

REPORT OF THE SUPERVISORY BOARD

The Supervisory Board performed the tasks required of it by law and the Articles of Association in the 2023 financial year. It held four ordinary meetings on February 23, June 5, September 26 and December 13, 2023, as well as two extraordinary meetings on April 17 and May, 5 2023. With the exception of the extraordinary meeting in April, the Executive Board attended all meetings. In addition, the Executive Board continually informed the Supervisory Board about the course of business and the situation of the company and the group companies. The Chairman of the Supervisory Board was in regular contact with the Executive Board – also outside the Supervisory Board meetings – and discussed the company's strategy, business development and risk situation with it.

In addition to current business development and planning, the Supervisory Board dealt primarily with the following topics in 2023: The geopolitical and economic environment, for example in connection with the Ukraine crisis and the challenges on the energy and procurement markets; major investment and divestment decisions; strategic partnerships; various integration, restructuring and expansion projects; the strategy in individual segments; the sustainability strategy and reporting, developments in group-wide risk management; and the associated economic, ecological and social risks.

Furthermore, three Audit Committee meetings were held in 2023, at which the Audit Committee focused on the following: 2023 annual financial statements; the internal control system; risk management, IFRS and accounting issues; internal auditing; the requirements for sustainability reporting and their implementation; and cooperation with the auditor.

The Nomination Committee held seven meetings in 2023 primarily to discuss the cooperation and working methods of the Executive Board, and to draw up proposals for filling the vacant position of the Executive Board member responsible for Development and Production as well as the for the first time appointed Executive Board member responsible for Human Resources and Legal Affairs.

The Compensation Committee held three meetings in 2023, focusing on the following: Compensation of the Executive Board members; the preparation of the contracts for two new Executive Board members; the development of a new long-term incentive program for the Executive Board; an amendment to the remuneration policy; and the preparation of the compensation report for the 2023 Annual General Meeting.

The Digital Committee deals in depth with digital technologies and the preparation of related reporting and resolution items for the Supervisory Board and held two meetings in 2023.

For further details of the composition and working methods of the Supervisory Board and its committees, please refer to the Corporate Governance Report 2023.

The annual financial statements of PALFINGER AG as of December 31, 2023 and the management report for 2023, including the non-financial statement in accordance with Section 267a of the Austrian Commercial Code (UGB), were audited by PwC Wirtschaftsprüfung GmbH, including the bookkeeping. The audit showed that the bookkeeping, the annual financial statements and the management report of PALFINGER AG comply with the statutory provisions and that the provisions of the Articles of Association have been observed. According to its final results, the audit gave no cause for concern, so that an unqualified audit opinion was issued by the auditing company for 2023. This also applies to the Consolidated financial statements 2023. The consolidated financial statements prepared in accordance with IFRS (as adopted by the EU) were supplemented by the group management report and further notes in accordance with Section 245a of the Austrian Commercial Code.

The Supervisory Board approved the annual financial statements prepared as of December 31, 2023, including the management report and corporate governance report for the 2023 financial year. The 2023 annual financial statements of PALFINGER AG have thus been adopted in accordance with section 96 (4) of the Austrian Stock Corporation Act. The Supervisory Board declared its agreement with the consolidated financial statements and group management report 2023 prepared in accordance with Section 244 et seq. of the Austrian Commercial Code. The Executive Board's proposal for the distribution of profits for the 2023 financial year was examined and approved by the Supervisory Board.

The evaluation of the company's compliance with the rules of the Austrian Corporate Governance Code (ÖCGK) in fiscal year 2023 was carried out by PwC Wirtschaftsprüfung GmbH. It was confirmed that the declaration made by PALFINGER AG on compliance with the Corporate Governance Code reflects the actual circumstances. Compliance with Rules 77 to 83, insofar as they are C-Rules, was evaluated by Schönherr Rechtsanwälte GmbH.

The Supervisory Board would like to express its gratitude and appreciation to the members of the Executive Board and to all PALFINGER employees for their great commitment and outstanding performance in the 2023 financial year.

Bergheim, March 5, 2024

Hubert Palfinger e.h.