

# Report by the Supervisory Board

## Dear Shareholders,

The Wacker Neuson Group enjoyed another highly successful year in 2023. The Group was able to report higher revenue and also a rise in profitability relative to the previous year. The economic and political backdrop remains challenging, however. With so many underlying uncertainties, we need to be able to adapt at short notice to avoid losing sight of our long-term objectives. On behalf of the Supervisory Board, I would like to take this opportunity to thank our employees for their strong commitment and performance again in 2023, as well as company management for their contribution.

### Cooperation between the Supervisory Board and Executive Board

In the period under review, the Supervisory Board performed the tasks assigned to it by law and the Articles of Incorporation and verified that the Executive Board applied sound, compliant and effective governance practices. Furthermore, the Supervisory Board regularly advised the Executive Board on the management of the company and supervised management activities on an ongoing basis. The Supervisory Board maintained continuous dialog with the Executive Board regarding business development and corporate strategy and was involved in all major decisions regarding the company.

In the run-up to and during its meetings, the Supervisory Board was brought up to date on business developments; changes in assets, earnings and financials; fundamental issues regarding company planning, company strategy, internal control and risk management, and compliance; and other key measures by means of written and verbal reports from the Executive Board. The reports to the Supervisory

Board were discussed in depth during Supervisory Board meetings amongst Supervisory Board members and with the Executive Board.



**Hans Neunteufel**  
Chairman of the Supervisory Board

Members of the Executive Board regularly took part in Supervisory Board meetings. When necessary or where required by law, the Supervisory Board and its committees also convened without the Executive Board, particularly regarding Supervisory Board matters and HR issues.

There was full attendance at nearly all of the meetings of the Supervisory Board and its committees; less than 100 percent attendance was recorded at only three of the eleven meetings. The attendance rates are broken down per meeting in the following table:

	Supervisory Board plenary meeting attendance	As a %	Presiding Committee attendance	As a %	Audit Committee attendance	As a %
Hans Neunteufel (Chairman)	5/6	83	1/1	100		
Ralph Wacker (Deputy Chairman)	6/6	100	1/1	100	4/4	100
Kurt Helletzgruber	5/6	83			3/4	75
Chrisitan Kekelj	6/6	100				
Prof. Dr. Matthias Schüppen	6/6	100	1/1	100	4/4	100
Elvis Schwarzmaier	6/6	100			4/4	100

Furthermore, the Executive Board provided the Supervisory Board with regular, comprehensive and timely information between meetings about current business trends as well as special or urgent projects. This information was made available in writing and also in person. In particular, the Supervisory Board was informed about instances where actual developments deviated from previously reported targets and where business activities deviated from the Group's plans, with the Supervisory Board placing a particular emphasis on this in view of the increasingly gloomy global economic outlook from Q3 2023.

Together with the Executive Board, the Supervisory Board discussed and examined in detail proposals that required Supervisory Board ratification and approved individual business transactions where this was required by law, the Articles of Incorporation or the rules of procedure for the Executive Board. The Supervisory Board voted on resolutions of this kind during scheduled meetings.

In addition, the Executive Board presented the Supervisory Board with monthly reports on key financial indicators. Furthermore, the Chairman of the Supervisory Board maintained regular contact with the Executive Board, and with its Chairman in particular, ensuring a continuous flow of information on the current business and financial situation of the Group and its affiliates and on major business events.

The Supervisory Board and its committees also addressed the implementation of a number of new legislative requirements in the year under review, such as preparations for the new reporting requirements set out in the EU's Corporate Sustainability Reporting Directive (CSRD).

Members of the Supervisory Board also undertook the training and further development measures required to discharge their duties on their own initiative and were supported by the company in their efforts here.

### Main topics of Supervisory Board meetings in fiscal year 2023

Six plenary meetings of the Supervisory Board were held in fiscal 2023. The Presiding Committee met once and the Audit Committee met on four occasions, with one of these sessions being conducted by telephone. In three cases, the Supervisory Board adopted resolutions outside of meetings by means of circular resolution. The Audit Committee did this on one occasion. All members of the Supervisory Board also participated in the resolutions passed outside of meetings.

The Supervisory Board engaged regularly with the day-to-day business of the Wacker Neuson Group and with planning activities at executive level, with attention focusing in particular on the many uncertainties relating to the economic and geopolitical landscape, the persistent inflation associated with this, the new reality of higher interest rates as well as the impact of all of these factors on the business performance of the company and of the entire Group. Particular emphasis was placed on the analysis and discussion of the financial situation as well as the development of revenue, costs and earnings of the Wacker Neuson Group. Any questions from the Supervisory Board that arose in connection with the regular written and verbal reports were answered in full by the Executive Board during the relevant meetings. Executive Board matters were also on the agenda on a regular basis.

In addition to these regular reports, the Supervisory Board concentrated its advice and supervisory activities on the following areas in particular during its meetings and resolution discussions:

In a circular resolution of February 1, 2023, a resolution was passed to extend the mandate of a member of the Executive Board.

At the Supervisory Board meeting to approve the financial statements on March 23, 2023, following appropriate preparations by the Audit Committee, the Supervisory Board focused on examining the Annual Financial Statements, the Consolidated Financial Statements, the Combined Management Report of Wacker Neuson SE and of the Wacker Neuson Group, the non-financial Group report including the Report by the Supervisory Board and the corporate governance report. By way of preparation, the Audit Committee had discussed these documents in detail with the Executive Board during its session immediately before the Supervisory Board meeting, raising questions with the auditing company representative present at the meeting, and discussing these issues at length. This took place in addition to the Supervisory Board's regular examinations as part of its own preparation for the meeting to approve the financial statements. On the basis of this, the Annual Financial Statements, the Consolidated Financial Statements and the Combined Management Report were approved (per the subsequent circular resolution of March 27, 2023). The appropriation of net profit suggested by the Executive Board was also approved in this meeting together with the recommendation to the Supervisory Board on the appointment of the auditor, the AGM agenda, the Report by the Supervisory Board and the non-financial Group report. The 2022 remuneration report was also approved. The Executive Board shared the above-mentioned documents with the Supervisory Board in advance of the meeting. The business of the meeting also covered the updating of the rules of procedure for the Supervisory Board, the evaluation of the findings of the Supervisory Board efficiency check and the completion of pay negotiations with IG Metall.

In an extraordinary meeting on April 25, 2023, the Supervisory Board approved the new "Strategy 2030" presented by the Executive Board following a detailed discussion.

On May 4, 2023, the Supervisory Board discussed the current business performance and the forthcoming quarterly report. A Group real-estate project was also discussed.

The agenda of the meeting of August 1, 2023 covered an overview of non-financial reporting under the German Supply Chain Due Diligence Act (LkSG) and the CSRD as well as a resolution on extending the existing credit lines. In addition, the Executive Board provided information on the forthcoming half-year report.

At the annual strategy meeting with the Executive Board on October 11 and 12, 2023, various aspects of "Strategy 2030", which was approved in April, were discussed in detail. The main items on the agenda were the company's regional-, product- and location-related strategies, but the zero emission program and the Group's M&A activities were also discussed. In addition to this, the meeting discussed Executive Board matters.

In a circular resolution of October 30, 2023, a resolution was passed on the extension of the mandates of two further Executive Board members.

During its meeting on December 5, 2023, the Supervisory Board focused on examining and providing advice on the Executive Board's business plan proposal for fiscal 2024, as well as on medium-term and financial planning. Supervisory Board members not only assessed the plans, but also discussed the associated opportunities and risks in detail with the Executive Board, also against the backdrop of the still difficult-to-predict global economic climate. In addition, resolutions were passed on the approval of the expansion of the Group's US site and the submission of the declaration of compliance with the German Corporate Governance Code in accordance with Section 161 of the German Stock Corporation Act (AktG). The Executive Board also updated



the meeting about the status of a real-estate project. Furthermore, various Executive Board matters were on the agenda.

In addition to this, the Supervisory Board examined each of the Executive Board's monthly reports on an ongoing basis.

### Work performed by the Supervisory Board committees in fiscal year 2023

The two Supervisory Board committees (the Presiding and Audit Committees) also continued their work during the period under review. The work of both committees effectively supported the entire Supervisory Board in its duties; for example, the Audit Committee prepared Board resolutions and other matters for consideration at the plenary meetings. The meetings of the Audit Committee were also regularly attended by all of the other Supervisory Board members in a guest capacity. The members and chairpersons of both committees are listed in the declaration on corporate governance. The chairpersons of the committees reported, as necessary and appropriate, on the work performed by the committees during the Supervisory Board's plenary meetings. The chairperson of the Audit Committee also maintained regular communication with the CFO and the auditor in the periods between meetings. As the change of auditor only occurred in 2022, the Audit Committee decided in fiscal 2023 not to exclude the Executive Board from its discussions with the new auditor in the interests of keeping all parties well informed during the transition from the previous auditor. In the future, all such discussions are to take place on a regular basis without the Executive Board.

At its meeting on March 22, 2023, the Audit Committee discussed the Annual Financial Statements, the Consolidated Financial Statements and the Combined Management Report for Wacker Neuson SE and the Group at December 31, 2022 with the Executive Board and the auditor. The non-financial Group report was also discussed at this meeting. The Audit Committee examined in particular the key audit matters described in the Auditor's Report, including the audit procedures performed, and addressed the auditor's audit reports on the Annual and Consolidated Financial Statements and the Combined Management Report in the presence of the auditor. The Audit Committee decided to recommend Mazars GmbH & Co. KG to the Supervisory Board plenary meeting as the auditor of the Annual and Consolidated financial Statements for fiscal 2024. The Supervisory Board, in turn, followed this recommendation and proposed the same auditor at the AGM. Finally, the Audit Committee addressed the appropriateness and effectiveness of the risk management system and internal control system as well as internal auditing issues. The provision of certain non-audit services by the auditor for fiscal 2022 was also discussed. In addition, the Audit Committee discussed the remuneration report for 2022 and passed a resolution on the recommendation to the Supervisory Board.

At its meeting of May 4, 2023, the Audit Committee primarily dealt with the forthcoming publication of the quarterly report. The Executive Board also provided detailed information about the existing executive bodies of the Group and the Chief Compliance Officer presented a report on his activities.

In the meeting of July 31, 2023, the committee discussed the forthcoming half-year report and the review of the 2023 non-financial Group report. In addition, the current risk report and the internal audit half-year report were discussed. A resolution was also passed on the review of the 2023 remuneration report.

In a (telephone) meeting of November 7, 2023, the items on the agenda included the forthcoming quarterly report, a discussion with

the auditor in attendance on matters including the strategy and planning for the audit of the Consolidated Financial Statements as well as reporting under the CSRD. In addition, the findings of the EMIR audit in line with Section 32 of the German Securities Trading Act (WpHG) were discussed.

The Audit Committee also passed a circular resolution on the engagement of the auditor with certain pre-audit discussions relating to the corporate sustainability reporting for fiscal 2024.

The members of the Presiding Committee kept in contact with each other and held one meeting in the year under review.

The Presiding Committee meeting of October 11, 2023 prepared the Supervisory Board resolutions on extending the mandate of two Executive Board members.

### Changes in the composition of executive bodies

There were no changes to the executive bodies of the company in fiscal 2023. Resolutions to extend the mandates of Dr. Tragl, Mr. Burkhard and Mr. Bietenbeck were passed during the year under review.

### Risk assessment and compliance

The Supervisory Board has established to its conviction that the company's internal control system and risk management system meet the requirements of Section 91 (2) AktG, that insurable risks are sufficiently insured and that operational, financial and contractual risks are subject to suitable controls through approval procedures and organizational processes. A detailed risk reporting system is in place throughout the Group and is regularly maintained and further developed. The internal control and risk management systems were also examined by the duly appointed auditing company, which confirmed that the Executive Board had met the requirements outlined under Section 91 (2) AktG and established a suitable early warning system capable of monitoring and identifying developments that could pose a threat to the company's continued existence as a going concern. The Executive Board informed the Supervisory Board of the current risk situation during Supervisory Board meetings and in individual conversations. All areas deemed to be risks from the perspective of the Supervisory Board and the Executive Board were duly discussed during these sessions. In addition, the Supervisory Board and/or the Audit Committee addressed compliance issues.

### Corporate governance

Both the Supervisory Board and the Executive Board are aware that sound corporate governance is essential to protect shareholder interests and secure the company's long-term success. The Supervisory Board continuously monitored the further development of the German Corporate Governance Code and kept up to date with the capital market and corporate legislative framework. The Executive Board and the Supervisory Board issued a declaration of compliance with the German Corporate Governance Code pursuant to Section 161 AktG for the 2023 reporting period at the meeting of December 5, 2023. The entire declaration is always available on the company's website under Investor Relations/Corporate Governance and is also included in the declaration on corporate governance pursuant to Section 289 f of the German Commercial Code (HGB) in combination with Section 315 d HGB, which can be found online and in the Annual Report.

There were no conflicts of interest on the part of Executive Board or Supervisory Board members requiring disclosure to the Supervisory

Board in accordance with Section E. Standard 19 of the German Corporate Governance Code.

### **Annual and Consolidated Financial Statements for 2023**

At the AGM on May 26, 2023, Mazars GmbH & Co. KG Wirtschaftsprüfungsgesellschaft Steuerberatungsgesellschaft, Munich ("Mazars") was appointed official auditor for the company and Group for fiscal 2023. The corresponding proposal that was made to the AGM by the Supervisory Board was based on a corresponding recommendation by the Audit Committee. The Chairman of the Audit Committee engaged the auditing company in writing with the task of auditing the financial accounting procedures.

The Annual Financial Statements for the company for the year ending December 31, 2023 prepared by the Executive Board in accordance with HGB, and the Consolidated Financial Statements for the company for the year ending December 31, 2023 prepared by the Executive Board in line with the International Financial Reporting Standards (IFRS) as adopted by the EU, and in supplementary compliance with the disclosures required under Section 315e HGB, were audited by Mazars along with the books. The audit did not give rise to any reservations, so an unqualified audit opinion was issued for both the Annual Financial Statements and the Consolidated Financial Statements. The auditor further determined that the Executive Board has set up a suitable information and monitoring system which is designed and used in such a way as to support the early identification of developments that could pose a threat to the company's continued existence as a going concern.

Each member of the Supervisory Board received the audit documents for appraisal in good time. Together with the Audit Committee, the entire Supervisory Board undertook a thorough examination of the Annual Financial Statements as well as the Consolidated Financial Statements, the Combined Management Report for the company and the Group in conjunction with the audit reports. The documents were discussed in detail at the Audit Committee and Supervisory Board plenary meetings on March 20 and 21, 2024 with the Executive Board and with the auditor. The auditor attended the Audit Committee consultations, reported on the main results of their audit and provided supplementary information and answers to Supervisory Board members. After its own close examination of the documents, the Supervisory Board raised no objections and endorses the results of the audit report. The Supervisory Board also approves the Consolidated (Group) Management Report and, in particular, the forecast regarding the company's further development.

The final examination by the Supervisory Board did not lead to any reservations. On March 21, 2024, the Supervisory Board therefore endorsed the Annual Financial Statements, the Consolidated Financial Statements and the Combined Management Report for the company and the Group as prepared by the Executive Board for the year ending December 31, 2023. The 2023 Annual Financial Statements have thus been duly approved. The Supervisory Board further examined the Executive Board's suggested appropriation of profit for fiscal 2023, in particular with regard to the dividend payment policy, impact on Group liquidity and shareholder interests and did not raise any objections. It gave its consent to the Executive Board's proposal.

The Supervisory Board also examined the non-financial Group report for 2023 in line with Section 315b HGB. Mazars had been previously tasked with auditing the non-financial Group report to obtain limited assurance in line with the International Standard on Assurance Engagements (ISAE) 3000, and correspondingly prepared and submitted its report to the Supervisory Board. The Supervisory Board received

the result of the limited assurance engagement undertaken by Mazars and, following its own in-depth examination, concluded that the Group's non-financial report fulfills the appropriate requirements and there are no grounds for objection.

The auditor was also engaged to separately audit the 2023 remuneration report to be submitted to the AGM in line with the legal requirements of Section 162 (1) and (2) AktG. The remuneration report can be found in the invitation to the 2024 AGM and will also be available on the company's website under Investor Relations/Corporate Governance.

The management and all employees of the Wacker Neuson Group showed great personal dedication over the past fiscal year and made a valuable contribution to the Group's positive development. The Supervisory Board would like to expressly thank all employees and members of the Executive Board for their commitment and performance in these challenging times.

Munich, March 21, 2024

On behalf of the Supervisory Board

**Hans Neunteufel**  
**Chairman of the Supervisory Board**