

Report of the Supervisory Board 2023

The work of the Supervisory Board in the 2023 financial year was primarily shaped by the implementation of the capital increase resolved by the Extraordinary General Meeting on November 18, 2022 and its subsequent effects. With effect as of March 23, 2023, the share capital of BAUER Aktiengesellschaft amounting to EUR 111,186,566.76 was raised by EUR 72,211,776.98 through the issue of 16,945,697 new no-nominal-value bearer shares in the form of common shares (with voting rights) with a proportion of the share capital amounting to EUR 4.26 (rounded) per share, to a total of EUR 183,398,343.74. SD Thesaurus GmbH, Munich, had hedged the capital measure and undertook in advance to acquire all new shares that were not purchased by other company shareholders at the purchase price. After the implementation of the capital increase, the company was notified that SD Thesaurus GmbH and Doblinger Beteiligung GmbH have been coordinating their behavior with regard to BAUER Aktiengesellschaft in a particular manner in line with Section 30 (2) of the Securities Acquisition and Takeover Act (WpÜG) since March 31, 2023, and in this way have obtained control over BAUER Aktiengesellschaft in accordance with Section 35 (1) in conjunction with Section 29 (2) WpÜG. SD Thesaurus GmbH consequently published an offer document for its mandatory offer on May 12, 2023, which was also a delisting acquisition offer to the shareholders of BAUER Aktiengesellschaft for the purchase of all no-nominal-value bearer shares in BAUER AG. The Supervisory Board has intensively monitored the associated changes and assisted the company's Executive Board in its work.

Furthermore, the Supervisory Board regularly monitored the work of the Executive Board during the 2023 financial year on the basis of the detailed reports provided by the Executive Board in written and verbal form and provided support in the form of advice. The Executive Board discharged its duties to provide the Supervisory Board with regular, prompt and comprehensive information about all questions of strategy, planning, company development, risk development and compliance that are relevant to the company and the Group. Between the meetings, the Executive Board generally submitted monthly written reports on all important business transactions and financial indicators of the Group and the company. Due to a cyber attack on the IT infrastructure, however, reporting was restricted at the end of the financial year. The Chairman of the Supervisory Board was also in regular contact with the Executive Board, in particular with the CEO, gathered information as appropriate relating to the course of business and key transactions and discussed strategic topics as well as risk situations.

Due to a conflict of interests because of a subscription obligation of SD Thesaurus GmbH in the context of the capital increase resolved by the General Meeting on November 18, 2022, Ms. Doblinger did not participate in the consultations and resolution concerning the details for the execution of the capital increase. Accordingly, Ms. Doblinger also did not participate in the consultations and resolutions concerning the joint statement of the Executive Board and Supervisory Board regarding the combined mandatory offer and delisting acquisition offer of SD Thesaurus GmbH. In the same manner, with the appointment of Prof. Dr. Fuchs as member of the Supervisory Board, an existing contract for legal consultation with the firm of Prof. Dr. Fuchs was negotiated without his participation. Apart from this, there were no indications of conflicts of interest among members of the Executive Board or Supervisory Board requiring immediate notification of the Supervisory Board and disclosure to the General Meeting.

MAIN FOCUS OF CONSULTATIONS IN SUPERVISORY BOARD MEETINGS

In the year under review, there were eight plenary Supervisory Board meetings, and four resolutions were adopted by means of a resolution procedure in writing. Current business and earnings performance, order backlog development and developments in the markets in the business segments were discussed at all quarterly Supervisory Board meetings. The Supervisory Board takes into account the reports of the committees.

At the start of the 2023 financial year, the Supervisory Board was focused on the implementation of the capital increase resolved by the Extraordinary General Meeting on November 18, 2022. On the one hand, the Supervisory Board monitored the settlement of the legal challenges filed against the resolution, and on the other hand the Supervisory Board was engaged

with determining the details of the capital increase. Accordingly, as part of the capital increase, 16,945,697 new no-nominal-value bearer shares were issued including the shareholders' statutory subscription rights and the subscribed capital was increased by EUR 72,211,776.98 with effect as of March 23, 2023. Furthermore, in March of the year under review, a special session resolved on the termination of the Executive Board activities of acting CEO Mr. Michael Stomberg as well as the conclusion of a corresponding termination agreement with him.

At the annual financial review meeting in April relating to the annual and consolidated financial statements for the 2022 financial year, also attended and informed by the auditor, a detailed review was undertaken of the respective financial statements along with the combined management report and the proposal of the Executive Board with regard to the appropriation of retained earnings. The key audit points comprised the special factors affecting the year-end result. After reviewing the audit reports for the annual financial statements, the annual and consolidated financial statements were adopted and approved by the Supervisory Board. The declaration on corporate governance and the non-financial Group report for the 2022 financial year were also confirmed and the remuneration topics with the remuneration report were discussed. During this meeting, the Supervisory Board also addressed the current business development, the change in the rules of procedure governing the Executive Board and the invitation to the Annual General Meeting. Another key focus of consultation was the combined mandatory offer and delisting acquisition offer of SD Thesaurus GmbH submitted shortly before. In an extraordinary session of the Supervisory Board in mid-April, after weighing the advantages and disadvantages of delisting, the Supervisory Board approved the application to withdraw the company's shares from the list for trading in the regulated market. After obtaining and addressing a fairness opinion during an extraordinary session in May of the financial year, a written resolution was passed approving the submission and publication of the statement from the Executive Board and Supervisory Board regarding the mandatory offer and delisting acquisition offer of SD Thesaurus GmbH. Additionally, in May the tender for auditing for the 2024 financial year was resolved.

In the June session, the Supervisory Board addressed the operative business performance in the segments, the convocation of the Annual General Meeting and the identification and development of employees with high potential in the company.

In the September session, apart from addressing the business performance in the various markets, the Supervisory Board focused on the medium-term consolidated balance sheet planning, the reporting to the Supervisory Board, the development of the offshore business and the planning for constructing a new plant.

In early December, the Supervisory Board came together to discuss filling the vacant positions on the committees due to the departure of Ms. Andrea Teutenberg and Prof. Thomas Bauer as well as the course of business in the segments, and to accept a compliance report. Furthermore, the modification and new version of the rules of procedure governing the Supervisory Board were resolved including changes to the committees. In addition, the conclusion of a termination agreement with acting member of the Executive Board Mr. Florian Bauer as of the end of the financial year was approved, and the subsequent appointment of Mr. Hartmut Beutler as member of the Executive Board was resolved. Furthermore, the offers from the tender for auditing were evaluated and the proposal to the General Meeting for selecting the auditor for the 2024 financial year were resolved. After the appointment of Prof. Dr. Bastian Fuchs as member of the Supervisory Board, he was voted as Chairman of the Supervisory Board following prior discussion in the session through a written resolution, and resolutions were passed regarding the filling of vacancies on the committees as well as the approval of a legal consultation contract with the law firm at which the Chairman of the Supervisory Board is employed.

WORK CARRIED OUT BY THE COMMITTEES

There were four committees in the Supervisory Board, though the Mediation Committee was not required to convene and the Nomination Committee did not need to meet due to a short-term resolution of the plenary Supervisory Board. The committee

chairpersons submitted regular reports on the main content of the committee meetings to the plenary Supervisory Board meetings.

One meeting of the Presidial and Personnel Committee was convened. At those meetings, the remuneration system for members of the Executive Board was addressed and preparations were made for decisions of the Supervisory Board relating to determination of salaries and performance bonuses for members of the Executive Board, the remuneration report as well as the performance bonus framework. The committee also addressed the composition of the Executive Board and succession to the office of Executive Board members. The modification of the rules of procedure governing the Executive Board Member due to the withdrawal of the CEO at the start of the year was prepared by the committee. A self-assessment of the Supervisory Board members in accordance with the German Corporate Governance Code was carried out and analyzed.

The Audit Committee met five times in the year under review. The committee reviewed the audit of the non-financial Group report, the quarterly statements, the half-year interim report and, in the presence of the auditors, the audit of the annual financial statements and the consolidated financial statements of the Group. It also scrutinized the Executive Board proposal regarding the appropriation of earnings as well as the selection and appointment of auditors and assessed the quality of the company audit. The Audit Committee obtained the required declaration of independence from the auditor and agreed on the fees for auditing services. The Committee also addressed and evaluated the tender for auditing for the 2024 financial year, held a special session to accept the risk management and internal auditing reports and review the earnings performance and projections for the end of the year. The Audit Committee resolved on an advance approval of non-audit services from the auditor and the design of the future reporting system was discussed. At the end of the financial year, it was resolved to dissolve the Audit Committee.

ATTENDANCE, ONGOING EDUCATION

As in previous years, in the 2023 financial year there was once again a consistently high participation rate in the Supervisory Board meetings as well as in its committees. The Mediation Committee and Nomination Committee did not meet. The meetings of the Supervisory Board and its committees are all conducted in hybrid form as a rule, with an in-person and video and/or phone conference, in order to facilitate the participation of all members of the Supervisory Board and achieve high participation rates. In principle, the members of the Supervisory Board are independently responsible for completing the training and ongoing education measures that are required for their activities. In the year under review, there were two changes in the composition of the Supervisory Board on the shareholder side. Ms. Andrea Teutenberg withdrew from her position as member of the Supervisory Board with effect as of November 2, 2023. Mr. Alfons Doblinger was legally appointed as her successor with effect as of November 2, 2023. Furthermore, Chairman of the Supervisory Board Prof. Thomas Bauer withdrew from the Supervisory Board with effect as of December 6, 2023 and Prof. Dr.-jur. Bastian Fuchs was appointed by the court with effect as of December 18, 2023.

	Supervisory Board meeting	Presidential and Personnel Committee	Audit Committee
Number of sessions held	8	1	5
Prof. Dr.-Ing. Thomas Bauer (until Dec.6, 2023)	7	1	
Rainer Burg	8		
Alfons Doblinger (since Nov. 2, 2023)	1		
Sabine Doblinger	8		
Petra Ehrenfried	7		
Maria Engfer-Kersten	7		4
Robert Feiger	7		
Prof. Dr.-jur. Bastian Fuchs (since Dec. 18, 2023)	0		
Reinhard Irrenhauser	8	1	
Klaus Pöllath	8	1	
Wolfgang Rauscher	8		
Dipl.-Ing. (FH) Elisabeth Teschemacher	8		
Dipl.-Kffr. Andrea Teutenberg (until Nov. 2, 2023)	7		4
Gerardus N.G. Wirken	8		5

AUDITING OF THE 2023 ANNUAL AND CONSOLIDATED FINANCIAL STATEMENTS

The annual financial statements of BAUER AG as at December 31, 2023 and the consolidated financial statements of the Group as well as the Combined Management Report, including Group Accounting, were audited by the auditors elected by the General Meeting and duly appointed by the Supervisory Board, PricewaterhouseCoopers AG Wirtschaftsprüfungsgesellschaft, Frankfurt am Main, Stuttgart branch office, and certified by the auditor with an unqualified opinion. The Supervisory Board scrutinized the audit documentation, the dependency report and the reports submitted by auditors. The auditor attended the meetings on these proposals of the plenary Supervisory Board.

The annual and consolidated financial statements along with the combined management report, the dependency report and the auditor's reports were provided in good time to all members of the Supervisory Board, who reviewed these documents. The refinancing of the syndicated loan agreement led to changes in the combined management report and the information provided in the annual and consolidated financial statements etc., a deconsolidation of the Russian companies in the Equipment segment was made and the financial statements were subjected to a supplementary audit by the auditor. The Supervisory Board duly noted and concurred with the findings of the auditor's review of the documents. Following conclusion of the Supervisory Board review, no objections were raised, and publication was approved. Regarding the dependency report, the auditor issued the following unqualified opinion in accordance with Section 313 (3) of the AktG:

"Following our audit and assessment in accordance with our duties, we confirm 1. that the facts stated in the report are correct, 2. that the consideration paid by the company in legal transactions listed in the report was not inappropriately high, 3. that there are no grounds for a significantly different assessment of the measures outlined in the report than that of the Executive Board."

No objections were raised against the dependency report, particularly including objections against the final statement of the Executive Board regarding the dependency report. The annual financial statements of BAUER AG and the consolidated financial statements of the Group as well as the final statement of the Executive Board regarding the dependency report were examined and approved by the Supervisory Board in the meetings on May 14, 2024 – in particular the dependency report – and July 26, 2024. The annual financial statements of BAUER AG were thus adopted. The Supervisory Board concurred with

the proposal of the Executive Board regarding the appropriation of retained earnings. Given the lack of retained earnings, no proposal can be made to the shareholders regarding the appropriation of retained earnings.

On behalf of the Supervisory Board, I would like to thank the members of the Executive Board, all the Group employees and the employee representatives within all Group companies for their great commitment throughout the past financial year. We would also like to thank the departing members of the Supervisory Board, Ms. Andrea Teutenberg and Prof. Thomas Bauer, for their commitment to the company and its employees.

Schrobenhausen, July 2024

The Supervisory Board



Prof. Dr.-jur. Bastian Fuchs
Chairman of the Supervisory Board