achievement of long-term targets exceeds the share resulting from short-term targets.

The Supervisory Board is also authorised to grant the members of the Management Board a discretionary bonus in addition to the aforementioned remuneration components. A discretionary bonus can be decided upon by the Supervisory Board in particular to remunerate special performance by the Management Board

The following table shows the envisaged target remuneration of the Management Board members for the 2024 fiscal year and the respective share of the remuneration components in total remuneration:

TARGET REMUNERATION OF THE MANAGEMENT BOARD

	Friedrich G. Conzen CEO since 01 March 2024		Ralf Spielberger CFO until 24 September 2024		Carsten Lind CEO until 29 February 2024	
Target remuneration for the fiscal year 2024	**2024 in EUR thousand**	**2024 in %**	**2024 in EUR thousand**	**2024 in %**	**2024 in EUR thousand**	**2024 in %**
Basic remuneration	221	85.3%	250	57.3%	175	24.9%
+ fringe benefits	5	1.9%	33	7.6%	14	2.0%
= Total fixed remuneration	226	87.3%	283	64.9%	189	26.9%
Variable remuneration						
+ short-term variable remuneration for 2024	29	11.2%	125	28.7%	75	10.7%
+ long-term variable remuneration (LTI 2)	4	1.5%	28	6.4%	439	62.4%
= Total variable remuneration	33	12.7%	153	35.1%	514	73.1%
= Total remuneration	259	100%	436	100%	703	100%
Share of fixed remuneration in %	87.0%		65.0%		25.0%	
Share of variable remuneration in %	13.0%		35.0%		75.0%	

The target remuneration shown corresponds to the contractually agreed remuneration for the scheduled term of the respective Management Board contracts. Target remuneration was determined on the basis of 100% target achievement for the variable remuneration components.

The current members of the Management Board have not received any pension commitments.

Disclosures on shares and share options

The members of the Management Board do not receive any remuneration components in the form of shares or options on shares in Francotyp-Postalia Holding AG. The long-term variable remuneration of the Management Board is related to the share price development of Francotyp-Postalia Holding AG via phantom shares.

As part of the LTI 1 remuneration component, there was an obligation for Mr Lind and Mr Spielberger to acquire 8%, respectively, of the allocated virtual share options as shares in the company and to hold them for four years from the date of acquisition (Share Ownership Guidelines). Both left the company in the 2024 fiscal year. Mr Conzen has not acquired any shares in the company.

Information on the clawback of variable remuneration components

In the opinion of the Supervisory Board, the remuneration of the members of the Management Board ensures that special performance is rewarded appropriately and that any failure to meet targets leads to a noticeable reduction in remuneration. In addition, the employment contract of the current Management Board member stipulates that the Supervisory Board may reduce the amount paid out by up to 100% in the event of a wilful or grossly negligent breach of official duties during the assessment period relevant for the variable remuneration - i.e. during the respective fiscal year in the case of the STI and during the four-year assessment period in the case of the LTI. If the penalty event is only discovered subsequently, the Supervisory Board may also reclaim all or part of a variable remuneration component that has already been paid out, provided the payment date is less than three years in the past. No variable remuneration components were reclaimed or withheld in the 2024 fiscal year.

Information on deviations from the remuneration system in the 2024 fiscal year

The company had concluded an employment contract with Carsten Lind before the 2021 remuneration system was adopted. Consequently, it did not apply in all respects to this contract. The company also concluded an employment contract with Friedrich Conzen before the 2024 remuneration system was adopted. Consequently, it did not apply in all respects to this contract.

Disclosures on the implementation of the Annual General Meeting resolution

The remuneration system for the Management Board is taken into account when new Management Board employment contracts are concluded with the company and when they are renewed. The 2021 remuneration system was therefore not yet fully applied to the remuneration of Carsten Lind and the 2024 remuneration system was not yet fully applied to the remuneration of Friedrich Conzen.

Remuneration granted and owed

The remuneration granted and owed to the respective members of the Management Board of the company is as follows. As the compensation granted and owed is not always accompanied by a payment in the respective fiscal year, the STI is reported for the fiscal year in which the activity underlying the compensation was fully performed. The LTI 1, i.e. the virtual share options or phantom shares, is reported in the year of issue with a purely arithmetical value from the number of virtual options issued multiplied by the fair value at the grant date. LTI 2 is reported with the annual progress payments and, after the four-year bonus period has been reached, the difference is reported over the actual target achievement less the progress payments already made.

REMUNERATION OF THE MANAGEMENT BOARD (GRANTED AND OWED)

	Active members of the Management Board on 31 December 2024					Former members of the Management Board	
	Friedrich G. Conzen CEO since 01 March 2024	**Ralf Spielberger CFO 01 October 2022 to 24 September 2024**		**Carsten Lind CEO 01 June 2020 to 29 February 2024**		**Ralf Spielberger 25 September 2024 to 31 December 2024**	**Carsten Lind 01 March 2024 to 31 May 2024**
in EUR	**2024**	**2024**	**2023**	**2024**	**2023**	**2024**	**2024**
Fixed remuneration	220,833	187,500	250,000	70,000	420,000	62,500	105,000
Fringe benefits	4,595	26,987	35,349	7,890	32,877	5,990	6,067
Total fixed remuneration	**225,428**	**214,487**	**285,349**	**77,890**	**452,877**	**68,490**	**111,067**
Short-term variable remuneration (STI)	29,166	-	-	25,000	-	-	-
Long-term variable remuneration (LTI 2)	4,166	28,000	28,000	439,167	40,000	-	-
Severance payment	-	300,000	-	-	-	-	-
Total variable remuneration	**33,332**	**328,000**	**28,000**	**464,167**	**40,000**	-	-
Total remuneration	**258,760**	**542,487**	**313,349**	**542,057**	**492,877**	**68,490**	**111,067**
Share of fixed remuneration in %	87.0%	40.0%	91.0%	14.0%	92.0%	100.0%	100.0%
Share of variable remuneration in %	13.0%	61.0%	9.0%	86.0%	8.0%	0.0%	0.0%

Disclosures on compliance with the maximum remuneration

In accordance with section 87a (1) sentence 2 no. 1 AktG, the Supervisory Board has set a maximum remuneration in the 2024 remuneration system that limits the total amount of remuneration actually granted for a specific fiscal year (fixed remuneration + fringe benefits + payment from STI + payment from LTI). According to the 2024 remuneration system, this amounts to EUR 4,000,000 gross for the Chairman of the Management Board and EUR 2,000,000 gross each for the ordinary members of the Management Board.

The maximum remuneration was complied with for Management Board members Carsten Lind and Ralf Spielberger in the 2024 fiscal year. It is not possible to verify compliance with the maximum remuneration if it still depends on the inflow of variable remuneration components in future years. It is therefore not yet possible to report on compliance with the maximum remuneration for Friedrich Conzen in the 2024 fiscal year; the contractually agreed maximum remuneration amounts to EUR 2,500,000.

Explanation of variable remuneration components

I. Friedrich Conzen, sole Managing Director

Mr Conzen's employment contract provides for an annual bonus (STI), which is based on two to four key figures of the budget approved by the Supervisory Board. If 100% of the target is achieved, the annual bonus amounts to EUR 35,000. The prerequisite for the annual bonus is a target achievement of more than 80%; the maximum amount (cap) is a 120% target achievement. The Supervisory Board has not agreed any targets with Mr Conzen for the 2024 fiscal year. At the time of reporting, there was no agreement between the Management Board and the Supervisory Board on the granting of variable remuneration components for the 2024 fiscal year. The pro rata annual bonuses for the 2024 fiscal year are paid in the month following the resolution by the Annual General Meeting on the annual financial statements and are therefore included in the table as "granted".

Mr Conzen was granted a total of 300,000 virtual share options as LTI, first component, at the beginning of the four-year bonus period on 1 March 2024, at a strike price of EUR 3.50. However, as a prerequisite for this allocation of virtual share options, Mr Conzen must acquire 8% of the number of virtual share options allocated to him as real shares within one month of the allocation date and hold them for a period of four years from the date of acquisition or - if the shares are already held on the allocation date - from the allocation date (vesting period). Mr Conzen has not acquired any shares.

One quarter of the virtual share options will vest after 12, 24, 36 and 48 months, respectively. Depending on the exercise price, which does not have to meet any minimum amount, and the timing of the exercise declaration, it is not possible to determine the amount of the LTI until later. The amount is limited to EUR 15 per virtual share option (cap). The virtual share options were not allocated in the 2024 fiscal year, therefore no fair value at grant was determined.

Sustainability targets were also agreed with Mr Conzen as the second component of the LTI. Half of these ESG criteria relate to the successful re-certification of five ISO certifications and half to the reduction of CO2 emissions. On the agreed LTI targets of this second component (ESG), Mr Conzen will receive annual advance payments of EUR 5,000, which will be offset at the end of the assessment period of four years. The prerequisite is a target achievement of more than 80%. If 100% of the target is achieved, this LTI amounts to EUR 50,000. The maximum payout amount from sustainability component 2 is limited to a total of 120% of the target value. Payment will be made in the month after the bonus period expires and achievement of the agreed targets can be determined, presumably in the 2028 fiscal year.

Overall, the Supervisory Board has therefore linked the remuneration to both the short-term and long-term development of the company so that it supports successful and sustainable corporate governance. At the same time, the suitable performance criteria selected by the Supervisory Board provide important incentives for implementing the strategic realignment of the Group. Linking LTI 1 to the development of the share price also ensures a high degree of alignment of interest with that of shareholders.

II. Ralf Spielberger, Chief Financial Officer until 24 September 2024

The Supervisory Board has not agreed any targets with Mr Spielberger for the annual bonus for the 2024 fiscal year. In the termination agreement between the Supervisory Board and Mr Spielberger, it was mutually agreed that no annual bonus would be owed for the 2024 fiscal year.

Mr Spielberger was granted a total of 240,000 virtual share options as LTI, first component, at the beginning of the four-year bonus period on 1 October 2022, at a strike price of EUR 3.10. One quarter of the virtual share options will vest after 12, 24, 36 and 48 months, respectively. Depending on the exercise price, which does not have to meet any minimum amount, and the timing of the exercise declaration, it is not possible to determine the amount of the LTI until later. The amount is limited to EUR 15 per virtual share option (cap). In accordance with the termination agreement, the LTI was properly settled at the termination date. Mr Spielberger did not receive any payment from this. The share options were granted in the 2022 fiscal year at a fair value (fair value at grant) of EUR 197 thousand. The revaluation in accordance with IFRS 2.30 as at the end of the reporting period resulted in a fair value of EUR 0 thousand. The corresponding provision was recognised as income in the 2024 annual financial statements.

Furthermore, sustainability targets were agreed with Mr Spielberger. In the termination agreement, it was mutually agreed that this variable remuneration was not owed, not even on a pro rata basis.

The Supervisory Board has therefore linked the remuneration to both the short-term and long-term development of the company so that it supports successful and sustainable corporate governance. At the same time, the suitable performance criteria selected by the Supervisory Board provide important incentives for implementing the Group’s corporate strategy. Linking LTI 1 to the development of the share price also ensures a high degree of alignment of interest with that of shareholders.

III. Carsten Lind, Chairman of the Management Board until 29 February 2024

The Supervisory Board has not agreed any targets with Mr Lind for the annual bonus for the 2024 fiscal year. In the termination agreement, it was agreed that Mr Lind would receive a pro rata annual bonus of EUR 25,000 for the 2024 fiscal year.

Mr Lind was granted a total of 350,000 virtual share options as LTI, first component, at the beginning of the four-year bonus period on 1 June 2020, at a strike price of EUR 3.60. One quarter of the virtual share options will vest after 12, 24, 36 and 48 months, respectively. Depending on the exercise price, which does not have to meet any minimum amount, and the timing of the exercise declaration, it would not be possible to determine the amount of the LTI until later. The amount was limited to

EUR 15 per virtual share option (cap). The share options were granted in the 2020 fiscal year at a fair value (fair value at grant) of EUR 221 thousand. The revaluation in accordance with IFRS 2.30 as at the end of the reporting period resulted in a fair value of EUR 23 thousand. The change in valuation was recognised in profit or loss. At the same time, the corresponding provision of EUR 85 thousand was recognised as income in the 2024 annual financial statements. In the termination agreement, it was mutually agreed that the fourth quarter of the virtual share options would also vest and become exercisable from 1 June 2024.

Furthermore, sustainability targets were agreed with Mr Lind. Half of these ESG criteria relate to the successful re-certification of five ISO certifications and half to the reduction of CO2 emissions. On the agreed LTI targets of this second component (ESG), Mr Lind will receive annual advance payments of EUR 40,000, which will be offset at the end of the assessment period of four years. The prerequisite is a target achievement of more than 80%. If 100% of the target is achieved, this LTI amounts to EUR 280,000. The cap (120% target achievement) is a bonus amount of EUR 560,000. The termination agreement stipulates that the target achievement for this remuneration component is 120% and that EUR 439,167 will therefore still be paid out, taking into account the previous advance payments.

The Supervisory Board has therefore linked the remuneration to both the short-term and long-term development of the company so that it supports successful and sustainable corporate governance. At the same time, the suitable performance criteria selected by the Supervisory Board provide important incentives for implementing the strategic realignment of the Group. Linking LTI 1 to the development of the share price also ensures a high degree of alignment of interest with that of shareholders.

Explanation of the information on former members of the Management Board

In the 2024 financial year, pension payments totalling EUR 77 thousand (previous year: EUR 64 thousand) were granted to former members of the Management Board.

Defined benefits from third parties

The members of the Management Board have not received any defined benefits from third parties, neither within nor outside the Group, in connection with their activities as members of the Management Board of Francotyp-Postalia Holding AG.

Benefits in the event of premature termination

In the event that the appointment is revoked by the company, the employment contract shall end at the end of the month following a notice period of three months from the revocation of the appointment of the Management Board member.

If the appointment to the Management Board is revoked for good cause that is not covered within the meaning of section 626 BGB for the summary cancellation of the employment contract, the employment contract shall only end upon expiry of a notice period of three months to the end of the month following the revocation of the appointment of the Management Board member. In this case, the Management Board member is entitled to a lump-sum severance payment due on the date of legal termination in the amount of 75% of their last annual remuneration consisting of fixed salary and annual bonus, but excluding the long-term bonus and other remuneration components of their employment contract, up to a maximum total of the fixed remuneration entitlements for the remaining term of the contract.

In the event of other premature termination of the employment contract without good cause in accordance with section 626 BGB, the parties may agree separate arrangements; in this case, payments to member of the Management Board including fringe benefits may not exceed the value of one year’s remuneration (severance pay cap) and may not remunerate more than the remaining term of the employment contract. The calculation of the severance payment entitlement and the severance pay cap is based on the total remuneration (i.e. the total remuneration within the meaning of section 285 no. 9 a) HGB) of the last full fiscal year; before the end of the first fiscal year, the current fiscal year (pro rata) is used as the basis.

If the appointment is revoked pursuant to section 84 (3) AktG in connection with a change of control at the instigation of a new majority shareholder and the revocation is not based on good cause pursuant to section 626 BGB, the severance payment claim increases to the amount of the total annual remuneration (i.e. the total remuneration within the meaning of section 285 no. 9 a) HGB) for the last full fiscal year, but to a maximum of the amount of the remuneration claims for the remaining term of the contract.

The Supervisory Board may determine that a member of the Management Board who leaves their employment due to a serious breach of duty ("bad leaver situation") can no longer exercise the vested virtual share options or those that are already due for exercise. All virtual share options then expire without remuneration.

Should a post-contractual non-competition clause be agreed with a member of the Management Board in the future, the severance pay would be offset against the competition indemnity.

Benefits in the event of regular termination

No separate provisions have been made for the case of regular termination of a Management Board contract and no agreements have been concluded in this respect. In particular, no benefits have been promised by the company for a retirement pension.

Outlook for the 2025 fiscal year from a remuneration perspective

The Supervisory Board has not resolved any adjustments to the remuneration amounts or changes to the remuneration system.

3. Remuneration system for the Supervisory Board

Resolution on the remuneration system for the members of the Supervisory Board

The Annual General Meeting decides on the remuneration of the members of the Supervisory Board. The remuneration is set out in article 17 of the company's Articles of Association. The Management Board and Supervisory Board regularly review the remuneration of the Supervisory Board members. If they come to the conclusion that an adjustment is necessary, they propose it to the Annual General Meeting. The last change to the remuneration system was approved at the 2022 Annual General Meeting with a majority of 99.69% of the capital represented.

Structure and application of the remuneration system for the Supervisory Board

The remuneration system for the Supervisory Board is governed by the Articles of Association and provides both the abstract and the concrete framework for the remuneration of Supervisory Board members. This ensures that the remuneration of Supervisory Board members is always in line with the remuneration system resolved by the Annual General Meeting.

The remuneration of the members of the Supervisory Board consists of a basic remuneration and supplements granted for assuming certain functions in view of the additional workload involved.

The members of the Supervisory Board receive fixed annual remuneration of EUR 40,000 (previous year: EUR 40,000) for each full fiscal year in office. For the Chairman, the fixed remuneration is 200% (previous year: 200%) of the remuneration of the other members of the Supervisory Board. As in the previous year, the Vice Chairman does not receive a supplement to the basic remuneration.

Due to the increased preparation and workload regularly associated with this and in accordance with recommendation G.17 GCGC, the members of the Supervisory Board receive additional annual remuneration of 10% of their basic remuneration for each membership of a committee, provided that such a committee has met at least twice in the fiscal year in question. Given its number of three members, the Supervisory Board has not currently established any committees.

Supervisory Board members who have not belonged to the Supervisory Board for a full fiscal year or who have not held the position of Chairman or Deputy Chairman of the Supervisory Board for a full fiscal year receive remuneration on a pro rata basis, rounded up to full months.

The remuneration is paid in the last month of the respective fiscal year.

The company provides the members of the Supervisory Board with insurance cover at an appropriate level for the performance of their Supervisory Board work and pays the premiums due for this. In addition, the company reimburses each Supervisory Board member for appropriate and proven expenses incurred in performing his or her duties, as well as for any value-added tax payable on the remuneration.

There is no variable remuneration for members of the Supervisory Board that is dependent on the achievement of specific successes or targets. The Supervisory Board can thus gear its decisions to the good of the company and thus to a long-term business strategy and sustainable development without pursuing any other motives. Due to the special nature of Supervisory Board remuneration, which differs fundamentally from the activities of employees of the company because of its supervisory nature, there is no vertical comparison with employee remuneration.

In the future, the Annual General Meeting will resolve on the remuneration of the members of the Supervisory Board at least every four years. In future, the Supervisory Board will therefore conduct an analysis of its remuneration at least every four years in order to submit a corresponding resolution proposal to the Annual General Meeting together with the Management Board. In the 2024 fiscal year, the remuneration system for the Supervisory Board was applied in all aspects as regulated in the revised article 17 of the company's Articles of Association. The members of the Supervisory Board did not receive any further remuneration or benefits in the reporting year for services provided personally – in particular, consulting and mediation services. The members of the Supervisory Board were not granted any loans or advances, and no contingent liabilities were entered into in their favour.

Individualised disclosure of Supervisory Board remuneration

The following table shows the remuneration of the members of the Supervisory Board in the past fiscal year in accordance with section 162 AktG, whereby the remuneration is attributed to the fiscal year in which the underlying activity was fully performed ("vesting-oriented view"):

REMUNERATION OF THE SUPERVISORY BOARD (GRANTED AND OWED)

In EUR		2024	2023
Dr Dirk Markus	Member since 25 June 2024, Chairman of the Supervisory Board	**41,644**	0
Paul Owsianowski	Member since 25 June 2024	**20,822**	0
Dr Martin Schoefer	Member since 25 June 2024	**20,822**	0
Dr Alexander Granderath	Member until 25 June 2024	**23,562**	80,000
Klaus Röhrig	Member until 25 June 2024	**19,507**	40,000
Johannes Boot	Chairman of the Supervisory Board until 25 June 2024	**34,959**	21,918
Lars Wittan	Member until 14 June 2023	**0**	18,082
Total remuneration		**161,315**	**160,000**

Comparative presentation of remuneration and earnings performance

The following comparative presentation shows the annual change in the remuneration of current and former Management Board and Supervisory Board members, the company's earnings performance and the remuneration of employees on a full-time equivalent basis. The average remuneration of employees includes employee benefit expenses for wages and salaries, for fringe benefits, for employer contributions to social security and for any short-term variable remuneration components attributable to the fiscal year. Thus, the remuneration of employees - in line with the remuneration of the Management Board and the Supervisory Board - also corresponds in principle to the remuneration granted and owed within the meaning of section 162 (1) sentence 1 AktG. Employee remuneration (except for apprentices and temporary workers) was based on the average wages and salaries of the Group's employees in Germany in the respective fiscal year.

Change in %	2021 to 2020	2022 to 2021	2023 to 2022	2024 to 2023
Current members of the Management Board				
Friedrich G. Conzen (since 01 March 2024)	n.a.	n.a.	n.a.	**100.0**
Former members of the Management Board				
Ralf Spielberger (until 24 September 2024)	n.a.	n.a.	0.2	**94.8**
Carsten Lind (until 29 February 2024)	37.9	9.8	-46.8	**32.4**
Martin Geisel (until 30 September 2022)	n.a.	11.9	n.a.	**n.a.**
Patricius de Gruyter (until 31 May 2021)	-55.8	-100.0	n.a.	**n.a.**
Rüdiger A. Günther (until 10 November 2020)	-1.9	-100.0	n.a.	**n.a.**
Sven Meise (until 11 January 2021)	-10.8	-100.0	n.a.	**n.a.**
Current members of the Supervisory Board (since 25 June 2024)				
Dr Dirk Markus	n.a.	n.a.	n.a.	**100.0**
Paul Owsianowski	n.a.	n.a.	n.a.	**100.0**
Dr Martin Schoefer	n.a.	n.a.	n.a.	**100.0**
Former members of the Supervisory Board				
Dr Alexander Granderath (until 25 June 2024)	608.4	77.7	0.0	**-70.5**
Johannes Boot (until 25 June 2024)	n.a.	n.a.	100.0	**59.5**
Klaus Röhrig (until 25 June 2024)	-22.3	33.3	0.0	**-51.2**
Lars Wittan (until 14 June 2023)	606.5	6.7	-54.8	**-100.0**
Botho Oppermann (until 10 November 2020)	-100.0	n.a.	n.a.	**n.a.**
Dr Mathias Schindl (until 10 November 2020)	-100.0	n.a.	n.a.	**n.a.**
Development of the company				
Net profit of Francotyp-Postalia Holding AG (HGB)[1]	360.0	-117.9	n.a.	**-82.9**
EBITDA of the FP Group (IFRS)	111.1	49.6	12.3	**-8.3**
Average remuneration of employees	2.6	5.1	6.0	**3.6**

[1] The net profit of Francotyp-Postalia Holding AG amounted to EUR 24.5 million in 2023 and EUR 4.2 million in 2024.

The information on the remuneration of the members of the Management Board is based on the remuneration granted and owed.

Berlin, 24 April 2025

Friedrich Conzen

CEO

Dr. Dirk Markus

Chairman of the Supervisory Board

Independent auditor's report on the formal audit of the remuneration report in accordance with Section 162 (3) AktG

To Francotyp-Postalia Holding AG, Berlin,

Audit opinion

We have formally audited the remuneration report of Francotyp-Postalia Holding AG, Berlin, for the financial year from January 1, 2024 to December 31, 2024 to determine whether the disclosures pursuant to Section 162 (1) and (2) AktG have been made in the remuneration report. In accordance with § 162 Abs. 3 AktG, we have not audited the content of the remuneration report.

In our opinion, the disclosures pursuant to Section 162 (1) and (2) AktG have been made in all material respects in the accompanying remuneration report. Our opinion does not cover the content of the remuneration report.

Basis for the audit opinion

We conducted our audit of the remuneration report in accordance with § 162 Abs. 3 AktG and IDW Auditing Standard: The Audit of the Remuneration Report in Accordance with Section 162 (3) AktG (IDW PS 870). Our responsibilities under those requirements and this standard are further described in the "Auditor's Responsibilities" section of our report. As an audit firm, we have fulfilled the requirements of the IDW Quality Assurance Standard: Requirements for Quality Assurance in the Auditing Practice (IDW QS 1). We have complied with the professional requirements of the German Public Auditors' Code and the Professional Code for German Public Auditors/Sworn Auditors, including the independence requirements.

Responsibility of the Management Board and the Supervisory Board

The Management Board and the Supervisory Board are responsible for the preparation of the remuneration report, including the related disclosures, in accordance with the requirements of Section 162 AktG. In addition, they are responsible for such internal control as they have determined necessary to enable the preparation of a remuneration report that is free from material misstatement, whether due to fraud or error.

Responsibility of the auditor

Our objective is to obtain reasonable assurance about whether the remuneration report includes, in all material respects, the disclosures required by section 162 (1) and (2) AktG and to issue an opinion on these disclosures in an auditor's report.

We have planned and performed our audit such that we can ascertain the formal completeness of the remuneration report by comparing the disclosures made in the remuneration report with the disclosures required by section 162 (1) and (2) AktG. In accordance with § 162 Abs. 3 AktG, we have not audited the content of the disclosures, the completeness of the individual disclosures or the fair presentation of the remuneration report.

Dealing with any misleading representations

In connection with our audit, our responsibility is to read the remuneration report in the light of our knowledge obtained in the audit and, in doing so, to consider whether the remuneration report includes misrepresentations with regard to the accuracy of the content of the information, the completeness of the individual disclosures or the fair presentation of the remuneration report.

If, based on the work we have performed, we conclude that there is such a misrepresentation, we are required to report that fact. We have nothing to report in this context.

Berlin, 24 April 2025

BDO AG

Wirtschaftsprüfungsgesellschaft

(signed) Sartori	(signed) Behrendt
German Public Auditor	German Public Auditor

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