Policy for E-Invoices in the ZAHORANSKY Group

Dear Sir or Madam,

The legal requirements for invoice exchange in Germany have been gradually transitioning to electronic invoicing ("e-invoice") since 01/01/2025. The tax authorities clarify that for transactions between domestic businesses, an e-invoice is generally to be used, and transitional arrangements apply.

General information on e-invoices is now standard and—depending on the use case—mandatory, especially if the invoice recipient is located in Germany. The basis is EU Directive 2014/55/EU and the EN 16931 standard, which defines uniform European requirements for electronic invoices. In addition, the German E-Invoicing Ordinance applies (ERechV: https://www.gesetze-im-internet.de/erechv/). Based on EN 16931, Germany—together with KoSIT/IT Planning Council—developed the "XRechnung" standard as an XML-based invoice format (https://xeinkauf.de/xrechnung/). In terms of content, an XRechnung contains largely the same information as a traditional invoice—however, it is provided as structured, machine-readable XML data. Due to this "coded" format, an XRechnung cannot be read directly like a PDF or Word document; suitable software is required for visualization. XRechnung is typically also generated using special software, since an XML invoice cannot simply be "written" manually.

As the invoice recipient in a B2B environment, we must ensure the legally compliant receipt and automated processing of structured invoices.

In addition, structured invoices reduce reconciliation effort, queries, and processing times and enable a robust verification process (e.g., mandatory fields, total/tax logic, purchase order/line-item reference).

Our target standard: ZUGFeRD (EN 16931)

We ask you to preferably submit invoices to ZAHORANSKY AG in the future in the format **ZUGFeRD, profile EN 16931** (structured XML dataset according to EN 16931, with PDF visual copy). ZUGFeRD is an established format in Germany for B2B e-invoice exchange and is continuously being further developed.

Transmission / receipt

Please send invoices exclusively to:

- **invoice.ZAG@zahoransky.com** for our site in Todtnau (Zahoransky AG), or

- **invoice.ZFB@zahoransky.com** for our site in Freiburg (Zahoransky Automation & Mold).

Please ensure that the structured data (XML) contains all mandatory information and is machine-valid (compliant with EN 16931).

What happens if the requirements are not met?

- This will lead to delayed processing and payment if manual clarification is required.

- Return/rejection of the invoice in the event of significant formal/content deficiencies (e.g., impermissible format, missing mandatory information, missing purchase order/line-item reference, total/tax inconsistencies).

- Necessary re-issuance/re-submission of the invoice in the correct format.

Reservation of the right to reject in case of deviations

ZAHORANSKY AG reserves the right to reject invoices or not process them if:

- no permissible e-invoice format is used (in particular not ZUGFeRD EN 16931),

- the structured dataset is not EN 16931-compliant / not technically valid,

- legally required mandatory information or agreed references (e.g., purchase order number/line-item reference) are missing or implausible,

- the invoice is repeatedly not submitted to the invoice address stated above.

For questions regarding the changeover or test submissions, please contact the respective purchasing contact person.

Thank you for your cooperation!

Yours sincerely,

Todtnau, 03.02.2026

ZAHORANSKY AG

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Authorized Signatory
Head of Materials Management