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COMBINED GROUP MANAGEMENT REPORT

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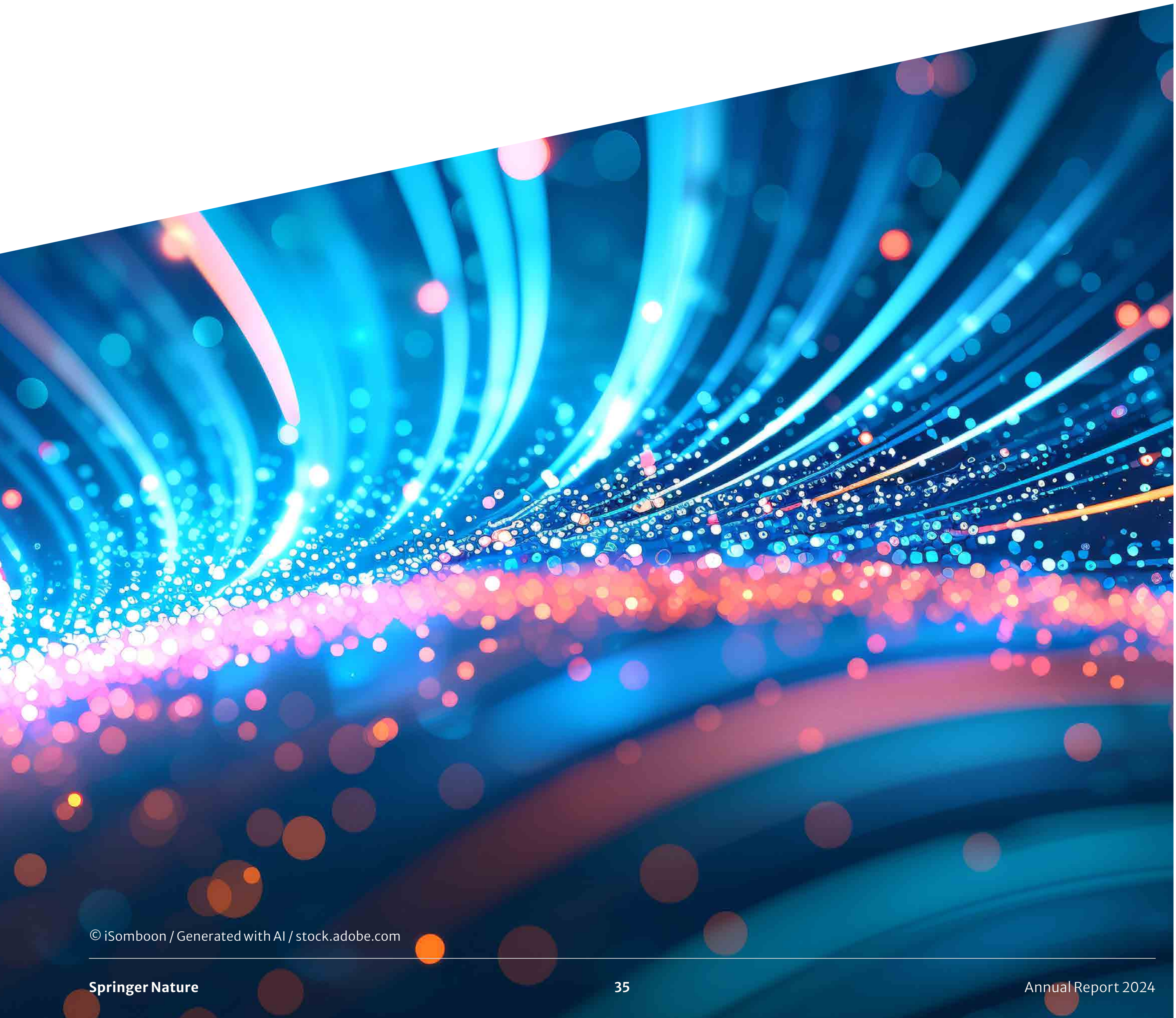

COMBINED GROUP MANAGEMENT REPORT ON THE FINANCIAL YEAR FROM 1 JANUARY TO 31 DECEMBER 2024

This management report relates to Springer Nature AG & Co. KGaA, referred to as the 'company' when considering the legal entity and referred to as the 'Group' or 'Springer Nature' when considering the entire group of companies and subsidiaries directly or indirectly controlled by the company.

CORPORATE INFORMATION

Structure and business locations of the Group

Springer Nature is one of the world's leading publishers of research. We publish the largest number of journals and books and are a pioneer in open research.[1] Through our leading brands, trusted for more than 180 years, we provide technology-enabled products, platforms and services that help researchers to uncover new ideas and share their discoveries, health professionals to stay at the forefront of medical science and educators to advance learning. We are proud to be part of progress, working together with the communities we serve to share knowledge and bring greater understanding to the world.

Springer Nature AG & Co. KGaA is a listed partnership limited by shares, incorporated in Germany with its registered office in Berlin (registered address: Heidelberger Platz 3, 14197 Berlin, Germany). As it is a partnership limited by shares, management and control are strictly separated. The corporate bodies of Springer Nature AG & Co. KGaA are the Supervisory Board, the General Shareholders' Meeting and the General Partner Springer Nature Management Aktiengesellschaft (GP).

The shareholders of the GP are Springer Science+Business Media Galileo Participation S.à r.l. (SSBMG), Luxembourg, and GvH Vermögensverwaltungsgesellschaft XXXIII mbH (GvH 33), Stuttgart, and together the majority shareholder. Due to contractual agreements, the majority shareholders have joint control over the company and the GP. The shares in SSBMG are indirectly held by funds advised by BC Partners LLP (BC Partners) and other co-investors. GvH 33 is a 100% subsidiary of the Holtzbrinck Publishing Group. For more details, see Corporate governance statement.

As at 31 December 2024, Springer Nature comprised 109 fully consolidated entities, 90 of which are abroad, with more than 9,000 employees in more than 40 countries. The consolidated subsidiaries of the Group are listed in note 39 of the Consolidated financial statements.

Business activities and organisational structure of the Group

In the year covered by this report, we operated four main segments: Research, Health, Education and Professional. With effect from 1 January 2025, Professional, which accounted for less than 1.0% of our revenue in financial year 2024, was incorporated into our Research segment.

Research

Our Research segment focuses on the worldwide publication of science, technical and medical (STM) content primarily through journals and books and also offers research services.

Within the Research segment, the Journals division publishes and sells academic journals under our trusted brands Nature Portfolio and Springer, across all research disciplines, to academic research libraries, libraries of research-intensive institutions, libraries at government agencies and corporate libraries worldwide. The majority of Nature Portfolio and Springer content is published in journals, which are generally available through a subscription-based model and, to a lesser extent, through retail sales of single issues. Journal subscriptions are offered both as packages and as individual titles. The subscription models are generally based on multi-year terms for journals with an average contract term of three years but can range up to five years. The majority of the usage and readership takes place online but there remains a relevant print customer base. In addition, we enter into transformative agreements (TAs) where academic institutions pay a fee to publish an agreed number of open access (OA) articles in the respective journal portfolio and to obtain read access to a defined portfolio of our subscription journals. Our portfolio of 64 Nature journals includes the flagship journal *Nature* – first published 155 years ago – and the Nature Research and Nature Review journals. Publishing for more than 180 years, the Springer journal portfolio now includes around 2,200 journals. Springer supports the scientific community by offering formats, tools, and platforms that provide the most comprehensive variety of research to early-career researchers and help experienced authors share their knowledge with the next generation. With Springer Link (now Springer Nature Link), Springer pioneered early digitisation, enabling scientific publications to be purchased and read online. Our full OA offering consists of 700 research journals based on the so-called Gold OA model, published through trusted brands, including BMC, *Scientific Reports* and *Nature Communications*. All activities in this area are online only. While article authors pay a single article processing charge (APC) for the publication of their work, consumers access the article free of charge.[2]

1 Based on Journal Citation Reports (JCR) 2023. English language books as of 2023 according to puballey.com.
2 Number of journals listed in the 2024 price list catalogue.

In our Books division we offer books in print and digital formats across all scientific disciplines and in areas of applied research. Through trusted brands including Springer and Palgrave Macmillan, we publish a broad range of book types such as monographs, textbooks, proceedings, handbook series, reference works, briefs and more. While print books are typically sold as individual copies, eBooks are sold in packages relating to a specific research discipline – that is, as customised/flexible eBook collections and as individual titles. Renewable eBook package multi-year subscription contracts typically have an average contract term of three years, which can range up to five years, and relate to the new frontlist titles of a full copyright year. They may also include limited backlist publications as part of the licence agreement, particularly in new customer contracts. Due to the growing demand for OA and the success of our OA journals, we expanded our offering to OA books where the author is paying a book processing charge (BPC) and access to the content is free of charge.

In our Services division, we empower researchers, institutions and industry professionals with trusted insights, AI-powered tools and expert-driven services that drive scientific discovery, career development and research impact. Our data and analytics solutions provide data and insights to researchers, funders, institutional leaders and professionals in the life sciences industries to make faster, better-informed decisions. Key products include Nature Research Intelligence, AdisInsight, Springer Nature Experiments, protocols.io and SpringerMaterials.
Our professional development and career services, including Nature Masterclasses and Nature Careers, help researchers build essential skills and connect with career opportunities. Additionally, through services such as Nature Conferences, advertising and custom media, we help organisations enhance their reputation, engage key audiences and promote their products. By integrating data-driven insights, career development and promotional services, we provide a comprehensive ecosystem that helps the research community succeed in an increasingly complex landscape.

Health
Our Health segment comprises four business divisions: Springer Medizin, BSL, Springer Healthcare and Cureus.
Our Springer Medizin division provides high-quality specialist information and services for professionals in the German-speaking healthcare sector, while BSL provides publications, learning solutions and services for healthcare professionals and students in the Netherlands. The Springer Healthcare division provides content and services that support the dissemination and education around drug treatment, devices and diagnostics to healthcare professionals around the world. The Cureus division includes, among others, a multi-speciality, online-only journal that focuses on OA publishing of peer-reviewed articles by medical professionals.

Education
Our Education segment provides teaching and learning materials for global markets in English Language Teaching (ELT) and K–12 Curriculum, published for more than 180 years under our trusted and leading Macmillan Education brand. Key customers are the public and private school systems, individual schools in the respective markets, and individual teachers, students and learners. The ELT division focuses mainly on selling content globally, but with key markets in Poland, Mexico and Spain. The K–12 Curriculum division creates learning materials to fit with the general school (K–12) curricula of countries around the world, with key markets in India, Mexico and South Africa.

Professional
Our Professional segment provides tailored information and services for professionals in the automotive, engineering, management and materials sectors in Germany. In 2023, until it was sold in mid-June, it also included the Transport/Road Safety Education (RSE) business.

GROUP STRATEGY

At Springer Nature, we are proud to be part of progress, working together with the communities we serve to share knowledge and bring greater understanding to the world. Every day our books, journals, platforms and technology solutions reach millions of people, helping researchers to uncover new ideas and share their discoveries, health professionals to stay at the forefront of medical science and educators to advance learning. Through our leading brands, trusted for more than 180 years, and our steadfast commitment to the most rigorous standards, we help accelerate solutions to the world's urgent challenges.

We have a clear strategy aligned to our mission. This is based on our position as the world's largest publisher of research journals and books, the expertise of our people, our robust and innovative technology, and our relationships with our customers and wider communities. This puts us in a strong position to grow our revenue and adjusted operating profit faster than the market, empowering researchers, teachers and healthcare professionals to have a positive impact on society.

Our strategy is based on four key pillars:

1 drive the OA transition

2 leverage technology and AI with domain expertise

3 keep Springer Nature a great place to work

4 increase performance and efficiency while growing responsibly and sustainably.

Drive the OA transition

OA remains our number one growth driver as we see further adoption in the market. We continue to grow our market share in full OA through targeted investments and geographical expansion. We have pioneered TAs, and will further expand their number. To accelerate the next phase of the OA transition, we are investing in technology and AI, with a particular focus on protecting the integrity and trust of research. We also work closely with institutions and funders globally to make the transition affordable, simple and scalable.

Leverage technology and AI with domain expertise

Technology and AI, in combination with domain expertise, allow us to sustain and grow our revenue and provide new services. Through these, we are committed to adopting an ethically focused AI approach that places human-centred values at the core of responsible AI use. We continue to employ AI to make our content more accessible and increase usage. In addition, we develop AI products tailored to our communities and their workflows. Technology, particularly AI, is transforming the publishing process and enabling us to ensure integrity and enhance quality, while increasing speed and efficiency in our core processes. Central to this is Snapp – our home-grown article processing platform – which we continue to scale and improve to better meet our users' needs.

Keep Springer Nature a great place to work

Our business is a people business. Our highly skilled people are the foundation of our success and are driven by our mission to be part of progress. We invest in supporting them to reach their full potential and strive to be a global employer of choice. We support inclusivity within our company and the communities we serve as we strive to build strong relationships with them.

Increase performance and efficiency while growing responsibly and sustainably

We strive for operational excellence while identifying additional savings, enabling us to offer our customers good value for money, further invest in the business and improve our financial performance. Our objective is to maintain continuous cost control across all our businesses, including by utilising innovative technology. We do this while we take responsibility for our impact on our communities and the planet. We set targets to reduce the effect of our operations on the planet with emission reduction targets across the value chain, validated by the Science Based Targets initiative. And we want to remain the publisher of choice for content related to the Sustainable Development Goals (SDGs).

In addition to the four key pillars, we have an active portfolio management programme that allows us to consider acquiring, selling or discontinuing businesses or areas of activity to redeploy capital towards our most rewarding areas.

MANAGEMENT SYSTEM

Springer Nature's main focus is on achieving organic growth while aiming at sustainably increasing profitability and the long-term value of the Group. Our internal management system is intended to support the Management Board and management of our Group, segments and business divisions so their decision making and activities are aligned with these objectives. To increase the Group's value, we focus on continually growing free cash flow and effective capital allocation. The most important targets and indicators for the Group's financial performance are revenue and operating profitability. Revenue and adjusted operating profit have therefore been identified as our key performance indicators. These KPIs are also embedded in the remuneration system of the Management Board.

Our internal management planning and reporting system has been designed to provide instruments and insight to assess the current performance of our business activities and derive future strategy and investment decisions. KPIs and other financial metrics that we consider important are regularly monitored and compared against targets. When deviations exist between actual and target numbers, we perform detailed analysis to identify and address the cause.

Key performance indicators

Revenue
The recognition of revenue follows the provisions under IFRS 15 Revenue from contract with customers.

Adjusted operating profit
We define adjusted operating profit as the result from operations before gains/losses from the acquisition/disposal of businesses/investments, amortisation/depreciation and impairment of acquisition-related assets and exceptional items. Exceptional items relate to effects unusual in nature and occurring infrequently outside the ordinary course of business. Amortisation/depreciation and impairment of acquisition-related assets relate to fair value adjustments recognised in connection with business combinations.

Results from operations
– Purchase price accounting-related amortisation and depreciation
– Exceptional items
– Gains/+losses from the acquisition/disposal of businesses/ investments
= Adjusted operating profit

Other financial performance indicators

Adjusted EBITDA (earnings before interest, tax, depreciation and amortisation)
Adjusted EBITDA is defined as EBITDA adjusted for gains/ losses from acquisition/disposal of businesses/investments, and exceptional items relating to effects of an unusual nature and occurring infrequently outside the ordinary course of business.

Underlying adjusted operating profit margin
Underlying adjusted operating profit margin is the ratio of underlying adjusted operating profit to underlying revenue.

Net financial debt
Net financial debt is defined as long- and short-term interest-bearing loans and borrowings and long- and short-term lease liabilities net of cash and cash equivalents.

Financial leverage
Financial leverage is defined as net financial debt divided by adjusted EBITDA for the past 12 months.

Free cash flow
Free cash flow is defined as the sum of net cash from operating activities and cash paid for investments in intangible assets, investments in property, plant and equipment, investment in content (summarised as investments) and cash repayments of lease liabilities (lease repayments), and cash received for interest/cash paid for interests and financing-related fees (net interests and financing-related fees).

Net cash from operating activities
– Investments
– Lease repayments
– Net interests and financing-related fees
= Free cash flow

Underlying change
Given that year-on-year comparisons may be influenced by movements in foreign currency exchange rates, changes in the business portfolio and accounting changes, we have defined underlying change for revenue and adjusted operating profit as additional performance indicators.

To eliminate foreign exchange effects for the period-to-period comparison, the currency conversion for group entities that have a functional currency other than the euro is conducted using the same average exchange rates as those used for the respective comparison period. In addition, revenue denominated in a contract currency other than the functional currency of the respective group entity is also considered and re-translated assuming the same average exchange rate used for the period-to-period comparison. The currency conversion of the statements for profit or loss from entities in hyperinflation economies is conducted for both periods using exchange rates based on forward exchange rates or forward exchange rate estimates.

To eliminate changes in business scope for the period-to-period comparison, businesses acquired and businesses disposed of, or which we decided to discontinue, are eliminated in revenue and adjusted operating profit in the relevant reporting and comparison period.

To eliminate effects from accounting change in the reporting period, the comparison period is adjusted as if the accounting change had already been applied in this period.

REPORT ON ECONOMIC POSITION

Macroeconomic environment

The development of the Group largely depends on the economic and financial strength of our customer base and is therefore tied to macroeconomic developments, as factors such as economic growth, inflation, exchange rates and specific market conditions influence public, corporate and private budgets.

2024 was marked by increased political and economic uncertainty. Tight monetary policies, high interest rates and fiscal constraints led to financial distress in many economies. Ongoing conflicts, such as the war in Ukraine, the conflict in Israel–Gaza, and tensions between the US and China, and Taiwan and China, further exacerbated instability. Natural disasters and increased restrictions to global trade also affected economic stability.

Despite these challenges, the global economy showed resilience, with a growth rate of approximately 3.2% according to the International Monetary Fund (IMF) and divergent development in several economies.[1] The US economy grew by 2.8%, driven by consumer spending and a strong labour market. In contrast, the Eurozone saw a modest growth of 0.8% affected by lower production and cautious investment and spending behaviour in major economies, and Japan's economy slightly declined by 0.2%. Emerging markets and developing economies grew by 4.2%, with significant contributions from Emerging Asia, despite slower-than-expected growth in China and India.

Industry-specific environment

The development of our Research segment depends on macroeconomic trends and the development of key market factors, such as the public spending on research and higher education, number of research institutes and number of publications of scientific research results. These factors have experienced steady growth over decades and we assume this trend to continue. University budgets and those of academic libraries depend to a greater extent on public investment in research and teaching, thus on the level and growth of wealth in an economy, and the political will and policies driving and directing such investments. In some regions and economies, private funds, such as tuition fees, foundations and donations, play an important role as well. In recent years, university library budgets in advanced economies have seen only modest growth, often just keeping pace with inflation. This has limited spending on content acquisition, forcing research libraries to balance purchasing with service levels amid rising content volume. At the same time, many research funding organisations have stepped up their support for OA publishing and have substantially increased the funds they make available to their researchers to finance/subsidise publication fees.

In 2024, the geopolitical and macroeconomic situation resulted in austerity measures and budget cuts in some countries that had an impact on limited institutional budgets. Elevated inflation levels and subdued economic growth weighed on private budgets in some regions. In emerging and developing economies, higher investments in education and research have increased funding of existing libraries and established new academic institutions. However, fiscal constraints and currency depreciation against the US dollar, local conflicts and natural disasters have posed challenges to economies.

Our Springer Healthcare division, part of our Health segment, operates in markets that are driven by growth in pharmaceutical research and development activities and increasing launches of complex novel drugs requiring digital scientific communication and educational products. Cautious spending in some markets due to the macroeconomic situation and rebalancing of their promotional spending, in particular in the German market following changes in legislation in the previous year, affected the Springer Healthcare division in 2024. The structural decline in promotional print deliverables – for example, reprints – continued. Springer Medizin and BSL are mainly targeting healthcare professionals and pharmaceutical companies in German-speaking Europe and the Netherlands, which makes these businesses more dependent on the economic and market developments in these markets, and so they had a challenging year.

Our Education segment operates in a diverse global market influenced by local demographic trends, funding approaches and teaching methods. Our customers include public and private schools, governments, government- and private-funded education institutions, and private households. Business growth relies on both government and private education spending, linked to macroeconomic trends in key markets such as Europe, India, Latin America and Southern Africa. Globalisation has increased mobility and the demand for linguistic diversity, necessitating education that addresses these needs. In 2024, many countries in which we operate experienced economic recovery despite a challenging global environment. However, tight public budgets and high inflation affected private spending in some markets. While overall trends are positive, some markets are facing structural changes, including increased government intervention and protectionism.

Our Professional segment focused on German-speaking professionals in the automotive and financial services and engineering/technology industries. The overall economic situation put corporate as well as private budgets under pressure, which resulted in cautious spending in 2024.

1 See imf.org/en/Publications/WEO/Issues/2025/01/17/world-economic-outlook-update-january-2025.

RESULTS OF OPERATIONS

The financials in the table below were derived from Springer Nature's consolidated financial statements for the financial year 2024, as prepared in line with IFRS as endorsed by the EU.

Revenue, operating expenses and adjusted operating profit

in € million	2024	2023
Revenue	**1,847.1**	1,853.0
Other operating income	**96.3**	101.9
Internal costs capitalised	**47.0**	43.5
Change in inventories	**(10.7)**	0.4
Cost of materials	**(146.3)**	(183.3)
Royalty and licence fees	**(127.6)**	(120.3)
Personnel costs	**(671.9)**	(655.2)
Other operating expenses	**(347.3)**	(359.0)
Income from associates and other investments	**1.1**	0.7
Gains/losses from the acquisition/disposal of businesses/investments	**(9.2)**	65.1
EBITDA	**678.5**	**746.8**

Reconciliation from EBITDA to adjusted operating profit

in € million	2024	2023
EBITDA	**678.5**	746.8
-Gains/+losses from the acquisition/disposal of businesses/investments	**9.2**	(65.1)
+ Exceptional items	**7.8**	6.9
Adjusted EBITDA	**695.5**	**688.6**
Depreciation of property, plant and equipment and right-of-use assets[a]	**(28.5)**	(27.3)
Amortisation of intangible assets[b]	**(154.6)**	(149.9)
Adjusted operating profit	**512.4**	**511.4**

a Depreciation and impairment of property, plant and equipment and right-of-use assets, excluding impairments and depreciation on fair value adjustments recognised in connection with business combinations.

b Amortisation and impairment of intangible assets, excluding impairments and amortisation on fair value adjustments recognised in connection with business combinations.

In 2024, Springer Nature realised revenue of €1,847.1 million, adjusted operating profit of €512.4 million and adjusted EBITDA of €695.5 million. Both adjusted EBITDA and adjusted operating profit exclude exceptional income and expense items of net €7.8 million:

- in Research, net expense of €8.1 million related mainly to the public listing and system development projects
- in Health, income of €0.3 million related to the release of a provision for reorganisation measures.

Revenue

in € million	2024	2023	Underlying change
Contracted revenue	**961.3**	963.4	–
Transactional revenue	**885.7**	889.6	–
Revenue	**1,847.1**	**1,853.0**	**5.0%**
Adjusted operating profit	**512.4**	**511.4**	**7.4%**

Springer Nature realised revenue of €1,847.1 million (2023: €1,853.0 million) and realised underlying revenue growth of 5.0% in 2024 (2023: 5.2%).

Underlying revenue growth was driven by slight growth in contracted revenue and strong performance in transactional revenue, in particular in the OA business in Research. The Group ended the year with growth in underlying revenue growth in line with expectations.

American Journal Experts (AJE), the language editing business part of Research, which was sold in February 2024, contributed revenue of €3.1 million and €22.9 million in 2024 and 2023, respectively. RSE, part of Professional and sold in June 2023, contributed revenue of €41.7 million in 2023.

Operating expenses
Springer Nature's total expenses amounted to €1,293.1 million (2023: €1,317.8 million) and comprised cost of materials of €146.3 million (2023: €183.3 million), royalties and licence expenses of €127.6 million (2023: €120.3 million), personnel costs of €671.9 million (2023: €655.2 million) and other operating expenses of €347.3 million (2023: €359.0 million).

Cost of materials mainly contains purchased services such as costs incurred for the pre-publishing workflow, costs relating to printing and binding of the physical products, purchasing merchandise and services provided by external editorial offices. The position decreased mainly because of a more favourable product mix, lower stock build-up compared to prior year and effective purchasing.

While the absolute number of employees was stable at year end (31 December 2024: 9,136 full-time equivalents (FTEs), 31 December 2023: 9,146 FTEs), personnel costs increased mainly through merit increases.

Other operating expenses decreased as lower sales and marketing, travel, and building costs helped to compensate for increased costs for bad debt.

Operating profit

In 2024, the Group reported adjusted operating profit of €512.4 million (2023: €511.4 million) and underlying growth of adjusted operating profit of 7.4% (2023: 7.1%).

Effective purchasing, cost management and efficiency measures helped to contain the cost increase from higher inflation and supply shortage. This, and increased revenue with a more favourable revenue mix, translated into growth of underlying adjusted operating profit in line with expectations.

In 2024, AJE contributed a loss of €2.0 million to adjusted operating profit and, in 2023, AJE and RSE contributed €4.5 million to adjusted operating profit.

Revenue and adjusted operating profit by segment

The table below summarises revenue and adjusted operating profit for our segments:

	Revenue		
in € million	2024	2023	Underlying change
Research	**1,413.6**	1,370.6	6.1%
Contracted	**882.0**	884.9	
Transactional	**531.6**	485.7	
Health	**188.2**	188.7	(0.1%)
Contracted	**56.2**	55.4	
Transactional	**132.0**	133.4	
Education	**234.8**	241.4	2.6%
Contracted	**16.8**	13.3	
Transactional	**218.0**	228.1	
Professional	**12.4**	54.7	(4.8%)
Contracted	**6.5**	10.0	
Transactional	**5.9**	44.8	
Consolidation	**(1.9)**	(2.4)	
Group	**1,847.1**	**1,853.0**	**5.0%**

	Adjusted operating profit		
in € million	2024	2023	Underlying change
Research	**451.6**	436.5	7.9%
Health	**36.2**	36.7	(0.3%)
Education	**24.5**	25.8	17.3%
Professional	**(0.1)**	12.2	>100%
Consolidation	**0.1**	0.1	–
Group	**512.4**	**511.4**	**7.4%**

In Research, underlying growth of revenue was 6.1% in 2024 (2023: 2.9%) driven by good underlying revenue growth in both contracted and transactional revenue.

Contracted revenue saw underlying growth in 2024. The migration to open access continued with the ongoing shift from online subscriptions to transformative agreements. Revenue growth was mainly driven by increased publication volume across the journal portfolios, also supported by recently launched journals. Moderate price increases contributed to the growth. Revenue for publishing services in the full open access journal portfolio also grew. Growth was partly offset by the weaker performance in the books division while the data and analytics business experienced a positive trend given higher demand from corporate customers.

Transactional revenue grew driven by the strong performance in the full open access journal portfolio because of larger publication volumes and a focused pricing strategy. Print book revenue declined because of the accelerated migration to the digital products and cautious spending by private customers. Revenue from advertising continued to decline, while we saw solid growth in author services, through training, sponsored events and conferences.

The Research segment achieved underlying growth in adjusted operating profit of 7.9% in 2024 (2023: 2.5%). Cost management and efficiency measures helped to mitigate cost increases. Personnel costs increased mainly because of merit rises, whereas cost levels of items such as materials, building and property, travel and temporary staff could be reduced.

Our Health segment realised a flat underlying revenue development of −0.1% in 2024 (2023: −0.3%). The slight increase in the contractual revenue was driven by increased publication volume under transformative agreements. Transactional revenue declined slightly driven by pressure on advertising revenue and corporate publishing caused by cautious spending in the pharmaceutical industry, in particular in Germany following a change in legislation in 2023. The structural decline in the reprint sales continued but was compensated by strong revenue growth in publishing services because of increased publication volume.

A favourable revenue mix, also driven by an increased share of digital revenue, supported a stable profit margin. Indirect costs benefited from the positive effects of a restructuring in the Springer Healthcare division and efficiency measures. Underlying change of adjusted operating profit was −0.3% (2023: −3.7%).

The Education segment showed underlying revenue growth of 2.6% in 2024 (2023: 25.1%). With the continued migration to digital products, such as the newly launched Macmillan Education Everywhere (MEE) platform, contracted revenue realised strong underlying revenue growth. Transactional underlying revenue growth was driven by the strong performance in the K–12 Curriculum in India and Southern Africa. This positive development was however subdued because of softness in the ELT division, which was affected by loss of government business in Mexico. Education realised growth of underlying adjusted operating profit of 17.3% in 2024 (2023: over 100%). Revenue growth, an improved gross margin because of a favourable revenue mix and a comprehensive cost management programme resulted in the underlying adjusted operating profit margin increase in 2024.

In 2024, key currencies in the Education segment depreciated slightly against the euro with a negative impact on revenue and adjusted operating profit. As in the previous year, the Argentine peso qualified as a hyperinflationary currency and consequently IAS 29 was applied.

In a challenging market environment, our Professional segment saw underlying revenue decline of -4.8% (2023: -3.3%) and underlying decline in adjusted operating profit of more than 100% (2023: increase of more than 100%).

Net result for the period: Depreciation, amortisation and impairment, financial result and income taxes

Reconciliation of EBITDA to net result for the period

in € million	2024	2023
EBITDA	**678.5**	**746.8**
Amortisation and impairment of intangible assets	**(254.7)**	(257.1)
Depreciation and impairment of property, plant and equipment and right-of-use assets	**(29.3)**	(28.0)
Result from operations	**394.6**	**461.7**
Financial expenses	**(399.8)**	(596.3)
Financial income	**180.5**	208.5
Financial result	**(219.3)**	**(387.8)**
Income taxes (including deferred taxes)	**(106.2)**	(58.3)
Net result for the period	**69.0**	**15.7**

Amortisation of intangible assets and depreciation of property, plant and equipment included €96.2 million (2023: €99.1 million) and €0.7 million (2023: €0.7 million), respectively, which relate to fair value adjustments of other intangible assets and property, plant and equipment recognised in the course of business combinations. In addition, impairment losses on intangible assets of €3.9 million were recorded in 2024 (2023: €8.2 million – see note 9 of the Consolidated financial statements).

In 2024, Springer Nature reported a negative financial result of €219.3 million (2023: €387.8 million). Interest expenses of €156.4 million (2023: €313.9 million) related mainly to Springer Nature's debt, of which interest expenses of €141.1 million (2023: €157.8 million) and effective interest expenses of €4.5 million (2023: €142.3 million) were incurred for the senior loans. 2023 effective interest expense included €78.1 million from the derecognition of the deferred financing related costs when the previous financing structure was replaced. Other financial expenses amounted to €243.4 million (2023: €282.4 million), mainly comprising losses from measuring the fair value of financial instruments of €63.0 million (2023: €76.7 million), from the market valuation of financial derivatives of €35.2 million (2023: €34.7 million), as well as from the year-end valuation of subsidiaries' intra-group-related receivables and liabilities incurred in currencies other than their functional currency of €130.8 million (2023: €146.0 million). Interest income of €32.3 million (2023: €50.7 million) mainly related to the interest income of €16.7 million (2023: €34.9 million) from the Group's financial derivatives, and short-term deposits. Other financial income was €148.2 million (2023: €157.8 million) and mainly included gains from the year-end valuation of subsidiaries' intra-group-related receivables and liabilities in currencies other than their functional currency of €100.0 million (2023: €125.0 million) and gains of €14.2 million (2023: €23.0 million) from the market valuation of financial derivatives. See also note 10 of the Consolidated financial statements.

NET ASSETS AND FINANCIAL POSITION

Springer Nature's total assets mainly comprised goodwill and other intangible assets, which were largely financed by interest-bearing loans and borrowings due to banks, equity and working capital. The following table shows the Group's condensed consolidated statement of financial position as at 31 December 2024 and 2023:

Consolidated statement of financial position (condensed)

in € million	31 Dec 2024	31 Dec 2023
Non-current assets	**4,535.7**	4,520.8
Current assets	**852.9**	862.7
Disposal group held for sale	**–**	27.6
Total assets	**5,388.6**	5,411.2
Equity	**1,814.0**	38.0
Non-current liabilities	**2,755.3**	4,298.7
Current liabilities	**819.3**	1,065.5
Liabilities directly associated with disposal group held for sale	**–**	9.0
Total liabilities	**5,388.6**	5,411.2

The non-current assets of €4,535.7 million (31 December 2023: €4,520.8 million) mainly included goodwill and other intangible assets.

Goodwill of €1,315.9 million (31 December 2023: €1,284.3 million) resulted almost entirely from the acquisition of Springer in 2013. Other intangible assets were largely recognised within the scope of the acquisition of former Springer Science+Business Media and of Macmillian Science and Education. The position includes items such as the carrying amounts of the acquired brands of €979.2 million (31 December 2023: €965.0 million), mainly the Nature Portfolio and Springer brands, publication rights of €1,027.9 million (31 December 2023: €1,032.7 million), customer relationships of €791.5 million (31 December 2023: €819.5 million), co-publishing rights of €16.2 million (31 December 2023: €16.7 million), as well as the exclusive worldwide right to use the Macmillan brand.

As at 31 December 2024, current assets mainly comprised trade receivables of €401.5 million (31 December 2023: €387.8 million) and cash and cash equivalents of €300.1 million (31 December 2023: €273.9 million).

In 2023, assets of €27.6 million were presented as held for sale relating to the AJE business, which was sold in February 2024.

The increase in the Group's equity position was mainly through the contribution of shareholder loan/shareholder loan instruments (€1,465.4 million) and the capital increase (€195.2 million).

Total equity of non-controlling interests increased to €3.3 million given the attributable net result of the current year (31 December 2023: €2.5 million).

Non-current liabilities of €2,755.3 million (31 December 2023: €4,298.7 million) mainly contained interest-bearing loans and borrowings due to banks of €1,800.1 million (31 December 2023: €1,949.9 million), provisions for pensions and other long-term employee benefits of €149.9 million (31 December 2023: €142.6 million), as well as deferred tax liabilities of €722.5 million (31 December 2023: €719.4 million). As at 31 December 2023, liabilities to shareholders of €1,406.0 million were still recognised, which turned into equity in 2024.

Current liabilities of €819.3 million (31 December 2023: €1,065.5 million) comprised mainly trade payables of €139.8 million (31 December 2023: €148.4 million), other current liabilities of €239.5 million (31 December 2023: €239.2 million) and contract liabilities of €363.1 million (31 December 2023: €371.7 million). Other current liabilities mainly consisted of royalty liabilities of €90.1 million (€86.4 million), personnel-related liabilities of €72.9 million (31 December 2023: €83.2 million) and the market value of the Group's financial derivatives of €12.2 million (31 December 2023: €2.7 million). In 2023, current liabilities also included €204.3 million of senior loans that were repaid in 2024.

In 2023, liabilities of €9.0 million were presented as held for sale relating to the AJE business that was sold in February 2024.

Investments

Research and development

Springer Nature's main sources of income relate to and are created from the identification, acquisition, production, publication and dissemination of intellectual property (IP) and content. In our Research segment, which accounts for the majority of our revenue and operating profit, this IP/content largely consists of primary research results, academic books and databases, and related information products and services. Customer value perception is mainly driven by the significance and impact of Springer Nature's publications in their respective field/discipline and by the global dissemination and usage of the published content. Springer Nature's own research activities are therefore primarily aimed at innovation and improving efficiency and effectiveness across the whole process of attracting, creating, curating and distributing academic and research information, improving the quality and accessibility of this content, and driving its usage, impact and recognition. Also, technologies around digital learning and education have gained, and are continuing to gain, importance, so we continue to invest in research and development projects in the Education segment.

With the migration to digital publishing, Springer Nature is continually expanding its products and services in these areas. We invest in the development and enhancement of digital archiving, content hosting and distribution platforms, search algorithms, dedicated software solutions for production and distribution, and in digital publishing products.

The research industry is facing increasing integrity challenges from systemic 'bad actors' who aim to disrupt the publishing process and monetise fake science. As a scientific publisher, we consider safeguarding integrity our highest priority, and therefore we made and will continue to make investments to strengthen research integrity focused on three key areas: prevention (accelerating our response to manipulation by paper mills), resolution (proactively addressing integrity issues) and deterrents (collaborating with external partners to build greater deterrents for bad actors).

Our aim is that all users and creators including authors, editors and peer reviewers should have a first-class user experience and confidence that published research is robust and can be relied on. So, we are developing new and innovative submission-to-publication workflow tools and systems to simplify and accelerate the submission process, better support the peer review process and accelerate the process between the creation, submission and publication of research content. We are also developing and embedding improved author services in the publication workflow, and making material investments in author/user interfaces and automated peer review, to provide continual author information on status of publication.

Investments in the financial year 2024
A material part of our investment in intangible assets during the reporting period related to the modernisation of our business systems and platforms. Key projects in this area aim at improving the efficiency and transparency of the author, peer review and manuscript-handling workflow systems. We also invested in the development of digital products and better integration and improvement of the user experience of our online content hosting/delivery platforms, and we invested in improvements to our cyber and information security measures, including additional security layers.

Our investments in property, plant and equipment were again focused on adapting new workplace concepts with an optimised mix of onsite and remote collaboration options. To support our staff, we are investing in our office facilities and remote collaboration ecosystems.

AI is leveraged to accelerate discovery, protect integrity and promote equity. Also in 2024, large parts of our investments were centred around AI and the redesign of elements of our products and services to increase content quality, content integrity, content retention and customer experience. Automation of internal production and corporate processes are also key investment areas.

Extended use of cloud resources lays the scalable, efficient and sustainable foundation for our technology-driven products and services.

Information security, IP protection and data management are expanding areas for compliant and governed operations.

Certain journal co-publishing and content distribution contracts that entitle Springer Nature to distribute and sell the associated content in contractually agreed regions require us to pay agreed fixed minimum royalties. In 2024, the Group paid €51.9 million for these rights (2023: €53.6 million). We also invested €46.7 million in the expansion of our eBook and other databases in Research (2023: €47.5 million) and €20.6 million in content development in Education (2023: €20.2 million).

The overall investment in intangible assets, property, plant and equipment and investment in content of €160.8 million in 2024 was below the previous year's spending (2023: €166.4 million), mainly because of lower payment under co-publishing agreements and lower investments in new offices as a major office relocation was finalised.

Liquidity

Financing and financial management
The Group has organised the management of its financial risks in a centralised Treasury department. Group Treasury's responsibilities include, among others, identifying and managing the Group's exposure to financial risk from fluctuations in foreign exchange and interest rates, and managing the Group's liquidity requirements.

The Group is mainly financed by senior loans in euros and in US dollars and a revolving credit facility (RCF).

The euro-denominated term loan is split into two tranches: tranche A with a nominal value of €100.0 million and a remaining tenure of two years, and tranche B with a nominal value of €950.0 million and a remaining tenure of four years. The US-dollar tranche has a remaining four-year tenure and a nominal value of US$795.0 million. The €250.0 million RCF has a tenure of five years.

The base rate interest for the euro loan tranches is the EURIBOR, and for the US-dollar loan the Term SOFR. The loans are subject to a floor of 0.0%. The facilities incorporate a margin grid that adjusts credit margins based on the Group's leverage level. Adjustments to the grid occur in increments of 25 basis points for each half-turn change in leverage – that is, credit margins decrease when the leverage ratio falls and increase when the leverage ratio rises. For the period from January to June, margins were set but adjusted thereafter following the reduced leverage. As at 31 December 2024, the leverage ratio stood at 2.3x (31 December 2023: 2.9x).

As at 31 December 2024, the carrying amount of the senior loans amounted to €1,800.9 million (31 December 2023: €2,149.9 million). There was no drawing under the RCF as at 31 December 2024 and as at 31 December 2023.

Springer Nature's majority shareholders had also provided financing instruments to the Group that were swapped into equity of the company in the course of 2024. The BCP shareholder loan was contributed to the capital reserve of the company at a fair value of €669.0 million. The preferred shares (shareholder loan instruments) issued by Springer Nature One GmbH and held by GvH 33 and SSBMG were contributed to the capital reserve of the company at a fair value of €796.4 million.

More information on the loans, maturities, current interest costs, interest payments, hedging of floating-rate loans, as well as the content of and compliance with loan covenants are disclosed in note 26 and note 34 of the Consolidated financial statements.

Springer Nature manages its liquidity by centrally pooling cash and cash equivalents to ensure that all cash available in the Group can be utilised to meet the liquidity demands of Springer Nature entities.

Consolidated statement of cash flows

Consolidated statement of cash flows (condensed)

in € million	2024	2023
Net cash from operating activities	531.2	491.9
Net cash from investing activities	(137.6)	(79.1)
Net cash from financing activities	(369.1)	(467.6)
Change in cash and cash equivalents	**24.5**	**(54.8)**
Foreign exchange rate difference	1.7	(13.7)
Reclassifications relating to disposal group held for sale	–	(3.2)
Cash and cash equivalents at end of the period	**300.1**	**273.9**

Net cash from operating activities increased compared to the previous year mainly as a result of improved operating performance, lower working capital and a non-recurring pension trust contribution in 2023, partly offset by higher tax payments.

Net cash from investing activities of €137.6 million mainly resulted from investments in content of €119.3 million (2023: €121.3 million), intangible assets of €30.5 million (€32.5 million), property, plant and equipment of €11.0 million (€12.6 million), and purchase price payments for acquired businesses of €1.4 million (2023: €11.3 million). This was partially offset by cash inflows from the sale of businesses and non-current assets of €10.6 million (2023: €84.5 million). The investments are explained in more detail in Investments in the financial year 2024.

Net cash from financing activities (€369.1 million) mainly consisted of the net payments for interest and financing-related costs of €141.0 million (2023: €142.6 million), the repayment of senior loans tranches of €400.0 million, the repayment of lease liabilities of €24.8 million (2023: €32.2 million) and the net proceeds of €196.7 million from the capital increase. Lease payments included additional payments of €4.4 million and €8.9 million in 2024 and 2023, respectively, under a lease surrender for a larger office space entered into in 2023. For information on financing, see also note 26 of the consolidated financial statements.

Free cash flow for the Group improved from €164.7 million to €218.7 million in 2024.

Free cash flow

in € million	2024	2023
Operating cash flow before income tax payments	**677.3**	**597.2**
Income tax payments	(146.1)	(105.3)
Net cash from operating activities	**531.2**	**491.9**
Investments	(160.8)	(166.5)
Lease repayments	(24.8)	(32.2)
Net interest and financing-related fees	(127.0)	(128.5)
Free cash flow	**218.7**	**164.7**

NON-FINANCIAL PERFORMANCE INDICATORS

In addition to financial performance indicators, the following non-financial performance indicators are relevant for the Group.

Employees

Our employees are the foundation of Springer Nature's success, driving innovation, upholding our values and directly influencing our ability to serve our communities. We want Springer Nature to be a place where our employees can be themselves and learn, develop and thrive in a global and inclusive culture. We therefore have several policies in place to manage the working conditions of our workforce and foster inclusion. We conduct surveys and report metrics regularly to measure our progress. These results are shared across the Group and at all management levels, and form the basis of goals and actions that support our aim.

Other business performance indicators

Springer Nature uses other performance indicators to measure and monitor content significance and quality, efficiency, productivity and reach as well as customer satisfaction in the areas of content acquisition, production and pre- or post-publication processes. Significance and quality of journal content is measured in the number of journals with an impact factor and the development of that impact factor by journal across the portfolio. Productivity is measured in terms of the number of books published each year and, in the journal business, by the number of articles submitted and published. Efficiency is measured through average turnaround time between submission and decision on publication and, for accepted manuscripts, between acceptance and publication. Reach and dissemination of content is represented through usage and citations. We measure customer and author satisfaction by conducting regular surveys.

GENERAL ASSESSMENT OF THE ECONOMIC SITUATION BY SPRINGER NATURE'S MANAGEMENT

2024 was a successful year for Springer Nature. We realised underlying growth in both revenue and adjusted operating profit. With the successful public listing in late 2024, we raised additional capital to further reduce financial leverage. Financing instruments from the majority shareholders were swapped into equity of the company, improving the debt profile of the Group as well. Our free cash flow increased in 2024, and we focused the portfolio of the Group with the sale of AJE. The overall development was fully in line with our expectations.

DIVIDEND

The Management Board and the Supervisory Board will propose to the Annual General Meeting in 2025 to pay a total dividend of €25.9 million, or €0.13 per share, out of the balance sheet profit, and carry forward the remainder to the new account.

DISCLOSURES ON SPRINGER NATURE AG & CO. KGAA IN ACCORDANCE WITH THE GERMAN COMMERCIAL CODE

Springer Nature AG & Co. KGaA is the parent company and directly or indirectly controls the companies belonging to the Group. As the group holding company, it provides services in the areas of general management, information technology, accounting, human resources, corporate communications and legal for other group entities. In addition, it provides services in the editorial and sales and marketing areas for subsidiaries.

The annual financial statements of Springer Nature AG & Co. KGaA are prepared in compliance with the regulations of the German Commercial Code (HGB) and the additional regulations of the German Stock Corporation Act (AktG).

Results of operations

The results of the company are mainly driven by its function as holding company and as service provider to other group companies, and by dividend income from group companies.

The company has established functions and deployed its own personnel to this end, but it also acquires services from group entities and external suppliers. These services are valued and recharged on arm's-length terms taking into account up-to-date transfer price models to the receiving subsidiaries. A portion of these costs is allocated to the holding function and remains in the company. Dividend income occurs as and when dividends are declared.

Statement of profit or loss

in € million	2024	2023
Revenue	**208.5**	186.8
Other operating income	**14.7**	12.2
Cost of material	**(43.9)**	(43.7)
Personnel expense	**(56.4)**	(51.6)
Amortisation of intangible assets and depreciation of property, plant and equipment	**(0.6)**	(0.8)
Other operating expenses	**(136.1)**	(121.0)
Other interest and similar income	**5.7**	0.0
Interest and similar expense	**(9.0)**	(11.7)
Taxes on income and other taxes	**6.2**	(0.6)
Net result	**(11.0)**	**(30.5)**
Retained earnings	**(108.0)**	(77.7)
Transfer from capital reserve	**145.5**	–
Balance sheet profit	**26.5**	**(108.0)**

Revenue

Revenue increased due to increased volume of services rendered to group companies.

Total operating expenses

Personnel costs increased mainly because of merit increases and slight build-up of headcount in 2024. Other operating expenses increased mainly because of cost inflation and increased volume of services purchased from other group companies. Total operating expenses also included costs of approximately €14.9 million associated with the capital increase and the public listing of the company in October 2024.

As of October, following the public listing of the company, the Management Board members entered into contracts with the GP of the company (Springer Nature Management Aktiengesellschaft), and their previous contracts with the company or other group company ended. The GP is not included in the scope of consolidation of the Group but the operating expenses of the GP are recharged to the company. As a consequence, the remuneration expenses for the Management Board members are included in other operating expenses, whereas they were included in personnel expenses previously.

Financial result

The financial result was -€3.3 million (2023: -€11.7 million) and included mainly the net interest expense from the liability and receivable to the Group's cash pooling entity.

Taxes

A deferred tax liability of €16.7 million was recognised directly in the capital reserve. The deferred tax liability relates to transactions recognised in the capital reserve that resulted in different carrying amounts in investment in affiliates under HGB and for tax purposes.

In 2024, and considering the German minimum taxation rules, deferred tax assets for unused tax losses were recognised to the extent that deferred tax liabilities were available. This, and deferred taxes on temporary differences between the carrying amounts and tax values for provisions, liabilities and shares in affiliates, resulted in a net deferred tax liability of €5.8 million (31 December 2023: €0.0 million).

Net result

The company ended 2024 with a net loss of €11.0 million (2023: loss of €30.5 million). The better-than-expected result was mainly driven by deferred tax income, improved financial result and lower operational costs.

Net asset and financial position

The following table shows the condensed statement of financial position of the company as at 31 December 2024 and 2023:

Consolidated statement of financial position (condensed)

in € million	31 Dec 2024	31 Dec 2023
Non-current assets	**1,466.0**	669.5
Current assets	**708.4**	16.4
Prepaid expenses	**10.1**	8.6
Total assets	**2,184.5**	**694.6**
Equity	**2,138.2**	500.4
Provisions	**27.4**	20.6
Liabilities	**13.1**	173.5
Deferred tax liabilities	**5.8**	–
Total liabilities	**2,184.5**	**694.6**

The total assets increased to €2,184.5 million (31 December 2023: €694.6 million) mainly through the contribution of the financing instruments from the majority shareholders.

Total non-current assets increased as the majority shareholders contributed their preferred shares in Springer Nature One GmbH, the direct subsidiary, to the company, increasing the investment in this entity by €796.4 million. Current assets increased through the contribution of the BCP shareholder loan of €669.0 million and the proceeds of €200.0 million from the capital increase. Both resulted in receivables against the Group's cash pool entity in 2024, while in 2023 a liability to the Group's cash pool entity was recognised.

The increase in equity resulted from the capital increase and from the contribution of the preferred shares in Springer Nature One GmbH and the BCP shareholder loan to the capital reserve.

Provisions primarily consist of pension provisions and similar obligations of €8.5 million (31 December 2023: €8.1 million) and other provisions of €16.6 million (31 December 2023: €12.5 million) mainly for bonuses, accrued vacation, long-service awards and outstanding invoices. Liabilities mainly include trade liabilities of €8.3 million (31 December 2023: €10.2 million) and liabilities to affiliates of €2.8 million (31 December 2023: €159.0 million), mainly to the Group's cash pooling entity.

Investments

In the reporting period, capital expenditure was €0.6 million (2023: €0.4 million). This relates primarily to investments in furniture, office equipment and IT hardware.

Liquidity

The company is integrated in the Group's central cash pool and payment obligations were met at any time in 2024.

Forecast

The company's result from operations is driven by its functions as holding company and service provider to group companies. Dividend income may occur as and when dividends from its subsidiary are declared. For 2025, we expect slightly increased revenue from the services charged to other group companies and a loss in the mid-single digit millions.

COMBINED NON-FINANCIAL REPORT

See Combined non-financial report in this report or as a separate document in the download centre.

CORPORATE GOVERNANCE STATEMENT

See Corporate governance statement in this report or as a separate document in the download centre.

REPORT ON RISKS AND OPPORTUNITIES

Through our brands, trusted for more than 180 years, we provide technology-enabled products, platforms and services that help researchers to uncover new ideas and share their discoveries, health professionals to stay at the forefront of medical science and educators to advance learning. Our role in this ecosystem means that we are exposed to opportunities and risks arising both directly from our own operations and indirectly from the partners, locations, legislation and countries with which we do business or are otherwise involved.

Risk Management System and Internal Control System

We have established a Risk Management System and an Internal Control System that are aligned with the internationally recognised Frameworks of the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

Our **Risk Management System** is designed to identify potential events and developments that may lead to a deviation from our anticipated business performance and managing them appropriately. Opportunities are managed outside our Risk Management System.

The Management Board is responsible for the implementation and management of the Risk Management System and shares collective responsibility for establishing Springer Nature's risk appetite.

Springer Nature defines risks as uncertain developments, events or threats that might negatively impact the continued existence of the Group's companies, their financial position, or their financial performance as well as our ability to achieve our objectives as set out in our mid-term plan and key strategic priorities. The timeframe applied is three to four years although we may extend beyond this timeframe in specific cases – for example long term strategy or regulatory risks relating to climate change.

Risks are initially identified via interview and then collected and aggregated into risk areas and categories as appropriate. Classification is set in consultation and cooperation with the relevant departments. It is based on an assessment of likelihood/probability of occurrence and potential impact after current mitigation measures are taken into account (net risk).

The analysis of likelihood and impact considers deviations from planned earnings or increase to budgeted costs as well as non-monetary factors such as impact on operations, reputation or strategy. The analysis also establishes and evaluates interdependencies between risks.

In quantifying risks, we seek to establish the realistic worst-case impact rather than assuming the worst possible consequence which would be highly unlikely to occur. The risks identified through this process are assigned to business owners responsible for taking mitigating measures and monitoring performance.

The assessment of risks considers deviations from planned earnings or increase to budgeted costs, as well as non-monetary factors such as impact on operations, reputation or strategy. The analysis also establishes and evaluates interdependencies between risks.

A qualitative rating scale is given to enable a thorough evaluation of non-financial risks. The use of this scale is mandatory for reputational, strategic or operational risks. The High risk category currently includes risks capable of financial impact between €1.0 million and €5.0 million (or equivalent non-financial or reputational risk). The Significant risk category includes risks capable of financial impact ≥€5.0 million (or equivalent non-financial or reputational risk). Top Risk means risks capable of financial impact ≥€10.0 million in this reporting period or the next.

We apply thresholds for inclusion in internal reporting to the Management Board well below the level of materiality – see the blue hatched section below.

	Impact levels				
Likelihood	N/A	Low	Medium	High	Significant/ Top Risk
Rare = </=10%					
Unlikely = 10–30%					
Possible = 30–50%					
Likely = 50–90%					
Almost certain = >/=90%					

Responsibility for management of risks classified as Significant or Top Risk is assigned to a member of the Executive Team and these are regularly reported to the Management Board and Supervisory Board. In this way, the Management Board is regularly informed of the risk situation. Risks classified below the internal reporting threshold are managed by the respective division, global department or business unit. Very low-likelihood but significant-impact risks are considered during risk identification and, together with risks with lower current impact but potential to grow, are included as Emerging risks, reviewed and included in our annual reporting.

There have been no changes to the Risk Management System in 2024 except for minor adaptations to fulfil the requirements of IDW 340 including formalising our risk exposure and risk-bearing capacity calculations. Our risk-bearing capacity has been calculated on the liquidity approach.

Despite our processes, it is possible that other risks, which are unknown or are classified as immaterial, could exist and impact our business. Additionally, the actions implemented to mitigate the identified risks cannot provide absolute assurance that a risk will not materialise.

Our **Internal Control System** is established to ensure the accuracy and reliability of both financial and non-financial reporting as well as compliance with relevant legal provisions and internal policies. Non-financial reporting includes sustainability and environmental, social and governance (ESG) matters.

It is designed to meet the Group's specific needs and based on a set of centrally defined key controls, as well as policies and procedures that focus on the reliability of the financial and non-financial reporting and compliance. Key elements of our key controls are the four-eyes principle, approval procedures and segregation of duties.

The Internal Control System is continually improved and adapted to reflect changes within the organisation and the external environment. However, given inherent limitations in any control system, it is impossible to completely eliminate all risks.

Internal Control System and Risk Management System for the Group accounting process

The key objective of the accounting-related Internal Control System is to minimise the risk of material misstatements and ensure compliance with applicable regulatory requirements and internal policies in the financial reporting of the Group. Here we list the key elements of this Internal Control System:

- a comprehensive group accounting manual defining the group accounting procedures and principles to ensure that the business transactions are homogeneously accounted for, measured and disclosed at a consolidated level
- a set of centrally defined key controls with the focus on financial reporting and compliance setting minimum standards in key processes and systems
- the group accounting department defines and orchestrates the closing process of financial information. The reporting packages submitted by the subsidiaries for the consolidated financial statements are combined at Group level using consolidation software. The reporting process includes system-based or manual sample inspections as well as plausibility checks to verify the correctness and completeness of the data
- particularly complex topics are handled in cooperation with the respective business departments or outside specialists
- changes to the accounting standards or regulatory requirements are constantly monitored and assessed regarding their relevance and effect on the consolidated financial statements and group management report. Relevant changes are then implemented in the accounting processes, supported by change to the relevant internal policies
- the majority of financial transactions are handled through our Financial Shared Service Centre ensuring standardised accounting and measurement of these transactions
- risks identified with a likelihood of ≥50% are considered in the provision process for the financial statement closing process.

The implementation of the defined key controls is evaluated through self-assessment. The internal audit function performs audit activities on the Internal Control System as part of the risk-based annual audit plan. Any identified shortcomings are documented and corrective actions taken to resolve the issues.

Our global compliance management programme is an important part of our Internal Control System. It includes a regular cycle of risk assessment, policy setting, training and communication, monitoring detection and review, assessment of vulnerabilities and corrective action. We detect compliance issues by establishing a clear line of reporting and open lines of communication, as well as through audit, investigation and Speak Up processes.

Compliance-related internal controls are embedded through our GRC Network, a group of senior management throughout the business who are also responsible for the risk assessment of their business units. Compliance controls include third-party due diligence, vendor and customer review, approval of government business, codes of conduct and training. Our employees follow our Code of Conduct, on which annual training is mandatory. Our business partners are expected to follow similar high standards, as set out in our Business Partner Code of Conduct.

We carry out regular supplier audits to assess labour standards and health and safety. In 2024, this audit programme was extended to cover environmental/ sustainability risks. Additionally, the GRC function partners with the internal audit function to conduct on-site reviews of individual business units.

Internal audit

Our internal audit function performs audits on elements of the Risk Management System and Internal Control System. The annual audit plan is created based on various risk criteria, including the risks described in the risk management reporting. This plan is reviewed by the Management Board and the Audit Committee. The audits performed by our internal audit function are widespread and include, among other activities, the assessment of business processes, including sample testing of the design and effectiveness of respective internal controls, as well as audits regarding IT security. Internal audit follows up on the mitigation of identified risks. The Management Board and the Audit Committee are regularly informed about key observations and mitigation measures and status.

Appropriateness and effectiveness of the Risk Management System and the Internal Control System

The Management Board is responsible for overseeing and ensuring the appropriateness and effectiveness of the Risk Management System and Internal Control System and for informing the Supervisory Board, through its Audit Committee, about the set-up and status. It reports at least twice a year.

We have established monitoring and reporting mechanisms to provide the Management Board with regular information about the performance of these systems. Based on this information the Management Board has no indication that the Internal Control System or the Risk Management System is, overall, not appropriate or not effective, taking Springer Nature's business activities and risk position into consideration.

Changes to our risk profile 2023–2024

Overall, our risk profile has not materially changed from our Group Management Report on the financial year to 31 December 2023.

We note positive developments regarding the OA transition. While a complete global migration to OA is unlikely in the medium term, Springer Nature published 50% of its primary research content under the OA model in 2024. We continue to monitor developments in AI and the substantial opportunities it presents for Springer Nature. Inappropriate use of AI does, however, create increased risks – for example, in relation to research integrity, cyber and privacy/data protection compliance.

We also see changes in our regulatory environment. For example, as a result of listing our shares on the Frankfurt Stock Exchange (Prime Standard), Springer Nature is now subject to several additional regulatory requirements. In some cases, there are major divergences between the approach of the EU and other jurisdictions, which adds complexity to regulatory compliance. Examples of other relevant regulatory changes include the EU Artificial Intelligence Act, which is coming into force in phases, and other regulation affecting AI is anticipated. The EU Accessibility Act is also coming into force in 2025. Regulations are also increasing regarding due diligence and management of supply chains, with the EU Corporate Sustainability Due Diligence Directive (CSDDD) due to come into force in 2026. The EU Corporate Sustainability Reporting Directive (CSRD) was due to be enacted in 2024 in Germany, but implementing legislation is still pending and expected for 2025.

Our Risk Management System has covered ESG aspects for several years already. Climate-related transition risks – risks related to the changes in policy, technology and markets that are required to reduce greenhouse gas emissions – are included in External risks. Physical climate change-related risks to Springer Nature and its supply chain are also assessed and, where appropriate, reflected in risks to operations and covered in our business continuity processes. The impact of ESG-related changes to regulation and risks to our reputation are also included in our risk assessment – see Market-related and Regulation and litigation.

Top Risks

This section describes the most significant individual risks or risk areas identified that could have an impact on our business operations. Unless otherwise stated, these risks are not related to any particular segment of our business and relate to the Group and Springer Nature AG & Co. KGaA. In all cases, the risks described here fall into the highest impact grade of our risk reporting (potential for financial impact ≥€10.0 million). None of our Top Risks have changed in risk category and we see no new risks at this level arising in 2024.

Our risks fall into five categories:

- External
- Market-related
- Operations – processes and projects
- Regulation and litigation
- Financial.

External

External risks are risks arising from the locations, legislation and countries in which Springer Nature does business or is otherwise involved. These are risks that are not within Springer Nature's control but depend rather on the economic and political situation in these countries, and changes in politics or government, local administrations and authorities as well as local legislation.

Political uncertainty and economic volatility are risks that have the potential to create serious short-term impacts on our business. Science and research are global. We note a general trend towards more polarised, protectionist or national policies, and a trend towards self-published materials.

The ongoing conflict in Ukraine and the increasing tensions between the US and China, plus a general trend towards more protectionist policies, lead to substantial uncertainty in our markets.

Mitigation: Our approach to external risks is to monitor trends and review regularly. We are a diversified business and not reliant on any specific customers. We have long-term relationships with our customers and with many there are multi-year contracts in place. We operate globally, which gives resilience against country-specific downturns.

Market-related

Market-related risks relate to developments in our market – for example, the transition in our Research segment from a publishing model funded by subscriptions paid by readers, towards a model where the paid service is publishing and distribution, and developments in new technologies (AI).

Overall, we see these market developments as positive: however, we recognise that there are some risks – for example, the use of AI tools by bad actors to abuse the publishing process, or the potential for disruption by new market entrants using AI that may change the way content is published and distributed to users, or by the scientific community changing the traditional coordination role of publishers. Researchers may also change their behaviour – for example, by using AI platforms for some activities or increasing use of free or low-cost online content.

Many questions around the use and documentation of AI in the research and publishing process are still being discussed in the industry and elsewhere. There is therefore a risk that products and services built using AI, or the licensing of content to customers who may use it in connection with AI, may be seen to infringe third-party rights to the content, leading to a need for us to revise our approach in future.

Market-related risks are also linked to the funding and purchasing power of our key customers in the relevant markets and countries. This is, to a certain extent, driven by the economic environment and currency (foreign exchange) changes, but also by the choices our customers make. Their needs are evolving, and we proactively evolve and develop new services to try to meet those needs.

Under the OA model in our Research segment, where our paid service is publishing and distribution (rather than providing access to content in return for a fee), revenue is increasingly linked to article output and service instead of fixed payments to access content. However, authors need to have the necessary funding to have their articles processed and the availability of funding may be affected by the uncertain economic environment.

Our customers may also launch cost-saving initiatives or reduce their research and development or advertising expenditure. In our Education segment, governments may try to reduce costs by creating and publishing educational material themselves. We may also be affected in our Health segment by reductions in customer budgets and by broader structural changes in our customers' industries.

Mitigation: We invest significant resources in our products and services, including proprietary systems. We continue to embrace the transition to OA and explore new digital services. We embrace AI and support our partners with new tools and services and focus on their needs.

Our growth strategy involves investment in developing more new products, services and business models, including solutions, applications and functions, many of which will include AI. Always with human oversight, the integration of AI into our products enables us to add value and find operational and cost efficiencies. For example, AI enables us to automate key production processes such as copyediting and helps us better uncover plagiarism and detect AI-generated text and manipulated images. It also enables us to offer new products and services in the areas of author support and journal summarisers. We recognise that we may need to adjust our approach and processes as the discussion and policymaking develops and keep these developments under review.

Operations – processes and projects

Operational risks arise from our day-to-day business activities, procedures and systems, and include business risks and strategic risks. The most significant operational risks include:

- People and suppliers
- Research integrity and reputation
- Key processes and systems
- Cyber and business continuity.

People and suppliers

Failure to attract and retain sufficient skilled people throughout the publishing ecosystem may materially adversely affect our operations. Our people are one of our major assets, and maintaining our ability to retain, motivate, develop and recruit diverse and talented colleagues is essential to delivering our strategy. We compete for talent globally. We acknowledge that trends beyond OA and digital content towards data-rich and AI-supported processes and solutions require us to attract employees with a different profile and skill set.

Our journals are often led by editors who are external contractors. For peer-reviewed content, we require reviewers with significant experience and reputation in the relevant field. These reviewers seek to determine whether an article submitted by an author is suitable for publication in the relevant journal or whether it needs revision. Preserving the integrity and quality of our peer review process depends on our ability to find and retain a sufficient number of reviewers. The growth of publications submitted to our journals may mean that it is more difficult to find and retain sufficient editors and reviewers, which risks a delay in the review process and a failure to achieve the potential for article growth.

Research integrity and reputation

Our value proposition relates largely to our critical role as an intermediary between creators and users of content. Our reputation is based on the quality of our products and services and our position as custodian of the scientific record. While we seek to continually improve our research integrity processes to prevent the corruption of the publishing process, we acknowledge that we will not detect all problematic papers or attempts by third parties to manipulate the publishing process.

Key processes and systems

Key processes and systems for the Research segment relate to the acquisition of content and organisation of internal content selection, as well as external peer review processes, quality assurance, creation, storage and indexing of digital content, sales, licensing, organisation of access and management of access rights. Interruptions or disruptions to these processes could lead to delayed publication of content, corrections and communication effort – causing delayed or lower revenue, additional costs and/or reputational damage.

We also rely on third parties for many services, including pre-publishing, publishing and printing, logistics/warehousing, distribution, IT, telecommunications, customer service, order fulfilment and also some administrative, finance and accounting functions.

Cyber and business continuity
Given the increasing global threat of cyberattacks, which are becoming more systematic and severe, we recognise the risk of a cybersecurity breach affecting our own systems and/or those of our suppliers. This, in part, reflects the use of new technologies and the increased sophistication and activities of those who seek to use them for fraud or malicious purposes. Cyberattacks could result in data being blocked or made inaccessible, or even in the loss of personal data – giving rise to complaints, litigation or regulatory action.

As a company with global operations, we are exposed to risks of possible damage arising from natural disasters, extreme weather events (droughts, storms, floods), potential resurgence of pandemic and other external risks.

Mitigation: We care for and invest in our people and in creating an engaging and inclusive working environment. We engage our colleagues in regular sentiment surveys and review and act on the results.

We keep our editorial and peer review processes under constant review and continuous improvement. We have invested significantly in both prevention and detection controls. Within the requirements of our own internal Fair Competition Policy and local laws and regulations, we work with publishing industry associations to share knowledge and work together to respond to shared challenges in this area.

We continue to invest substantially in controls across the business under our cybersecurity maturity programme. These include infrastructure vulnerability management, application scanning, penetration testing, encryption and logging, and monitoring. We use our own internal audit function and third-party consultants to test and help us improve our controls. We have also worked to improve visibility and detection ability to identify more vulnerabilities before they become issues for us.

This approach extends to our key suppliers. We establish contractual service levels that are monitored, including through supplier audits, and we work with our key suppliers to improve our combined incident response plans so that we can respond quickly and appropriately to any instance of unauthorised access of our systems.

Regarding business continuity risks, we prepare our businesses for a variety of impacts, including loss of office, loss of systems and loss of people, which makes it easier to manage any unexpected shocks.

Regulation and litigation
As a global company, we are exposed to continually changing laws and regulations. In some cases, there are major divergences between the approach of the EU and of other jurisdictions. Meeting different requirements adds complexity and may require substantial investment. Examples include the approach to privacy/data protection, IP, ESG standards and AI. We also operate in a number of jurisdictions with a low corruption perception score in line with the Transparency International Corruptions Perceptions Index.

If we fail to comply with legal and regulatory requirements, we could face damage claims or fines, damage to our reputation, or be required to adapt or cease our activities. We may also become involved in legal actions/claims arising in the ordinary course of business, including litigation alleging infringement of IP rights, defamation claims, employment matters, breach of contract or international regulations and other commercial matters.

As the Group is acquiring content through many of its global subsidiaries, we are exposed to the risk of changes in copyright laws in any of these jurisdictions – including in relation to use by AI systems. In some jurisdictions in which we operate, copyright laws may be insufficiently robust, or may further dilute the legal position of creators and owners of IP rights, thereby limiting our ability to establish and protect the proprietary rights we established or acquired in the IP of our products. These changes might also manifest in different remuneration requirements for authors and/or changes in copyright clearance systems that could be unfavourable for Springer Nature.

Springer Nature faces the general risk that its business models, products and services may not be fully protected by copyright or similar rights and that Springer Nature's IP rights are breached or contested by third parties. This, and in particular a systematic breach of Springer Nature's IP rights, could negatively affect the demand for and use of our products and therefore also affect our revenue adversely. Springer Nature continues to collaborate with all scientific collaboration networks (SCNs) that operate within existing legal frameworks as we believe that the ability to further disseminate content and reach a wider share of the research community by using such SCNs is beneficial to authors/users and publishers. However, the Group is considering all options against all illegitimate use of its content on SCNs or comparable sites.

Existing and incoming ESG-related laws and regulations require substantial resources. Lack of clarity regarding CSRD and EU Deforestation Regulation and EU Artificial Intelligence Act requirements at the end of 2024 creates further uncertainty.

Mitigation: Our commitment to ethical behaviour and our approach to legal compliance are set out in our Code of Conduct and our internal policies. Our expectations of our suppliers and agents are expressed in our contracts with them and our Business Partner Code of Conduct. We have a zero tolerance of bribery and corruption at any level.

Our Compliance programme supports our Management Board in establishing and communicating a clear culture and expectation. All staff are trained on our Code of Conduct annually – including on anti-bribery and -corruption, personal/conflict of interest, use of information and data protection, competition compliance and various other topics. Additionally, the GRC function conducts regular compliance reviews and oversees the supplier audit programme.

We continue to track upcoming regulations, including relating to AI, and future-proof our processes so far as possible. We also maintain a Speak Up facility, which permits staff and third parties to ask questions and report concerns to us – either direct to management or direct to our compliance officers – and access to our ombudsman. We also offer an external Speak Up system, which permits anonymous reporting. Retaliation for raising concerns is not tolerated.

We rely on our ability to protect our IP rights and those granted to us by our authors. In violations of our IP, we often pursue an active approach and routinely issue and enforce take-down notices on a website or content level. We are involved in litigation to enforce our rights in India and in China, and engage in industry-wide efforts to address piracy.

Financial

Financial risks relate to the situation prevailing in the global financial markets, which could threaten Springer Nature's projected future results. Springer Nature operates globally and is, therefore, exposed to a variety of financial risks, especially market risks from fluctuations in the exchange rates between the euro and currencies important to Springer Nature, interest rate movements and taxation. There is a possibility that tax laws may be interpreted differently (adversely) or that tax laws may be amended leading to additional tax charges, penalties and costs. It is possible that tax authorities may take a different view of our intercompany trading of goods and services and the determination of internal transfer prices.

Mitigation: The Group is exposed to risks in various currencies, with movements in the US dollar–euro exchange rate having the greatest significance. We protect ourselves against currency movements, in particular our key currency pairs: US dollar–euro, British pound–euro and Japanese yen–euro. Any significant currency item subject to exchange-rate risk that is not covered by natural structural hedges is hedged separately and individually. In these cases, hedging instruments are entered into to minimise the risks arising from exchange-rate fluctuations between the date on which the hedges are entered into and the expected date of the cash inflow relating to the underlying business transaction. The counterparty risk of these transactions is closely monitored and contracts are only entered into with banks that meet certain rating criteria. Intercompany trading of goods and services is well documented and the determination of internal transfer prices follows globally established and accepted principles (mainly OECD rules).

Opportunities report

The responsibility for identifying, assessing and exploiting business opportunities lies primarily with the operational management of our segments. The process is supported by the Group's corporate strategy.

Short-term opportunities, defined as potential positive deviations from the planned operating result for the current financial year, are discussed regularly with the Management Board. If necessary, appropriate measures are initiated to exploit them.

The identification and management of long-term opportunities is directly linked to the Group's strategy process, ultimately overseen by the Management Board. As part of the annual strategy update process, opportunities that have been identified are evaluated in terms of their contribution to strategic goals and enterprise value. On this basis, the Management Board allocates resources to the segments and divisions as part of the annual budget process to enable them to realise the respective opportunities. For strategic opportunities that are identified outside this process, such as strategy adjustments or potential acquisitions and partnerships, separate opportunity and risk analyses and resulting business cases are prepared and submitted for decision making to the Management Board.

Within our segments, we see opportunities linked to the following key strategic initiatives:

- Research – we will focus on expanding our service levels for authors, editors and peer reviewers, maintaining our operational and process leadership and expanding our monetisation capabilities by, among other initiatives, expanding and rebalancing our journals and books portfolio, managing the ongoing transition to OA and creating new products and services
- Health – we will continue to drive digital business models across all our business units, to stabilise and grow the Healthcare International division and the medical education business and to reduce the revenue share of low-margin, non-recurring print content sales. We will systematically screen the market for add-on acquisitions in the global healthcare information and service space
- Education – we will aim to focus our portfolio on markets where we see Springer Nature in a leading position and will reduce the spread of product investment to improve the stability and visibility of our revenue base and investment returns. We will also balance our investments with a focus on developing and promoting digital content and learning solutions in line with our customers' expectations and demands. This will be accompanied by measures to improve efficiency and the underlying cost structure in this segment.

In addition, we continually analyse the use and deployment of AI in our products and workflow tools to help achieve our aims.

We also regularly investigate opportunities for acquisitions and the sale of individual businesses in accordance with our Group and divisional strategy.

Assessment of the overall risk and opportunity positions

Our Risk Management System forms the basis for assessing overall risk to the company. Our overall risk position is defined by the total of the individual risks described previously. The changes in the Group's risk situation, compared to the previous year, are set out in Changes to our risk profile in 2023–2024. None of the identified individual risks, or risk areas already described, are individually or in combination with other risks threatening the company's continued existence based on the comparison of the overall risk position with the risk-bearing capacity. So there are, to a reasonable degree of certainty, currently no indications that the going concern of Springer Nature is at risk.

We also monitor the effectiveness of and make improvements to our Risk Management System where necessary. The Management Board will continue to support continual improvement to our Risk Management System to be able to identify, examine and evaluate potential risks even more quickly and initiate appropriate countermeasures. We believe that we have taken all necessary organisational steps to recognise potential risks early on and to respond to them appropriately.

We also remain confident that our integrated global business model and our earning power provide us with the sound basis for our business development, allowing us to capture the opportunities arising for the company.

FORECAST REPORT

Planning assumptions

Springer Nature plans the future development of its net assets, financial position and results of operations on the basis of past and present observable trends as well as of extrapolations, projections, qualitative and quantitative assumptions and scenarios that Springer Nature considers as reasonable and sufficiently probable from today's perspective. Generally, however, all planning and underlying assumptions are subject to uncertainty and may leave certain aspects unnoticed that could become relevant for the business in the future. Springer Nature's actual development could, therefore, differ considerably from the assumptions made and the resulting business plans and trend forecasts. Factors that could lead to future developments differing from the current forecasts include general economic and sector-specific conditions, changes in the global financial environment or changes in the legal and regulatory environment, or fundamental geopolitical changes in markets relevant to Springer Nature.

Future development of companies included in the consolidated financial statements

The global economic outlook for 2025 is characterised by similar growth as in 2024 amid significant geopolitical challenges. The ceasefire in Israel–Gaza remains fragile and any further escalation can disrupt regional stability and global supply chains. The war in Ukraine continues with its impact on economies and energy markets, especially in Europe. The tensions between the US and China and concerns over trade policies following the outcome of recent elections in some major economies add to the increased uncertainty. Public finances remain under pressure, especially in many emerging and developing economies with high debt levels and currency depreciation, while some advanced economies may be faced with tighter monetary policy. These effects, but also other local (armed) conflicts, and slower-growing economies such as China and India, weigh on the global economy.

The IMF is projecting growth of 3.3% for the global economy in 2025. For the advanced economies, the IMF is projecting growth of 1.9% in 2025. For the US, the outlook has slightly improved but, for other major advanced economies, the outlook for 2025 is still subdued. The IMF estimated the economies in the US, the Eurozone and Japan to grow in 2025 by 2.7%, 1.0% and 1.1%, respectively. The IMF estimated growth of 1.6% for the UK economy in 2025. Growth in the emerging markets and developing economies is projected at 4.2% in 2025, with estimated growth of China's and India's economies of 5.1% and 4.6%, respectively. The Latin American and Caribbean economy is projected to grow by 2.5% in 2025. The economy in the Middle East and Central Asia is projected to grow by 3.6% in 2025. In Sub-Saharan Africa, growth is estimated at 4.2%.

As demand for our products and services depends on, among other factors, government policy, including levels of funding of academic and research institutions, and corporate budgets in the private sector, public and corporate budget cuts may adversely affect the financial performance of Springer Nature. On the other hand, increased research funding in some rapidly growing and transforming emerging and developing economies may offer additional opportunities.

Our Research segment predominantly consists of English-language academic content, which is sourced and sold globally. Revenue generated from OA publication fees and revenue from service offerings to authors and institutions have gained importance over the past few years. In particular, global demand for OA publishing has strongly accelerated and we expect this to continue. Fundamental drivers of the STM business have seen stable growth in the past and we do not expect that the current macroeconomic and geopolitical situation will have a lasting impact on these trends. Based on our broad product portfolio, the uniqueness of the Nature Portfolio brand and the leading position in fast-growing segments of the STM market we expect to be able to grow revenue above market rates in our Research segment.

Our Health segment provides medical- and healthcare-related information, educational services, communication and marketing tools to professionals in the medical sector and the wider healthcare and pharmaceutical sectors. These sectors are expected to see sustainable global growth in the medium term. Key drivers are a continually growing demand for healthcare services and products supported by demographic trends as well as continuing research-driven innovation in all areas of medical diagnosis and treatment. As a consequence, global spending on healthcare, as well as the number of professionals in the wider healthcare sector, are expected to see solid growth in the medium term. This should provide the basis for stable revenue growth in this segment, despite some structural changes in some markets and new adverse regulations that may be imposed.

We expect the education market to further increase, specifically in the key markets we operate in, given continued positive demographic trends that provide support for solid medium-term growth, both in our K–12 Curriculum and ELT activities. Our product development will increasingly be focused on the more sizeable markets, shifted more towards the demands of the open market of public/private schools, teachers and learners and digital learning solutions, which should translate into solid revenue growth.

General assessment

This outlook is, among other things, based on certain assumptions regarding the overall economic development and specific trends in the markets we operate in. If any of these assumptions develops differently, the financial performance of the Group might be affected.

Our forecast is based on our 'underlying change' concept:[1] 2024 revenue and adjusted operating profit are therefore retranslated using recent constant currency rates[2] and adjusted for change in scope, which results in revenue of €1,834.8 million and adjusted operating profit of €507.8 million. On this basis we expect, for 2025, revenue in the range between €1,885.0 million and €1,935.0 million and adjusted operating profit at a level that corresponds with a margin[3] that is at least at the level of 2024.

INFORMATION CONCERNING TAKEOVERS (§289A, §315A HGB – GERMAN COMMERCIAL CODE)

The following information is provided in accordance with Sections 315a, 289a of the German Commercial Code (Handelsgesetzbuch or HGB) and the explanatory report pursuant to Section 176(1) Sentence 1 of the German Stock Corporation Act (Aktiengesetz or AktG).

Subscribed capital

As at 31 December 2024, the company's share capital amounted to €198,888,989 and was divided into 198,888,989 bearer shares with no-par value, all of which are admitted to trading on the regulated market of the Frankfurt Stock Exchange (Prime Standard sub-segment). Each no-par value share represents a notional value of €1.00 in the company's share capital. Each share carries the same rights and obligations. These include the right to participate in and vote at the General Shareholders' Meeting and to participate in any dividend payment.

Restrictions relating to voting rights or the transfer of shares

There are no restrictions relating to voting rights or the transfer of shares in the company under the company's Articles of Association (AoA).

The majority shareholders

(GvH Vermögensverwaltungsgesellschaft XXXIII mbH or GvH 33, and Springer Science+Business Media Galileo Participation S.à r.l. or SSBMG) together hold – based on the most recent voting rights notifications in accordance with Sections 33 and 34 of the German Securities Trading Act (Wertpapierhandelsgesetz) – 86.60% of the shares in the company. They have entered into a voting rights pooling agreement (the VRPA) to coordinate their actions and voting rights in relation to the company and its General Partner Springer Nature Management Aktiengesellschaft (GP).

The majority shareholders will generally exercise their voting rights at the company's and GP's General Shareholders' Meetings (Hauptversammlungen) in a uniform manner in relation to all agenda items at such meeting.

With regard to the composition of the supervisory boards of the company and the GP, GvH 33 has the right to nominate three members, and SSBMG has the right to nominate two members. The majority shareholders shall jointly nominate three further members to serve as independent members. The chair is determined by GvH 33, the deputy chair by SSBMG. Supervisory board committees will consist of an equal number of members nominated by GvH 33 and members nominated by SSBMG. The chair will be a member nominated by GvH 33, except for the Audit Committee, where the chair is an independent member.

1 See Management system.
2 €1 = $1.082 = £0.847 = ¥163.8.
3 In this context, margin is defined as the ratio of adjusted operating profit to revenue, both adjusted for changes in currency rates and scope change.

The VRPA will terminate at the earlier of (i) five years after the completion of the IPO, (ii) the holdings of or attributed to GvH 33 pursuant to Section 30 of the German Securities Acquisition and Takeover Act (Wertpapiererwerbs- und Übernahmegesetz, WpÜG) falling below 30% of the voting rights in the company, (iii) GvH 33 or SSBMG, together with its respective affiliates, no longer holding any shares in the company, or (iv) SSBMG having sold and transferred its shares in the GP to GvH 33. However, on the earlier of (i) two years following the completion of the IPO, or (ii) SSBMG's, including its affiliates, shareholding in the issued share capital of the company falling below 15% of the share capital of the company that is issued at the time of the completion of the IPO, certain provisions regarding the uniform exercise of voting rights and the nomination of supervisory board members by the majority shareholders will no longer apply.

Direct or indirect shareholdings in the capital that exceed 10% of the voting rights

Based on voting rights notifications in accordance with Sections 33 and 34 of the Wertpapierhandelsgesetz triggered by 31 December 2024, the following natural or legal persons hold a direct or indirect shareholding in the company's capital exceeding 10% of the voting rights.

Direct shareholders

- GvH Vermögensverwaltungsgesellschaft XXXIII mbH, Stuttgart, Germany (50.6%)
- Springer Science+Business Media Galileo Participation S.à r.l., Luxembourg, Luxembourg (36.0%)

Indirect shareholders

- Dr Stefan von Holtzbrinck, Germany
- Verlagsgruppe Georg von Holtzbrinck Gesellschaft mit beschränkter Haftung, Stuttgart, Germany
- Georg von Holtzbrinck GmbH & Co. KG, Stuttgart, Germany
- Georg von Holtzbrinck Internationale Medienbeteiligungen GmbH, Stuttgart, Germany
- HIM Holtzbrinck 22 GmbH, Stuttgart, Germany
- Christiane Schoeller, Germany
- Familie Schoeller Verwaltungs GmbH, Stuttgart, Germany
- Monika Schoeller Familiengesellschaft mbH & Co. KG, Stuttgart, Germany
- BC Partners Holdings Limited, St Peter Port, Guernsey
- BC Partners Group Holdings Limited, St Peter Port, Guernsey
- CIE Management IX Limited, St Peter Port, Guernsey
- BC Partners Galileo (1) L.P., St Peter Port, Guernsey
- BC Partners Galileo Holding L.P., St Peter Port, Guernsey
- Springer Science+Business Media GP S.à r.l., Luxembourg, Luxembourg
- Springer Science+Business Media GP Acquisition SCA, Luxembourg, Luxembourg

Holders of shares with special rights conferring powers of control

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

The type of control of voting rights if employees hold an interest in the capital and do not exercise their control rights directly

The company is not aware that Springer Nature employees hold an interest in the capital of the company with respect to which they would not directly exercise their control rights.

Appointment and resignation of members of the Management Board and amendments to the Articles of Association

Appointment and resignation of members of the Management Board

The GP is responsible for the management of the company. Certain measures of the GP require the Supervisory Board's prior approval.

The GP withdraws from the company as soon as (i) all shares in the GP are no longer directly or indirectly owned by a person who owns shares in the company in an amount exceeding 20% of the company's share capital (shares held by the majority shareholders and their affiliates are taken together), or (ii) all shares in the GP are acquired by a person that is not a company affiliated with a shareholder of the GP within the meaning of Section 15 of the AktG, and such person has not made a qualifying public tender offer to the shareholders of the company in accordance with the regulations of the WpÜG within three months of such acquisition.

Other statutory reasons for the withdrawal of the GP remain unaffected.

If the GP withdraws from the company, the company's Supervisory Board shall immediately appoint a new GP, all the shares of which are held by the company. If the GP withdraws without a new GP being appointed, the company shall be continued transitionally by the shareholders alone. In this case, the Supervisory Board must immediately apply for the appointment of an emergency representative, who represents the company until a new GP has been appointed.

In line with Section 84(1) AktG, the members of the Management Board are appointed by the Supervisory Board of the GP for a period of no longer than five years (reappointment is permissible). The Supervisory Board may revoke the appointment of a member of the Management Board and the appointment of the chair of the Management Board for good cause in accordance with Section 84(4) of the AktG.

Amendments to the company's Articles of Association

Any amendment to the company's AoA requires a resolution by the General Shareholders' Meeting and the GP's approval (Section 179, 285(2) of the AktG).

Pursuant to Section 30(1) of the company's AoA, resolutions of the General Shareholders' Meeting are adopted by a simple majority of the votes cast and, insofar as a majority of the share capital is necessary by law, with a simple majority of the registered share capital represented at the voting, unless mandatory law stipulates otherwise. According to the AktG, resolutions of fundamental importance (grundlegende Bedeutung) require both a majority of the votes cast and a majority of at least 75% of the registered share capital represented at the vote.

The powers of the Management Board, in particular with regard to the possibility of issuing or buying back shares

The GP manages and represents the company. The GP is managed and represented by its Management Board. The resolutions of the General Shareholders' Meeting require the consent of the GP insofar as they concern matters for which the consent of the personally liable partners and the limited partners is required.

Authorised capital

In accordance with Section 5(1) of the company's AoA, the GP is authorised, with the consent of the Supervisory Board, to increase the company's share capital by 11 September 2029 by up to €95.0 million, by issuing new ordinary bearer shares with no-par value against contributions in cash and/or in kind.

In principle, the company's shareholders shall be granted subscription rights. However, the GP is authorised, with the consent of the Supervisory Board of the company and of the GP, to exclude the shareholders' subscription rights under specific circumstances, including a simplified exclusion under Section 186(3) of the AktG for up to 20% of the company's share capital, a capital increase against contribution in kind or in connection with the conversion of convertible instruments issued by a Springer Nature company.

Contingent capital
An extraordinary shareholders' meeting on 12 September 2024 resolved to conditionally increase the company's share capital by up to €38.0 million (Contingent Capital 2024). The contingent capital increase will only be implemented to the extent that the holders or creditors of warrant and/or convertible bonds, of participation rights and/or participating bonds, or of combinations of these instruments (together, the Bonds), that have been issued by a Springer Nature company and that provide a warrant or conversion right or establish a warrant or conversion obligation, exercise their warrant or conversion rights or to fulfil the warrant or conversion obligations from these Bonds, and if other forms of fulfilment are not used to this end.

Authorisation to issue convertible bonds and other instruments
In line with a resolution of the General Shareholders' Meeting of 12 September 2024, the GP is authorised, with the approval of the Supervisory Board, to issue until 11 September 2029, Bonds having an aggregate principal amount of up to €400.0 million, and to grant the holders or creditors option or conversion rights to shares of the company with a maximum proportion of the share capital of up to €38.0 million in accordance with the terms and conditions of the Bonds. The authorisation to issue Bonds sets out certain parameters that include the following: the Bonds may stipulate an obligatory conversion or an obligation to exercise the option on maturity or earlier, or provide for the right of the company (in whole or in part), instead of paying the amounts due, to deliver to the holders or creditors shares of the company. In the event of an option being exercised or of a conversion, and in the event of fulfilment of option or conversion obligations, the company may at its discretion grant new shares from authorised capital, treasury shares or other consideration. The terms and conditions of the Bonds may also provide for the right of the company not to grant shares, but rather to pay the equivalent value in cash or shares of another listed company.

The option or conversion price for a share must be either (i) at least 80% of the volume-weighted average stock exchange price of the shares of the company in the XETRA trading system at the Frankfurt Stock Exchange on the last 10 trading days prior to the date on which the resolution on the issue of the Bonds is adopted by the GP, or (ii) alternatively, in the event of subscription rights being granted, at least 80% of the volume-weighted average stock exchange price of the shares of the company in the XETRA trading system at the Frankfurt Stock Exchange in the period during which the subscription rights are traded on the Frankfurt Stock Exchange or in the period from the start of the subscription period up to the final determination of the subscription price.

In principle, the company's shareholders shall be granted subscription rights to the Bonds. However, the GP is authorised, with the consent of the Supervisory Board of the company and of the GP, to exclude the shareholders' subscription rights under specific circumstances, including for up to 20% of the company's share capital at an issue price not significantly lower than the Bonds' theoretical market price, for issuance against contributions in kind or in connection with the conversion of convertible instruments issued by a Springer Nature company.

Authorisation to use or buy back shares in the company
The GP has not been authorised by the General Shareholders' Meeting to use or buy back own shares. As at 31 December 2024, the company did not hold any treasury shares.

Material agreements of the company subject to a change of control condition in the case of a takeover bid

Syndicated Loan Agreement
In December 2023, several Springer Nature entities concluded a new loan agreement as borrowers with a consortium of four banks. Under the Syndicated Loan Agreement, there is a revolving euro credit line of up to €250.0 million. Also under the Syndicated Loan Agreement, the lenders made euro term loan facilities in an aggregate amount of €300.0 million (facility A) and in an aggregate amount of €1,150.0 million (facility B) available to the borrowers. In addition, the banks made a US dollar term loan facility in an aggregate amount of US$795.0 million (facility C) available. All amounts under the loan facilities were paid out in December 2023. In 2024, the company made total prepayments of €400.0 million, with €200.0 million allocated to facility A and €200.0 million to facility B. As a result, the outstanding nominal amount under facility A was reduced to €100.0 million, while the outstanding nominal amount under facility B decreased to €950.0 million.

Facility A has a three-year term; the other credit facilities have a five-year term. Interest payments are regularly made at the end of the interest period and on every repayment date for term loans. All term loans follow a bullet repayment structure with no scheduled repayment obligations.

In the event of a change of control in the company, the lenders are each individually entitled to terminate their respective credit line after a negotiation period and to declare the participation in all outstanding loans and ancillary outstandings to be immediately due. A change of control (CoC) within this meaning occurs (i) if any person or group of persons acting in concert, other than the 'permitted entities' as defined below, directly or indirectly holds more than 50% of the voting rights in or the issued share capital of a GP of the company with the right to conduct the business for the company, or (ii) if the permitted entities (taken as a whole) cease to directly or indirectly hold more than 20% of the issued limited partnership shares of the company (or, if applicable, such higher percentage which is required for such GP to remain the GP of the company), as long as the company is incorporated as a public limited liability partnership, or (iii) in case of the sale of all or substantially all assets of the company. The permitted entities refer to Christiane Schoeller and Dr Stefan von Holtzbrinck or their relatives, or any entity in which more than 50% of the shares and voting rights are held directly or indirectly by any one or more of such natural persons, any foundation established by any such natural persons or any administrator, trustee or custodian with respect to any such persons, as well as funds, investors or accounts advised or managed by BC Partners, any affiliates of BC Partners or CIE Management IX Limited or any of such funds', investors' or accounts' subsidiaries (excluding any operating portfolio company of the foregoing) and any person acting in concert with it.

If the lenders terminate their credit lines on the basis of a CoC, the company will need to repay the outstanding amounts early.

Macmillan Licence Agreement
Springer Nature Holdings Limited, a wholly owned subsidiary of the company, and Macmillan Publishers International Limited, an affiliate of GvH 33, entered into a licence agreement. Under this licence agreement Macmillan Publishers International Limited grants Springer Nature Holdings Limited, and its affiliates a royalty-free, non-transferable, worldwide, exclusive licence regarding the word mark 'MACMILLAN', Macmillan logos and its combination.

The agreement includes for a CoC clause triggering an automatic termination of the agreement, with the effect that the licence will terminate 12 months after such CoC with respect to the licensed IP rights. A CoC is deemed to occur when a person or a person (together with its affiliates) acquires a material part of the company's business or a controlling interest in Springer Nature Holdings Limited.

Compensation agreements with the members of the Management Board

The company's remuneration policy provides for regulations in the event of premature termination of a mandate on the Management Board because of a CoC. In this case, the company shall make a severance payment to the Management Board member in an amount equal to the gross value of compensation until the end of the regular term but no more than 24 months. A CoC event is triggered if a third party acquires at least 50% of the statutory voting rights in the company and if at least one of the following preconditions is met:

- **a** the appointment of the member of the Management Board is revoked by the Supervisory Board because of withdrawal of confidence by the Annual General Meeting within six months after the CoC
- **b** the responsibilities and/or tasks of the member of the Management Board were substantially changed by the company within six months after the CoC
- **c** the member of the Management Board is approached by the Supervisory Board within six months after the CoC to accept a reduction in remuneration (except for a reduction in accordance with Section 87(2) of the AktG)
- **d** the member of the Management Board is approached by the Supervisory Board within six months after a change of ownership to accept a preliminary termination of their service relationship, or
- **e** the admission of the shares of Springer Nature AG & Co. KGaA to all regulated/organised markets on national stock exchanges or comparable foreign markets is revoked.

In case of alternatives b) to e), the member of the Management Board has the right to extraordinarily terminate the service relationship with three months' notice to the end of a calendar month and to resign from the Management Board with such a notice period.

RELATED PARTY TRANSACTIONS

Springer Nature Management Aktiengesellschaft made the following statement in its report on transactions with related parties pursuant to Section 312 of the AktG:

In 2024, the company did not take or omit any measures at the instigation by or in the interest of the controlling companies or a company associated with them. Our company received appropriate consideration for all transactions with affiliated companies. This assessment is based on the circumstances which were known to us at the time the transactions were performed.

Berlin, 12 March 2025

Springer Nature Management Aktiengesellschaft, represented by

Franciscus Vrancken Peeters **Alexandra Dambeck** **Carolyn Honour**

Rachel Jacobs **Harshavardhan Jegadeesan** **Marc Spenlé**

RESPONSIBILITY STATEMENT

To the best of our knowledge, and in accordance with the applicable reporting principles, the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group, and the Management Report, which is combined with the Management Report of Springer Nature AG & Co. KGaA, includes a fair review of the development and performance of the business and the position of Springer Nature, together with a description of the principal opportunities and risks associated with the expected development of the Group.

Berlin, 12 March 2025

Springer Nature Management Aktiengesellschaft, represented by

Franciscus Vrancken Peeters **Alexandra Dambeck** **Carolyn Honour**

Rachel Jacobs **Harshavardhan Jegadeesan** **Marc Spenlé**