Wacker Neuson
Group

Driving Technological Change

Annual Report 2024

FIGURES AT A GLANCE 2024

WACKER NEUSON GROUP AS OF DECEMBER 31

IN € MILLION

	2024	2023	Change
Key figures			
Revenue	2,234.9	2,654.9	-16%
by region			
Europe	1,731.7	2,022.4	-14%
Americas	450.7	556.5	-19%
Asia-Pacific	52.5	76.0	-31%
by business segment[1]			
Light equipment	452.7	525.9	-14%
Compact equipment	1,284.6	1,652.9	-22%
Services	513.2	494.5	4%
EBITDA	286.5	415.9	-31%
Depreciation and amortization	164.0	142.7	15%
EBIT	122.5	273.2	-55%
EBT	101.5	254.7	-60%
Result for the period	70.2	185.9	-62%
R&D ratio (incl. capitalized expenses) as a %	4.2	3.5	0.7PP
Share			
Earnings per share in €	1.03	2.73	-62%
Dividends per share in €[2]	0.60	1.15	-48%
Key profit figures			
Gross profit margin as a %	23.2	24.4	-1.2PP
EBITDA margin as a %	12.8	15.7	-2.9PP
EBIT margin as a %	5.5	10.3	-4.8PP
EBT margin as a %	4.5	9.6	-5.1PP
Cash flow			
Cash flow from operating activities	305.3	113.2	–
Cash flow from investment activities	-120.7	-138.1	13%
Investments (property, plant and equipment, intangible assets)	102.6	163.5	-37%
Free cash flow	184.6	-24.9	–
Cash flow from financing activities	-177.5	-5.0	–

	Dec. 31, 2024	Dec. 31, 2023	Change
Key figures from the balance sheet			
Equity[3]	1,499.6	1,499.7	–
Equity ratio as a %	60.3	56.7	3.6PP
Net financial debt	310.6	365.8	-15%
Gearing in %	20.7	24.4	-3.7PP
Net working capital	709.3	869.5	-18%
Net working capital in % of revenue	31.7	32.8	-1.1PP
Number of employees[4]	6,019	6,579	-9%

[1] Consolidated revenue before cash discounts.

[2] The Executive Board and Supervisory Board will propose to the Annual General Meeting on May 23, 2025, a dividend of EUR 0.60 per share for the fiscal year 2024.

[3] Due to an error correction in connection with revenue recognition, the equity was adjusted compared to the previous year. Further information on this can be found in the “Changes in accounting in accordance with IFRS” in the 2023 annual report.

[4] By number of jobs, the number of employees was converted to full-time equivalents. Excluding temporary employees.

All consolidated figures prepared according to IFRS. To improve readability, the figures in this report have been rounded to the nearest EUR million.
Percentage changes refer to these rounded amounts.

CONTENT

Dear Readers,

The fiscal year 2024 has challenged us in many ways – and once again demonstrates how valuable a dedicated and strong team is. Especially in times when the wind blows stronger, our employees have proven that solidarity and adaptability make the difference. We look back on a year that is characterized by dynamic changes, a demanding market situation, and important decisions for the sustainable future of the Wacker Neuson Group. "Nobody is perfect, but a team can be" – this thought continues to accompany us and inspires us to look ahead, even in a difficult economic environment.

Expressed in our key performance indicators, our total revenue decreased by EUR 2,234.9 million amounting to a decrease of 15.8 percent, which is also reflected in our earnings before interest and taxes (EBIT) with a decrease of 55.2 percent to EUR 122.5 million (EBIT margin of 5.5 percent). A weak market environment in the construction and agricultural sectors, combined with a persistently sluggish demand, led to a decline in incoming orders and made adjustments in our organization unavoidable.

We reacted decisively: With targeted cost-cutting measures, the optimization of our production capacities, and sales measures, we have strengthened not only our competitiveness but also our future viability. Our "Fit for 2025" program showed initial success by the end of 2024, particularly in the reduction of our inventories, which was reflected in a significant decline of net working capital and an increase in free cash flow.

Despite the challenges in the past fiscal year, our focus remained clear: stabilizing our business in a year of consolidation while simultaneously preparing for the next growth phase. Our actions have an impact beyond the fiscal year 2024. At the same time, we continue to invest in our strategic targets, and we are consistently working on implementing our Strategy 2030, which we reaffirm.

In 2024, we also at the same time launched new product innovations that focus on sustainability, efficiency, and technological advancements. These innovations demonstrate the commitment of the Wacker Neuson Group and its brands to sustainability and technological excellence always with a clear focus on customer needs. This is how we create optimal conditions for the successful implementation of future construction and agricultural projects.

As in previous years, we want to allow our shareholders to participate in our operational success for the fiscal year 2024 according to our dividend policy. Therefore, we will propose a dividend of EUR 0.60 per share for the past fiscal year to the Annual General Meeting, reflecting around 58 percent of the earnings per share and corresponding to an attractive dividend yield of around 4.1 percent based on the year-end closing price of 2024.

With a clear plan, the commitment of our great team and your continuing support, we are confident in keeping the Wacker Neuson Group on track and well-prepared for the coming year. We expect significant boosts for our business from the leading trade fair Bauma taking place in April 2025 and are looking forward to a recovery in order intake over the course of the year. We anticipate a stabilization of our sales markets, with recovery trends from the second quarter onwards. In 2025, we will also benefit further from the actions initiated in 2024. With better structures and increased efficiency, we are focusing specifically on the long-term increase in our profitability within the framework of the Strategy 2030. Specifically, for the fiscal year 2025, we expect revenue in the range of EUR 2,100 to 2,300 million and the EBIT margin in a range of 6.5 to 7.5 percent.

The past year has challenged us all. Dear shareholders, you have faithfully accompanied us during this time. We would therefore like to take this opportunity to express our special thanks to all of you. You have continued to place your trust in the Wacker Neuson Group and our vision during challenging times. Your support gives us the backing we need to implement ambitious actions and create sustainable values. Thank you for your interest in the Wacker Neuson Group. Together, we set the sails for a successful future.

The Executive Board of the Wacker Neuson Group

from left to right:

Christoph Burkhard
Chief Financial Officer (CFO)

Dr. Karl Tragl
Chairman of the Executive Board
Chief Executive Officer (CEO)

Felix Bietenbeck
Chief Technology Officer (CTO)
Chief Operations Officer (COO)

Alexander Greschner
Chief Sales Officer (CSO)

Our share in 2024

In the year 2024, several macroeconomic events impacted international capital markets. Throughout the year, the leading central banks worldwide lowered their key interest rates to strengthen economic growth and labor markets. However, these measures were not sufficient to significantly boost the global economy. Although global inflation declined, geopolitical uncertainty affected consumer behavior, leading to reluctance in buying and investing. The European economy, and specifically the German industry, was strongly affected, recording lower incoming orders and facing sharply declining revenues. The general uncertainty also manifested in noticeable reluctance from many investors towards entities in the construction machinery sector. Additionally, entities with low market capitalization or low trading volumes were less sought after. In this market environment, the share of Wacker Neuson SE recorded a decline of 19.8 percent in 2024.

The Wacker Neuson SE share and its indices

The share of Wacker Neuson SE has been traded on the regulated market (Prime Standard) of the Frankfurt stock exchange since 2007 and is listed on the SDAX. In addition, it has been included in the "DAXplus Family" index since 2010, for which currently 113 German and international entities qualify. The criterion for listing on the "DAXplus Family" is that the respective founding families hold at least 25 percent of the voting shares or are members of the Executive Board or Supervisory Board and simultaneously hold at least 5 percent of the voting shares. The weighting within the index is based on the market capitalization of the free float shares.

The stock market in the year 2024

Despite recession forecasts and geopolitical uncertainty, the stock market year was very dynamic in 2024. The beginning of the year was characterized by expected interest rate cuts as well as a surge of attention towards the topic of artificial intelligence. After the interest rate hike in Japan at the end of July 2024, the Nikkei index dropped significantly, which negatively affected the leading indices in Germany and the USA in connection with currency speculation transactions. Over the course of the year, the indices were able to recover. In November, global stock indices recorded an upswing following the outcome of the US presidential election, with deregulation and tax cut promises being positively received by the investors. The year ended with another interest rate cut by the US Federal Reserve.

The DAX 40 consequently ended the year with a significant increase of 18.9 percent to 19,909 points. The SDAX performed less dynamically with a decrease of 1.78 percent, while the US-focused index MSCI World performed better with 20.0 percent.

Share price performance in the year 2024

The share of Wacker Neuson SE was also less in the focus of most investors in 2024 due to the aforementioned reasons and the economic weakness of the European sales markets.

The share price remained largely at the prior-year level until mid-May 2024, reaching an annual high of EUR 18.58 on May 15, 2024, representing an increase of 1.75 percent compared to the value at the beginning of the year. However, the downturn in the global construction industry then led to a price decrease to the year-end closing price of EUR 14.64. Thus, the stock recorded a decline of 19.8 percent over the year (data based on daily closing prices, Xetra trading platform).

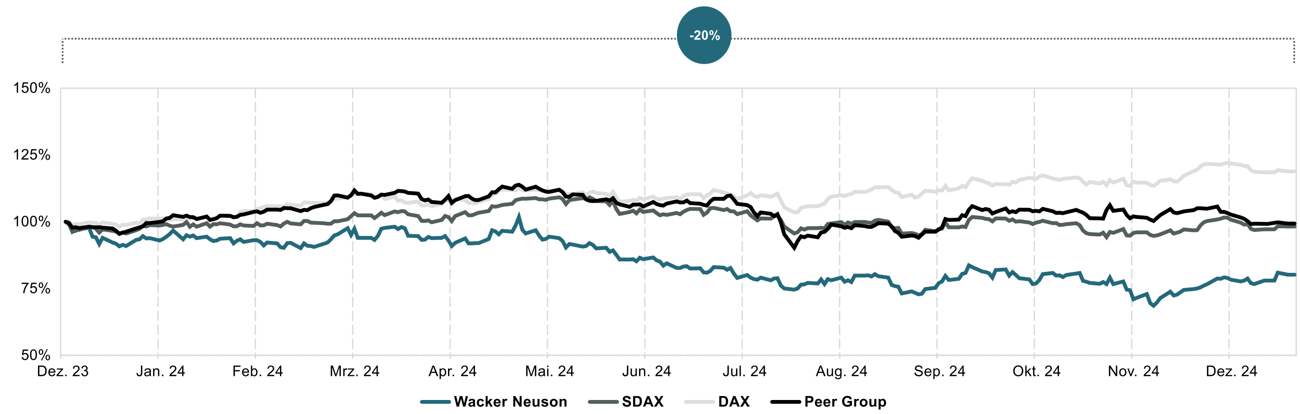
Performance of the peer group

The following chart compares the stock performance of Wacker Neuson SE with that of its peer group. A theoretical portfolio created for comparison includes multiple equally weighted competitors, including the French construction and agricultural machinery manufacturer Manitou, the US manufacturers of construction and agricultural machinery Caterpillar, John Deere and Agco, the Swedish industrial companies Atlas Copco, Husqvarna, and Volvo, the Korean construction machinery manufacturer Doosan Bobcat, the Chinese engineering company Sany, the Japanese construction machinery manufacturers Komatsu, Hitachi, Takeuchi, and Kubota, the UK-headquartered industrial company CNH, the German specialist engineering company Bauer, as well as Deutz as a manufacturer of engines, among others, for the construction machinery industry. Part of the peer group are the US rental company United Rentals and the British rental company Ashtead.

The increase in the share prices of the peer group was followed by a decline over the course of the year. Overall, the competitor portfolio was 0.67 percent below the previous year at the end of the year and thus outperforming the Wacker Neuson SE share.

SHARE PRICE TRENDS JAN. 1, 2024 – DEC. 31, 2024

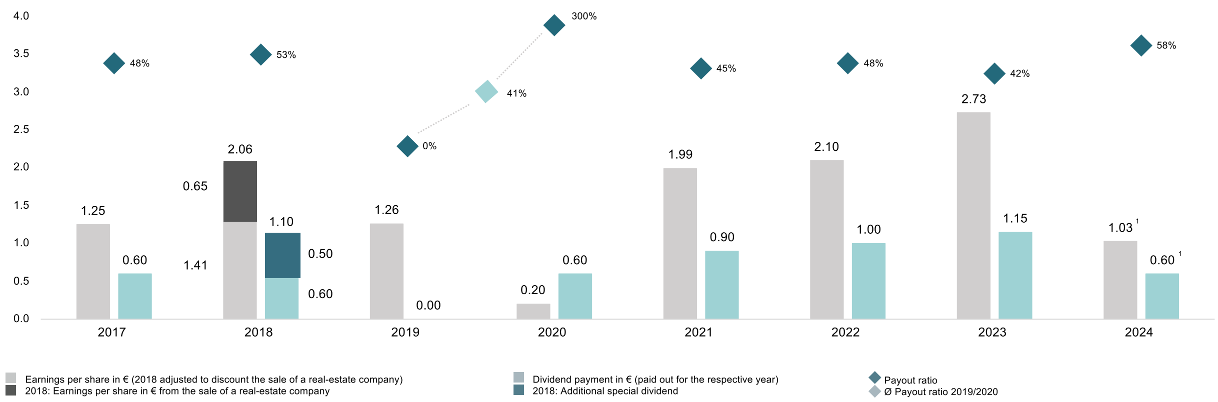
IN %



Peer group: Agco, Ashtead, Atlas Copco, Bauer, Caterpillar, Deutz, Doosan Bobcat, Hitachi, Husqvarna, John Deere, Komatsu, Kubota, Manitou, Sany, Takeuchi, United Rentals, Volvo.

EARNINGS PER SHARE, DIVIDEND AND PAYOUT RATIO 2017-2024

IN €



[1] At the AGM on May 23, 2025 the Executive Board and the Supervisory Board will propose a dividend of EUR 0.60 per share for the fiscal year 2024.

KEY INDICATORS FOR THE WACKER NEUSON SHARE

IN €

	2024	2023
High	18.58	23.80
Low	12.52	16.60
Average	15.60	19.84
Year-end	14.64	18.26
Average daily trading volume in shares[1]	34,303	29,957
Earnings per share[2]	1.03	2.73
Book value per share[2]	21.4	21.38
Dividend payment[2,3]	0.60	1.15
Payout ratio as a %	58.3	42.1
Market capitalization at year-end in € million	1,026.8	1,280.8

[1] Day trading on XETRA, in units of shares
[2] 70,140,000 shares.
[3] At the AGM on May 23, 2025, the Executive Board and the Supervisory Board will propose a dividend of EUR 0.60 per share for the fiscal year 2024.

SHARE FACTS AT A GLANCE

ISIN/WKN	DE000WACK012/WACK01
Trading symbol	WAC
Sector	Industrial
Reuters/Bloomberg	WACGn.DE/WAC GY
Stock category	Individual no-par-value nominal shares
Share Capital	EUR 70,140,000
Number of authorized shares	70,140,000
Stock exchange segment	Regulated market (Prime Standard), Frankfurt Stock Exchange
Indices	SDAX, DAXplus Family, CDAX, Classic All Shares
IPO	May 15, 2007
Designated sponsor	M.M.Warburg

Annual General Meeting and dividend

Wacker Neuson SE held its Annual General Meeting on May 15, 2024, as an in-person event in Munich, similar to the previous year. The attendance rate was 78.2 percent of the share capital (previous year: 82.4 percent). All resolutions were passed as proposed.

The Annual General Meeting followed the proposal of the Executive Board and the Supervisory Board to distribute a dividend of EUR 1.15 per share for the past fiscal year 2023.

In addition to the resolution on the dividend, the annually recurring voting points, discharge of the Executive Board and the Supervisory Board, election of the auditor (Forvis Mazars GmbH & Co. KG Wirtschaftsprüfungsgesellschaft Steuerberatungsgesellschaft, Hamburg, branch Munich), and approval of the remuneration report received the necessary majorities. Furthermore, two amendments to the Articles of Incorporation were passed by a majority. These concerned the disclosures regarding registration in the share register and the chairmanship at the Annual General Meeting.

Dividend policy and dividend proposal to the Annual General Meeting 2025

Wacker Neuson SE relies on attractive shareholder remuneration with the aim of continuously and appropriately involving shareholders in the profit of the Group. The earnings situation as well as ensuring an adequate capital structure of the Group provide the framework for this.

The dividend policy of Wacker Neuson SE provides for a payout per share of 40 to 60 percent of the Wacker Neuson Group earnings per share.

This dividend policy reflects the unchanged objective of the Executive Board and the Supervisory Board and may be adjusted in the future. Furthermore, the dividend payment each year requires corresponding dividend proposals from the Executive Board and the Supervisory Board, each of which may deviate from this dividend policy under the then prevailing circumstances. The Annual General Meeting decides on the dividend.

The Executive Board and the Supervisory Board will propose a dividend payout of EUR 0.60 per dividend-entitled share at the Annual General Meeting planned for May 23, 2025.

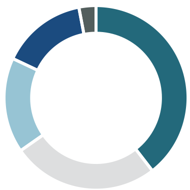
Treasury shares

Following a share buyback program in 2021, the company held a total of 2,124,655 treasury shares as of December 31, 2024. These had been bought back at a price of EUR 52,999,971.94 (excluding incidental acquisition costs).

Ownership structure

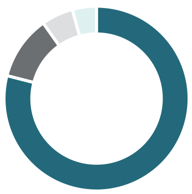
The shares in free float are held by institutional and private shareholders. According to the Group's knowledge, the majority of the free float shares, approximately 79.0 percent, are held by German investors. Another 21.0 percent is held by investors from other countries.

SHAREHOLDER STRUCTURE
IN %



Based on the latest WpHG (Securities Trading Act) disclosures.
Differences attributable to rounding. Number of shares: 70.14 million
* The determination of non-free float and free float is based on the Guide to Equity Indices of Deutsche Börse AG.
** Various members of the Wacker Family hold separate stocks of the non-free float.

REGIONAL DISTRIBUTION OF FREE FLOAT
IN %



As of December 31, 2024 (from the share register).
Differences attributable to rounding. Share capital/ Number of shares: 70.14 Mio.

ANALYST RECOMMENDATIONS

NAME OF BANK	Target price	Buy	Hold	Sell	Date
Hauck & Aufhäuser Lampe	€ 22.50	■			25.11.2024
Bankhaus Metzler	€ 14.00		■		02.12.2024
Warburg Research	€ 17.00	■			29.11.2024
Jefferies	€ 16.00		■		27.11.2024
Kepler Cheuvreux	€ 11.50			■	15.11.2024

As of December 31, 2024

Transparent communication with the capital market

The Wacker Neuson Group maintains regular and transparent communication with both private and institutional investors and analysts, as well as with all other stakeholders of the company. The Executive Board and Investor Relations therefore maintain close contact with these target groups, enabling them to optimally assess and evaluate current corporate developments.

The Wacker Neuson Group also participated in four investor conferences in 2024 and engaged in individual meetings as well as in personal exchanges via phone and video conferences with over 50 existing and interested investors. Analysts and investors received a comprehensive insight into the development of the markets, business activities, and the strategic orientation of the Wacker Neuson Group.

Comprehensive information is also available to shareholders and interested parties on the following website: → www.wackerneuson-group.com/investor-relations. In addition to annual and interim financial statements, quarterly reports, corporate news, and ad-hoc announcements as well as current presentations, the development of the Wacker Neuson SE share and that of the peer group can also be tracked here.

Analyst recommendations

The Wacker Neuson SE share was continuously monitored and rated by five analysts in 2024. Berenberg Bank discontinued its coverage during the year. As of December 31, 2024, two analysts recommended buying the share, two other analysts recommended holding the share, and one analyst recommended selling the share. The median price target was EUR 16.00 with a range from EUR 11.50 to EUR 22.50.

Declaration on Corporate Governance

Corporate governance is a high priority for the Wacker Neuson Group. The Executive Board and the Supervisory Board are committed to the principles of responsible, professional, sustainable and transparent corporate governance as outlined in the German Corporate Governance Code ("DCGK"). Their activities are directed towards the long-term success and revaluation increase of the Group. The corporate mission statement embedded in the Group is an integral part of all business processes.

Declaration on Corporate Governance

The Executive Board reports in the present declaration – also on behalf of the Supervisory Board– on corporate governance. This complies with §§ 289f in conjunction with 315d HGB and Principle 23 of the DCGK.

1. Declaration of compliance according to § 161 AktG

For the Executive Board and the Supervisory Board of Wacker Neuson SE, the DCGK is an important regulations framework; both bodies are committed to its principles of responsible, professional, sustainable, and transparent corporate governance. The committees have therefore thoroughly assessed the recommendations of the DCGK and most recently issued the following compliance declaration dated December 3, 2024:

Declaration on the German Corporate Governance Code pursuant to Section 161 AktG

The German Corporate Governance Code includes recommendations and suggestions for the Management and Supervision of listed German companies with respect to shareholders and the Annual General Meeting, the Executive Board and the Supervisory Board, transparency, financial reporting and auditing. German stock corporation law requires the Executive Board and the Supervisory Board of a listed company to declare annually which of these recommendations have not been or will not be applied and to explain the reasons for this (“comply or explain”).

The Executive Board and Supervisory Board identify with the duty elucidated by the German Corporate Governance Code to ensure the Group's existence and its sustainable value creation (corporate interest) in accordance with the principles of the social market economy as well as to promote responsible and transparent corporate governance and control.

Executive Board and Supervisory Board of Wacker Neuson SE hereby declare in accordance with § 161 AktG:

Wacker Neuson SE has complied with the recommendations of the "Government Commission on the German Corporate Governance Code" as published by the Federal Ministry of Justice in the official section of the Federal Gazette on June 27, 2022, in the version dated April 28, 2022 ("DCGK 2022") since the last declaration of compliance on December 5, 2023, and will also comply with the recommendations of the DCGK 2022 in the future, with the exceptions of the following deviations:

Recommendation A.5 DCGK 2022: *The internal control system and the risk management system of the Wacker Neuson Group are described in the Management Report concerning the accounting process in accordance with statutory requirements. The internal control system and the risk management system also include a compliance management system. As additional components, the Management Report for the* fiscal *year 2024 will, for the first time in the course of sustainability reporting, also contain disclosures on the material characteristics of the internal control system and the risk management system in relation to sustainability reporting.*

At the present time, it is unclear what additional disclosures will be required by the DCGK 2022 in the Management Report on the material characteristics of the established systems and on their appropriateness and effectiveness beyond the statutory reporting requirement. Therefore, a deviation from recommendation A.5 DCGK 2022 is declared as a precaution.

Looking ahead, it is intended, in accordance with the Code recommendation, to expand the description of the material characteristics in the Management Report to cover the entire internal control system and risk management system and to also comment on the adequacy and effectiveness of these systems.

Recommendation B.5 DCGK 2022: *To maintain continuity in the Executive Board, which was newly constituted in 2021, the Supervisory Board decided on contract extensions for Mr. Dr. Tragl and Mr. Burkhard with terms that exceed the defined age limit of 62 years for the extensions effective since June 2024.*

Recommendation C.1 DCGK 2022: *The Supervisory Board considers the legal requirements and the recommendations of the DCGK 2022 regarding the personal requirements for Supervisory Board members when making its election proposals to the Annual General Meeting for the election of shareholder representatives.*

The focus is not on filling out a competency profile or pursuing a diversity concept, but – regardless of nationality and gender – the professional and personal competence of potential candidates, taking into account the Group-specific situation. In assessing competence, the Supervisory Board also appropriately considers the international ac-

tivities of the Group, potential conflicts of interest, the number of independent Supervisory Board members, the set age limit for Supervisory Board members, and the principle of diversity as well as the special rules of the co-determination laws for the elected employee representatives.

The specification of concrete targets for its composition or the development of a specific competence profile considering diversity and expertise in sustainability matters for the entire body is not deemed necessary by the Supervisory Board, so the manner or status of the implementation of such profiles or policies – with exceptions of the fulfillment of corresponding statutory duties, such as particularly from the Act for the Equal Participation of Women and Men in Leadership Positions ("women quota") – is also not disclosed in the form of a qualification matrix in the corporate governance declaration.

In view of the explanatory information on the independence of Supervisory Board members contained in the declaration on corporate governance, the Supervisory Board also refrains from explicitly informing again in the declaration on corporate governance about the appropriate number of members and their names according to its assessment.

***Recommendation C.14 of the DCGK 2022:** The Supervisory Board considers the information that has so far been made available for the Annual General Meeting and continuously on the Group's website to be sufficient, so that it will continue to refrain from preparing, publishing, and updating more detailed CVs for proposed or already serving Supervisory Board members.*

***Recommendation D.4 of the DCGK 2022:** The Supervisory Board has not established a nomination committee. The size of the Supervisory Board (four shareholder representatives) does not justify a special committee for the proposal of the Supervisory Board candidates of the shareholders.*

***Recommendation G.18 DCGK 2022:** The current remuneration of the Supervisory Board includes short-term performance-based remuneration. This model should be maintained, as it is not to be considered as an incentive for steering or a bonus for the Supervisory Board for the long-term development of the Group but rather as a means to provide flexibility in compensation during less successful years.*

Munich, December 3, 2024

Wacker Neuson SE

Executive Board and Supervisory Board

Dr. Karl Tragl	*Hans Neunteufel*
Chief Executive Officer	*Chairman of the Supervisory Board*

The above compliance declaration is permanently available to shareholders on the website of Wacker Neuson SE → www.wackerneuson-group.com in the Investor Relations/Corporate Governance section. It is updated as required, but once a year at least. Previous compliance declarations as well as corporate governance declarations as part of the respective Consolidated Financial Statements remain accessible on the website of the Group for a period of at least five years. Further details of the corporate governance practice can be found in the subsequent section of this corporate governance declaration.

2. Corporate Governance

This part of the report describes the working methods of the Executive Board and Supervisory Board as well as the composition and working methods of the committees of the Supervisory Board.

Wacker Neuson SE is a listed European company (Societas Europaea) incorporated under German law with its registered office in Munich, entered in the commercial register of the Munich District Court under HRB 177839. At its foundation, the shareholders opted for the dual management system customary under German Stock Corporation law, which provides for two bodies, the Executive Board and the Supervisory Board, each with independent competencies. The two bodies work closely together on a basis of mutual trust together to achieve a sustainable increase in company value.

Executive Board

The Executive Board represents the company towards third parties and conducts business in accordance with the laws, the Articles of Incorporation, and its internal rules. The Executive Board consisted of four members in the reporting year 2024. The Executive Board leads the Group independently and represents it both in and out of court. The principle of overall responsibility applies: the members of the Executive Board share the responsibility for the entire management.

The Executive Board plans the strategic alignment of the Group of companies, coordinates it with the Supervisory Board, and ensures its implementation. It is also responsible for the company's and the Goup's annual and multi-year planning, as well as for the preparation of the legally required reports, such as the annual and Consolidated Financial Statements and the interim financial reports. It also ensures appropriate risk management and control, as well as regular, timely, and comprehensive reporting to the Supervisory Board; this includes all aspects relevant to the company and the Group concerning strategy, corporate planning, business development, risk situation, risk management, and compliance.

The rules of procedure of the Executive Board regulate the responsibilities and the collaboration within the Executive Board: Their focus is on the departmental responsibilities of the individual board members, the matters reserved for the overall Executive Board, the decision-making process (especially the required voting majorities), as well as the rights and obligations of the chairman of the Executive Board. Executive Board meetings are held regularly and are convened by the chair of the Executive Board – also at the request of a board member. The Executive Board generally makes its decisions by a simple majority, unless otherwise stipulated by law. In the event of a tie, the chairman's vote decides.

The Chief Executive Officer (CEO) leads and coordinates the entire Executive Board. He represents the SE and the Group to the public, especially to authorities, trade associations, and publication organs.

Chairman of the Executive Board of Wacker Neuson SE, the parent company of the Group, in the reporting year 2024 was Dr. Karl Tragl; no deputy was appointed. Further disclosures about individual members of the Executive Board, especially the areas of responsibility within the Executive Board, are provided in the Notes to the Consolidated Financial Statements under Note no. 33 “Executive Bodies” (→ Wacker Neuson Group Annual Report 2024).

Measures and transactions of fundamental importance require the approval of the Supervisory Board in accordance with the rules of procedure of the Executive Board or the Articles of Incorporation. They are also communicated to the shareholders and the capital market in a timely manner in order to make decision-making processes transparent throughout the year and to sufficiently inform the capital market participants.

Supervisory Board

The Supervisory Board advises the Executive Board on material decisions, oversees its work, and appoints and dismisses the Executive Board members; in this context, it has determined that Executive Board members should generally not be appointed beyond the end of their 62nd year of life.

The Supervisory Board, with the support of the presiding committee and involving the Executive Board, ensures long-term succession planning for the appointment of the Executive Board. Within the Supervisory Board, succession planning is primarily discussed internally in the presiding committee, which continually assesses the performance of the Executive Board and identifies any additional resource needs early on. In this process, the contract terms of the currently appointed Executive Board members and possible extension options, expected areas to be filled, as well as the strategic planning of the Group for the composition of the Executive Board, are considered.

With regard to a future need for new Executive Board members, the Supervisory Board works towards the identification and proper internal development of individuals at subordinate management levels within the Group by the Executive Board. Regular meetings are held with various executives of the Group to jointly evaluate their suitability for higher management tasks together with the Executive Board and, if necessary, to enable targeted promotion of such suitable executives.

The Supervisory Board and the Executive Board regularly coordinate regarding suitable candidates as potential specific successors. From the Supervisory Board's and the Executive Board's deliberations and personal discussions, the Supervisory Board or the Presiding Committee develops a requirement profile with material characteristics and qualifications of potential candidates for upcoming replacements. Unless it is about their own succession, the Chairman of the Executive Board will also be involved. If necessary, the Supervisory Board or the Presiding Committee will be supported by external advisors in developing requirement profiles and/or selecting suitable individuals. If there is an immediate need in the Executive Board, internal and external candidates will be considered in parallel and selected in a needs-based process adapted to the specific case situation.

The Supervisory Board consists of six members. According to the agreement on the participation of employees in the Supervisory Board of Wacker Neuson SE, four members are representatives of the shareholders and two members are representatives of the employees – as provided by the German one-third participation act. The Supervisory Board considers, in its composition, taking into account the company-specific ownership structure, the international activities of the Group, potential conflicts of interest, the number of Supervisory Board members deemed independent by the Supervisory Board's assessment, the age limit of 75 years for Supervisory Board members defined by it, and the principle of diversity.

It should be noted, as described in the Combined Management Report, that some shareholders, attributable to the Wacker and Neunteufel families, collectively hold around 58 percent of the shares of Wacker Neuson SE. Until April 30, 2022, there was a syndicate agreement between these shareholders, which ended on May 1, 2022. According to the agreement's provisions, each party of the consortium was to exercise its voting and proposal rights in the Annual General Meeting in such a way that two Supervisory Board members of the shareholders were always elected by the Wacker family and two by the Neunteufel family. However, the currently elected Supervisory Board members of the shareholders were and are under no circumstances bound to instructions from individual, multiple, or all parties of this syndicate agreement and continue to base all decisions in the Supervisory Board solely on the company's interest.

Even though these Supervisory Board members of the shareholders always also enjoy the special trust of the parties who appoint them from the former syndicate agreement, they did not and do not have any personal or business relationship with a controlling shareholder, which could have constituted a material conflict of interest, according to the Supervisory Board's view. Especially since the syndicate agreement was terminated as of May 1, 2022, there has been no controlling shareholder since that time.

The Supervisory Board still considers the financial reporting disclosure definitions of dependencies in DCGK 2022, as well as the defined indicators and criteria for (assumed) dependencies, to be factually incorrect. Since, as explained, all shareholder representatives continue to align all decisions in the Supervisory Board exclusively with the company’s interest, the Supervisory Board considers them fundamentally – also and particularly considering the above-mentioned situation – as independent from the company, from the Executive Board, and from the controlling shareholders.

The term of office of all Supervisory Board members runs until the conclusion of the Annual General Meeting that resolves on the discharge for the fiscal year 2024, but no longer than six years. The tenure of the Supervisory Board members is disclosed as follows: Hans Neunteufel (since 10/2007), Mag. Kurt Helletzgruber (since 10/2007, mandate suspended due to secondment to the Executive Board from 12/2020 to 06/2021), Christian Kekelj (employee representatives, since 06/2017), Prof. Dr. Matthias Schüppen (since 05/2014), Elvis Schwarzmair (employee representatives, since 08/2002) and Ralph Wacker (since 05/2014). Further disclosures on individual Supervisory Board members are presented in the Consolidated Financial Statements under no. 33 “Executive Bodies” (→ Wacker Neuson Group Annual Report 2024).

The principles of collaboration of the Supervisory Board are regulated in its rules of procedure, which reflect the recommendations of the DCGK and, as part of the monitoring and control process, provide clear and transparent procedures and structures. The current version of the rules of procedure of the Supervisory Board is publicly accessible on the company's website. The Supervisory Board regularly assesses, including at the beginning of the reporting year, the effectiveness of its own work and that of its committees. In doing so, all Supervisory Board members evaluate various aspects of the committee work based on a detailed questionnaire, also comparing it with the previous year. Areas of work that have significantly deteriorated compared to the previous year or are overall assessed as unsatisfactory are extensively discussed in the plenary session and any improvement measures are defined.

Decisions are made by the Supervisory Board with a simple majority vote, unless otherwise regulated by law. In the event of a tie vote, a resolution or election proposal is rejected; there is no casting vote by the chairman of the Supervisory Board. The chairman of the Supervisory Board convenes the meetings of the committee, chairs them, and coordinates the work of the Supervisory Board and its committees.

The Supervisory Board defines the reporting requirements of the Executive Board in detail. The cooperation focus areas of both bodies as well as the specifics of the Supervisory Board's work and its committees are detailed in the → Report of the Supervisory Board, Annual Report 2024 of the Wacker Neuson Group.

Composition and mode of operation of committees

The Supervisory Board works with two committees: the Presiding Committee and the Audit Committee.

The Presiding Committee is particularly responsible for drafting proposals for the appointment and dismissal of board members, for the extension of their mandates, for the remuneration of the board and for the remuneration system, as well as for the preparation of actions for the conclusion, modification, and termination of the Executive Board contracts. The members of the Presiding Committee are Mr. Hans Neunteufel, Prof. Dr. Matthias Schüppen and Mr. Ralph Wacker. Chairman of the Presiding Committee is Mr. Neunteufel.

The Audit Committee is in close contact with the auditor: It appoints the audit mandate for the Annual and Consolidated Financial Statements, determines the audit focal points, and receives the audit reports. It also concludes the fee agreement with the auditor, assesses the auditor's independence and any additional services provided by the auditor, and submits a proposal to the Supervisory Board for the auditor appointment to be approved by the Annual General Meeting. The Audit Committee prepares the negotiations and resolutions of the Supervisory Board regarding the approval of the Annual Financial Statements and Consolidated Financial Statements, as well as the review of the Executive Board's report on affiliated companies and the Non-financial Group Statement and the remuneration report. It supports and monitors the Executive Board, in particular concerning issues related to the accounting process, the internal control system, the risk management system, the internal audit system, and compliance.

Members of the Audit Committee include Mag. Kurt Helletzgruber, Prof. Dr. Matthias Schüppen, Ralph Wacker, and Elvis Schwarzmair; the committee as a whole is familiar with the sector in which the company operates. The chairman of the Audit Committee is Mr. Helletzgruber. Due to his many years of experience as CFO at various large industrial companies, Mr. Helletzgruber possesses specific knowledge and experience in the application of accounting principles and internal control and risk management systems as well as in the area of audit.

The committee chairpersons report regularly and promptly from the committees to the Supervisory Board. Decisions within the committees are also made by a simple majority; in the event of a tie, a resolution or election proposal is rejected; there is no casting vote by the respective committee chairperson.

The current report of the Supervisory Board provides further details of the work of the Supervisory Board and its committees, including the individual attendance of Supervisory Board and committee members at meetings, the number of meetings held as video or telephone conferences, and any training and development measures conducted for Supervisory Boards (→ Report of the Supervisory Board, Annual Report 2024 of the Wacker Neuson Group).

Shareholders and Annual General Meeting

The shareholders exercise their rights at the Annual General Meeting and cast their voting rights there. Wacker Neuson SE has only fully voting, registered shares. Each share grants one vote. The agenda for the Annual General Meeting, including the reports and documents required for the Annual General Meeting, is published in due time on the company's website and are easily accessible to the shareholders there.

The Annual General meeting is planned this year again as an entirely in-person event on May 23, 2025. The Executive Board facilitates the exercise of voting rights by shareholders through voting representatives appointed by the company, to whom the shareholders can issue binding proxies. The shareholders can also exercise their rights at the Annual General Meeting through an authorized representative, e.g., an intermediary, a voting advisor, a shareholder association or another person of their choice.

In addition, the company provides the shareholders with a password-protected internet service on the company's website as a service and only prior to the Annual General Meeting, through which – in addition to registering for the Annual General Meeting and granting proxies – voting via electronic postal vote is also possible until one day before the Annual General Meeting. Participation in the Annual General Meeting by means of electronic communication within the meaning of § 118 paragraph 1 sentence 2 AktG is not possible via the password-protected internet service. The details of this will be explained in the invitation to the Annual General Meeting.

Accounting and auditing

The Consolidated Financial Statements of Wacker Neuson SE are prepared in accordance with the principles of International Financial Reporting Standards (IFRS), the Annual Financial Statements and the Combined Management Report for the company and its Group are prepared in accordance with the provisions of the German Commercial Code (HGB).

The Supervisory Board proposes the auditor to the Annual General Meeting. In doing so, it relies on a recommendation from the Audit Committee.

The chairman of the Audit Committee has requested the external auditor to promptly inform the Audit Committee of all material determinations and incidents that come to their attention during the audit. Furthermore, the auditor must report and record in the auditor's report any facts uncovered during the audit that could indicate that the information disclosed in the declaration of compliance with the German Corporate Governance Code issued by the Executive Board and Supervisory Board may be inaccurate.

Risk management

An integral part of good corporate governance is always the responsible handling of business risks that the company and the Group are confronted with. The Executive Board and the Supervisory Board therefore continually deal with the internal control and risk management systems in the Wacker Neuson Group and the associated reporting.

Details on risk management in the Wacker Neuson Group, including a report on the control and risk management system within accounting, can be found in the risk and opportunity report of the Combined Management Report (→ Annual Report 2024 of the Wacker Neuson Group).

Transparency

A regular component of corporate governance is the active dialogue with shareholders and other stakeholders. Shareholders, as well as financial analysts, shareholder associations, and media, are regularly, quickly, and as openly as possible informed about the business situation and significant changes in the Group. In this context, the Group is committed to active and open communication.

As stipulated by the German Securities Trading Act (WpHG) and the German Corporate Governance Code, the Wacker Neuson Group provides information on its business development and financial situation four times a year. This takes the form of one Annual Report, one half-year report and two quarterly reports. These reports are discussed with the Supervisory Board or Audit Committee and the Executive Board before publication. Additionally, the Executive Board answers shareholders' questions at the Annual General Meeting. The internet also serves as a communication platform: under the internet address → www.wackerneusongroup.com in the Investor Relations section, interested parties can find press releases, all ad-hoc announcements, financial statements, and the financial calendar with important dates of the year in always up-to-date form. Those who register on the mailing list will also be informed regularly in this way.

Reportable securities transactions and material voting shares

Wacker Neuson SE publishes the so-called Directors' Dealings notifications pursuant to Art. 19 of the Market Abuse Regulation (EU) No. 596/2014. In these notifications, the company promptly informs about securities transactions related to the share of Wacker Neuson SE carried out by members of the Executive Board and the Supervisory Board as well as by natural and legal persons closely associated with these board members. These notifications are also published on the company's website → www.wackerneusongroup.com under the section Investor Relations/Corporate Governance. Similarly, the Group promptly informs under the section Investor Relations/Financial Announcements about notifications from shareholders regarding the acquisition or disposal of significant voting shares pursuant to § 33 WpHG or regarding the holding of financial instruments and other instruments pursuant to §§ 38 and 39 WpHG.

Remuneration report

The current remuneration report for the Executive Board and Supervisory Board is published on the company's website at → www.wackerneusongroup.com under the section Investor Relations/Corporate Governance.

The total compensation of the Executive Board and Supervisory Board is presented both at the specified location and in the Notes under Note 34 "Related party disclosures" (→ Annual Report 2024 of the Wacker Neuson Group).

Diversity; Declaration on the fixed targets for the proportion of women in management levels

In the appointment of the Executive Board and Supervisory Board, the company places particular emphasis on the professional and personal competence of potential candidates, with special consideration of the company-specific situation. In evaluating competence, the Supervisory Board particularly considers the international activities of the Group and the principle of diversity, also concerning age, gender, as well as educational or professional background of the candidates. The company does not pursue an explicit diversity concept in the sense of § 289f paragraph 2 no. 6 HGB. For explanatory information and to avoid repetition, reference is made to the statements in section C.1 of the DCGK in the above compliance declaration.

Wacker Neuson SE as a publicly listed entity (which is, however, not subject to co-determination in the sense of § 96 Abs. 2 AktG), is required to set targets for the proportion of women in the Supervisory Board, the Executive Board, and the two managerial levels below the Executive Board. The Executive Board and the Supervisory Board have already dealt with this issue several times.

In selecting and appointing Executive Board members, the Supervisory Board prioritizes the individual professional and personal competence of potential female and male candidates, with special consideration of the company-specific situation, and does not assign any priority decision relevance to gender in this context. Currently, there are no women workers represented in the Executive Board of Wacker Neuson SE (actual quota 0 percent).

Since the Supervisory Board does not want to bind itself with regard to the aforementioned relevance of qualification by a gender ratio, it refrained from determining a target for the share of women in the Executive Board that deviates from the status quo (i.e. target quota remains 0 percent) until December 31, 2026, in its corresponding resolution in 2021.

Similarly, regarding the composition of the Supervisory Board, the individual professional and personal competence of potential candidates is paramount for the Supervisory Board, so that gender does not have priority relevance in this context either. Currently, there are no women on the Supervisory Board of Wacker Neuson SE, which was appointed in 2020 until the end of the Annual General Meeting in 2025 (actual rate 0 percent). Since the Supervisory Board, in view of the aforementioned significance of qualifications and the company-specific situation, does not generally want to bind itself by a gender ratio in advance, it refrained from setting a target for the percentage of women on the Supervisory Board, which it aims to achieve by December 31, 2026, that differs from the status quo (i.e., target rate remains 0 percent).

The Executive Board has set the following targets for the proportion of women workers in leadership positions at Wacker Neuson SE in 2021, which it aims to achieve by December 31, 2026. These targets refer to employees directly employed by Wacker Neuson SE. The target quota for the first management level below the Executive Board is 22.3 percent (actual quota 29.4 percent) and the target quota for the second management level below the Executive Board is 25.0 percent (actual quota 37.5 percent).

3. Disclosures on corporate governance practices

Compliance – Principles of corporate conduct and business operations

Beyond the guidelines and recommendations of the DCGK, the Executive Board of Wacker Neuson SE is committed globally to lawful, socially and ethically responsible action. In this sense, a strategic mission statement has been developed for the entire Wacker Neuson Group that applies equally to everyone – for the Executive Board, management, and all employees in the Group. It clarifies the framework of corporate thinking and action to the shareholders, customers, business partners, the public, and employees.

Within the Group, a Corporate Compliance Office exists as part of the Corporate Legal & Compliance department. It serves as a contact point and advisor for compliance topics within its areas of responsibility and further develops the compliance management system at the

Group level. The Chief Compliance Officer is also the head of the Corporate Legal & Compliance department and reports directly to the CEO of the Wacker Neuson Group. With the implementation of the compliance management system, the Group-wide valid "Principles of Our Business Ethics" were defined, which include the commitment to integrity as well as the consistent compliance with legal and regulatory requirements. These principles are further defined by the Code of Conduct for the employees of the Wacker Neuson Group and specified through internal policies. On the internet, the "Principles of Our Company Ethics (Mission Statement)" as well as the Code of Conduct are accessible under → www.wackerneusongroup.com in the section Group/Code of Conduct.

The principles mentioned are also an essential basis for trustworthy and sustainable business relationships along the value chain for the Wacker Neuson Group. Relevant specifications are regulated in the supplier code of conduct as well as in the Code of Conduct for Sales Partners, which can be accessed at → www.wackerneusongroup.com in the section Group/Compliance.

Corporate Social Responsibility – Responsibility for environment and society

For the fiscal year 2024, the Wacker Neuson Group has, for the first time, not prepared a separate Non-Financial Group Statement, but in accordance with § 315b HGB, expanded its Combined Management Report to include a Non-Financial Group Statement, also drafted with reference to the ESRS standards of the Corporate Sustainability Reporting Directive of the European Parliament and the Council, which forms a separate section therein.

Munich, March 20, 2025

Wacker Neuson SE

The Executive Board

Dr. Karl Tragl
Chairman of the Executive Board
Chief Executive Officer (CEO)

Felix Bietenbeck
Chief Operations Officer (COO)
Chief Technology Officer (CTO)

Christoph Burkhard
Chief Financial Officer (CFO)

Alexander Greschner
Chief Sales Officer (CSO)

Report of the Supervisory Board

Dear shareholders,

The Wacker Neuson Group looks back on a challenging year 2024, characterized by market uncertainties and weak demand, which led to declining revenues and also impacted our profitability. The Wacker Neuson Group took active measures against this by implementing cost reductions and production optimizations, successfully reducing our inventories. Despite the consolidation in 2024, the Wacker Neuson Group will continue to focus on its Strategy 2030 and consistently invest in innovations in 2025 and beyond. Our employees were committed and highly motivated despite a difficult market environment, forming an important foundation for our long-term success. I would like to thank them at this point on behalf of the supervisory board for their dedication.

Hans Neunteufel
Chairman of the Supervisory Board

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. It regularly advised the Executive Board on the management of the entity and continuously reviewed and monitored the management of the Group. The Supervisory Board continuously exchanged views with the Executive Board on the business development and strategic orientation of the entity and was involved in all decisions that were of fundamental importance to the Group.

In a timely manner and in its meetings, the Supervisory Board was informed by the Executive Board by means of written and verbal reports about the business performance, the development of the net assets, financial position and results of operations situation, fundamental issues of corporate planning, corporate strategy, internal control and risk management, compliance, as well as significant measures.

The reports to the Supervisory Board were discussed in detail both among the Supervisory Board members themselves as well as with the Executive Board during the Supervisory Board meetings.

The members of the Executive Board regularly attended the meetings of the Supervisory Board; if necessary or as legally required, the Supervisory Board and the committees met without the Executive Board, especially regarding the Supervisory Board's own matters and personnel matters. Attendance at the meetings of the Supervisory Board and its committees was predominantly at 100 percent, with lower attendance only at two out of ten meetings. The following table discloses the attendance in individualized form:

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

Furthermore, the Executive Board also informed the Supervisory Board between meetings – through written reports as well as in individual discussions – regularly, comprehensively, and promptly about the current business development as well as special and urgent matters, in particular about deviations of the actual development from previously reported targets as well as the business performance from the planning, which the Supervisory Board paid particular attention to due to the persistently gloomy overall economic situation.

Actions requiring approval were thoroughly discussed and reviewed by the Supervisory Board with the Executive Board, and specific business transactions were approved as required by law, the Articles of

Incorporation, or the Executive Board's rules of procedure. The Supervisory Board adopted the relevant resolutions during scheduled meetings.

The Executive Board also presented monthly reports on the key financial metrics to the Supervisory Board. Additionally, the Executive Board, particularly the Chairman of the Executive Board, was in regular contact with the Chairman of the Supervisory Board to inform them about the current financial performance of the Group and its investees as well as material transactions.

The work of the Supervisory Board and the committees was also characterized in the reporting year by the implementation of planned legal requirements, for example, preparations with regard to the requirements for reporting according to the EU directive on corporate sustainability reporting (Corporate Sustainability Reporting Directive, CSRD), which due to the breakdown of the government coalition was no longer implemented in German law in a timely manner in the reporting year.

The members of the Supervisory Board independently undertook the training and continuing education measures required for their duties and were supported by the company. One member of the Supervisory Board successfully participated in a course to obtain the "Sustainability-Auditor[IDW]" certificate.

Focus areas of the Supervisory Board meetings in the fiscal year 2024

The plenary session of the Supervisory Board held six meetings in the fiscal year 2024 and the Audit Committee held four meetings (one of which was via video or telephone conference).

The Supervisory Board regularly dealt with the current business performance of the Wacker Neuson Group and the planning by the Executive Board. In this context, numerous uncertainties regarding the economic and geopolitical environment, the related ongoing inflation, the higher interest rate environment, and their impacts on the business development of the company and the entire Group were intensively discussed. Revenue, cost, and earnings development, as well as the financial performance, were thoroughly assessed and discussed. Questions from the Supervisory Board members arising from the regularly submitted written reports and the oral presentations during the meetings were comprehensively answered by the Executive Board. The Executive Board matters were also regularly on the agenda.

In addition to these ongoing reports, the discussions and audits of the Supervisory Board in its meetings and resolutions mainly focused on the following topics:

In the extraordinary Supervisory Board meeting on February 28, 2024, the Supervisory Board dealt with the adjustment of the Group's planning in view of the increasingly deteriorating market outlook, especially in Germany, compared to the initially planned assumptions. The Supervisory Board discussed the assessment of this increasing deterioration and its impacts on the entity in detail with the Executive Board and resolved on the updated planning.

In the Supervisory Board's financial statements meeting on March 21, 2024, after preparation by the Audit Committee, the focus was on reviewing and approving the Annual Financial Statements and the Consolidated Financial Statements with the Combined Management Report for Wacker Neuson SE and the Group, as well as the Non-Financial Group Statement, including the Report of the Supervisory Board and the Corporate Governance Report. In preparation, the Audit Committee had thoroughly discussed these documents with the Executive Board in its previous meeting and posed questions to the personally present auditor, discussing them in detail. This was done in addition to the Supervisory Board's own review activities as part of their preparation for the Supervisory Board's financial statements meeting. In this meeting, the Executive Board's proposal for profit distribution was also approved. Additionally, a resolution was passed on the Supervisory Board's recommendation for the election of the auditor, and the agenda for the Annual General Meeting as well as the Supervisory Board Report was adopted, and the Non-Financial Group Statement was approved. The Remuneration Report 2023 was also adopted. The abovementioned documents were distributed by the Executive Board to the Supervisory Board in a timely manner. Further topics of this meeting included, in addition to the discussion on the current business situation, the evaluation of the results of the efficiency review in the Supervisory Board and the approval of the company's debt financing measures.

On May 3, 2024, the Supervisory Board dealt with the current business situation and the upcoming quarterly report. In addition, the profitability of individual business areas and product groups as well as development and future projects were discussed in detail, and information about a real estate project of the Group was provided.

During the meeting on August 1, 2024, the Executive Board informed specifically about the Tax Compliance Governance System in the Group, cost reduction and restructuring measures, questions regarding the Asia strategy, and new products as well as location concepts. Additionally, the Executive Board informed about the upcoming half-year report.

On October 8 and 9, 2024, cost reduction and restructuring measures were also discussed with the Executive Board during the annual strategy meeting. Additionally, the regional, product, and site strategies up to 2030 were discussed, as well as the zero emission program and the human resources strategy of the Group. Matters concerning the Executive Board and the Supervisory Board were also discussed.

In its meeting on December 3, 2024, the Supervisory Board focused its audit and advisory activities on the corporate planning submitted by the Executive Board for the fiscal year 2025 as well as the medium-term and financial planning. The Supervisory Board reviewed the planning and discussed the opportunities and risks contained therein – also in light of the persistent uncertain global economic conditions – extensively with the Executive Board and passed a resolution on it. Furthermore, resolutions were passed on amendments to the rules of procedure for the Executive Board as well as on the issuance of the compliance statement with the German Corporate Governance Code in accordance with § 161 AktG. Additionally, the Executive Board informed about site strategies and ongoing cost reduction programs as well as a real estate project of the Group. Furthermore, topics of the CSRD reporting as well as various matters of the Management and Supervisory Boards, such as the further development of remuneration systems for the Supervisory Board and the Executive Board, were on the agenda.

The Supervisory Board has also continuously reviewed the respective monthly reports of the Executive Board.

Consultations in the committees of the Supervisory Board in the fiscal year 2024

The work of the two committees formed within the Supervisory Board, the Presidential committee and the Audit committee, was also continued in the past fiscal year, thus effectively supporting the overall Supervisory Board in its functioning, by preparing resolutions of the Supervisory Board as well as other topics covered to be handled in the plenary by the Audit Committee. All other members of the Supervisory Board also regularly participated in the meetings of the Audit Committee as guests. The personnel compositions of the two committees as well as their chairmen are presented in the statement on corporate governance. The committee chairmen reported to the plenary of the Supervisory Board during the Supervisory Board meetings, as far as necessary and appropriate, on the committee work carried out. In addition, the chairman of the Audit Committee was also in regular communication with the CFO and the auditors between the meetings.

The Audit Committee discussed in its meeting on March 20, 2024, with the Executive Board and external auditors the Annual and the Consolidated Financial Statements including the Combined Management Report for Wacker Neuson SE and the Group as of December 31, 2023, and dealt with the Non-Financial Group Statement. The Audit Committee particularly dealt with the key audit matters described in the audit opinion, including the audit procedures performed, and addressed the auditor's reports on the Annual and Consolidated Financial Statements with the Combined Management Report in the presence of the external auditor. The Audit Committee decided to propose to the Supervisory Board to retain Forvis Mazars GmbH & Co. KG (formerly: Mazars GmbH & Co. KG) Wirtschaftsprüfungsgesellschaft Steuerberatungsgesellschaft, Hamburg, Munich branch ("Mazars") for the audit of the Annual Financial Statements and Consolidated Financial Statements for the fiscal year 2024, upon which the Supervisory Board relied for its corresponding proposal to the Annual General Meeting. The Audit Committee finally addressed the adequacy and effectiveness of the risk management and internal control systems and their effectiveness, as well as topics related to internal audit. Additionally, the provision of certain non-audit services by the external auditor for the year 2023 was discussed. The Audit Committee also discussed the Remuneration Report 2023 and resolved to make the appropriate recommendation to the Supervisory Board.

In its meeting on May 2, 2024, the Audit Committee primarily dealt with the quarterly report that was about to be published. Additionally, the Executive Board informed about the implementation of the German LkSG and its preparation for CSRD reporting. Furthermore, the Chief Compliance Officer reported on his work.

In the meeting on August 1, 2024, the committee dealt with the approval of the upcoming half-year report. Additionally, the reporting was informed considering upcoming requirements from the LkSG and according to the CSRD. Furthermore, the current report on risks and the half-year report on the work of the internal audit were discussed. Finally, the review of the Non-Financial Group Statement for the fiscal year 2024 as well as the Remuneration Report for 2024 were deliberated.

In the (telephone or video conference) meeting on November 12, 2024, the agenda included the approval of the upcoming quarterly report, a discussion with the participating auditor about the audit strategy and planning for the 2024 Group audit. The results of the so-called EMIR audit pursuant to § 32 WpHG were also discussed.

Personnel changes in the governing bodies

In the reporting year, there were no changes in the Group's governing bodies.

Risk assessment and compliance

The Supervisory Board has ensured that the internal control system and risk management of the entity comply with the requirements of § 91 Abs. 2 AktG, that the insurable risks are adequately insured, and that the operational, financial, and contractual risks are adequately controlled within approval procedures and organizational processes. Throughout the Group, a detailed risk reporting system is implemented, which is continuously maintained and further developed. The internal control and risk management system was also audited by the selected auditor. The auditor confirmed that the Executive Board has taken the measures required by § 91 Abs. 2 AktG and established a monitoring system that is capable of identifying developments that could endanger the continued existence of the company at an early stage. In the Supervisory Board meetings and in individual discussions, the Executive Board informed the Supervisory Board about the current risk situation. All risk areas recognizable from the perspective of the Supervisory Board and the Executive Board were discussed. In addition, the Supervisory Board or the Audit Committee also dealt with issues of compliance.

Corporate Governance

The Supervisory Board and the Executive Board are aware that good corporate governance in the interest of the shareholders is an important basis for the success of the entity. The Supervisory Board has continuously observed the development of the German Corporate Governance Code and dealt with the capital market and corporate law framework conditions. The Executive Board and the Supervisory Board issued a Declaration of Compliance with the German Corporate Governance Code in their meeting on December 3, 2024, in accordance with § 161 AktG. The complete text of the Declaration of Compliance is permanently made accessible on the company's website under Investor Relations in the Corporate Governance section and is also made available on the internet as part of the Declaration on Corporate Governance pursuant to § 289f HGB in conjunction with § 315d HGB and reprinted in the financial statements.

Conflicts of interest of the Executive Board or Supervisory Board members, which should have been disclosed to the Supervisory Board according to letter E. Principle 19 of the German Corporate Governance Code, did not occur.

Annual and Consolidated Financial Statements 2024

In the Annual General Meeting on May 15, 2024, Mazars was elected as the auditor for the company and the Group for the fiscal year 2024. The corresponding nomination proposal of the Supervisory Board to the Annual General Meeting was based on a corresponding recommendation of the Audit Committee. The auditing firm was instructed in writing by the chairman of the Audit Committee to audit the financial reporting.

The Annual Financial Statements of the company prepared by the Executive Board according to the rules of the HGB and the Consolidated Financial Statements of the company prepared by the Executive Board according to the International Financial Reporting Standards (IFRS) applicable in the European Union and the supplementary commercial law regulations applicable under § 315 e HGB, each as of December 31, 2024, were audited by Mazars including the accounting records. The audit did not result in any objections, so an unqualified audit opinion was issued for both the Annual Financial Statements and the Consolidated Financial Statements. The auditor also determined that the Executive Board has established an adequate information and monitoring system, which in its design and handling is suitable for early detection of developments that could endanger the continued existence of the company.

After each member of the Supervisory Board had received the audit documents in a timely manner for review, the Audit Committee and the Supervisory Board plenary addressed the Annual Financial Statements and the Consolidated Financial Statements along with the Combined Management Report for the entity and the Group, taking into account the audit reports and critically examining all documents. The documents were thoroughly discussed in the meetings of the Audit Committee and the Supervisory Board plenary on March 19 and 20, 2025, with the Executive Board and the auditor. The auditor participated in the Audit Committee's deliberations, reported on material findings of the audit, answered supplementary questions, and was available to provide information to the Supervisory Board members. After its own thorough review of the documents, the Supervisory Board raised no objections and concurred with the auditor's findings. The Supervisory Board also agreed with the Combined Management Report (consolidated) and especially with the assessment of the further development of the entity.

According to the final result of its own examination by the Supervisory Board, there were no objections to be raised. On March 20, 2025, the Supervisory Board approved the Annual Financial Statements and the Consolidated Financial Statements prepared by the Executive Board, including the Combined Management Report for the company and the Group as of December 31, 2024. With this, the 2024 financial statements are adopted. The Supervisory Board also reviewed the proposal by the Executive Board regarding the appropriation of the net profit for the fiscal year 2024, particularly with regard to the dividend payment policy, the impacts on the liquidity of the Group, and the interests of the shareholders, and raised no objections. The Supervisory Board endorsed the proposal of the Executive Board.

The Supervisory Board also reviewed the Non-Financial Group Statement presented by the Executive Board in accordance with § 315b ff. HGB. As part of its review, the Supervisory Board examined the content of the Non-Financial Group Statement. In doing so, it particularly assessed the compliance with statutory requirements as well as the plausibility of the disclosures contained. Following the final review, the Supervisory Board had no objections to raise against the Non-Financial Group Statement.

The Remuneration Report 2024 for submission to the Annual General Meeting was also separately audited by the auditor within the framework of statutory requirements in accordance with § 162 Abs. 1 and 2 AktG. The Remuneration Report will be published on the Group's website under the investor relations/governance section from the convening of the Annual General Meeting 2025.

The management and all employees of the Wacker Neuson Group made a significant personal contribution to the positive development of the Group during the reporting year. The Supervisory Board expressly thanks all employees and members of the Executive Board for their commitment and dedication in challenging times.

Munich, March 20, 2025

For the Supervisory Board

Hans Neunteufel
Chair of the Supervisory Board

Combined Management Report

The following graphics are provided for information purposes only. Market statistics and page references have not been audited and are therefore not part of the Combined Management Report. Adjectives are used for comparative purposes within the text, which can be defined as follows: "light", "slight", "moderate" correspond to a change of less than or equal to 5 percent; "considerable", "marked", "clear", "significant" and "strong" indicate changes higher than 5 percent. "Medium term" describes a timeline of 5 years or less; "long term" refers to a timeline beyond 5 years. Accounting methods, key indicators and financial terms are defined in the glossaries at the end of this annual report. Due to differences attributable to rounding, some of the individual values indicated may not add up precisely to the given total. Similarly, percentages added up may not correspond precisely to 100.0%. Furthermore, there may be slight discrepancies relative to the values provided in the Notes to the Consolidated Financial Statements.

Combined Management Report of Wacker Neuson SE and its Group for the fiscal year 2024

Unless otherwise specified, the information contained in this Management Report refers to Wacker Neuson SE and its subsidiaries (together the "Wacker Neuson Group", or the "Group"). The Consolidated Financial Statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) as applicable in the EU, in addition to the provisions of the German Commercial Code (HGB) set forth in Section 315e (1).

The Annual Financial Statements of Wacker Neuson SE (which is structured as a holding company) have been prepared in accordance with the provisions of the HGB and the German Stock Corporation Act (AktG). The Management Report of Wacker Neuson SE is included in this Group Management Report in line with Section 315 (5) HGB; further details are disclosed in the section **→ "Profit, financial position and assets of Wacker Neuson SE (Summary according to HGB)"****. The risks and opportunities facing Wacker Neuson SE cannot be differentiated from those facing the Group.**

The Wacker Neuson Group

The Wacker Neuson Group is an international manufacturer of light and compact equipment. The Group offers its customers a wide product range as well as extensive service and service solutions. Production takes place at eight locations worldwide. The production plants are located in Germany, Austria, Serbia, Spain, the USA, and China. Global sales are handled through subsidiaries with their own sales and service locations as well as through a network of sales partners.

The segment reporting is divided geographically into the regions Europe (EMEA), Americas, and Asia-Pacific.

Additionally, revenues are reported according to the three business areas (segments) light equipment, compact equipment, and services.

SEGMENTS

Light equipment	Compact equipment	Services
▪ Concrete technology ▪ Compaction technology ▪ Construction site technology	▪ Track excavators, wheeled excavators ▪ Wheel loaders, tele wheel loaders ▪ Telehandlers ▪ Skid steer loaders ▪ Wheel and track dumpers	▪ Repair, maintenance, spare parts ▪ Digital service solutions ▪ e-Business ▪ Rental ▪ Leasing, financing ▪ Used equipment ▪ Training

Brands

The term Wacker Neuson Group is used for the overarching Group communication. The Group sells products and services under the product brands Wacker Neuson, Kramer, and Weidemann. Other brands and investments include, among others, Enar, BatteryOne, and Sequello. The broadest product range, consisting of light equipment, compact equipment, and services, is offered worldwide under the product brand Wacker Neuson. Under the product brand Kramer, the Group sells all-wheel steer loaders, tele wheel loaders, and telehandlers along with related services for construction and agriculture. Sales are conducted via two dealer networks, mainly in the EMEA region. The product brand Weidemann is mostly active in European agriculture and sells compact articulated Hoftrac loaders as well as wheel, tele wheel loaders, and telehandlers through a specialized dealer network.

GROUP BRANDS

Wacker Neuson Group

WACKER NEUSON *all it takes!*

KRAMER *on the safe side*

WEIDEMANN *designed for work*




Construction, gardening and landscaping, municipal services, recycling/track construction etc.

Agriculture, stud farms/stables, municipal services, tree nurseries

Brands and participating interests: SEQUELLO BATTERYONE ENAR

Industry

The products and services of the Wacker Neuson Group are primarily aimed at customers from the construction industry, landscaping, agriculture, municipalities, the recycling industry, as well as railway companies and industrial enterprises.

TARGET INDUSTRIES (SELECTION)

	Light equipment	Compact equipment
Overground and residential construction	■	■
Maintenance/repairs/redevelopment	■	■
Infrastructure (road and bridge construction)	■	■
Infrastructure (waste water management, network construction)	■	■
Demolition	■	■
Gardening and landscaping	■	■
Manufacturing/recycling	■	■
Municipal services / building yards	■	■
Cargo handling / port logistics		■
Exhibition and events companies	■	■
Agriculture		■

Organizational and legal structure

Wacker Neuson SE is a European company (Societas Europaea) with headquarters in Munich, registered in the commercial register at the Munich District Court under HRB 177839. The Group's shares have been listed in the Prime Standard of the Deutsche Börse since May 2007.

In the Consolidated Financial Statements, which comply with the International Financial Reporting Standards (IFRS) as applicable in the EU, 53 companies are fully consolidated (including the holding company). Additionally, two companies are accounted for using the equity method.

The Wacker Neuson SE acts as a management holding with a centralized management structure. It directly or indirectly holds shares in its subsidiaries, which are primarily sales and production companies. The Management Board of the holding leads the Group. Additionally, the Wacker Neuson SE houses corporate functions.

The management bodies of the subsidiaries report either directly to the Group Executive Board, the management or to region or sales cluster heads, who in turn report directly to the Group Executive Board.

For detailed disclosures regarding the legal structure, please refer to → General disclosures on accounting standards in the Notes.

Position among the competitors

Differentiation from competitors through innovation, great product variety, and diversified distribution channels

With the brands Wacker Neuson, Kramer and Enar, the Wacker Neuson Group is active in the market for construction machinery and light equipment. The global construction machinery market is highly heterogeneous, market- and product-specific: The product range of most competitors is either primarily limited to light equipment, compact equipment or heavy construction machinery (machines over 15 tons). Some competitors offer both compact and heavy construction machinery. The Wacker Neuson Group sets itself apart from the competitors mainly through its combined offering of light and compact equipment up to 15 tons. The product portfolio is aimed at professional users.

In the business area light equipment, there are many competitors. These include, among others, Ammann, Bomag, Mikasa, Husqvarna, and Weber. In the compact equipment segment, manufacturers such as Doosan Bobcat, Kubota, Takeuchi, Yanmar, Manitou, and JCB are the competitors. Some international heavy equipment manufacturers such as Komatsu, Liebherr, Case New Holland, Caterpillar, Volvo CE, Sany, and XCMG also offer compact equipment and are therefore a part of the competitive landscape.

With the brands Weidemann and Kramer, the Wacker Neuson Group is also active in the market for agricultural machinery. Weidemann is a manufacturer of articulated wheel loaders and telehandlers. Through its partnership with John Deere (see → Strategic cooperations), Kramer has continued to expand its machine sales for the agriculture industry in recent years, serving it with its portfolio of all-wheel-drive wheel loaders and telehandlers. In this market segment, the Group competes with companies such as Schäffer, Manitou, Tobroco-Giant, and JCB.

Wide range of battery-powered light and compact equipment

Part of the strategy – and firmly anchored in the technology roadmap for the coming years – is the topic of electrification. With the zero emission product program, the Wacker Neuson Group offers a wide range of electrically operated compact and light equipment as well as power storage and charging devices. The product portfolio includes battery-powered rammers and vibratory plates for soil compaction and internal vibrators for concrete compaction, as well as fully electric tracked and wheeled dumpers, mini excavators, rollers, telehandlers, and wheel loaders, as well as charging solutions for the construction and agriculture industries. Construction sites in emission-sensitive environments, such as residential areas, tunnels, underground garages, or indoor areas of buildings, can be operated with the zero emission product portfolio without exhaust emissions and with low noise. The products offer special protection for users and the environment, are easier to operate, require less maintenance, and have lower operating costs compared to conventionally driven products.

The Wacker Neuson Group assumes that alternative drive concepts will play a significant role in the future of the construction and agricultural machinery industry and continues to invest heavily in this area. The Group expects that, given the ambitious targets of the EU Green Deal, the construction industry will also face stricter regulations in the coming years. Combined with the expected technological leaps in battery technology, battery-operated light equipment and compact equipment will likely gain in importance. The Wacker Neuson Group therefore aims to consistently continue on the chosen path and further increase the pace in the development of new electrically operated machines (see also → Research and Development).

Market position with partly double-digit market shares

For certain core products, the group has double-digit market shares. The Group has primarily achieved this market position in some core product groups through its innovation capability and customer orientation, high product and service quality, comprehensive know-how in product development and manufacturing, as well as an efficient distribution and service differentiated by regions, target groups, and brands.

Strategic cooperations

The Group enters into collaborations with industry-leading entities to quickly expand its market position using established distribution networks or selectively complement its product portfolio under OEM agreements.

BatteryOne

In recent years, several bilateral contractual relationships have been established in the field of modular batteries for light equipment between the Wacker Neuson Group and other light equipment manufacturers. The BatteryOne modular solution developed by the Wacker Neuson Group, which is currently used in fifteen of its own products in concrete and compaction technology, is now also available for products from other light equipment manufacturers. As a result, customers of other brands also benefit from simplified construction site logistics and savings in the investment in battery-powered equipment. The aim of BatteryOne is to further promote the use of emission-free devices on construction sites, which is why the solution is to be made accessible to other manufacturers.

Sales cooperation with John Deere in agriculture

In the fiscal year 2017, Kramer and the American agricultural machinery manufacturer John Deere entered into a strategic alliance for the distribution of telehandlers and wheel loaders for the agricultural sector. It concerns compact equipment of the green line of the Kramer brand. The machines are distributed under the Kramer brand through John Deere's dealer network. Since the beginning of the cooperation, annual sales volumes have increased. In doing so, Kramer has been able to expand its market share for both wheel loaders and telehandlers. In the Central European markets as well as in Southern Europe, the UK, and Scandinavia, Kramer has been able to gain numerous dealers in recent years. Additionally, further dealers have been developed in Eastern Europe as well as in South Africa, Australia, and New Zealand.

The agricultural machinery market is a growth market. John Deere recommends its distribution partners to consider Kramer as the preferred supplier for compact wheel loaders, tele wheel loaders as well as telehandlers. Through the long-term collaboration with John Deere dealers, Kramer aims to achieve a sustainable and broad market access.

Strategic cooperation with John Deere in the construction industry

In the fiscal year 2022, a strategic cooperation with John Deere in the field of mini excavators was concluded. The agreement includes a long-term, exclusive OEM supply contract for mini and compact excavators weighing under five tons, including battery-electric excavators. The excavators will be developed and manufactured in the production plants of the Wacker Neuson Group according to John Deere's requirements, primarily for the North American market, starting in 2025 in Hörsching near Linz (Austria) and in 2026 in Menomonee Falls (USA). They will be distributed under the John Deere brand through John Deere's dealer network. It is planned to gradually expand the product portfolio offered in the scope of the cooperation. Own models of the same product category will continue to be offered under the Wacker Neuson brand through its own sales network.

Furthermore, there is a cooperation with the construction machinery division of John Deere for the distribution of mini- and compact excavators under the “Deere” brand in Australia and selected Southeast Asian countries.

Trackunit

The Group is continuing to expand its digital offering. Topics such as the digital connectivity of products and services are of great importance in adding value for the customers (see → Segment Reporting: Business Area Services). To support these efforts, the Wacker Neuson Group has maintained a strategic cooperation for the development and use of telematics systems and mobile apps for compact construction machines with the Danish telematics specialist Trackunit since 2018.

Wirtgen/Hamm

Hamm AG, an entity of the Wirtgen Group, today part of John Deere, produces tandem rollers and roller compactors according to the technical specifications and design of the Wacker Neuson brand under a strategic collaboration established in 2015. The product portfolio of the Wacker Neuson Group is complemented by this long-term collaboration in the field of soil and asphalt compaction for the target customer segments.

Zeppelin

Since 2018, the Wacker Neuson Group has been producing mobile excavators in the weight classes of 6.5 and 11 tons for Zeppelin Baumaschinen GmbH as part of a cooperation. The mobile excavators are produced in Zeppelin design at the Hörsching plant near Linz and distributed through Zeppelin branches in selected European countries.

Corporate strategy

In its Strategy 2030, the Group expects to continue its growth course of the past years and significantly increase revenue and profit in the long-term. Looking ahead, the Group revenue is expected to grow to EUR 4 billion by 2030, up from approximately EUR 2.2 billion in the past fiscal year 2024. In parallel, the EBIT margin should sustainably remain above 11 percent in the coming years (2024: 5.5 percent). The targeted net working capital ratio of less than 30 percent strikes the right balance between operational resilience, considering challenging global supply chains, and generating free cash flow for sustainable growth.

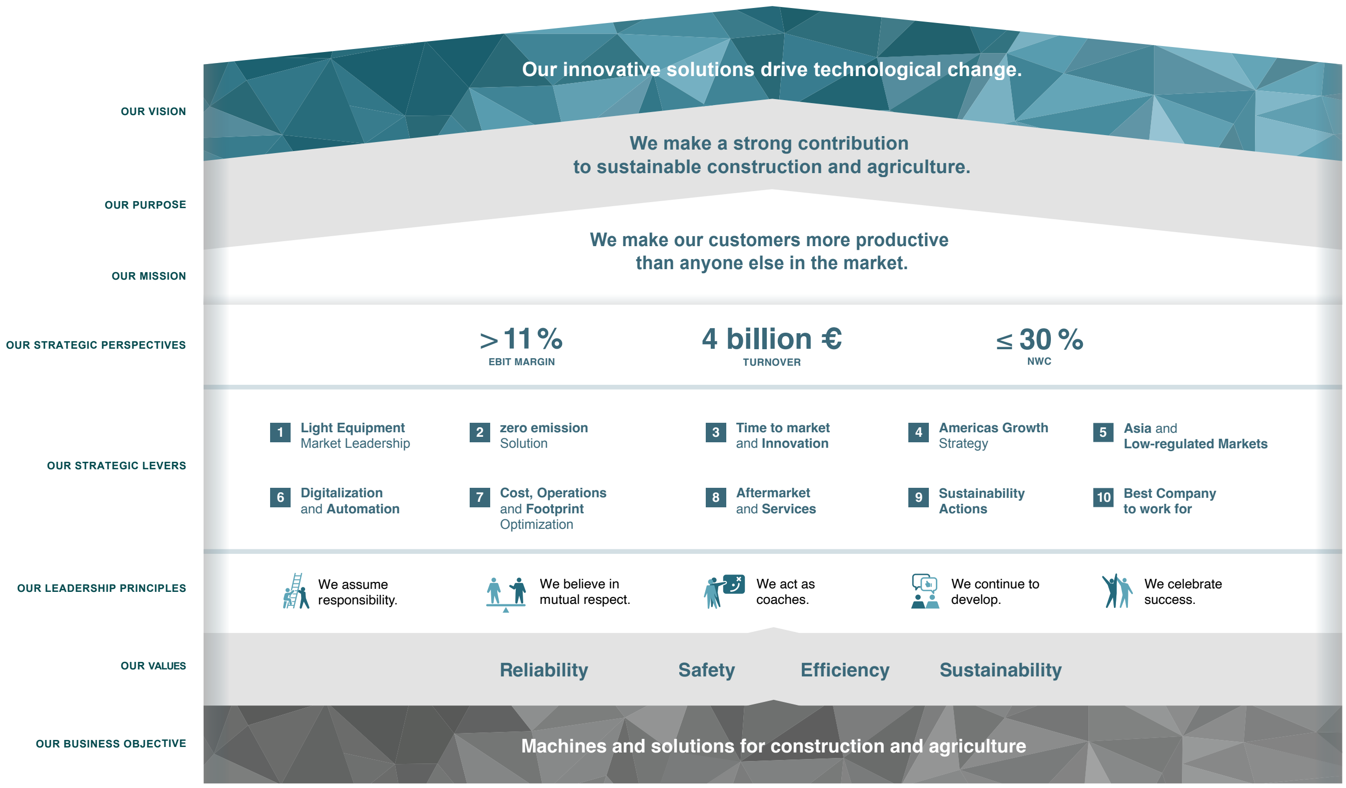
The prospective increase of the Group revenue to EUR 4 billion is based on current market scenarios and an average annual growth expectation (CAGR) of 8 percent, which corresponds to the average growth of the Group in the period from 2013 to 2023. Only organic growth drivers have been included in the strategic scenarios. However, the Group believes that it is also well positioned for attractive acquisition opportunities in the coming years and will seize these opportunities where it is reasonable.

The long-term increase in the EBIT margin to over 11 percent is based, among other things, on the successful continuation of efficiency measures.

To structure the individual steps in the implementation of the new corporate strategy, ten strategic levers are fundamental. They describe milestones of growth perspectives, which arise from the market position, the innovative product portfolio, regional expansion opportunities, digitalization and efficiency gains, but also from aspects of sustainability and the retention and further development of employees.

Among these ten levers of organic growth for the coming years, the expansion of the Group’s market position as a leader in the field of soil and concrete compaction (light equipment) is one example. The market share for rammers, plates, and trench rollers as well as for concrete compaction with internal and external vibrators is also to be continuously expanded. For this purpose, the Wacker Neuson Group relies on organic growth initiatives, the introduction of new products, growth in the spare parts market, the reduction of production costs, as well as gaining special customer advantages through the targeted establishment of a standard for batteries in construction site operations (see section on → BatteryOne).

"HOUSE OF STRATEGY" AS THE FRAMEWORK FOR THE NEW CORPORATE STRATEGY 2030



Another leverage lies in the zero emission product program, in which the Wacker Neuson Group aims to increase its revenue with emission-free construction machines and equipment to a mid-three-digit million amount by 2030. Furthermore, the revenue of the Aftermarket & Services sector is expected to increase significantly. The growth of the spare parts and service business is intended to contribute to the overall profitability increase of the Group. This improved penetration of the aftermarket is to be ensured through tailored actions in each individual relevant business unit.

At the regional level, the strategic levers are aimed at further expansion in the Americas region. Here, the Wacker Neuson Group aims to significantly increase the region's percentage share of Group revenue by 2030. The focus is on creating a balanced mix of sales channels between independent dealers, contract dealers, and major customers while simultaneously optimizing the product and production portfolio. Furthermore, the cooperation with John Deere, with an OEM supply agreement for mini and compact excavators, will contribute to growth in the region after ramping up in 2025 (Linz, Austria) and 2026 (Menomonee Falls, USA). The percentage share of revenue in the Asia-Pacific region of the Group revenue is also expected to increase by 2030. The Group will continue its successful path here and expand the regionally adapted product offering. Despite intense competition in the local Chinese market, the Wacker Neuson Group benefits from the attractive cost structures of its production site in China. With this production hub for the region, the Group significantly benefits from the increasing demand in technically less regulated markets such as Africa or Australia.

An integral part of the Strategy 2030 is also the Group's sustainability strategy. The Wacker Neuson Group has already set a strategic focus on the topic of CO2e reduction: By 2025, CO2e emissions (Scope 1 & 2) are to be reduced by approximately 50 percent compared to 2019, for example by switching to green electricity, reducing internal fleet emissions and installing photovoltaic systems. For detailed explanations on the entity's sustainability strategy, see the chapter → "Non-financial Group Statement" of the Group Combined Management Report.

PERFORMANCE INDICATORS (5-YEAR-PERIOD)

	2024	2023	2022	2021	2020
Revenue in € million	2,234.9	2,654.9	2,254.4	1,866.2	1,615.5
EBIT margin as a %	5.5	10.3	9.0	10.3	4.7
EBT margin as a %	4.5	9.6	8.5	10.0	3.3
Net working capital at Dec. 31 as a % of revenue	31.7	32.8	31.9	26.7	30.8
ROCE I[1] as a %	6.1	13.2	11.3	13.3	5.4
Equity ratio as a %	60.3	56.7	59.9	55.4	57.3
Net financial debt in € million	310.6	365.8	234.5	-0.8	122.9
Gearing as a %	20.7	24.4	16.8	-0.1	10.1
Free cash flow in € million	184.6	-24.9	-0.8	149.1	329.0
Investments in property, plant and equipment and in intangible assets in € million	102.6	163.5	103.8	82.2	86.9

[1] ROCE I = EBIT as a % of capital employed at Dec. 31. For further definitions, see Financial Glossary.

Corporate controlling

The controlling department located in the holding company is responsible for the Group's internal management. It primarily monitors deviations between “as is” and “to be” figures, primarily based on the development of revenue, performance measures, and the net working capital of the subsidiaries. Additionally, it prepares the key performance indicators (Key Performance Indicators) at the Group level. The internal management system is adjusted as needed to reflect changes inside and outside the Group. Decisions about projects that, for example, allow the Group to respond to changing market and customer needs, are generally made by the management committees. These boards include members of the Executive Board as well as executives from the first and second management levels.

The overarching goal is a sustainable increase in corporate value. The main targets and control parameters and, at the same time, the most significant financial key performance indicators for the Group are revenue, earnings before interest and taxes as a percentage of revenue (EBIT margin), the net working capital ratio (both based on annualized quarterly revenue and on the revenue of the last twelve months), and investments of property, plant and equipment and intangible assets.

In order to focus more on the financial result, profitability analyses at the Group level also refer to earnings before tax (EBT). The financial stability of the Group has high priority. Other key performance indicators include the equity ratio, net financial debt, and gearing (net financial debt in relation to equity). Alternative performance indicators (APM) also include gross cash flow, cash flow from operating activities before income tax paid, and free cash flow. These are important metrics to reflect the internal financing potential of the Group. Furthermore, the financing structure, distribution policy, and efficiency of the capital employed are controlled by the metrics return on capital employed before tax (= ROCE I).

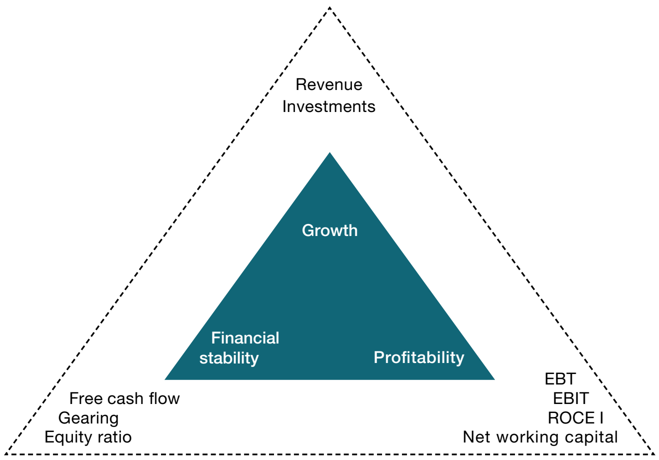
The above table shows the development of some of these metrics in a multi-year comparison. Definitions of the metrics can be found in the → Financial glossary.

For the fiscal year 2024, the Wacker Neuson Group for the first time did not prepare a separate Non-Financial Group Statement but expanded its Combined Management Report in accordance with § 315b HGB to include a Non-Financial Group Statement which also follows the content of the ESRS standards of the Corporate Sustainability Reporting Directive of the European Parliament and the Council, forming a separate section there.

In addition to the key performance indicators, key leading operational indicators are regularly monitored and analyzed. Important indicators of the construction industry include future investments in the construction machinery and rental industry, the number of building permits, and the development of real estate prices. Leading operational indicators for the European agriculture industry include milk, food, and animal feed prices.

The Group monitors the development of these leading indicators on an ongoing basis and uses them to respond early to the global economic developments and adapt its course accordingly.

KEY PERFORMANCE INDICATORS



General background

Overall economic trends

The International Monetary Fund (IMF) describes the current global economic situation in its October 2024 report as resilient. A global recession has been averted so far. The worldwide fight against the high inflation that escalated during the COVID-19 pandemic has been successful (with exceptions in the service sector). However, greater regional differences in the economic development and increased uncertainty compared to prior periods can now be observed. Thus, the IMF now sees more negative than positive factors for the global economic growth. The global economy is increasingly characterized by supply shocks, which can be caused by climate change, health risks, or geopolitical tensions. Russia's war in Ukraine and the conflict in the Middle East already had negative impacts on global supply chains during this year, for example during the attacks on cargo ships in the Red Sea at the beginning of the year. Additionally, the increased risk of trade conflicts and economic protectionism could lead to increased fragmentation of the global economy. Moreover, a prolonged restrictive monetary policy, an escalation of the Chinese real estate sector crisis, increased financial market volatility, or declining social cohesion due to rising economic inequality could further negatively impact growth rates. From the IMF's perspective, some positive factors counterbalance these: higher public investments in the green transformation could also attract private investments and lead to a stronger recovery of supply and demand. Successful implementation of structural reforms to remediate productivity obstacles could also increase economic growth potential.[1]

In its January 2025 update, the IMF estimates global economic growth in 2024 at 3.2 percent (2023: 3.3 percent). Whereas the growth rate for the USA is projected at 2.8 percent (2023: 2.9 percent), the Eurozone's growth rate is only estimated at 0.8 percent (2023: 0.4 percent). It is also notable that Germany is estimated to decline for the second consecutive year with -0.2 percent (2023: -0.3 percent), thus being below average in the European comparison. Economic researchers project the Chinese growth in 2024 to develop at a slower rate and amount to 4.8 percent (2023: 5.2 percent). The Russian economy is expected to continue to grow at a rate of 3.8 percent in 2024 (2023: 3.6 percent).[2]

REAL GDP (CHANGE FROM PREVIOUS YEAR)

AS A %

	2024	2023
World	3.2	3.3
Eurozone	0.8	0.4
Germany	-0.2	-0.3
USA	2.8	2.9
South America	2.4	2.4
China	4.8	5.2
Russia	3.8	3.6
Middle East and Central Asia	2.4	2.0
South Africa	0.8	0.7

Source: IMF, January 2025

Currency developments

The reporting currency Euro (EUR) of the Wacker Neuson Group developed inconsistently against its most important foreign currencies in the fiscal year 2024.

The Euro lost value against the US dollar (USD) in 2024, especially towards the end of the year. Overall, the USD to EUR ratio decreased by 6.0 percent in 2024. While the exchange rate remained almost consistently within a range of 1.06 to 1.10 USD per EUR during the first nine months, a downward trend commenced on September 30, 2024, following an annual high of 1.1196 USD per EUR, which continued until the year-end value of 1.03890 USD per EUR.

A downward trend was also observed against the British pound (GBP) over the year, from 0.8691 GBP per EUR by the end of 2023 to 0.82918 GBP per EUR by the end of 2024, which was only briefly interrupted by an interim high of 0.8609 GBP per EUR on August 8, 2024.

Against the Canadian dollar (CAD), the Euro appreciated in the fiscal year 2024, particularly in the second half of the year. The CAD per EUR ratio rose by 2.1 percent to 1.49480 CAD per EUR at the end of the fiscal year 2024.

The currency pair Euro and Swiss franc (CHF) was at 0.94120 CHF per EUR at the end of the year, also above the previous year's end value (+1.6 percent).

PERFORMANCE OF KEY CURRENCIES AGAINST THE EURO (END OF YEAR RATES)

1 Euro equals

	2024	2023	Change as a %
US dollar (USD)	1.03890	1.1050	-6.0
Swiss franc (CHF)	0.94120	0.9260	1.6
British pound (GBP)	0.82918	0.8691	-4.6
Japanese yen (JPY)	163.06000	156.3300	4.3
Australian dollar (AUD)	1.67720	1.6263	3.1
Brazilian real (BRL)	6.42530	5.3618	19.8
Chinese yuan (CNY)	7.58330	7.8509	-3.4
Indian rupee (INR)	88.93350	91.9045	-3.2
Canadian dollar (CAD)	1.49480	1.4642	2.1
Russian ruble (RUB)	113.71800	99.0404	14.8
South African rand (ZAR)	19.61880	20.3477	-3.6

Source: Notes to the Consolidated Financial Statements.

[1] Source: IWF, October 2024, World Economic Outlook, Chapter 1 – Global Prospects and Policies, P. 1-40

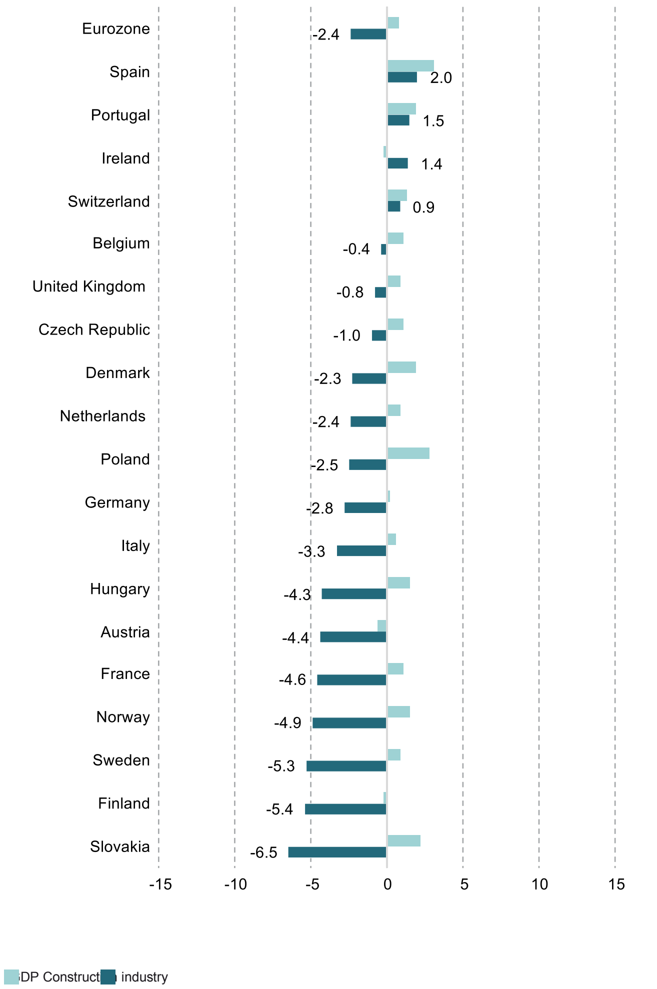
[2] Source: IWF, January 2025, World Economic Outlook Update.

Overview of the construction industry

The business development of the Wacker Neuson Group depends significantly on the development of the global construction and agriculture industry. The Construction Global Market Report by the data provider Research and Markets estimated the growth rate of the global construction industry at 5.1 percent for the year 2024.[1]

CHANGES IN GDP AND THE EUROPEAN CONSTRUCTION INDUSTRY 2024E

IN %



Sources: Construction industry data: Euroconstruct, December 2024.
GDP data: International Monetary Fund, October 2024, contains updated figures from January 2025 for Germany, France, the UK, Italy, Netherlands, Poland, Spain and Eurozone.

According to the assumptions of the independent network for construction market forecasts Euroconstruct, the construction industry in Europe declined in 2024. Full dealer warehouses and a persistently weak order intake, which lasted longer than expected, were responsible for the increasingly subdued growth prospects of the construction machinery sector. At the end of 2024, Euroconstruct estimated the decline in Europe at 2.4 percent in the year 2024. In particular, residential construction and building construction had developed negatively, with a decline of 4.8 percent and 3.3 percent, respectively. Only civil engineering developed slightly positively from the researchers perspective, with a growth of 1.1 percent.[2]

In its study from September 2024 the market research institute Off-Highway Research estimated a global decline in the number of construction machines sold by 9 percent for the year 2024 compared to the previous year. The decline is mainly driven by the regions Europe (-14 percent) and North America (-10 percent). For the region Europe, Off-Highway Research sees increased interest rates as one of the main reasons for the persistently weak market. In North America, the higher geopolitical uncertainty is primarily responsible for the declining demand for construction machines. In contrast to Europe and North America, Off-Highway research expected only a decline of around one percent in the Chinese market.[3]

Overview of the agriculture industry

The General Business Climate Index of the umbrella association of the European agricultural technology industry CEMA has been in negative territory since the beginning of the year. As early as the beginning of the year 2024, two-thirds of participating entities expected a revenue decline in the first half of 2024. The index fell from -50 points in January (possible values ranging from -100 to 100 points) to -55 points in March. In the second quarter, a less negative dynamic was observed in May when the index was at -51 points. However, a renewed decline in the General Business Climate Index was already noted in June. As both the assessment of the current business environment and the outlook for the next six months were predominantly viewed negatively by the survey participants, CEMA reported that the index calculated from these sub-areas indicated a continued recessionary environment in the third quarter. By the end of the year 2024, the index rose to -37 points due to improved future expectations for revenue and order intake.[4]

[1] Source: Research and Markets, Februar 2024, Construction Global Market Report 2024
[2] Source: Euroconstruct, December 2024, European Construction Industry – 19 European Countries – Data – Estimates – Forecast
[3] Source: Off-Highway Research, September 2024, Global Construction Equipment Markets
[4] Source: CEMA, Business Barometer January-December 2024

Legal Framework

As a global supplier of light and compact equipment, the Wacker Neuson Group has to observe numerous national and international statutory guidelines governing environmental and user protection. Above all, these include provisions regulating exhaust gas emissions and ergonomics as well as noise and vibration-induced impact.

The Group’s product portfolio is thus reviewed on an ongoing basis and, if necessary, adapted to ensure compliance with new requirements and harmonized standards and norms. The aim is always to integrate the requirements outlined under new regulations as promptly as possible into processes and products.

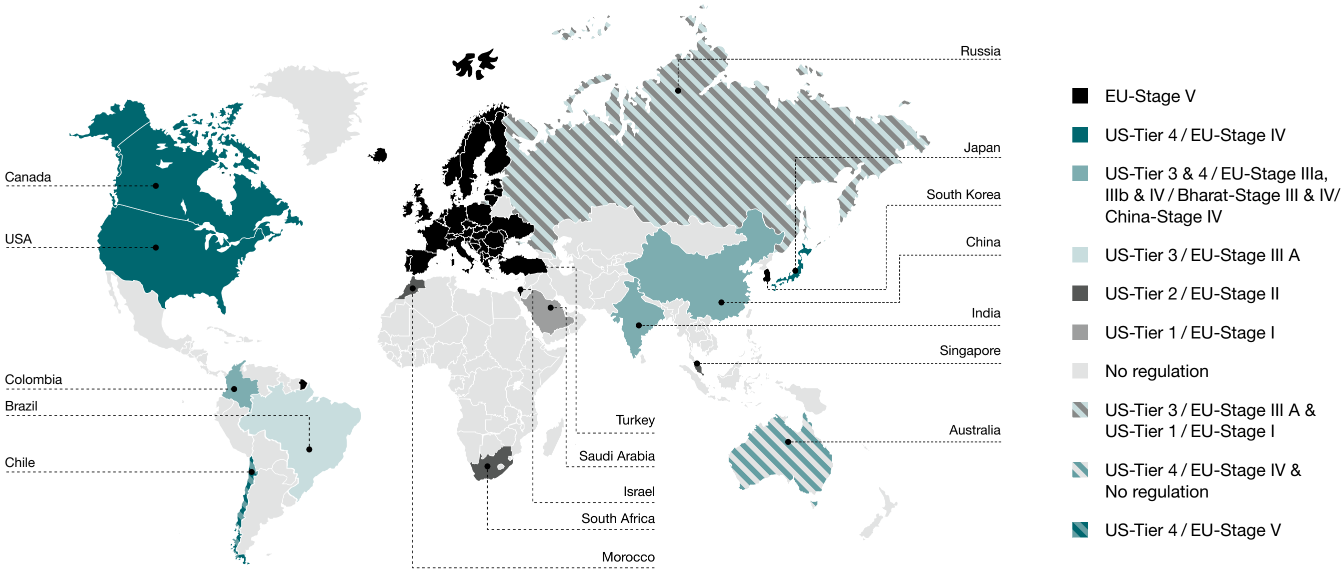
Emission standards for light and compact equipment
The emission guidelines refer to diesel engines in so-called non-road applications, such as construction machines, industrial trucks, and agricultural machinery. Currently, the world's strictest standards are the emission guidelines Tier 4 final in the USA (EPA – Environmental Protection Agency) as well as Stage V in Europe (97/68 EG). In other markets, similar or older, generally less stringent, emission guidelines are still in force.

The Wacker Neuson Group is intensively engaging with current as well as future emission guidelines. Specifically, the CARB Tier 5 currently being discussed in the USA will most likely represent the next stricter stage of emission guidelines. Although its implementation is not expected before 2033, discussions with engine suppliers and development partners are already underway on how future vehicles will need to be equipped.

EU Taxonomy and CSRD
The international community set the goal through the Paris Climate Agreement in 2015 to limit global warming in the 21st century to well below two degrees Celsius and, if possible, to no more than 1.5 degrees Celsius. To achieve these climate goals as well as other sustainability targets, the European Green Deal and the EU Action Plan on Financing Sustainable Growth were adopted at the EU level. According to the EU, this can be achieved, among others, if global financial flows are directed in such a way that public and private investments support the implementation of the agreed climate goals. The Taxonomy Regulation came into force on July 12, 2020. The disclosure requirements for the annual periods from 2022 onwards are regulated via Article 8 of the Taxonomy Regulation in conjunction with Article 10 of the Commission Delegated Act (EU) 2021/4987 of July 6, 2021. Reporting requirements for the fiscal year 2024 apply to both taxonomy-eligible and taxonomy-aligned economic activities with respect to all six environmental objectives and the proportion of revenue (turnover), capital expenditure (CapEx), and operational expenditure (OpEx) associated with these economic activities in relation to the respective total value of the Group.

The EU Directive 2014/95/EU on sustainability reporting will be replaced in the future by Directive 2022/2464 (Corporate Sustainability Reporting Directive, CSRD) of the European Parliament and the Council of December 14, 2022, which significantly expands the requirements for transparency and data quality. At the time of the publication of this annual report, the law to implement the CSRD has not yet been transposed into national German law. Even though the CSRD has not yet been transposed into German law, the Group is proactively preparing its Non-financial Group Statement for the fiscal year 2024 based on the CSRD and thereby preparing for future reporting requirements.

TIGHTER EMISSIONS REGULATIONS FOR DIESEL ENGINES



The graphic shows a simplified overview of the globally non-harmonized emission legislation for diesel engines in non-road applications and is intended to provide an indication of the technology level and similarities between emission stages. Europe and North America have the strictest regulations. The tightening of emission legislation requires the reduction of nitrogen oxides (NOx) and carbon monoxide (CO), as well as the reduction of particle emissions.

Business development

- Declining revenue due to the increasingly challenging economic environment in 2024
- Comprehensive action program "Fit for 2025" leads to cost reductions and creates a foundation for subsequent years
- Reduction in the net working capital increases cash flows

Overall statement on the business performance and position of the Group

The fiscal year 2024 of the Wacker Neuson Group was characterized by a challenging market environment and strategic developments. Order intake remained at a low level throughout the year due to declining key markets and full dealer inventories, leading to a declining order book. Despite ongoing uncertainties, weak demand, and declining revenues in all regions, the Group was able to achieve significant milestones in implementing the ten strategic levers of its Strategy 2030. These include the introduction of new machines, such as new battery-electric devices, the expansion of the Dual View dumper range, and the addition of innovative features, such as an integrated dynamic weighing system for telehandlers. In addition, the new future-oriented logistics center in Mülheim-Kärlich, with an area of 55,000 square meters, was put into operation. This center improves the worldwide supply of spare parts and increases efficiency in the service sector. In the M&A area, further acquisitions were made to strengthen the sales network and optimize products in the core business.

The revenue amounting to EUR 2,234.9 million was expectedly below the prior-year level (2023: EUR 2,654.9 million). The EBIT margin, at 5.5 percent, was significantly below the prior-year level (2023: 10.3 percent), primarily due to the lower revenue in relation to the cost base. To improve profitability, the Wacker Neuson Group responded during the year with a comprehensive cost-saving program "Fit for 2025," which is aimed at sustainable cost reduction and increasing efficiency. The actions of the program primarily include the adjustment of production output and processes, the reduction of operating costs through targeted savings in material costs, as well as the reduction of staff in various functional areas.

During the year, inventories were increasingly reduced, with a positive effect on cash flow from operating activites at the end of 2024. Free cash flow also improved as a result.

Net working capital in absolute terms was reduced by the end of 2024 due to inventory reduction compared to the previous year. The net working capital ratio also stood below the previous year's level in the fiscal year 2024. The financial structure remained stable at the end of the year, with an improved equity ratio compared to the end of 2023. Given consistently secured liquidity, the Group was able to meet its financial obligations without any restrictions in 2024. In May 2024, a promissory note amounting to EUR 70.0 million was repaid as scheduled. In June 2024, a new promissory note amounting to EUR 100.0 million was placed.

After the Group closed the fiscal year 2023 with record revenues, the dividend distribution was again increased in May 2024 compared to the previous year. At EUR 1.15 per dividend-entitled share, the total dividend distribution in 2024 amounted to approximately EUR 78.2 million (distribution for the fiscal year 2022 in 2023: EUR 1.00 per share or EUR 68.0 million).

In summary, the Wacker Neuson Group actively responded to the weak market demand in a challenging market environment and implemented measures that provide a solid foundation for future development.

Comparison of the actual and forecasted business performance

In the guidance published on March 26, 2024, for the fiscal year 2024, the Executive Board initially expected the Group revenue to be between EUR 2,400 and EUR 2,600 million and an EBIT margin within a range of 8.0 to 9.0 percent. The net working capital ratio (net working capital in relation to the Group revenue) at the end of 2024 was forecasted to be around 30 percent. The purchase of property, plant and equipment and intangible assets were expected to amount to approximately EUR 120 million for the entire year 2024.

Due to the continued weak demand in the markets for construction and agricultural machinery, the Executive Board decided on July 17, 2024, to adjust its guidance for business development in 2024. Contrary to the guidance made at the beginning of the year, market demand did not recover as expected. Incoming orders and revenues remained low, and forward-looking industry indicators did not suggest a short-term recovery. Accordingly, the Executive Board now expected a revenue between EUR 2,300 and EUR 2,400 million and an EBIT margin of 6.0 to 7.0 percent. Investments were now expected to amount to EUR 100 million. The net working capital ratio by the end of the year was now expected to be around 34 percent. The revised guidance reflected both the business development in the first half of 2024 and potential changes in economic conditions for the rest of the year.

	Guidance March 26, 2024	Guidance adjusted on July 17,2024	Guidance adjusted on November 14, 2024	Achieved 2024
Revenue	EUR 2,400 to 2,600 million	EUR 2,300 to 2,400 million	EUR 2,200 to 2,300 million	EUR 2,234.9 million
EBIT margin	8.0 to 9.0%	6.0 to 7.0%	5.5 to 6.5%	5.5%
Net working capital as a % of revenue	approx. 30%	approx. 34%	approx. 34%	31.7%
Investments[1]	approx. EUR 120 million	approx. EUR 100 million	approx. EUR 100 million	EUR 102.6 million

With the publication of the financial figures for the first nine months of 2024 on November 14, 2024, the guidance was adjusted for the second time in light of the ongoing economic downturn. Revenue was now expected to be between EUR 2,200 million and EUR 2,300 million with an EBIT margin between 5.5 and 6.5 percent. The expected investments remained around EUR 100 million, and the net working capital ratio was still expected to be around 34 percent.

In the fiscal year 2024, revenue amounted to EUR 2,234.9 million (2023: EUR 2,654.9 million), which was in the lower half of the most recently guided range. The revenue development reflects the weakened expectations for the economic environment over the course of the year and corresponds with the lower incoming orders in the past fiscal year. The EBIT margin, at 5.5 percent, was at the lower end of the guided range, primarily due to the initially increased underutilization costs over the year. The Executive Board initiated measures early on to reduce costs and improve results, which are reflected in the result achieved for the year 2024.

The net working capital amounted to EUR 709.3 million as of December 31, 2024, and was therefore below the previous year (December 31, 2023: EUR 869.5 million). The net working capital ratio amounted to 31.7 percent as of December 31, 2024, despite the decreased annual turnover compared to the previous year, thus falling below the last communicated target of around 34 percent. This was particularly due to the decline in finished inventories during the course of 2024.

The purchase of property, plant and equipment and intangible assets was close to the target value at EUR 102.6 million (2023: EUR 163.5 million).

Product innovations[2]

In the fiscal year 2024, the Wacker Neuson Group introduced some product innovations to the market during the year:

In the area of compact machinery, the Wacker Neuson Group expanded the model range of the Dual View Dumpers. The DV125 dumper of the Wacker Neuson brand with a payload of up to 12,500 kilograms is the largest model in the series to date and is suitable for applications with high material handling. The equipment includes skip and tilt monitoring, skip grid, hill-hold function, laminated safety glass, and many other safety features. The compact design and the Dual View operating concept with the 180-degree rotatable operating console provide improved visibility when driving, maneuvering, and loading and unloading, which is particularly advantageous in confined working environments.

The wheel and telescopic loaders of the 8-series and the compact models 5045 as well as KL21.5L of the Group brand Kramer continued to expand the product portfolio. The tipping loads of the 8-series from 3,650 to 4,250 kg, the Deutz engine, and the drive system with four modes (Power, Eco, Road, CSD) enable application in various environments. A savings of up to 15 percent fuel can be achieved by improving the technology. The compact wheel loader 5045 is toll-free transportable due to its operating weight of around 2,600 kg. The product has high payload and can thus be used for loading and unloading trucks. The wheel loader KL21.5L is suitable for agricultural operations. The loading system allows the movement of heavy loads such as silage bales, feed, or fertilizer pallets.

In the field of soil compaction, the new generation of battery-powered rammers has been introduced. New features include active cooling for optimal temperature management and a standby mode of the batteries for easier start-up. The new generation of two-stroke rammers with the self-developed WM80 engine includes, among other things, low-emission and fuel-optimized injection technology as well as optimized cooling air guidance.

In addition, the zero emission product portfolio was expanded by a new battery-powered vibration plate, which features the direct drive DireX developed in-house.

As the mini loaders are already established in other markets, the product SM100 of the brand Wacker Neuson introduced the first mini loader also in Europe. It is a machine with a weight of 1.5 tons and a width of just under 90 cm for versatile tasks, particularly in gardening and landscaping.

In fall 2024, the wheel loader portfolio of the brand Wacker Neuson was expanded to include the two models WL250 and WL750. The WL250 model, with an operating weight of around 2 tons, is equipped with a hydraulic wheel hub drive, where all four wheels are driven directly. This drive enables increased efficiency and improved acceleration. The WL750 wheel loader, with an operating weight of around 4 tons, is characterized by its efficient loading system, among other things. Additionally, visibility on the quick-change plate is optimized, which promotes precise work. A new cabin design with a widened entrance facilitates frequent entry and exit.

The new telehandlers TH625 from the Wacker Neuson brand for the construction industry and the corresponding Weidemann agriculture model T6025 have a payload of 2.5 tons with a lift height of 6 meters. The cabin is ergonomically designed and offers an all-round view, which has a positive effect on safety and efficiency. The electronically controlled drive system with various driving modes ensures a demand-driven application of the machine. Like all telehandlers from the

[1] Investments in property, plant and equipment and in intangible assets (this figure does not include investments in the Group's rental equipment or purchase of investments).

[2] Section not related to the Combined Management Report.

Wacker Neuson brand, the TH625 is also equipped with the driver assistance system Vertical Lift System (VLS). The system prevents the machine from tipping longitudinally due to overload.

With the products LTN4 and LTN5, two new models of diesel and petrol-operated light towers were also introduced. Furthermore, a new series of generators was presented (six models of the G-Series with 3.5 to 8 kW maximum power output).

Awards[1]

The new telehandler KT316 of the Kramer brand was awarded the gold medal of the German Agricultural Society (DLG) at the EnergyDecentral trade fair in November 2024. The innovative character of its dynamic weighing system lies in the fact that it operates independently of the attachment tool, the center of gravity of the load, or the position of the loading unit, including the telescopic function. It simplifies bucket weighings and improves their accuracy and allows a weighing process even during travel, which increases work efficiency.

The electric Hoftrac 1190e imp by the brand Weidemann was awarded at the EuroTier fair for its “Follow me” function. Here, the driverless machine is operated via remote control and follows the operator walking ahead in the forward driving direction. The driver and the surrounding environment are protected by a safety zone around the machine. The elimination of frequent getting on and off the machine not only leads to time savings but also increases user safety.

The telehandlers T7035 and T7042 from the Weidemann brand were awarded the Innovation Prize for agricultural machinery in the material handling category at the French trade show for innovation and agriculture Innov-Agri. The two 7-meter telehandlers stand out with their "Best View Cabin": The four-pillar construction, combined with the panoramic rear window and the large curved front window with a large roof cutout, offers all-around visibility, enabling more efficient maneuvering and increased occupational safety in everyday work.

Introduction of SAP S/4 HANA

After more than two years of preparation and involvement of approximately 1,000 employees in the respective testing phases, SAP S/4 HANA went live as planned in May 2024. The transition of all systems went smoothly, and the operational business could continue without restrictions.

New logistics location

In June 2024, the new logistics site of the Group in Mülheim-Kärlich commenced operations. The site, located near Koblenz, is situated between the Frankfurt a.M. and Cologne/Bonn airports, thereby offering advantageous connections to international transport networks. In the distribution warehouse, approximately 100,000 different spare parts for construction equipment and compact machines are stored on an area of 55,000 square meters. The warehouse in Mülheim-Kärlich now serves as the hub for the global spare parts supply for the three core brands of the Wacker Neuson Group.

M&A

The current implementation of the Group's M&A strategy is focused on transactions that support the core business as effectively as possible.

The object of the first successful transaction of the year was the participation in the start-up TorqueWerk GmbH from Aachen, which was implemented at the beginning of 2024. The Wacker Neuson Group holds a 45.5 percent stake in the share capital and holds over 49 percent of the voting rights. An integration and cooperation project in the technology sector was successfully launched, whereby the components from the development of the electric motor module kits by TorqueWerk GmbH are to be used in the construction machinery product portfolio of the Wacker Neuson Group to increase the efficiency of the machines.

Furthermore, the Dutch dealer Weidemann Nederland B.V. was acquired as of May 2024. With the acquisition, additional channels into agriculture as well as an improved market coverage in the Netherlands were gained. Additionally, the transaction expanded the service for end customers in the fields of municipalities, parks, industry, and agriculture.

On June 10, 2024, the acquisition of Axor Mietservice GmbH was signed. The execution of the acquisition took place at the beginning of the third quarter of 2024. Wacker Neuson Vertrieb Deutschland GmbH & Co. KG acquired 100 percent of the business shares of the German Axor subsidiary. In addition to regional strengthening, the Wacker Neuson Group focuses on expanding business activities in the area of track construction. Since the completion of the transaction, the company has been operating under the name Wacker Neuson Rail GmbH. It focuses on the rental and service of machines for track construction, expands the business nationwide, and strengthens its market position.

The Wacker Neuson Belgium BVBA, a wholly-owned subsidiary of Wacker Neuson SE, entered into an agreement on October 1, 2024, to acquire 100 percent of the shares of Compact Machinery BV ("Compact") with the previous owners. Compact is a Belgian dealer for compact machines. Through the merger, the customers of Compact will have access to a broader range of services and the existing customers of the Wacker Neuson Group in Belgium will also benefit.

Issuance of promissory note

The Wacker Neuson Group successfully placed its fifth promissory note in June 2024, among other things to refinance the promissory note amounting to EUR 70.0 million, which was repaid as scheduled in May 2024. The fixed interest rate is 3.986 percent and the term is three years. The promissory note was marketed to institutional investors. Demand came primarily from banks in the German cooperative and savings bank sector as well as from European private banks, with many investors participating repeatedly. Due to the multiple oversubscription of the order book, the volume of the promissory note issued by the holding company Wacker Neuson SE was increased from the initially targeted EUR 75.0 million to EUR 100.0 million.

[1] Section not related to the Combined Management Report.

Profit, financial position and assets

The report on profit, financial position and assets covers a total of 53 consolidated Group companies including the holding company Wacker Neuson SE (2023: 49) as well as two companies accounted for using the equity method (2023: 1).

Profit[1]

- Weak order intake in construction and agriculture, full dealer inventories
- Declining revenue and profitability

Revenue and order development

After the record year 2023 with the highest Group revenue in the company's history, the Wacker Neuson Group was exposed to a prolonged economic downturn in the fiscal year 2024. A declining order intake in both the construction and agriculture industries and full dealer inventories burdened revenue development throughout the entire fiscal year 2024. The monthly calculated book-to-bill ratio (order intake in relation to revenue) correspondingly remained below the value of 1 for almost the entire year and was only able to recover in the fourth quarter. The order backlog continuously decreased over the course of the year and was only able to stabilize at a lower level at the end of the year.

In the first quarter of 2024, the negative trend from the second half of 2023 continued. This led to a revenue decline of 11.1 percent compared to the previous year. Demand was the weakest in North America. The earnings before interest and taxes to revenue ratio (EBIT margin) was 6.2 percent. In the second quarter of 2024, this development continued with a decline of 12.5 percent. While business with customers from the agricultural sector had still developed positively in the previous quarter, it also declined in the second quarter of 2024. The EBIT margin was 7.7 percent. In the third quarter of 2024, revenue also decreased compared to the previous year. The decline amounted to 20.1 percent. The EBIT margin was 4.8 percent. In a still weak market environment, the focus was on reducing inventory, which was reflected in an increasing Free Cash Flow and decreasing Net Working Capital. In the fourth quarter of 2024, the revenue decline was 20.0 percent. The EBIT margin was 2.7 percent. The positive trend in Free Cash Flow and Net Working Capital from the previous quarter continued.

The Group revenue for the full fiscal year 2024 amounted to EUR 2,234.9 million (2023: EUR 2,654.9 million), representing a decline of 15.8 percent. Adjusted for currency effects, the decline amounted to 15.8 percent. This decrease in revenue was mainly due to negative volume effects. The typical revenue drivers of the geographic operating segments Europe, Americas, and APAC from previous years – Germany, USA, and Australia – each recorded revenues below the previous year's level. Specifically, excavators, compact machines, wheel loaders, and telehandlers were less in demand in the fiscal year 2024 compared to the previous year, whereas the demand for dumpers developed positively. The decline in revenue from new machine sales was also mitigated by increased demand for rental machines, spare parts, and services in the service business. Business with customers from the agricultural sector also developed negatively. In this product segment, revenue decreased by 27.2 percent to EUR 486.2 million (2023: EUR 667.9 million).

Development of cost of sales

Cost of sales decreased by 14.5 percent to EUR 1,716.9 million in 2024 (2023: EUR 2,008.4 million), and therefore less sharply than the Group revenue. Accordingly, gross profit of EUR 518.0 million was 19.9 percent below the previous year (2023: EUR 646.5 million). The gross profit margin deteriorated by 1.2 percentage points to 23.2 percent (2023: 24.4 percent).

In the complete fiscal year 2024, the development of cost of sales was influenced by negative volume effects, which could not be fully offset by positive margin effects (e.g., decreased material costs compared to the previous year). Additionally, due to weak demand and despite reduced production output since the beginning of the year, all production plants experienced a cost under-recovery relative to plant costs. To counteract these developments, the Wacker Neuson Group took actions to improve earnings and increase efficiency during the year. These included various actions to reduce cost of sales and operating costs, such as staff reductions, company holidays with flextime reduction, different short-time work models, and re-evaluation of ongoing projects. Despite the positive earnings effects from these actions (reduced personnel and material costs), the decline in demand in the fiscal year 2024 could not be fully compensated from a cost perspective.

Development of operating costs

While cost of sales are mostly directly related to the achieved sales volume, the operating costs for sales, research and development, and administration (SG&A) generally have a less variable nature.

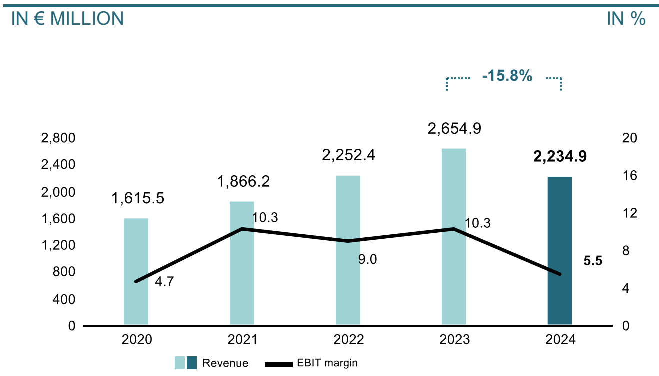
In the fiscal year 2024, the total operating costs decreased by 1.2 percent to EUR 406.3 million (2023: EUR 411.1 million) and, as a result, less sharply than revenue. The share of these costs in revenue increased by 2.7 percentage points to 18.2 percent (2023: 15.5 percent).

The individual expense items developed in the fiscal year 2024 as follows:

In 2024, sales and service expenses increased by 2.5 percent and amounted to EUR 251.6 million (2023: EUR 245.5 million). The main reasons for the increase were higher logistics and rental costs due to temporary duplicate structures during the construction of the new spare parts warehouse in Mülheim-Kärlich. Savings were achieved in marketing, travel, and event expenses, but these could not offset the previously mentioned cost increase. The proportion of sales and service expenses to revenue rose to 11.3 percent (2023: 9.2 percent).

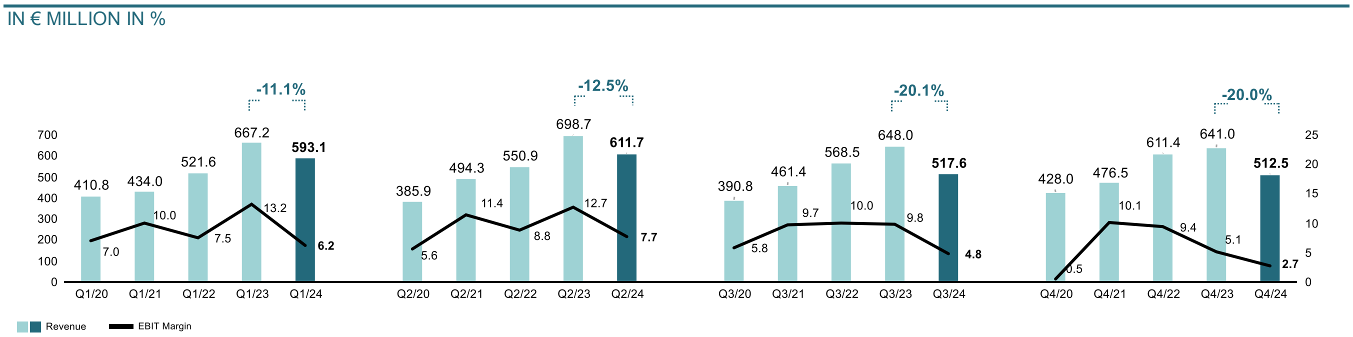
1 All figures on the individual quarters are unaudited.

DEVELOPMENT OF REVENUE AND EBIT MARGIN 2020 – 2024



- After a record year in 2023, the Group revenue declined in the reporting year due to the weak market environment.
- Cost measures cannot fully compensate for the weak market conditions. As a result, the EBIT margin was down compared to the previous year.

QUARTER-ON-QUARTER COMPARISON: REVENUE AND EBIT MARGIN 2020 – 2024 (QUARTERLY FIGURES UNAUDITED)



Research and development costs decreased by 7.5 percent to EUR 58.9 million (2023: EUR 63.7 million) compared to the previous year. This was mainly due to lower personnel expenses and higher capitalized research and development costs compared to the previous year. The capitalized development costs amounted to EUR 34.7 million (2023: EUR 29.0 million). Research and development costs – including capitalized development costs – in relation to revenue were above the previous year's level at 4.2 percent, mainly due to the decrease in revenue (2023: 3.5 percent). New product developments, as well as advancements and innovations, are described in more detail in the chapter → Other factors with impact on profit.

General administrative expenses also decreased less sharply than revenue by 6.0 percent to EUR 95.8 million (2023: EUR 101.9 million). The administrative cost ratio was accordingly above the prior-year level at 4.3 percent (2023: 3.8 percent). Higher IT costs for the introduction of SAP S/4 HANA could be partially offset by lower energy costs.

The balance of other income and expenses decreased by 71.4 percent to EUR 10.8 million (2023: EUR 37.8 million) compared to the prior year. The decrease is mainly due to the one-off effects from the previous year. Other income in the prior year included the sale of non-essential fixed assets amounting to EUR 15.5 million (sale of property in Karlsfeld) in the first quarter of 2023 and the gain from the sale of design and technical know-how (under the strategic cooperation with John Deere) amounting to EUR 11.0 million in the second quarter of 2023.

The earnings before interest, taxes, depreciation and amortization (EBITDA) decreased by 31.1 percent to EUR 286.5 million (2023: EUR 415.9 million). The EBITDA margin amounted to 12.8 percent (2023: 15.7 percent).

The amortization increased in total during the reporting period to EUR 164.0 million (2023: EUR 142.7 million). The depreciation of property, plant and equipment and intangible assets amounted to EUR 99.4 million (2023: EUR 87.1 million). The depreciation on the Group's rental equipment was EUR 64.6 million (2023: EUR 55.6 million).

Development of EBIT, financial result and profit for the period
Due to the persistently weak market situation, profitability as well as revenue were under pressure. In view of the production capacities established in the previous year, the Group had to take the aforementioned actions at an early stage to adapt the production level as closely as possible to demand and to reduce costs.

The EBIT for the full year 2024 was 55.2 percent below the previous year due to the aforementioned effects and amounted to EUR 122.5 million (2023: EUR 273.2 million). The EBIT margin decreased by 4.8 percentage points to 5.5 percent (2023: 10.3 percent).

The financial result decreased to EUR -21.0 million (2023: EUR -18.5 million). This includes a net currency effect of EUR 1.3 million (2023: EUR -2.3 million) and results from investments accounted for using the equity method of EUR -1.4 million (2023: EUR -1.6 million). The decline in the financial result is mainly attributable to the interest result included in it, which amounted to EUR -20.4 million due to the increased net financial debt during the year and higher financing costs (2023: EUR -14.2 million) → Consolidated Financial Statements, Item 5

The earnings before taxes (EBT) amounted to EUR 101.5 million, 60.1 percent below the previous year (2023: EUR 254.7 million).

The tax expense amounted to EUR 31.3 million, 54.5 percent below the previous year (2023: EUR 68.8 million). The Group's effective tax rate increased by 3.8 percentage points to 30.8 percent (2023: 27.0 percent).

In the fiscal year 2024, the Wacker Neuson Group generated a profit for the period that was 62.2 percent lower, amounting to EUR 70.2 million (2023: EUR 185.9 million). Earnings per share (diluted and undiluted) decreased by 62.3 percent to EUR 1.03 (2023: EUR 2.73). The calculation of undiluted earnings per share is based on the weighted average number of shares outstanding during the period. In the fiscal year 2024, earnings per share were calculated, as in the previous year, with a weighted average number of shares outstanding of 68,015,345 units.

Financial position

- Positive free cash flow after inventory reduction
- Diversified financing structure

Principles and targets of financial management
The financial management of the Wacker Neuson Group comprises the planning, management, and control of all actions related to funding risk (financing) and use of funds (investment). The primary focus is on securing and maintaining liquidity in the form of adequate credit lines or financial resources. Another objective of financial management is the optimization of the risk-return profile of the Group, ensuring profitability while balancing investment and financing risks. The Group manages the financing based on defined balance sheet ratios. Important indicators in this context are net financial debt and the equity ratio. → Financial Glossary.

The company's aim is to fund day-to-day operations with cash flow from operating activities. Surplus funds are invested in safe, highly liquid instruments at the prevailing interest rates. The Wacker Neuson Group uses – to an extent – standard derivative financial instruments such as foreign exchange forward contracts and foreign exchange swaps to hedge its foreign currency risks, interest rate risks and commodity price risks. These kinds of financial transactions are concluded centrally and always have a corresponding underlying transaction.

Within the framework of the Group's risk management strategy and initiatives, various derivatives are used for the economic hedging of risks.

Derivative financial instruments that are not included in a hedge accounting are exclusively currency swaps used to hedge the currency risk from loans issued internally between Group companies. In addition, the Group uses forward exchange contracts to hedge planned internal purchases of goods. These are formally classified as hedges (hedge accounting) on inception of the foreign exchange forward transaction with the corresponding underlying transaction.

Development of refinancing conditions
The Wacker Neuson Group benefits from its very good credit rating, as confirmed by banks. The Deutsche Bundesbank confirmed the Group holding Wacker Neuson SE's eligibility as a central bank transaction counterparty in the previous year. One of the Group's goals is to directly and broadly diversify its refinancing in the market, independently of external influences.

Liquidity management
The main goal of liquidity management is to provide financial resources to the Wacker Neuson Group in a timely manner. For this purpose, the Group maintains cash pools in which all major Group companies are involved. From these cash pools, Wacker Neuson SE provides the necessary funds to all participants at individually fixed and market-based conditions. Deposits and withdrawals by participants are interest-bearing based on the market conditions of the respective currency and company. In addition to these short-term credits, Group loans are made available to the Group companies. In the fiscal year 2025, the 2018 promissory note amounting to USD 7.5 million will be due for refinancing. The short-term liabilities from banks are primarily revolving money market loans, which can be drawn flexibly and with short maturities under the long-term committed credit lines (until 2027) amounting to EUR 450 million.

KEY FINANCIAL INSTRUMENTS AT DECEMBER 31, 2024

	Amount in €/USD/ GBP million	Due	Interest rate as a %
Promissory note (Schuldschein) 2018 in USD m (Tranche I)	7.5	2025	4.24
Promissory note (Schuldschein) 2019 in EUR m	80.0	2026	0.99
Promissory note (Schuldschein) 2024 in EUR m	100.0	2027	3.99
Other long-term borrowings from banks in EUR m	3.6	2026-2040	3.59
Other short-term borrowings from banks in EUR m	117.1	2025	3.40
Other short-term borrowings from banks in USD m	6.9	2025	4.49
Other short-term borrowings from banks in SGD m	0.1	2025	5.94

Cash flow from operating activities

The gross cash flow (cash flow from operating activities before investments in net working capital) was at EUR 184.8 million -41.8 percent below the previous year (2023: EUR 317.3 million), primarily due to the lower EBT in the fiscal year 2024.

After investments in net working capital and after income taxes paid, the cash flow from operating activities in the past fiscal year amounted to EUR 305.3 million, which is more than 100 percent above the previous year (2023: EUR 113.2 million). The increase is primarily due to the reduction of inventories in the reporting period, compared to the build-up of inventories in the previous year.

Cash flow from investing activities

The cash flow from investing activities amounted to EUR -120.7 million, an improvement compared to the previous year (2023: EUR -138.1 million), primarily as a result of decreased purchases of property, plant and equipment. Compared to previous year, it included lower proceeds from the sale of property, plant and equipment, intangible assets and assets held for sale of EUR 1.6 million (2023: EUR 27.3 million).

Investments in property, plant, and equipment and intangible assets in the fiscal year 2024 amounted to EUR 102.6 million, 37.2 percent below the prior-year level (2023: EUR 163.5 million). The decline is mainly due to the -52.0 percent lower investments in property, plant, and equipment amounting to EUR -61.9 million (2023: EUR 129.0 million). In contrast, investments in intangible assets amounted to EUR 40.7 million, 18.0 percent above the prior-year level (2023: EUR 34.5 million). In the previous year, a significant portion of investments in property, plant, and equipment was allocated to the expansion of the European production network. The focus of investing activities in 2024 was on investments in land and buildings as well as M&A activities.

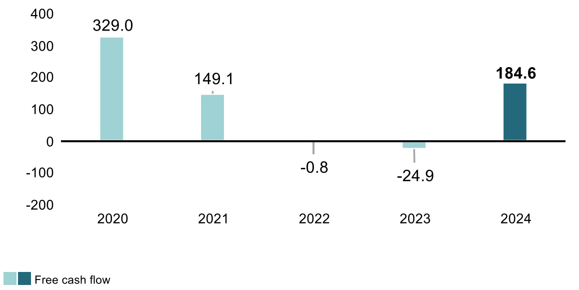
Investments in the rental equipment amounted to EUR 127.0 million in the fiscal year 2024, which was -12.7 percent lower than the previous year's value (2023: EUR 145.4 million). These investments are included in the line “changes in rental equipment, net” in the cash flow from operating activities (see also → Item 12 of the Consolidated Financial Statements concerning rental equipment).

Free cash flow

The free cash flow, that is, the cash flow from operating activities less the cash flow from investing activities, amounted to EUR 184.6 million, exceeding the prior-year level (2023: EUR -24.9 million). The higher and positive free cash flow is mainly due to the higher starting basis of cash flow from operating activities resulting from the inventory reduction during the reporting period.

FREE CASH FLOW 2020–2024[1,2]

IN € MILLION



[1] Refer to item 31 in the Notes to the Consolidated Financial Statements for further information about the cash flow statement.[2] Before fixed-term investments in the amount of EUR 15.0 million in fiscal 2020, EUR 115.0 million in fiscal 2021 and repayments from fixed-term investments of EUR 130.0 million in fiscal 2022.

Cash flow from financing activity

The cash flow from financing activity amounted to EUR -177.5 million in the fiscal year 2024 and was therefore below the previous year (2023: EUR -5.0 million). In addition to the higher dividend distribution of EUR -78.2 million (EUR 1.15 per dividend-entitled share for the fiscal year 2023) compared to EUR -68.0 million in the previous year (EUR 1.00 per dividend-entitled share for the fiscal year 2022), the interest paid amounting to EUR -23.7 million (2023: EUR -19.0 million) was also responsible for this. Lower inflows from short-term and long-term loans amounting to EUR 44.3 million and EUR 100.0 million (2023: EUR 202.1 million and EUR 0.6 million), respectively, were also offset by higher repayments of short-term and long-term loans amounting to EUR -195.0 million and EUR -1.0 million (2023: EUR -100.7 million and EUR -0.5 million), respectively. In June 2024, a new promissory note with a nominal amount of EUR 100.0 million was issued (see also section → Business Development).

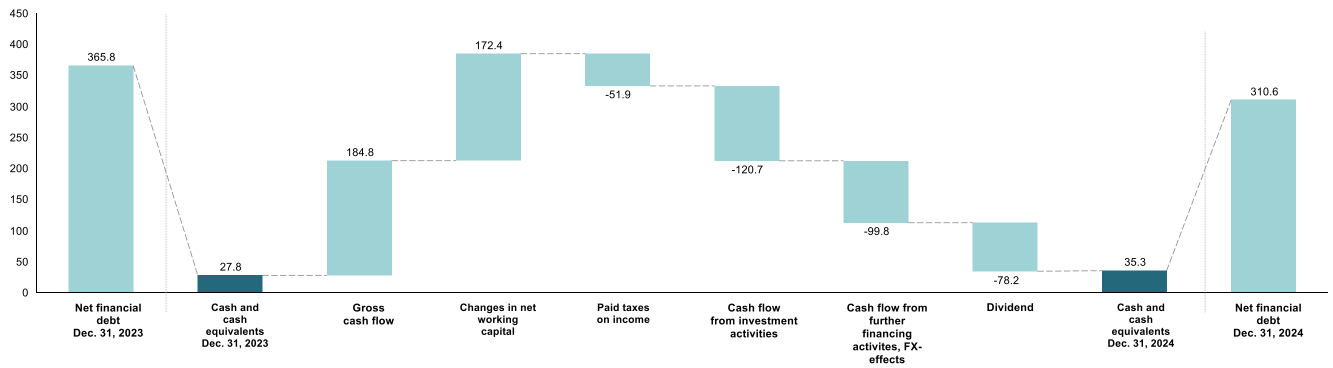
DEVELOPMENT OF CASH FLOW

IN € MILLION

	2024	2023	2022	2021	2020
Cash flow from operating activities	**305.3**	**113.2**	**-6.4**	**331.7**	**420.0**
Purchase of property, plant and equipment	-61.9	-129.0	-71.3	-46.0	-48.0
Purchase of intangible assets	-40.7	-34.5	-32.5	-36.2	-38.9
Cash outflows for investments accounted for using the equity method and other investments	-4.1	-0.6	-1.4	-0.6	-0.6
Cash outflows for additions to the consolidation structure	-15.6	-	-22.2	–	–
Proceeds of investments	–	-	2.2	8.6	–
Cash outflows for loans to investments accounted for using the equity method	–	-1.3	–	–	–
Cash inflow from financial investments	–	–	130.0	–	–
Cash outflow from financial investments	–	–	–	-115.0	-15.0
Proceeds from the sale of property, plant and equipment, intangible assets and assets held for sale	1.6	27.3	0.8	6.6	9.5
Proceeds from disposals from the consolidation group	–	–	–	–	2.0
Cash flow from investment activities	**-120.7**	**-138.1**	**5.6**	**-182.6**	**-91.0**
Free cash flow	**184.6**	**-24.9**	**-0.8**	**149.1**	**329.0**

LIQUIDITY SITUATION

IN € MILLION



In May 2024, the Wacker Neuson Group distributed a dividend of EUR 1.15 per dividend-bearing share for the fiscal year 2023. The total dividend distribution amounted to EUR 78.2 million. Compared to the previous year, this corresponds to a 15.0 percent increase in the dividend distribution. Net financial debt has decreased compared to the end of 2023.

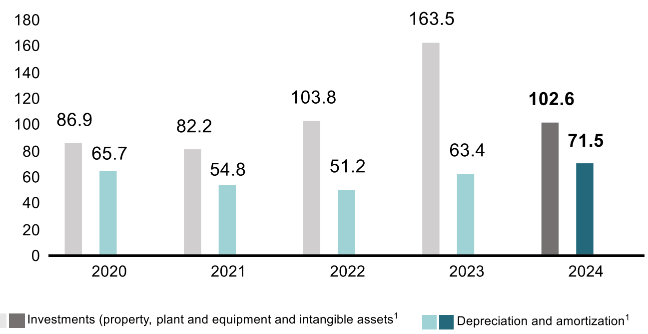
Liquidity position

The Wacker Neuson Group was able to cover its liquidity needs in 2024 mainly from its cash flow from operating activities. Additionally, credit lines provided by the Group's core banks were used to secure liquidity. A detailed presentation of maturities and terms of the credit lines can be found in the notes to the consolidated financial statements (see also → Item 20 of the Consolidated Financial Statements).

Net financial debt decreased by EUR 55.2 million in the reporting period to EUR 310,6 million. This is primarily due to the reduction in net working capital and, consequently, the lower utilization of credit lines in the second half of the year (see also → Assets). Cash and cash equivalents amounted to EUR 35.3 million as of December 31, 2024 (December 31, 2023: EUR 27.8 million). These resources are held by Wacker Neuson SE and by subsidiaries that, for legal reasons, cannot participate in the existing cash pooling structures. The Wacker Neuson Group remains committed to optimizing this within the scope of legal possibilities.

INVESTMENTS IN PROPERTY, PLANT AND EQUIPMENT AND IN INTANGIBLE ASSETS AND WRITE-DOWNS 2020–2024[1]

IN € MILLION

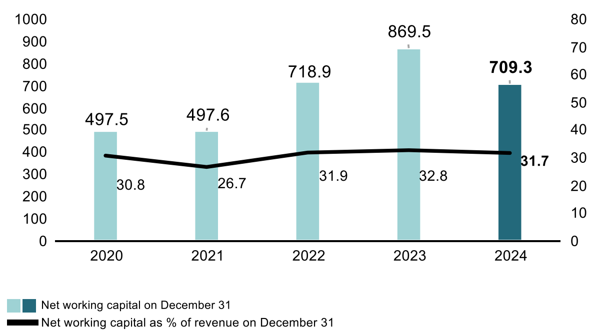


- In the year 2024, investments in property, plant and equipment and intangible assets stood at EUR 102.6 million. The focus was on investments in land and buildings as well as M&A activities.
- Investments in property, plant and equipment amounted to EUR -61.9 million. EUR -40.7 million were related to investments in intangible assets.

[1] Adjusted for the effects of IFRS 16. Values are based on property, plant and equipment and intangible assets. The Group's own rental equipment and purchases of investments are not included.

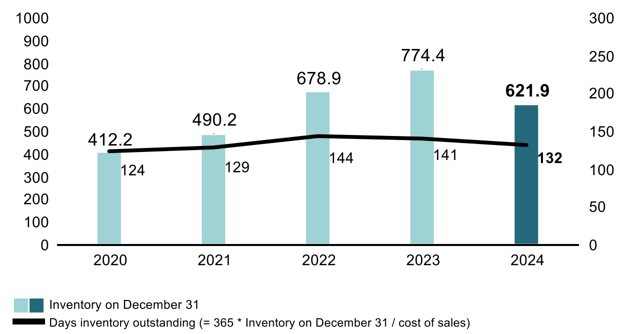
NET WORKING CAPITAL 2020–2024

IN € MILLION IN %



INVENTORY AND DAYS INVENTORY OUTSTANDING 2020–2024

IN € MILLION IN DAYS



Net working capital decreased in the 2024 fiscal year, primarily as a result of the reduction in inventories, which was strongly driven by the reduction in finished goods. The net working capital ratio based on annual revenue stood at 31.7 percent at the end of 2024 (December 31, 2023: 32.8 percent).

Net Working Capital

The net working capital ratio (net working capital in relation to Group revenue) is a central management element of the Wacker Neuson Group. The strategic goal of the Group is to sustainably manage the net working capital ratio to a value of less than or equal to 30 percent.

In absolute figures, net working capital amounted to EUR 709.3 million as of December 31, 2024, and was -18.4 percent below the previous year (December 31, 2023: EUR 869.5 million). With a rate of 31.7 percent, the ratio as of December 31, 2024, was below the previous year despite the reduced annual revenue (December 31, 2023: 32.8 percent). The main reason for this was the decline in revenue due to decreasing market demand in the year 2024. Based on the annualized revenue of the fourth quarter of 2024 (multiplication by 4), the net working capital rate amounted to 34.6 percent as of December 31, 2024 (December 31, 2023: 33.9 percent).

The individual components of the net working capital developed as follows in the fiscal year 2024:

Due to the decline in order intake in the fiscal year 2024, which was related to high inventory levels at dealers, the production output of the Group's plants was reduced. Consequently, the inventory of machines as well as raw, auxiliary, and operating materials decreased in the past fiscal year by 19.7 percent to EUR 621.9 million (December 31, 2023: EUR 774.4 million). Major drivers for the decline were the lower raw materials compared to the end of 2023 as well as the decreased finished goods. Days inventory outstanding based on the cost of sales for 2024 was 132 days on December 31, 2024 (December 31, 2023: 141 days).[1]

Trade receivables decreased in the fiscal year after a temporary increase by 26.7 percent to EUR 254.0 million (December 31, 2023: EUR 346.6 million). Days of sales outstanding based on the annual revenue for 2024 was 41 days (December 31, 2023: 48 days).[2]

[1] Note on calculation: Inventory as at December 31 / cost of sales * 365 days.

[2] Note on calculation: Trade receivables at December 31 / revenue * 365 days.

Due to the lower purchasing volume of the plants and the reduced output, trade payables decreased by 33.8 percent to EUR 166.6 million as of the end of 2024 (December 31, 2022: EUR 251.5 million). Days payables outstanding based on the cost of sales in 2024 was 35 days (December 31, 2022: 46 days).[1]

DEVELOPMENT OF NET WORKING CAPITAL AND ITS COMPONENTS

IN € MILLION

	2024	2023	2022	2021	2020
Inventory at Dec. 31	621.9	774.4	678.9	490.2	412.2
Days inventory outstanding	132	141	144	129	124
Trade receivables at Dec. 31	254.0	346.6	301.3	237.9	222.4
Days sales outstanding	41	48	49	47	50
Trade payables at Dec. 31	166.6	251.5	261.3	230.5	137.1
Days payables outstanding	35	46	56	61	41
Net working capital at Dec. 31	709.3	869.5	718.9	497.6	497.5
Net working capital as a % of revenue	31.7	32.8	31.9	26.7	30.8

[1] Note on calculation: Trade payables at December 31 / cost of sales * 365 days.

Return on capital employed
At the end of the fiscal year 2024, the capital employed by the Group was at a lower level than in the previous year at EUR 2,008.2 million (December 31, 2023: EUR 2,076.0 million). The NOPLAT calculated from EBIT for the fiscal year 2024 was lower than in the previous year at EUR 84.7 million (2023: EUR 199.4 million).

The return on capital employed before taxes (ROCE I) calculated from the two previously mentioned figures decreased to 6.1 percent as a result of the EBIT decline (2023: 13.2 percent). The return on capital employed after taxes (ROCE II) was also below the previous year's figure at 4.2 percent (2023: 9.6 percent).

CALCULATING ROCE I AND II

IN € MILLION

	2024	2023	2022	2021	2020
EBIT	**122.5**	**273.2**	**201.8**	**193.0**	**75.5**
NOPLAT = EBIT – (EBIT x Group tax rate)	**84.7**	**199.4**	**149.6**	**142.0**	**19.8**
Non-current assets	**1,480.6**	**1,405.3**	**1,182.7**	**1,079.1**	**971.2**
Long-term financial assets	-29.5	-24.3	-13.5	-19.0	-109.7
Long-term contract liabilities[1]	-21.5	-16.1	-11.8	-6.8	-5.0
Deferred tax liabilities	-62.7	-63.2	-61.6	-49.8	-43.9
Non-current assets used in business	**1,366.9**	**1,301.7**	**1,095.8**	**1,003.5**	**812.6**
Current assets	**1,008.0**	**1,239.6**	**1,141.2**	**1,241.7**	**1,155.6**
Other short-term financial assets	-39.1	-44.2	-41.3	-158.4	-45.5
Cash and cash equivalents	-35.3	-27.8	-53.7	-305.5	-283.1
Trade payables	-166.6	-251.5	-261.3	-230.5	-137.1
Short-term provisions	-30.6	-26.2	-20.9	-20.5	-19.0
Current tax payables	-29.2	-33.9	-12.0	-22.8	-32.8
Other current non-financial liabilities	-54.6	-71.7	-59.2	-52.2	-48.9
Short-term contract liabilities	-11.3	-10.0	-7.5	-5.5	-5.1
Net working capital in a broader sense	**641.3**	**774.3**	**685.3**	**446.3**	**584.1**
Capital employed	**2,008.2**	**2,076.0**	**1,781.1**	**1,449.8**	**1,396.7**
Average capital employed	2,042.1	1,928.6	1,615.5	1,423.3	1,548.0
Derivation via equity and liabilities					
Equity	1,499.6	1,499.7	1,392.6	1,286.2	1,218.1
Long-term financial borrowings	193.8	97.3	169.5	295.1	411.6
Long-term lease liabilities	103.2	88.4	54.6	50.4	57.1
Provisions for pensions and similar obligations	36.5	40.0	37.6	54.6	64.8
Long-term provisions	12.7	14.0	8.7	10.0	9.8
Short-term borrowings from banks	150.6	296.1	117.9	138.7	9.2
Current portion of long-term borrowings	1.5	0.2	0.8	0.9	0.2
Short-term lease liabilities	28.1	29.7	22.6	22.2	25.7
Other short-term financial liabilities	86.1	106.9	85.3	74.6	38.5
Long-term financial assets	-29.5	-24.3	-13.5	-19.0	-109.7
Cash and cash equivalents	-35.3	-27.8	-53.7	-305.5	-283.1
Other short-term financial assets	-39.1	-44.2	-41.3	-158.4	-45.5
Capital employed	**2,008.2**	**2,076.0**	**1,781.1**	**1,449.8**	**1,396.7**
Capital employed as a % of revenue	89.9%	78.2%	79.1%	77.7%	86.5%
Average capital employed as a % of revenue	91.4%	72.6%	71.7%	76.3%	95.8%
ROCE I	**6.1%**	**13.2%**	**11.3%**	**13.3%**	**5.4%**
(EBIT/capital employed)					
ROCE I	**6.0%**	**14.2%**	**12.5%**	**13.6%**	**4.9%**
(EBIT/average capital employed)					
ROCE II	**4.2%**	**9.6%**	**8.4%**	**9.8%**	**1.4%**
(NOPLAT/capital employed)					
ROCE II	**4.1%**	**10.3%**	**9.3%**	**10.0%**	**1.3%**
(NOPLAT/average capital employed)					

As of 2020 shown as a separate line in the balance sheet, the year 2019 was adjusted accordingly.

Assets

- Reduction of net financial debt and gearing
- Enhancements of the equity ratio

In 2024, the Wacker Neuson Group was able to generate a higher free cash flow from the reduction of net working capital on the Consolidated Balance Sheet, which was then also used to reduce the net financial debt. The equity ratio also improved further compared to the previous year.

Non-current assets

The total non-current assets amounted to EUR 1,480.6 million as of December 31, 2024, which was 5.4 percent higher than the previous year's value (December 31, 2023: EUR 1,405.3 million). The increase is mainly due to the rise in property, plant and equipment by 6.6 percent to EUR 620.2 million (December 31, 2023: EUR 581.8 million). The key reason for this increase was the lease in connection with the spare parts warehouse in Mülheim-Kärlich, which was put into operation in June 2024. Goodwill increased by 1.6 percent to EUR 236.3 million (December 31, 2023: EUR 232.5 million) as a result of the complete acquisitions of Weidemann Nederland B.V and Axor Mietservice GmbH. Investments accounted for using the equity method rose to EUR 4.2 million (December 31, 2023: EUR 0.0 million), particularly due to the acquisition of a stake in TorqueWerk GmbH. The increase in non-current financial assets by 21.4 percent to EUR 29.5 million (December 31, 2023: EUR 24.3 million) was mainly driven by the rise in long-term receivables from finance leases, which increased due to business with a wholesaler in Australia. Rental equipment also continued to rise, increasing by 4.9 percent to EUR 273.6 million (December 31, 2023: EUR 260.9 million).

Current assets

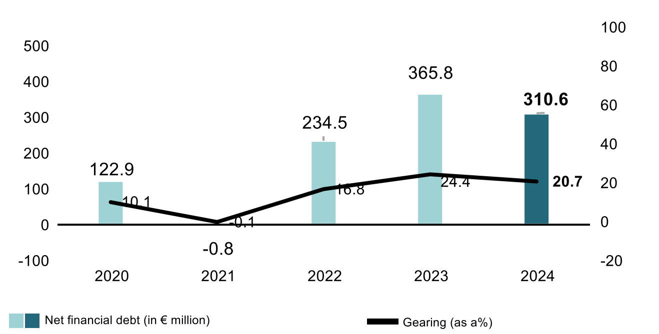
The current assets decreased over the year 2024 by 18.7 percent to EUR 1,008.0 million (December 31, 2023: EUR 1,239.6 million). The decline was mainly due to the reduced inventories, which decreased by 19.7 percent to EUR 621.9 million over the year (December 31, 2023: EUR 774.4 million). This was primarily due to the reduction of finished products as well as raw materials, supplies, and operating materials following a reduction in the production capacity of the plants. Trade receivables also decreased after a temporary intra-year increase towards the end of the year by 26.7 percent to EUR 254.0 million (December 31, 2023: EUR 346.6 million). The decline in other current non-financial assets by 20.4 percent to EUR 29.3 million (December 31, 2023: EUR 36.8 million) was mainly due to the decrease in VAT liabilities. Cash and cash equivalents increased by 27.0 percent to EUR 35.3 million (December 31, 2023: EUR 27.8 million), primarily because the positive free cash flow exceeded the negative cash flow from financing activity (see also → Financial Position).

Non-current liabilities

The total of non-current liabilities amounted to EUR 430.4 million as of the balance sheet date, which was 34.9 percent above the previous year's figure (December 31, 2023: EUR 319.0 million). A significant driver of the increase was the issuance of a new promissory note in June 2024 with a nominal value of EUR 100.0 million and a term of three years. Conversely, a USD promissory note tranche amounting to EUR 80.0 million was reclassified into current liabilities. The non-current financial borrowings increased overall by 99.2 percent to EUR 193.8 million (December 31, 2023: EUR 97.3 million). The non-current lease liabilities rose in line with the increased right-of-use assets on the asset side of the Consolidated Balance Sheet by 16.7 percent to EUR 103.2 million (December 31, 2023: EUR 88.4 million). The provisions for pensions and similar obligations were EUR 36.5 million as of the reporting date, which was 8.8 percent below the previous year (December 31, 2023: EUR 40.0 million). A significant impact driver was the increased discount rate. Further information on pension provisions can be found in the Notes to the Consolidated Financial Statements. → Item18.

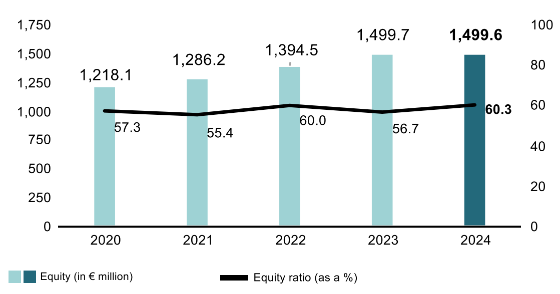
NET FINANCIAL DEBT AND GEARING 2020 – 2024

IN € MILLION AS A %



EQUITY AND EQUITY RATIO 2020 – 2024

IN € MILLION AS A %



Net financial debt and gearing decrease in the 2024 as a result of the repayment of current financial liabilities. At the same time, the equity ratio increased further compared to the previous year.

Current liabilities
Current liabilities amounted to EUR 558.6 million at the end of the fiscal year 2024, which is 32.4 percent below the previous year (December 31, 2023: EUR 826.2 million). The main drivers were the current liabilities to financial institutions, which decreased by 49.1 percent to EUR 150.6 million (December 31, 2023: EUR 296.1 million) and the trade payables, which decreased by 33.8 percent to EUR 166.6 million (December 31, 2023: EUR 251.5 million). The decline in current liabilities to financial institutions was driven by the repayment of money market loans and bank overdrafts, which more than offset the opposing effect from the reclassification of the previously mentioned USD promissory note. The decline in trade payables was a consequence of the lower purchase volumes of the Group's production plants.

The other current financial liabilities decreased by 19.5 percent to EUR 86.1 million (31 December 2023: EUR 106.9 million). The reduction during the reporting period was primarily driven by a decline in the pass-through agreement from the asset-backed securities program (ABS program), under which the Group acts as a servicer and forwards incoming payments to a partner bank, as well as the payment of the purchase price retention for the Enar Group and the lower commitments from volume bonuses due to the low turnover with customers. Additionally, there was a reduction in accruals from the financing business in North America as a result of the reduction in the corresponding total financing amount.

The other current non-financial liabilities decreased by 23.8 percent to EUR 54.6 million in the fiscal year 2024 (December 31, 2023: EUR 71.7 million). This is mainly driven by the reduction of personnel provisions.

The income tax liabilities decreased by 13.9 percent to EUR 29.2 million (December 31, 2023: EUR 33.9 million). The decrease was driven by the payments for the fiscal year 2023.

Total assets and equity
Total assets amounted to EUR 2,488.6 million as of December 31, 2024, which was 5.9 percent below the prior-year figure (December 31, 2023: EUR 2,644.9 million). This was mainly due to decreased inventories and trade receivables, accompanied by a reduction in liabilities. The Group's equity as of year-end 2024 was EUR 1,499.6 million, remaining at the prior-year level (December 31, 2023: EUR 1,499.7 million).

The net profit for the year was EUR 871.4 million, which is 0.9 percent below the previous year (December 31, 2023: EUR 879.4 million) due to the negative balance of the profit for the period 2024 and the dividend distribution for the previous year. The equity ratio increased by 3.6 percentage points to 60.3 percent (December 31, 2023: 56.7 percent). → Item 17

Net financial debt and gearing
Net financial debt[1] decreased by -15.1 percent to EUR 310.6 million at the end of the year 2024 (December 31, 2023: EUR 365.8 million). The key driver for this was the decline in current liabilities to financial institutions, which more than offset the opposing increase in non-current financial liabilities. As a result of the reduced net financial debt, the gearing[2] (debt ratio) also decreased by -3.7 percentage points to 20.7 percent (December 31, 2023: 24.4 percent).

Financial structure
For more details on the financial structure and corresponding terms, please refer to the explanatory information on "current and non-current financial liabilities" in the Notes to the Consolidated Financial Statements → Item 20.

Assets not recognized and off-balance financing instruments
In addition to the assets shown in the consolidated balance sheet, the Group also makes limited use of assets not recognized in the balance sheet. This generally refers to leased assets that are not capitalized in the balance sheet of the lessee due to the short-term nature of the lease or the low carrying amount as per IFRS 16. In connection with the ABS program mentioned above, certain receivables are completely derecognized in line with IFRS 9 and only recognized to the extent of the company’s continuing involvement in the financial asset.

NET FINANCIAL DEBT
IN € MILLION

	2024	2023	2022	2021	2020
Non-current financial borrowings	193.8	97.3	169.5	295.1	411.6
Current liabilities to financial institutions	150.6	296.1	117.9	138.7	9.2
Current portion of non-current borrowings	1.5	0.2	0.8	0.9	0.2
Cash and cash equivalents	35.3	27.8	53.7	305.5	283.1
Fixed-term investments (< 1 year)	–	–	–	130.0	15.0
Net financial debt	**310.6**	**365.8**	**234.5**	**-0.8**	**122.9**
Gearing	20.7%	24.4%	16.8%	-0.1%	10.1%

[1] Net financial debt = non-current and current financial liabilities + current portion of non-current liabilities – cash and cash equivalents – fixed term investments with terms of less than one year. The definition of net financial debt as applied by the Wacker Neuson Group does not include lease liabilities in accordance with IFRS 16.
[2] Gearing = net financial debt/equity.

Profit, financial position and assets of Wacker Neuson SE (summary according to HGB)

The Annual Financial Statements of Wacker Neuson SE were prepared in accordance with the principles of German Commercial Code (HGB) and the provisions of Stock Corporation Act (AktG). The Management Report for the fiscal year 2024 is combined with the Group Management Report.

The Annual Financial Statements reflect the business performance of Wacker Neuson SE in the reporting year 2024, noting that it operates as a management and holding company with the Group service functions, in particular marketing, human resources, information technology, finance services, operational real estate management, and indirect procurement.

The objective of Wacker Neuson SE is the holding and managing of investments in entities that are directly or indirectly involved in the areas of development, manufacturing, and distribution of machines, equipment, tools, and procedures, particularly for construction and agriculture, as well as the provision of all related services.

Wacker Neuson SE, as a holding company, is responsible for the strategic corporate management. In addition to the Group's Executive Board, the following central, Group-wide departments are assigned to it: Group Controlling, Group Accounting, Group Treasury, Legal Department (including intellectual property management), Internal Group Audit, Compliance, Real Estate Management, Strategy, Mergers & Acquisitions, Investor Relations, Sustainability, Corporate Communications, Group IT, Group Marketing, Process Consulting, Sales Development and Controlling, Sales Financing, Group Taxes, and Group Human Resources. In the fiscal year 2024, an average of 238 employees were employed in the company (2023: 220).

In its function as a management and functional holding company, remunerated services of an administrative, financial, commercial, and technical nature are also provided to the affiliated companies and charged at market conditions. Some are also reciprocal service agreements.

The preparation of the Annual Financial Statements was carried out in accordance with the provisions of the German Commercial Code in the version current as of the balance sheet date. The Annual Income Statement is structured according to the cost-of-sales method.

Revenue in the year 2024 amounted to EUR 65.4 million (2023: EUR 61.5 million). The revenues consist of services provided by Wacker Neuson SE to its subsidiaries. The services provided mainly comprised IT services amounting to EUR 37.5 million (2023: EUR 35.3 million), management services amounting to EUR 14.3 million (2023: EUR 14.3 million), services related to marketing amounting to EUR 2.2 million (2023: EUR 2.2 million), and other sales and administrative services amounting to EUR 8.8 million (2023: EUR 7.9 million).

Furthermore, rental income from the leasing of premises at the Munich location to the local subsidiaries as well as from an external tenant amounting to EUR 2.6 million (2023: EUR 1.8 million) is included.

INCOME STATEMENT FOR WACKER NEUSON SE (CONDENSED VERSION)

IN € MILLION

	2024	2023
Revenue	65.4	61.5
Cost of sales	-62.1	-58.6
Gross profit	**3.3**	**2.9**
General and administrative expenses	-20.9	-23.2
Other income	23.0	12.9
Other expenses	-4.3	-6.8
Income from participating interests	76.3	69.3
Income from profit transfer agreements	29.1	133.8
Cost from profit transfer agreements	-4.1	–
EBIT	**102.4**	**188.8**
Interest and similar income	39.8	28.4
Write-ups on financial assets	0	2.1
Write-downs on financial assets	-10.6	-2.8
Cost of loss absorption	-0.4	-1.0
Interest and similar expenses	-16.2	-9.9
Taxes on income and earnings	-11.6	-43.5
Profit after tax	**103.4**	**162.1**
Other taxes	-0.1	-0.1
Net profit/loss	**103.3**	**162.0**
Profit/loss carried forward	337.8	254.0
Retained earnings	**441.1**	**416.0**

Segmented by regions, the revenue consists of revenues in Europe amounting to EUR 54.6 million (2023: EUR 52.8 million), in the Americas region amounting to EUR 9.9 million (2023: EUR 7.6 million), and in the Asia-Pacific region amounting to EUR 0.9 million (2023: EUR 1.1 million).

The costs of sales amounted to EUR 62.1 million (2023: EUR 58.6 million) and the gross profit reached EUR 3.3 million (2023: EUR 2.9 million).

The general administrative expenses amounted to EUR 20.9 million in the fiscal year 2024 (2023: EUR 23.2 million). The decline in the fiscal year 2024 essentially results from decreased shareholder costs (EUR –2.8 million).

Other income amounted to EUR 23.0 million (2023: EUR 12.9 million). This essentially includes income from allocations of services provided by subsidiaries in the areas of IT and marketing amounting to EUR 7.2 million (2023: EUR 7.5 million), currency gains amounting to EUR 5.2 million (2023: EUR 4.2 million) as well as income from the reversal of provisions from the previous year amounting to EUR 9.7 million (2023: EUR 0.2 million). The income from the reversal of provisions is mainly attributable to a decrease in pension provisions by EUR 1.6 million due to changes in the pension trend as well as a decrease in financial obligations by EUR 8.0 million. The capital increases include approximately EUR 9.8 million in order to distribute the financial liabilities of two subsidiaries in the course of their planned liquidation. These capital increases of EUR 9.8 million for the companies to be liquidated were immediately written off by EUR 9.0 million, as they do not have positive going concern assumption. Accordingly, the respective provisions from the previous year were released in the current fiscal year amounting to EUR 8.0 million.

The other expenses amounted to EUR 4.3 million in the fiscal year (2023: EUR 6.8 million). This essentially includes foreign exchange losses of EUR 3.7 million (2023: EUR 4.6 million) related to long-term and intragroup loans and receivables from affiliated entities.

Wacker Neuson SE is dependent on the development and dividend distribution of its subsidiaries. In the year 2024, Wacker Neuson SE received dividends from the Group's subsidiaries amounting to EUR 76,3 million (2023: EUR 69.3 million). The net investment income/expenses (sum of dividends and income from profit transfers) amounted to EUR 101.3 million (2023: EUR 203.1 million). The income from profit transfers is based on profit transfer agreements concluded with subsidiaries.

The write-ups on financial assets decreased in the current fiscal year to EUR 0 million (2023: EUR 2.1 million). In the fiscal year 2024, no reversal of an impairment loss for individual shares in related entities was made.

Wacker Neuson SE generated earnings before interest and taxes (EBIT) of EUR 102.4 million (2023: EUR 188.8 million). The post-tax profit or loss is positive due to net investment income/expenses amounting to EUR 103.4 million (2023: EUR 162.1 million). Consequently, the annual surplus in the reporting period was EUR 103.3 million (2023: EUR 162.0 million).

Assets and financial position

Group software licenses, particularly for the ERP system (Enterprise Resource Planning system, in German: Warenwirtschaftssystem) and the operating systems and office applications used throughout the Group, are capitalized at Wacker Neuson SE and provided to various Group companies for a fee. On intangible assets, the Group recognized EUR 9.1 million for licenses and similar rights as of December 31, 2024 (December 31, 2023: EUR 6.6 million).

Regarding Wacker Neuson SE's properties, these refer to the location of the corporate headquarters in Munich-Milbertshofen. As of December 31, 2024, Wacker Neuson SE recognized property, plant and equipment amounting to EUR 23.5 million (December 31, 2023: EUR 24.7 million).

Financial assets consist of shares in affiliated companies amounting to EUR 726.0 million (December 31, 2023: EUR 667.8 million), loans to affiliated companies amounting to EUR 16.8 million (December 31, 2023: EUR 20.2 million), equity investments amounting to EUR 10.4 million (December 31, 2023: EUR 4.3 million) and loans to companies with which an equity investment relationship exists amounting to EUR 1.3 million (December 31, 2023: EUR 1.3 million).

The change in the shares in affiliated entities results from an acquisition of shares amounting to EUR 0 million (2023: EUR 5.7 million), capital increases amounting to EUR 68.9 million (2023: EUR 9.1 million), disposals of shares amounting to EUR 0 million (2023: EUR 3.0 million), extraordinary amortization according to § 253 paragraph 3 sentence 4 HGB amounting to EUR 10.6 million (2023: EUR 2.8 million) as well as write-ups amounting to EUR 0 million (2023: EUR 2.1 million).

The total fixed assets of Wacker Neuson SE amounted to EUR 787.2 million as of the reporting date (December 31, 2023: EUR 727.2 million).

BALANCE SHEET OF WACKER NEUSON SE (CONDENSED VERSION)

IN € MILLION

	Dec. 31, 2024	Dec. 31, 2023
Intangible assets	9.2	8.9
of which: licenses for industrial property rights and similar	9.1	6.6
of which: payments on account/assets	0.1	2.3
Property, plant and equipment	23.5	24.7
of which: land, land titles and buildings on third-party land	21.9	23.0
of which: office and other equipment	1.6	1.7
Financial assets	754.5	693.6
of which: shareholdings in affiliated companies	726.0	667.8
of which: loans to affiliated companies	16.8	20.2
of which: investments	10.4	4.3
of which: Loans to other long-term investees and investors	1.3	1.3
Assets	**787.2**	**727.2**
Trade receivables	–	–
Receivables from affiliated companies	635.6	769.3
Other assets	17.4	6.4
Liquid funds	62.0	53.9
Current assets	**715.0**	**829.6**
Deferred items	**3.6**	**2.6**
Deferred tax assets	19.2	17.1
Balance sheet total (assets)	**1,525.0**	**1,576.4**
Equity	**1,125.0**	**1,099.9**
of which: subscribed capital	68.0	68.0
of which: capital reserves	584.0	584.0
of which: revenue reserves	31.9	31.9
of which: retained earnings	441.1	416.0
Special tax-free reserves		
Other provisions	**54.4**	**69.5**
Liabilities	**345.6**	**407.0**
of which: borrowings from banks	304.1	354.2
of which: trade payables	3.7	4.7
of which: payables to affiliated companies	31.7	42.6
of which: other liabilities	6.1	5.5
Deferred items	**–**	**–**
Deferred tax liability	–	–
Balance sheet total (liabilities)	**1,525.0**	**1,576.4**

Trade receivables from domestic and foreign customers or distribution partners lie almost fully at the operational Group companies. Receivables from affiliated entities decreased mainly due to lower profit transfer agreements to EUR 635.6 million (December 31, 2023: EUR 796.3 million).

At Wacker Neuson SE, receivables primarily arise from shareholder position, particularly from short-term loans and receivables within the context of the cash pool. The liquid resources of Wacker Neuson SE amounted to EUR 62.0 million as of December 31, 2024 (December 31, 2023: EUR 53.9 million).

The total current assets amounted to EUR 714.9 million (December 31, 2023: EUR 829.6 million) as of the balance sheet date. The total assets amounted to EUR 1,525.0 million (December 31, 2023: EUR 1,576.4 million).

DIVIDEND TRENDS

	2024	2023	2022	2021	2020
Eligible shares (million)	68.02	68.02	68.02	68.02	70.14
Dividend per share in €[1]	0.60	1.15	1.00	0.90	0.60
Total payout € million	40.8	78.2	68.0	61.2	41.7
Payout ratio as a % of Group profit per share for previous year	58.3	42.1	47.6	45.2	300.0

At the AGM on May 23, 2025, the Executive Board and the Supervisory Board will propose a dividend of EUR 0.60 per share for fiscal year 2024.

Deferred tax assets as of December 31, 2024 amounting to EUR 19.2 million consist mainly of temporary differences in the investment in partnerships and pension provisions, as in the previous year (December 31, 2023: EUR 17.1 million); the passive deferred taxes are essentially due to the creation of reserves according to § 6b EStG. The excess of deferred tax assets is subject to a distribution restriction according to § 268 Abs. 8 HGB.

As of December 31, 2024, the Group reported equity of EUR 1,125.0 million (December 31, 2023: EUR 1,099.9 million). The share capital of Wacker Neuson SE remained unchanged at EUR 70.14 million. A total of 70,140,000 registered no-par-value shares with a theoretical share of the capital stock of EUR 1.00 per share have been issued.

The provisions amounted to EUR 54.4 million (December 31, 2023: EUR 69.5 million). The difference compared to the previous year mainly resulted from lower other non-current provisions for the liquidation of subsidiaries amounting to EUR 8.3 million (December 31, 2023: EUR 15.4 million).

Due to cash pools and other funding arrangements with the Group companies, material external financial liabilities are held by Wacker Neuson SE. These are managed by its corporate treasury department, which oversees the central liquidity procurement and management within the Group. Liabilities to banks decreased to EUR 304.1 million (December 31, 2023: EUR 354.2 million). This was mainly due to repayments of money market loans, bank overdrafts, and promissory notes.

Under liabilities to affiliated companies, Wacker Neuson SE recognizes trade payables and current liabilities from the cash pool. As of the balance sheet date, liabilities to affiliated companies amounted to EUR 31.7 million (December 31, 2023: EUR 42.6 million). The decrease is mainly due to liabilities from cash pooling, as some subsidiaries reduced the balance from the previous year due to decreased net working capital in the current fiscal year.

The other liabilities amounted to EUR 6.1 million (December 31, 2023: EUR 5.5 million).

In summary, the financial position of Wacker Neuson SE remains strong from the management's perspective.

Dividend policy and proposal

Wacker Neuson SE relies on attractive shareholder remuneration with the aim of continuously and appropriately involving shareholders in the profit of the Group. The earnings situation as well as the safeguarding of an appropriate capital structure of the Group provide the framework for this.

The dividend policy of the Group provides for a distribution per share of 40 to 60 percent of the earnings per share of the Group holding Wacker Neuson SE.

This dividend policy reflects the current objective of the Executive Board and the Supervisory Board and may be adjusted in the future. Furthermore, the dividend payment each year requires corresponding dividend proposals from the Executive Board and the Supervisory Board, with each of these bodies able to deviate from this dividend policy under then prevailing circumstances. The Annual General Meeting decides on the dividend.

The Executive Board and Supervisory Board will propose to the upcoming Annual General Meeting on May 23, 2025, a dividend of EUR 0.60 per share for the fiscal year 2024.

Complete Financial Statements of Wacker Neuson SE

The complete Financial Statements of Wacker Neuson SE, which have been provided with an unqualified audit opinion by the auditor Forvis Mazars GmbH & Co KG Wirtschaftsprüfungsgesellschaft, Munich, are published in the electronic Federal Gazette. They are available on the Internet at → www.wackerneusongroup.com under the Investor Relations section.

Forecast of Wacker Neuson SE

The dividend policy of Wacker Neuson SE provides for a payout of 40 to 60 percent of the earnings per share of the Wacker Neuson Group. This dividend policy reflects the current objective of the Executive Board and the Supervisory Board and may be adjusted in the future.

Segment reporting by region

- Weak demand in the majority of markets
- Challenging market environment for construction machinery
- Recessive environment in the agricultural machinery market

The Wacker Neuson Group serves both end customers and dealers, rental companies, and importers worldwide with its wide range of light equipment and compact equipment as well as a variety of services. Segment reporting represents the development in the regions Europe (EMEA)[1], the Americas, and Asia-Pacific. The Group is managed based on these geographical segments.

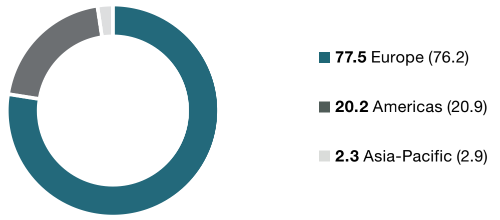
Development in the Europe (EMEA)[1] region

Europe is one of the key sales markets for the Wacker Neuson Group. The Europe (EMEA) region[1] faced a recessionary environment in the fiscal year 2024. The weak demand resulted particularly from market declines, reduced investing activities by rental companies, and full dealer inventories, leading to lower orders and revenues.

Thus, revenue decreased by 14.4 percent and amounted to EUR 1,731.7 million (2023: EUR 2,022.4 million). The revenue share of the region was 77.5 percent and was above the previous year (2023: 76.2 percent). Adjusted for currency effects, the revenue decline in the fiscal year 2024 also amounted to 14.4 percent.

Germany had, as in previous years, the largest share of revenue in the European region, followed by France, Switzerland, and the United Kingdom. Especially in Germany, France, and the United Kingdom, demand declined compared to the fiscal year 2023.

2024 REVENUE DISTRIBUTION BY REGION
AS A % (PREVIOUS YEAR)



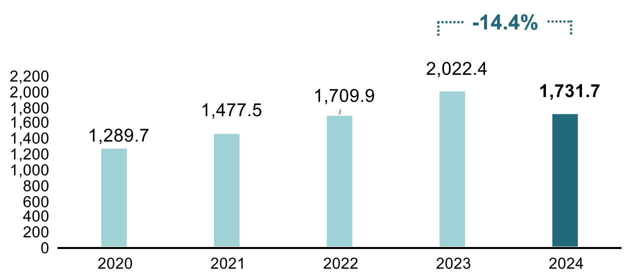
Eastern and Northern European markets also developed negatively. The revenue increases in individual countries such as the Netherlands, Portugal, or Spain could not compensate for the revenue declines in other countries.

Although the business with compact equipment for agriculture of the two brands Kramer and Weidemann grew in the first quarter of 2024, it declined from the second quarter of 2024 until the end of the year as well. Revenue decreased by 27.2 percent and amounted to EUR 486.2 million (2023: EUR 667.9 million).

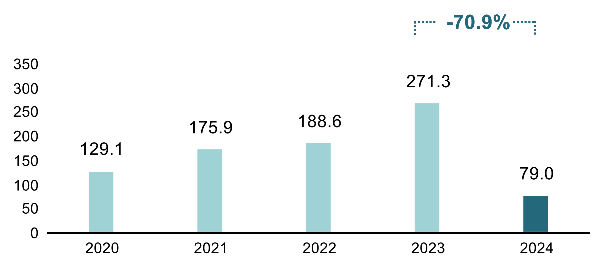
The operating result (EBIT) before consolidation decreased by -70.9 percent to EUR 79.0 million (2023: EUR 271.3 million) in the EMEA region. This corresponds to an EBIT margin (before consolidation) of 4.6 percent (2023: 13.4 percent), which is approximately 8.8 percentage points lower. Despite cost reduction measures, the lack of market demand could not be completely compensated.

Investments in the Europe region (EMEA) amounted to EUR 86.7 million (2023: EUR 148.9 million). The investments are shown in the table "Investments in the fiscal year 2024".

REVENUE DEVELOPMENT IN EUROPE (EMEA)[1]
IN € MILLION

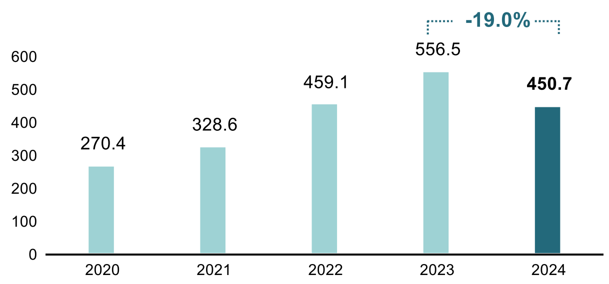


EBIT DEVELOPMENT IN EUROPE (EMEA)[1, 2]
IN € MILLION

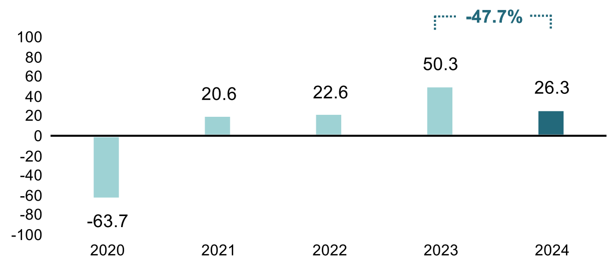


[1] Including Turkey, Africa and the Middle East.
[2] Before consolidation.

REVENUE DEVELOPMENT IN THE AMERICAS
IN € MILLION



EBIT DEVELOPMENT IN THE AMERICAS[1]
IN € MILLION



[1] Before consolidation.

Development in the Americas region

The development in the Americas region was also declining. Revenue in the region amounted to EUR 450.7 million in the fiscal year 2024 (2023: EUR 556.5 million), representing a decrease of 19.0 percent. The share of total revenue decreased compared to the previous year and amounted to 20.2 percent (2023: 21.0 percent). Adjusted for currency effects, the revenue decline was 18.7 percent.

The demand in the individual markets of the USA and Canada declined. A steady decrease in the end customer demand led to full inventories at the contracted dealers of the Wacker Neuson Group as well as a decline in investing activities among rental customers. This was reflected in the declining revenue.

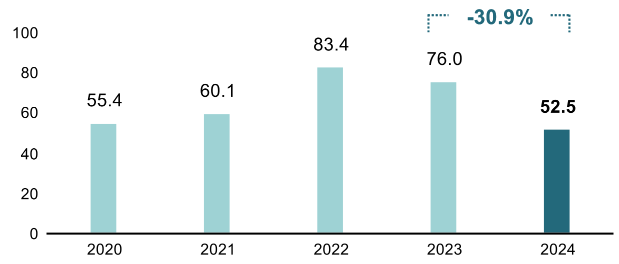
The Wacker Neuson Group offers its dealers in the USA and Canada flexible financing programs to best support the expansion of their dealer network. Since the fiscal year 2020, the Group has used trade receivables sale programs for liquidity management and optimization of net working capital. For this purpose, an Asset Backed Securities program (ABS program) for the revolving sale of trade receivables with a financing volume of EUR 225 million (2023: EUR 200.5 million) is available. As of December 31, 2024, trade receivables with a carrying amount of EUR 137.1 million (December 31, 2023: EUR 156.6 million) after deduction of retained default risks had been sold under the ABS program. The maximum credit risk as of the balance sheet date amounts to EUR 24.5 million (December 31, 2023: EUR 28.0 million). Through the ABS program, the Group strengthens its competitiveness in financial services in the North American market, particularly in the area of compact equipment.

The Latin American market remains an overall challenging market against the backdrop of geopolitical factors in the region. The globally strained economic situation additionally burdened these markets in the fiscal year 2024, leading to double-digit revenue declines in the majority of the countries in this region.

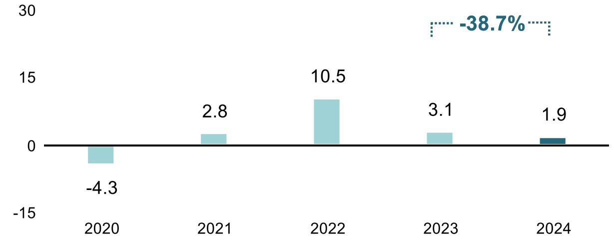
The EBIT of the reporting regions Americas (before consolidation) decreased by -47.7 percent year over year to EUR 26.3 million (2023: EUR 50.3 million). This corresponds to an approximately 3.2 percentage points lower EBIT margin (before consolidation) of 5.8 percent (2023: 9.0 percent).

Investments in the Americas region during the reporting period amounted to EUR 13.5 million (2023: EUR 13.9 million). The investments are shown in the table “Investments in the fiscal year 2024”.

REVENUE DEVELOPMENT IN ASIA-PACIFIC
IN € MILION



EBIT DEVELOPMENT IN ASIA-PACIFIC[1]
IN € MILLION



[1] Before consolidation.

Development in the Asia-Pacific region

The market dynamics in the Asia-Pacific region were comparable to the rest of the world. Thus, revenue for the fiscal year 2024 amounted to EUR 52.5 million and decreased by 30.9 percent (2023: EUR 76.0 million). Adjusted for currency effects, revenue was 30.3 percent lower than the previous year. The total revenue share of the region was 2.3 percent in the fiscal year 2024 (2023: 2.9 percent).

The key market in the Asia-Pacific region was, as in previous years, Australia. Therefore, the decline in this market was crucial for the negative development in the entire region. The strategic focus of the Wacker Neuson Group continued to be on expanding the dealer networks in construction and agriculture, gaining rental customers, and introducing products tailored to end-customer needs in the region.

China also recorded a declining development. In a difficult economic environment, the market for construction machinery remained challenging due to domestic overproduction. The Chinese plant of the Group in Pinghu is primarily used as an export hub to export the machines produced there to less regulated markets (e.g., Africa and South America). Therefore, the production site proves to be strategically advantageous and remains an important component of market expansion in this region.

While demand in India declined compared to the previous year, individual countries developed positively. However, the revenue contribution from this country was not sufficient to turn the overall development positive.

The EBIT of the reporting regions Asia-Pacific (before consolidation) decreased by 38.7 percent compared to the previous year to EUR 1.9 million (2023: EUR 3.1 million). This corresponds to an EBIT margin (before consolidation) of 3.6 percent (2023: 4.1 percent), which is approximately 0.5 percentage points lower.

In the Asia-Pacific region, EUR 1,0 million (2023: EUR 0,7 million) was invested during the reporting period. The investments are shown in the adjacent table "Investments in the fiscal year 2024".

INVESTMENTS IN THE FISCAL YEAR 2024

	Europe (EMEA)	Americas	Asia-Pacific (APAC)
Land and buildings	3.5	0.6	-
Machinery and equipment	7.1	2.6	0.2
Office and other equipment	10.7	0.5	0.1
Payments on account / Assets under construction	28.9	7.4	0.4
Capitalized development projects	30.2	2.4	0.3
Other intangible assets	6.3	-	-
Total	**86.7**	**13.5**	**1.0**

Segment reporting by business segment

- Declining demand for light equipment and compact equipment
- Services business segment grows despite persistently weak market conditions

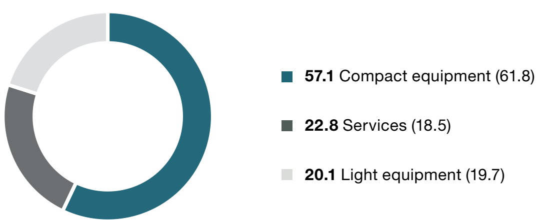
In addition to the management-relevant geographical segmentation, the Group's revenue is further broken down by business segments: light equipment, compact equipment, and services.

Light equipment

The business segment of light equipment includes the activities of the Group in concrete technology, compaction and construction site technology. The Group produces in a demand-driven manner and with typically short delivery times. Although the supply chain situation stabilized in 2024, the construction industry faced challenges again as incoming orders declined compared to the previous year. The Wacker Neuson Group accordingly focused on various sales initiatives and an adjustment of production performance in its plants to accelerate inventory reduction. Light equipment is produced in Germany, the USA, China, and Spain.

In emerging markets in Asia, as well as Latin America and Africa, the Group distributes a range of light equipment (Value Line) tailored to local needs. Since 2018, these machines have mainly been produced in the Chinese plant in Pinghu.

REVENUE DISTRIBUTION IN 2023 BY BUSINESS SEGMENT[1]
AS A % (PREVIOUS YEAR)



[1] Consolidated revenue before cash discounts, differences attributable to rounding.

The revenue in the light equipment segment declined by 13.9 percent to EUR 452.7 million in 2024 (2023: EUR 525.9 million)[1]. Adjusted for currency, the decrease amounted to 13.4 percent. The segment's share of total revenue[1] remained at the prior-year level of 20.1 percent (2023: 19.7 percent).

The demand for products in the areas of soil and concrete compaction as well as construction site technology was lower compared to the previous year.

The demand for the Group's zero emission products also developed negatively in the fiscal year 2024. While revenue in the first half of 2024 was still above the prior-year level, it fell below the prior-year level in the second half of the year. Overall, there was a decline in revenue. As of the end of 2024, the portfolio in the construction equipment sector comprised a total of 15 product solutions, including rammers, vibratory plates, and the backpack-carryable ACBe battery internal vibrator. Even though the revenue share of the zero emission product portfolio in the total revenue of the Group is currently still in the single-digit range, zero emission construction equipment already achieves higher single-digit revenue shares in individual product groups.

Compact equipment

The business segment of compact equipment includes machines for construction and agriculture, gardening and landscaping, industry, recycling companies and municipalities. The offerings include excavators, wheel loaders, tele wheel loaders, skid steer loaders, telehandlers, wheel and track dumpers, as well as backhoe loaders up to a weight of 15 tons. Additionally, there are special attachments and accessories. Most of the machines are produced in Germany and Austria, skid steer loaders in the USA. Since 2018, excavators have also been manufactured in China in addition to Austria. In the compact machines business, financing programs for customers remain an important success factor. The Wacker Neuson Group is increasingly orienting itself internationally and works with powerful and independent financing partners.

The business segment of compact equipment also reported a decline in demand in the fiscal year 2024. Revenue amounted to EUR 1,284.6 million (2023: EUR 1,652.9 million)[1] and thus decreased by 22.3 percent compared to the previous year. Adjusted for currency effects, the decline was also 22.3 percent. The business area's share of total revenue decreased to 57.1 percent (2023: 61.8 percent).

In the construction industry, particularly excavators were less in demand in the regions of Europe and North America. The wheel loader and telehandler revenues were also strongly affected by the economic downturn and experienced a declining development compared to the previous year. The number of skid steers sold in the reporting region of North America also decreased compared to the previous year. The demand for dumpers developed positively.

The zero emission portfolio comprises a total of 15 compact equipment by the end of 2024, of which 10 are for the construction and 5 for agriculture.

In a tense market environment, revenue[1] from compact equipment for agriculture of the two brands Kramer and Weidemann also decreased: At EUR 486.2 million, it was 27.2 percent below the previous year (2023: EUR 667.9 million). General uncertainty regarding the development of revenue and order intake contributed to the decreased result. The share of business with agricultural machines in total revenue fell to 21.6 percent (2023: 25.0[2] percent).

Agriculture is a target market for compact equipment, which plays an important role for the Wacker Neuson Group with the Weidemann and Kramer brands. Even in the past fiscal year, Weidemann was able to expand its dealer structure and increase its market presence outside the core European markets. Likewise, Kramer's agricultural sales network is further expanding. Since 2017, Kramer has had a cooperation with the US agricultural machinery manufacturer John Deere for the distribution of telehandlers and wheel loaders for agriculture. Since the beginning of the cooperation, Kramer has been able to increase its market share in both wheel loaders and telehandlers. In the Central

[1] Revenues before cash discounts. Cash discounts amounted to EUR 15.6 million overall (2023: EUR 18.4 million).

[2] Correction of the prior-year figure.

European markets as well as in Southern Europe, the UK, and Scandinavia, Kramer has been able to gain numerous dealers in recent years. Due to the positive response to the strategic alliance in Europe, the collaboration has been extended to other regions of the world (for more information see → Strategic cooperations).

Services

A customer-centric service with individual and intensive support is of high relevance to the Wacker Neuson Group. In addition to the sale of new equipment, the Group, with its sales subsidiaries, offers comprehensive services for its products. These include the business areas of repair, service, and spare parts, used equipment, financing solutions, telematics solutions, e-business, as well as flexible rental solutions in some European markets. Furthermore, the segment services also include, to a lesser extent, the distribution of third-party machines, such as the resale of trade-ins.

Compared to the business segments of light equipment and compact equipment, the services revenues grew in the fiscal year 2024. Both the demand for rental machines and the service business including services, the areas of maintenance and repair, as well as the high-margin spare parts business increased compared to the previous year.

Revenue[1] from services increased by 3.8 percent to EUR 513.2 million in 2024 (2023: EUR 494.5 million). Adjusted for currency effects, revenue increased by 3.6 percent. The share of services in total revenue grew to 22.8 percent due to the growth and the declining development of the other two business areas (2023: 18.5 percent).

The increases in the spare parts business result, among other things, from the digital connection of customers and the successful optimization of spare parts logistics for customers. Already in 2020, the centralization of spare parts and the implementation of global inventory management were carried out. In addition, the ePartner ordering platform is being consistently rolled out, enabling nearly all trading partners as well as large customers to place their orders for new devices and spare parts electronically.

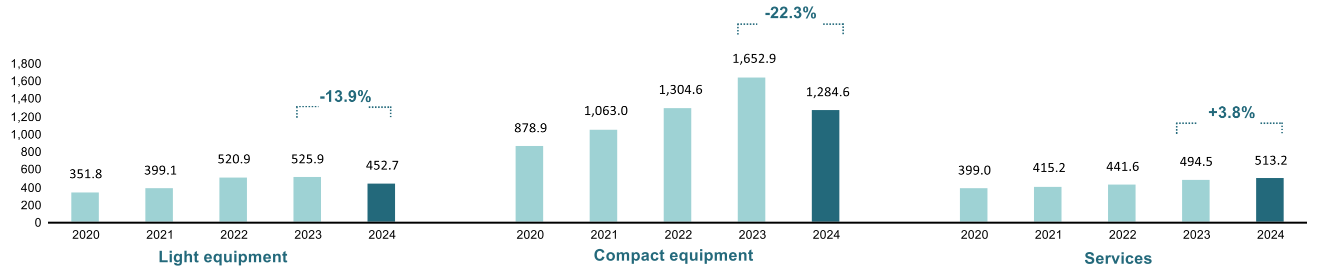
One objective of the Group is to offer its customers maximum flexibility in product selection. Through the Group's own rental fleet in some countries in Europe, required machines can be quickly provided where they are needed. Above all, medium and long-term solutions, subletting, lease purchases, and a well-equipped fleet of young used machines are part of the solution offering. Additionally, the Group offers trade-in of machines in the used machinery business. The old machines and equipment taken back from customers are, if economically feasible, reconditioned and reintroduced to the used machinery market. Against the backdrop of high uncertainty and reluctance to invest in the industrial and construction sectors, demand for the rental fleet increased in 2024. Due to the tense market situation for new machines, demand for used machines from the rental equipment exceeded the previous year.

The classic repair and service business developed positively overall in 2024. Demand for services such as maintenance and repair has increased given the weaker demand for new machinery.

Especially in the development of business with compact equipment, financing programs for customers are becoming increasingly important. The Wacker Neuson Group collaborates with independent financing partners in appropriate partnership models.

Growing importance of digital services
The Group's digital service offering is increasingly being expanded. Topics such as the digital connection of customers in the various business processes are of great importance to further increase the benefits of the machines. In the area of digital servicing, the telematics solution EquipCare has been supplemented with additional features and services, and the rollout across all brands and regions has been advanced (→ Other factors with impact on profit: Sales, service and marketing).

DEVELOPMENT BY BUSINESS SEGMENT 2020–2024[1]
IN € MILLION



[1] Revenue before cash discounts.

Other factors with impact on profit

RESEARCH AND DEVELOPMENT

	2024	2023	2022	2021	2020
R&D costs (€ million)	58.9	63.7	50.1	45.5	32.5
R&D costs (as a % of revenue)	2.6	2.4	2.2	2.4	2.0
Capitalized expenses (€ million)	34.7	29.0	28.5	29.3	31.7
Capitalization ratio as a %	37.1	31.3	36.3	39.2	49.4
Amortisation and write-offs on capitalized expenses (€ million)	21.0	16.3	13.8	16.7	15.9
R&D costs incl. capitalized expenses (€ million)	93.6	92.7	78.6	74.8	64.2
R&D share incl. capitalized expenses (as a % of revenue)	4.2	3.5	3.5	4.0	4.0

Research and development

- Research and development as fundamental components of the Group's philosophy
- Offering of battery-electric light equipment and compact equipment continuously expanded

Research and development as the basis for long-term success
Research and development contribute significantly to the success of the Wacker Neuson Group. In the fiscal year 2024, expenses for research and development (including capitalized expenses) were EUR 93.6 million, below the prior-year figure (2023: EUR 92.7 million). The R&D ratio as a percentage of revenue was 4.2 percent, above the prior-year figure (2023: 3.5 percent).

The Wacker Neuson Group actively protects its innovative products and procedures through patents and utility models against unauthorized imitation. Worldwide, the Group filed 39 new patents and utility models in the fiscal year 2024 (2023: 69) and was granted 80 (2023: 64). In total, the Wacker Neuson Group has 375 patents and utility models worldwide (2023: 301).

Focus on environmentally friendly products, reducing exhaust emissions is the main focus
The Wacker Neuson Group is convinced that their products can contribute to the reduction of exhaust emissions. Regardless of the obligation to continuously adapt and develop the product portfolio in line with regulatory requirements, the Wacker Neuson Group has consciously decided to offer a comprehensive range of environmentally friendly products and services.

To meet the requirements for an even more environmentally friendly and safer product range in the future, alongside the reduction of exhaust emissions, activities in the area of eco- and energy efficiency are a priority for the Wacker Neuson Group. This includes the development of new internal management systems to optimize the drive systems of the machines. Functions such as the energy-saving mode can reduce fuel consumption and increase energy efficiency. Examples of this are the efficient electric drive train with integrated ECO Mode in electric wheel loaders as well as battery-electric powered telehandlers. Furthermore, the employees of the Group are working on the further development of drive concepts and the standardization of components of different models, modules, and product groups.

Wide range of battery-electric powered compact equipment and light equipment
Part of the Strategy 2030 – and firmly anchored in the product and technology roadmap for the next years – is the strategic leverage of zero emission solutions. With the zero emission product line, the Wacker Neuson Group offers a wide range of electrically operated compact equipment and light equipment. The product portfolio includes not only battery-electric powered rammers, vibratory plates, and rollers for soil compaction as well as internal vibrators for concrete compaction, but also tracked and wheeled dumpers, a hybrid mini-excavator, a fully electric mini-excavator, and various fully electric models of our wheel and telehandlers for the construction and agriculture sectors. The expansion of the modular system, such as batteries, inverters, and electric motors, provides the basis for further product developments and portfolio expansions in several product groups over the coming years. Additionally, the Wacker Neuson Group offers flexible power supply solutions on the construction site under the framework of zero emission solutions. These include energy storage solutions and charging infrastructure solutions.

Construction sites in emission-sensitive environments, such as residential areas, tunnels, underground garages, or inside buildings, can be operated without exhaust emissions and with low noise using the zero emission product portfolio. These products offer improved protection for users and the environment, require less maintenance, and demand lower operating costs than products with conventional drives.

For end customers, but also for rental companies, the zero emission solutions already represent an addition to the machinery fleet. The Wacker Neuson Group assumes that alternative drive concepts will play a significant role in the future of the construction and agricultural machinery industry and has continued to invest in this area in the fiscal year 2024. The Group expects that, in light of the ambitious targets of the EU Green Deal, the construction industry will also be subject to increasingly stringent regulations in the coming years. Combined with possible technological leaps in battery technology, battery-powered light equipment and compact equipment are expected to gain further importance. In the development of new products, the Group places great emphasis on modularization. For example, the battery for the currently available electric vibratory plates and rammers, as well as the high-frequency internal vibrator, is modularly deployable. This solution also helps to reduce the overall number of batteries needed.

High importance of product safety, user protection, and ergonomics
The safety of their customers remains of central importance to the Wacker Neuson Group. The machines should be easy and safe to operate and support the users in their work in the best possible

way. The Wacker Neuson Group continuously improves the user safety of their products, either through technical adjustments to existing series or through the development of product innovations. Besides the function-oriented design, ergonomics for the operator also play a significant role in development. For example, the Wacker Neuson brand offers six excavator models with Vertical Digging System (VDS). It is applied everywhere different height levels need to be compensated, e.g., when working on slopes or over curb edges. It enables the driver to work without fatigue, as slopes of up to 27 percent can be compensated by the stepless tilting of the superstructure at the push of a button.

At the same time, the Wacker Neuson Group is also committed to further developing standards for construction machinery, particularly concerning application safety, and contributes intensively with practical experiences and needs to the associations.

Furthermore, additional alternative drives are assessed alongside battery-electric drives and evaluated for use in the Group's products. The primary focus is on the use of alternative fuels. Since 2024, the Wacker Neuson Group offers their customers the option to fuel all diesel-powered machines with the alternative fuel HVO. With fuels made from hydrogenated vegetable oils, also known as hydrotreated vegetable oils (HVO for short), combustion engines can be operated almost climate-neutrally.

Production, procurement and logistics

The Wacker Neuson Group produces equipment at a total of eight locations worldwide:

- Reichertshofen, Germany (light equipment),
- Pfullendorf, Germany (compact equipment),
- Korbach, Germany (compact equipment),
- Hörsching (near Linz), Austria (compact equipment),
- Saragossa, Spain (light equipment),
- Menomonee Falls, USA (light equipment and compact equipment),
- Pinghu, China (light equipment and compact equipment),
- Kragujevac, Serbia (internal supplier for steel construction components).

Stable prices for material, components, and transport
Within the cost of sales, material expense and the expense for procured services are material positions. The output requires components and raw materials – primarily steel but also steel construction components, cast parts, forged parts, engines, electrical/ electronics as well as hydraulic and chassis components. The price developments, among others, for steel, energy, and engines remain of high significance for the Group. To optimize material availability and material prices, dual sourcing, i.e., collaboration with several suppliers, remains of high strategic importance.

Sustainable supply chain management
To ensure the quality of supplied parts and high delivery reliability with new and existing suppliers, the Group places great importance on continuous supplier qualification. Suppliers of the Group are closely monitored from selection through nomination to series production. For new projects, those suppliers are selected who best meet the requirements in terms of quality, delivery capability, sustainability, and costs. To continuously ensure the required quality levels, the Group regularly conducts supplier audits.

Connectivity of output and supply chain remains in focus
In recent years, extensive adjustments to the planning processes and the underlying IT systems have been made to continuously optimize the value chains within the Wacker Neuson Group. A significant milestone in this regard is the further development of the supply chain planning solution SAP IBP, which is intended to enable an integrated sales and production planning across all operational Group companies step by step. This is intended to enable precise and transparent sales planning across all sales companies, including high transparency of global inventory development. Deviations from planned target values should be identified more quickly than before, and countermeasures should be initiated if necessary.

The systemic consolidation of distribution requirements, production, and supplier capacity is intended to increase the Group's delivery capability and punctuality, while simultaneously optimizing the average inventory level held. Intensified supply chain management as well as targeted supplier qualification and supplier development are aimed at continuously improving the integration of production and the supply chain.

The Wacker Neuson Group and its employees have committed to legally and ethically correct behavior in business through a Code of Conduct. These are described in the statement of principles of the Wacker Neuson Group. Compliance with the laws and principles of the business ethics of the Group is also expected from the suppliers and distribution partners of the Group. These are described in the Code of Conduct for Suppliers or Code of Conduct for Sales Partners. → https://wackerneusongroup.com/en/group/compliance

Investments in further growth and profitability
Also in the fiscal year 2024, the Group made investments in its production network. Particular focus was placed on automation and efficiency improvements. At the Linz and Menomonee Falls locations, preparations for the external production of John Deere machines have progressed further, and from 2025 onwards, the first machines will be delivered from the Linz location.

Digitalization in the factories
The use of new technology in output is an important component of the digitalization efforts firmly anchored in the corporate strategy of the Wacker Neuson Group. The initiatives launched around the topic of "Smart Factory" include, for example, the use of assistance systems in assembly, production, and intralogistics as well as a digital errors and quality management system. The implementation of the ERP software solution SAP S/4HANA was completed as planned in 2024, thus forming the basis for further digitalization measures in the future.

Sales, service and marketing

- Marketing through diversified distribution channels
- Digital solutions with growing importance

For the Wacker Neuson Group, the customer is in the focus of everything it does. Accordingly, marketing and sales activities in each business area are aligned with the respective needs of the target groups. Creating proximity to the customer also means maintaining an ongoing dialogue. Through various communication channels such as the brand websites as well as the Group website, digital partner portals, social media channels, newsletters, classic print brochures, and contributions in the trade press, the Wacker Neuson Group offers its customers target group-specific access to current information about its products and services.

Worldwide distribution network – diversified distribution channels
The corporate structure of the Wacker Neuson Group enables a decentralized responsibility and quick, non-bureaucratic collaboration for distribution partners and customers. The distribution structures are aligned with the requirements of the individual markets. Thus, the products and services are brought to the market through different brands and distribution channels. While the brands Weidemann and Kramer are almost exclusively distributed through dealers and importers, the Group has a direct sales network in nine European countries alongside dealer distribution for the Wacker Neuson brand. This direct sales network provides the opportunity to offer customers a variety of flexible rental, sales, and service solutions. Furthermore, the Group also distributes its products and services via national and international rental companies and retail chains.

In numerous markets, the Group has local sales subsidiaries to provide support and assistance to customers and distributors. To strengthen and further expand its position in various markets, the Group continuously works on optimizing its market- and customer-specific sales network.

Cross-industry sales
To broadly diversify cyclical risks and continue to grow, the Group addresses a wide customer base with its products and services. The Group's end customers include construction companies, landscaping companies, rental companies, agricultural businesses, municipalities, recycling companies, railway operations, and industrial entities. This makes the Group more independent from industry-specific cycles.

Partnerships with market leaders
To further market penetration, sales partnerships exist between the Wacker Neuson Group and selected market leaders. Detailed information regarding the Group's collaborations can be found in the section → Strategic Cooperations.

Digitalization in sales
By means of digital solutions, the Wacker Neuson Group aims to ease the daily work for their customers. Through the online order and information platform ePartner or the eStore, dealers and customers can receive information about products, spare parts, accessories and their availability, configure compact equipment, place orders for machines and spare parts, and conduct numerous other transactions electronically.

A digital solution is the mixed-reality glasses "Smart Glasses". The product is used to support and make service processes more efficient. Another digital solution is EquipInspector – a digital platform for recording machine status and efficient fault analysis. It serves as access to a comprehensive workshop information system. In this, service-relevant information is compiled and made available to the service technician in a clear and real-time manner.

The economic success of the customers is at the forefront of the development of new products and services. The Group places great emphasis on close collaboration with its customers to understand their requirements precisely. Customers are invited to "Voice of Customer" workshops at early stages of product development and throughout the product development process. During these sessions, the devices and machinery are tested in practical scenarios, and potential optimizations are recorded.

Individuality and customer orientation
The Wacker Neuson Group offers worldwide training for services, products, and sales. The offer is aimed at its own sales and service employees as well as dealers, rental companies, and end customers from different industries. Service training, product and sales training takes place, among other locations, at the academies in Reichertshofen and Menomonee Falls, at the production sites in Pfullendorf, Korbach, and Pinghu, as well as increasingly in a virtual format. Dealer and customer days also took place in the fiscal year 2024. The focus of the events is on personal exchange, identification of improvement potentials at the product, service, and process level, as well as the presentation of the latest innovative solutions.

Human Resources

- Wacker Neuson Group promotes an appreciative and open corporate culture.
- Number of employees declining in 2024

Dedicated employees as the foundation of the Group's success
The worldwide employees of all Group brands form the foundation for the success and target achievement of the Group. To foster their professional and social competence and maintain their enthusiasm, the Group strives to create optimal working conditions. It pays attractive salaries and promotes an appreciative and open corporate culture.

The Wacker Neuson Group is convinced that satisfied and committed employees are more productive and efficient. It is therefore important to the Group to ensure that employees feel comfortable in their workplace. Aspects such as work-life balance, attractive working conditions, a wide range of career development opportunities, and a practiced leadership culture are essential prerequisites for the willingness and ability of employees to perform and influence long-term retention.

Being a family-friendly employer and supporting employees in achieving a work-life balance is a fundamental concern of the Wacker Neuson Group. This includes the possibility of mobile working in direct coordination with their own supervisor, support services for childcare, e.g., kindergarten allowance or summer holiday care, flexible working arrangements, or various part-time options. Working on-site should also remain attractive, for example through new space concepts or new formats for personal exchange. This forms the framework for all employees to perform their work as well and as flexibly as possible.

To remain competitive in the future, the Wacker Neuson Group relies on committed and qualified employees. A wide range of training and further education opportunities offer the possibility of lifelong learning. Detailed information on training and further education as well as the Wacker Neuson Group's understanding of its role as a responsible employer can be found in the section → Non-Financial Group Statement 2024.

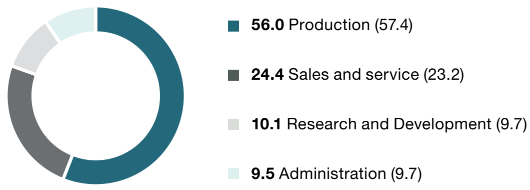
As of the balance sheet date of December 31, 2024, 6,019 employees were employed in the Group (December 31, 2023: 6,579). The number of temporary workers was reduced to 128 compared to the previous year's reporting date, which corresponds to a rate of 2.1 percent (December 31, 2023: 346 and a rate of 5.0 percent). The employee numbers presented in this Combined Management Report have been converted to full-time equivalents (FTE).

As of the balance sheet date, 5,393 employees were employed in Europe (December 31, 2023: 5,817). 461 employees worked in the Americas region (December 31, 2023: 578), 165 in the Asia-Pacific region (December 31, 2023: 184). As of December 31, 2024, 56.0 percent of the employees worked in production, 24.4 percent in sales and service, 9.5 percent in research and development, and 10.1 percent in administration.

The personnel expenses in 2024 totaled EUR 495.3 million (2023: EUR 505.8 million). Detailed disclosures about personnel expenses can be found in the Notes to the Consolidated Financial Statements under → Item 3.

EMPLOYEES BY SECTOR

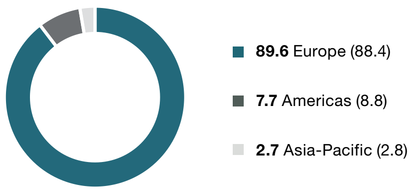
AS A %



Differences attributable to rounding.

HEADCOUNT BY REGION

AS A %



Differences attributable to rounding.

NUMBER OF EMPLOYEES (GROUP)[1] AS OF DECEMBER 31

	2024	2023	2022	2021	2020	2019	2018
Employees	6,019	6,579	6,301	5,506	5,200	5,654	5,370
incl. temporary workers	6,147	6,925	6,800	5,992	5,554	6,056	6,190

By number of full-time equivalents (FTE); the number of employees was converted to a full-time basis. Rounding differences.

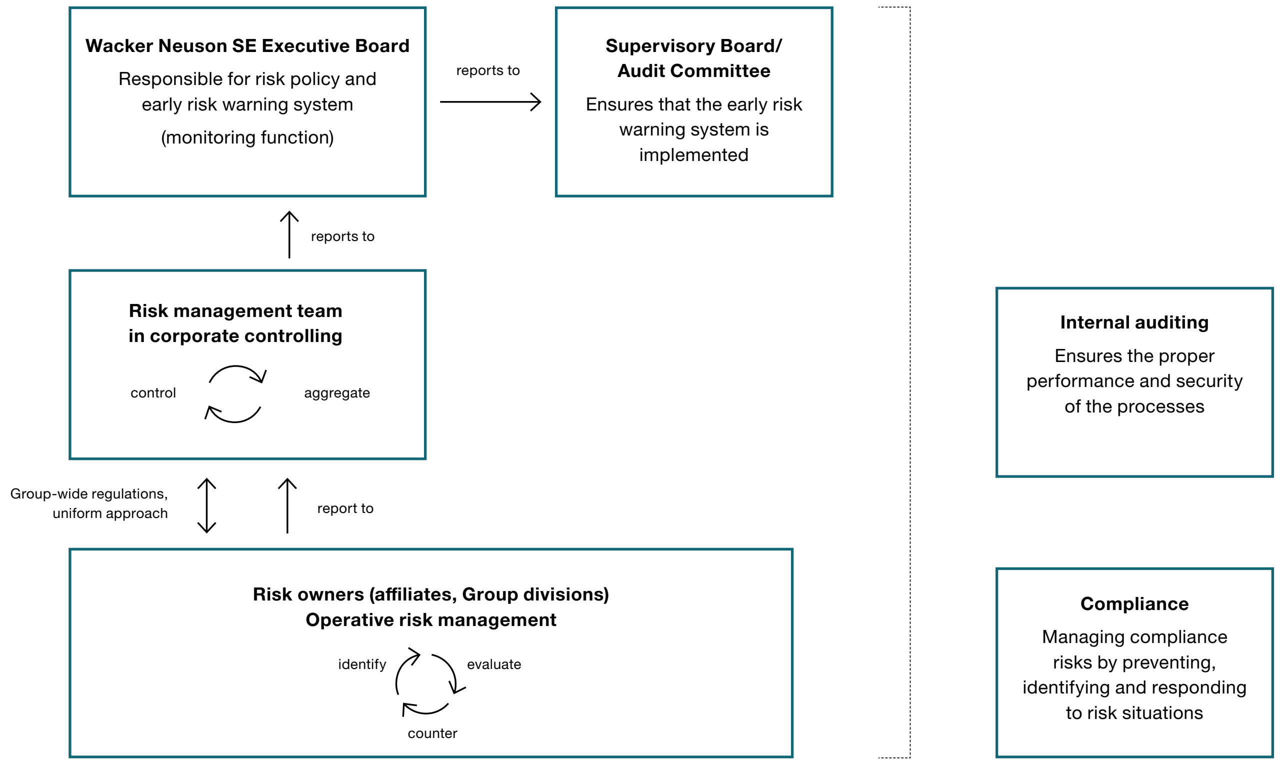
Risks and opportunities report

As Wacker Neuson SE is fully affiliated with the companies of the Wacker Neuson Group through its direct and indirect shareholdings in Wacker Neuson Group members, the risk situation facing Wacker Neuson SE is mainly determined by the risk situation facing the Wacker Neuson Group. The statements evaluating the overall risk situation for the Group made by the Executive Board therefore also summarize the risk situation facing Wacker Neuson SE.

Presentation of the internal control and risk management system, including the disclosures according to § 315 paragraph 4 HGB and § 289 paragraph 4 HGBas well as an explanatory report of the Executive Board on this.

Part of the risk reporting is the presentation of the risk management goals and methods of the company in the Management Report. Furthermore, according to § 315 paragraph 4 HGB and § 289 paragraph 4 HGB, the material characteristics of the internal control system (ICS) and the risk management system (RMS) with regard to the consolidated accounting and reporting process must be described in detail. Since the ICS is an integral part of the overall RMS, the Executive Board has opted for a summarised presentation. These disclosures are explained in more detail – also with regard to the accounting and reporting process.

CONTROL AND RISK MANAGEMENT



[1] In accordance with Section 317 (4) HGB: In a listed stock corporation, the audit should evaluate whether the Executive Board has met the obligations set down in Section 91 (2) AktG to a suitable degree, and whether the monitoring system to be set up on that basis is fit for purpose.

Risk management system
Through the Group-wide RMS, risks should be identified, assessed, and communicated in a timely manner, and appropriate countermeasures should be initiated early. In this context, the potential occurrence of existence-threatening risks is particularly monitored. This requires a reliable identification, assessment, and monitoring of all risks that could oppose this objective. The RMS includes a planning process for all material business areas, as well as a comprehensive Group reporting system for all subsidiaries, which is regularly analyzed, commented on, and assessed and made available to all decision-makers. Additionally, process descriptions for all business segments, Group audit, and compliance are part of this system.

In the risk management manual, the risk policy of the Group in terms of definition, assessment, and quantification of potential risks as well as the structure and process of the RMS are specified. It also regulates the responsibilities and duties both in the process of risk identification and in the analysis, monitoring, and communication of identified risks. This enables appropriate actions to be taken to actively address the identified risks. The risk owners report the identified risks directly to the Corporate Controlling department. After control for completeness, the presence of interdependencies, and plausibility, the collected risks are recorded in a risk database and communicated to those responsible. Risk aggregation is carried out through the consolidation of the reported individual risks and their transfer into group risks. In cases of high risk relevance, the Executive Board is informed immediately. The Executive Board informs the Supervisory Board regularly about the identified risks.

For risk assessment, the Group uses both quantitative and qualitative methods that are designed uniformly across the Group, making the assessments comparable across different business segments.

The risk-bearing capacity of the Group is measured by the equity position of the consolidated balance sheet plan and reviewed through quarterly forecast assessment and adjusted if necessary. This balance sheet item represents the material assessment basis for the presence of company-impairing risks. The comparison of the aggregated risks with the risk-bearing capacity takes place at least quarterly and at the end of the fiscal year.

Due to the increased statutory requirements on risk management since 2021 with the entry into force of the German Act on the Stabilisation and Restructuring Framework for Businesses ("StaRUG") as well as the Financial Market Integrity Strengthening Act ("FISG") compared to the Act on Control and Transparency in Business ("KonTraG"; § 91 paragraph 2 AktG), the Wacker Neuson Group has further developed its own RMS. In accordance with the requirements of § 1 StaRUG, "ongoing" monitoring of all material risks, which individually or in combination can lead to an existence-threatening development, is ensured. The implementation of the requirements of § 1 StaRUG has been confirmed by an independent expert.

Additional information on the RMS can be found in the Notes to the Consolidated Financial Statements under → Item 32.

Key features of the internal control system and the risk management system with respect to the accounting and reporting process as well as explanatory information regarding this
The ICS includes principles, procedures, and actions to ensure the effectiveness and efficiency of financial reporting, guarantee the propriety of financial reporting, and ensure compliance with applicable legal requirements. This context also includes the internal audit system insofar as it pertains to financial reporting. The ICS as part of the RMS, as well as the audit system in financial reporting, refers to the corresponding control and monitoring processes (primarily concerning commercial balance sheet items) that cover the hedges of risk of the Group.

The following characteristics distinguish the ICS and RMS of the Wacker Neuson Group in terms of financial reporting:

- The areas of responsibility for accounting and reporting processes are clearly defined within Wacker Neuson SE and its subsidiaries: the Group departments of accounting, controlling, internal audit, and treasury are responsible. The overall responsibility for the accounting and reporting process lies with the Executive Board. Generally, there is a strict separation between recording and controls in accounting and reporting.

- The employees involved in the accounting and reporting process are highly qualified.

- The Group has adequate systems and processes for planning as well as for accounting and reporting, controlling, and risk management, and works with these throughout the Group. Quarterly or monthly due reports – including those in the area of accounting and reporting – enable a quick response to unexpectedly occurring negative developments.

- The Group-wide work instructions of the accounting manuals, tax manuals and treasury manuals are accessible at all times to all involved employees of the Group. Further regulations, for example, valuation guidelines or the mandatory application of the four-eyes principle in specified cases, are applied. The work instructions ensure that similar procedures are handled identically throughout the Group. They are updated and adjusted to new circumstances and needs as necessary.

- The accounting and reporting is carried out using proven standard software. All systems used are secured against unauthorized access by third parties.

- In the accounting-related processes (such as payment cycles), appropriate controls have been installed (including the four-eye principle and analytical audits).

- Accounting and reporting-relevant processes are regularly audited by internal audit.

- Various internal entities such as the Internal Audit or the Audit Committee of the Supervisory Board regularly review and evaluate the effectiveness of the ICS and RMS with regard to the accounting and reporting process.

With respect to the accounting and reporting process, the ICS and RMS are used to ensure that business transactions are correctly recorded, refurbished, and assessed in accounting terms and taken into financial reporting. This allows errors in the accounting and reporting process to be largely avoided.

With its efficient control process, the Group ensures that in the accounting and reporting of the company and the Group, transactions are recorded, processed, and documented in accordance with commercial law and other legal requirements, International Financial Reporting Standards, the Articles of Incorporation, as well as intra-Group policies, and are accounted for in a timely and accurate manner. The established risk management ensures that risks are identified early, appropriately addressed, and quickly communicated. At the same time, it is ensured that assets and liabilities are accurately recognized, disclosed, and valued in the Annual Financial Statements and Consolidated Financial Statements. Thus, stakeholders quickly receive reliable and relevant information.

To the extent possible and economically viable, insurance programs cover insurable risks.

Risks

The following presents all identified key risks for the Group that could affect the net asset, financial position, and result of operations and/or the reputation of the Group from today's perspective.

The presented risks concern, unless otherwise stated, all segments depicted in the Group management reporting. If individual risk categories or parts thereof only impact individual segments, this is explained in the corresponding section.

The risk extent (=expected loss value) is calculated from the possible damage value multiplied by the probability of occurrence:

RISK EXPOSURE

	Value of anticipated damages
Low	Limited impact, < € 2 million EBIT risk
Medium	Medium impact, > € 2-5 million EBIT risk
High	Significant impact, > € 5-10 million EBIT risk
Very high	Damaging impact, > € 10 million EBIT risk

As of December 31, 2024, the following individual risks with a high or very high expected loss value exist at the Group level:

GREATEST INDIVIDUAL RISKS AT DECEMBER 31, 2024

	Risk exposure	Change compared with previous year
Decline in demand	Very high	Unchanged
Price reductions	Very high	Increased
Underutilization of costs	Very high	Increased
Cyber attack risks	Hugh	Unchanged t

According to the assessment, two individual risks with regard to the expected damage value are higher than 10 percent of the Group EBIT. The aggregated risks for the Group are below the defined risk-bearing capacity.

The individually assessed risks are allocated to the following categories with their percentage share of the total risk:

DISTRIBUTION OF RISK ACCORDING TO RISK CATEGORY

AS A %

	Percentage share of total risks
Operational risks	60
IT-related risks	11
Legal and regulatory risks	11
Financial risks	8
Technology and development risks	6
Personnel risks	3
Other risks	1

Operational risks

The risk category "operational risks" represents the largest share of total risk at 60 percent (2023: 57 percent). Through countermeasures and balance sheet provisions, the expected loss value (net) is reduced by approximately 10 percent.

Primarily the risks of sales price reductions as well as costs underutilization in manufacturing in connection with a continuing decline in demand due to a persistent global market weakness increased compared to the previous year. Additionally, the supplier default risk has risen. On the other hand, the risks of increased production costs due to material price increases and deterioration in material availability due to supply chain interruptions have decreased. Risks related to COVID-19 are no longer expected.

Macroeconomic risks

The Group is dependent on the general economic situation and the development of the international construction industry. The subsidiaries Weidemann GmbH and Kramer Werke GmbH are further subject to the development of agriculture. Due to the international nature of its business activities, the Group is exposed to political and macroeconomic risks.

Geopolitical uncertainties and economic challenges continue to shape the market environment. The ongoing Russia's war in Ukraine and conflicts in the Middle East are weighing on overall economic development. The gradual reduction of the interest rate level by the ECB is expected to increasingly boost the customers' willingness to invest by 2025. However, geopolitical uncertainties, an uncertain situation in the global market, new trade tariffs, and high energy prices continue to impair global growth prospects. In the construction machinery and agricultural technology sector, the market environment has significantly deteriorated in 2024. However, relevant industry associations signal an increasing recovery for 2025.

Additionally, potential new tariffs by the USA on import and export goods, especially in machinery and vehicle manufacturing, could negatively affect international trade flows. Such trade barriers could lead to higher costs in the supply chain and negatively impact competitiveness in the North American market. (→ Opportunities and outlook).

Material price risks
Price increases for raw materials, particularly steel, but also components caused by increasing demand, speculations on the raw materials markets, higher energy prices, exchange rate effects, capacity bottlenecks, and international trade policy, can increase material expenses. In particular, additional risks arise from transport costs exceeding the budget and a lack of transport capacities. Furthermore, increased inflation has various impacts, such as rising personnel costs. This results in the risk that suppliers will demand higher prices. These price increases in the procurement market can lead to higher costs of sales. Additionally, potential new tariffs on import and export goods, particularly in the machinery and automotive sector, could further increase material and production costs.

The Group addresses these risks through increased flexibility and diversification of its international procurement strategy as well as through strict cost control and continuous productivity improvements. In regular dialogue with its business partners and suppliers, the Group jointly develops viable solutions. In principle, the Group is partly successful in promptly passing on increased procurement costs in the sales market, although it is generally subject to a certain time lag. Additionally, with increasing volatility in procurement markets, the risk of not being able to fully or partially pass on higher purchasing costs grows.

Other sales risks
The Wacker Neuson Group operates in cyclical and volatile markets. A decline in demand, especially in the core markets Europe and North America, can lead to a potentially significant decrease in revenue and profitability and negatively impact the liquidity of the Group. Throughout the year 2024, this sales risk has increased significantly due to the general economic downturn and particularly heightened uncertainties in the construction and agriculture industry. Incoming orders and order backlogs have declined sharply. The sales risk may intensify due to persistent recessionary tendencies in the general economic environment. Additionally, demand is subject to seasonal fluctuations, which can affect revenue development throughout the year. The Group addresses these risks through conscious diversification into different industries and its international presence. Moreover, focused market penetration in mature markets, targeted expansion into new markets, and the introduction of new products can offset economic fluctuations in individual countries and industries. The Group regularly monitors relevant leading indicators to timely initiate appropriate countermeasures in the event of fluctuations. Additionally, the Group uses flexible working time and production models in the organization as well as leased personnel to cushion potential fluctuations in capacity utilisation.

The Wacker Neuson Group is in intense international competition. The Group addresses the exposure of losing market share by continuously expanding its worldwide distribution through qualified sales partners and sales alliances and aligning services and product innovations to the needs of the customers. In particular, the Wacker Neuson Group takes up the requirements of digitalization and the resulting changes in customer and business relationships and increasingly aligns its business processes accordingly. Nevertheless, there is a moderate exposure due to a changing competitive environment in individual markets. After price increases in 2022 and 2023, mainly due to the rise in inflation, there is a risk of increased price competition in 2025 against the background of weakening inflation and strong demand decline in 2024. The Group attempts to counteract the exposure of increased margin pressure through an adjusted procurement strategy and efficiency improvements in output.

The customer structures vary by country. In some countries, a loss of major customers due to bankruptcy or market consolidation can significantly impair the demand for products and services of the respective subsidiary. The Group addresses the exposure by diversifying the customer base, continuously acquiring new customers, actively maintaining customer relationships, and developing new competitive products.

In many markets, a progressive consolidation at the customer level through mergers or acquisitions is noticeable. This development can have both adverse and beneficial effects on sales and revenue of the Wacker Neuson Group.

Other procurement risks
In the production of its products, the Group depends on the availability, timely delivery and price development of raw materials and components – primarily steel, aluminum, but also steel construction components, cast parts, engines, electrical system/electronic as well as hydraulics and travel gear components. The risk of capacity bottlenecks in container shipping and increasingly in other areas of logistics, which can negatively impact both the timely delivery of raw materials and components and transport-related costs, has decreased compared to previous years. The Group continues to rely on raw materials and supplier parts being free from defects and meeting relevant specifications and quality standards. Quality deficiencies in the preliminary products can, on the one hand, lead to quality problems for the customers of the Wacker Neuson Group, and on the other hand, to production delays and consequently to delayed product delivery to customers. These cases can harm the brand and company image and potentially result in contractual penalties, compensation claims, and market share losses. The Group addresses this risk through the preventive qualification of key suppliers concerning quality, time, and cost metrics. Here, key suppliers are supported on-site by qualified personnel from prior to nomination through to the first prototypes and the start of series delivery. To ensure supply capability, the Group pays attention to short throughput times to respond to demand fluctuations. To avoid supply bottlenecks with suppliers, the Group works closely and intensively with its suppliers, concludes binding delivery agreements, and, if necessary, taps new supply sources to cover short-term higher demands and stabilize the supplier base. To further reduce supplier risk, a Code of Conduct was introduced, requiring suppliers to comply with laws and the principles of the Wacker Neuson Group's business ethics and aiming to prevent reputational damage by suppliers.

A fundamental exposure exists in the loss of suppliers, for example, due to insolvencies, which would endanger the ability to deliver and thereby the sales targets. The Group addresses this exposure by defining product group strategies, which are intended to ensure that in the event of the failure of a supplier, only individual product groups are affected and not an entire production plant. Furthermore, an intensive supplier partnership is established, as well as special framework agreements that ensure the suppliers' delivery capability to a certain extent, to further mitigate this exposure.

Financial risks

Compared to the previous year, the percentage share of financial risks in the Group's total risks decreased by 8 percent (2023: 13 percent). Through countermeasures and balance sheet provisions, the expected loss value (net) is reduced by around 53 percent.

Compared to the previous year, due to the changed economic situation, the risks from potential defaults have increased for the end of 2025. In contrast, the currency risks are reduced due to a significant decrease in non-euro currency holdings and cross-currency purchasing volumes. The liquidity risks in the context of higher redemption obligations have slightly increased.

Risks from currency transactions/foreign currency risks

The foreign currency risks are also associated with the amount of foreign currency holdings as well as procurement volumes denominated in foreign currencies. If the exchange rates for foreign currency liabilities develop unfavorably for the group, the amount of liabilities valued in Euro increases. The Group continuously monitors the respective currencies. To counteract devaluation risks, hedging instruments are specifically used at the Group level.

The financial risks are also still associated with the ongoing devaluation exposure that the Group sees in the area of currencies of some "Emerging Markets" compared to the production currencies Euro and US Dollar. Revenues and income in these countries lose value during consolidation into the Group accounts presented in Euro. The Group addresses this exposure by continuously monitoring currencies and partially agreeing on prices for business transactions with customers in countries outside the Euro or US Dollar currency areas, which are denominated in Euro or US Dollar.

A stronger Euro, especially against the US dollar, negatively impacts the export of products produced in the Euro area.

Income risks from tax-unusable loss carryforwards

Essentially, no deferred taxes have been recognized on the existing tax loss carryforwards as the loss history according to IAS 12 argues against capitalization. Tax loss carryforwards that cannot be utilized for tax purposes can negatively impact the future financial performance of the Group by insufficiently reducing the existing tax burden through the utilization of tax loss carryforwards. The Group addresses the exposure by continuously reviewing the tax usability of these amounts, considering the applicable tax law criteria as well as defining and implementing corresponding measures.

Risks from impairment of assets

Impairment of assets can negatively affect the Group's annual results. Possible impairments on intangible assets, particularly capitalized development projects, represent the material risks in this context. The risk policy of a globally uniform, strict project management for product development with targeted review of a positive business contribution counteracts the risk of impairment of assets.

Risks from losses on receivables

The Group is exposed to the risk of payment defaults by individual customers concerning trade receivables. The Group mitigates the risk of bad debts through efficient receivables management systems, which include checking customer creditworthiness and credit limits, the legal institute of extended retention of title, the partial non-recourse sale of receivables to finance companies, financial guarantee contracts of the owners of dealer organizations, and higher balance sheet risk provisions.

Capital commitment risks

The inventory of finished machines within the Group is, compared to some competitors, relatively high, as the Wacker Neuson Group also sells its products through subsidiaries with a direct sales approach. The resulting capital commitment risks are addressed by the Group with strict, company-specific inventory targets. These are continuously monitored and necessary adjustment measures are initiated.

Liquidity risks

Liquidity risks consist in the inability to timely procure the financial resources needed to settle payment obligations. In the company, unused credit and guarantee lines amounting to around EUR 413 million as of December 31, 2024, ensure liquidity supply at all times. Additionally, the Group has established access to capital markets. Liquidity management is conducted through a group-wide cash pool system by the central Treasury Department. Further information on financial risks can be found in the Notes to the Consolidated Financial Statements. → Item 24 and 32

IT-related risks

The percentage share of this risk category in the total risk decreased to 11 percent (2023: 19 percent). The expected loss value (net) is reduced by around 33 percent as a result of countermeasures.

Compared to the previous year, the exposure from potential cyber attacks remains unchanged. However, the risks from system failures have decreased materially. This is related to the completed introduction of the new database generation from SAP, S/4 HANA, in the summer of 2024.

Risks from system failures

The Group uses IT systems in different areas. A failure of these systems could impair the production and flow of goods and lead to a loss of revenues. The Group addresses this risk through technical and organizational actions, the use of standardized software, and the identification and treatment of vulnerabilities. To minimize the exposure in the introduction of global IT systems and to avoid incremental costs, the Group operates with professional project management.

Risks from cyber attacks

The global threat situation in the area of cyber crime is assessed as high. This is mainly due to an increase in the number of cases and, in particular, the quality and therefore the effectiveness of criminal actions, despite generally improved defensive measures by the industry. These cooperative and divided attacks target, in addition to attempted identity theft, equally the confidentiality, integrity, and availability of data, IT systems, and networks of all kinds, and still pose a risk to the safety of the systems and data of the Wacker Neuson Group. Finally, the increasing degree of digitalization of products and processes poses greater challenges to information safety, for example, through the increasingly decentralized use of IT-supported means.

Personnel risks

The proportion of personnel risks in the total risk remains virtually unchanged in 2024 at 3 percent (2023: 2 percent). Due to countermeasures and accounting provisions, the expected loss value (net) is reduced by approximately 37 percent.

The individual risks remained largely unchanged here. While the exposure from fraudulent actions by employees increased substantially due to a new valuation model compared to the previous year, the exposure of not being able to adequately fill open positions decreased. The exposure from losing key employees also increased slightly. Risks of a pandemic-related increase in illness cases are no longer expected. Threatening personnel cost increases in the United Kingdom and increased uncertainty regarding costs for organizational adjustments in the German sales company elevate other personnel risks.

Risks from the loss of key employees

The success of the Wacker Neuson Group is materially based on its qualified and motivated employees. A loss of highly qualified employees in key positions could negatively impact the planned growth path. The Group counteracts this exposure by closely binding employees – for example, through attractive remuneration and long-term personal development opportunities.

Risks of contractual amendments

There is the risk that contractual amendments could adversely affect the profitability of the Group. Demands from collective bargaining partners amidst currently low unemployment and rising inflation may lead to cost increases beyond the usual extent in the Wacker Neuson Group.

Risks from unfilled positions

The Group also has a need for qualified employees, particularly those with backgrounds in mechanical engineering and electrical engineering, due to its long-term growth strategy 2030. This need might not be adequately met due to the labor market situation and demographic changes. The Group addresses this exposure with targeted searches for specialists domestically and abroad, as well as attractive remuneration systems and interesting areas of responsibility with high responsibility for each individual.

Risks from fraudulent actions by employees

There is an exposure that employees of the Wacker Neuson Group could cause financial damage and a loss of image to the Group through corrupt or fraudulent behavior. The Wacker Neuson Group tries to prevent misconduct and, if necessary, detect it early through compliance rules clearly communicated in the code of conduct for employees as well as a whistleblower reporting channel that is open to both employees and business partners.

Other personnel risks

Additional personnel risks can arise from restructuring measures, particularly in connection with negotiations with employee representatives. Restructurings often require increased financial expense for social plans, severance payments, or retraining, while potential delays can occur due to lengthy coordination processes.

Technical and development risks

The proportion of risks in this category in the total risk increased significantly to 6 percent in 2024 (2023: 2 percent). Due to countermeasures and balance sheet provisions, the expected loss value (net) is reduced by approximately 35 percent.

The reason for the increase is an elevation of the risks from the failure of production machinery as well as the newly assessed risks in the development of new products.

Risks from the development of new products or processes

Research and development as well as the timely market introduction of new products contribute significantly to the success of the Group. In doing so, stricter international and national laws and regulations must always be followed and considered in product development. New regulations, for example, on noise, environment, and user protection, can result in additional costs for the Wacker Neuson Group. If the implementation of new regulations does not succeed continuously, it could temporarily impair the Group's competitive position and growth prospects. Therefore, the research and development departments are continuously working on new products and on the revision and maintenance of the product range. In doing so, the Wacker Neuson Group always aligns itself with market needs while taking into account applicable policies, laws, and regulations.

Risks from disruptive business models or technology

The establishment of disruptive business models or technology by competitors or new market participants could significantly negatively impact the achievement of the strategy of the Wacker Neuson Group, if it does not succeed in utilizing and further developing these new developments itself. Therefore, the Group closely monitors the development and application of new technology in the industry and, if necessary, uses them for its own products. The goal of the Group's own development is also to gain competitive advantages through its own, market-ready new technology, especially in the area of e-mobility.

Legal and regulatory risks

The risks of this category increased to 11 percent of the overall risk in 2024 (2023: 6 percent). Due to countermeasures and balance sheet provisions, the expected damage value (net) is reduced by approximately 40 percent.

The risk of increasing protectionism between the USA, China, and Europe, along with the associated increasing trade restrictions and rising tariffs, has increased significantly in this area.

Risks from trade restrictions and customs regulations

Trade restrictions in certain countries for the import or marketing of Group products could negatively affect the revenue and profitability of the Wacker Neuson Group. Through committee and association work, the Group aims to influence these matters. Legal resources to prevent any potential trade restrictions are also reviewed and applied as necessary. New regulatory actions and changing customs regulations can negatively impact the sales of Group products and their costs of sales, thereby increasing the legal risk situation. The Group takes early actions to comply with regulatory frameworks and ensure the sales of its products. In light of the announced and partially implemented import tariffs by the USA, the Wacker Neuson Group is particularly assessing the potential impacts on its production sites in North America (Menomonee Falls) and China (Pinghu).

Risks from violations of regulations/guidelines/laws

The political development regarding the regulation of combustion engines and their use in urban areas is being closely monitored and, if necessary, promptly incorporated into the planning of the research and development departments. In the event of individual usage bans on diesel-powered construction machinery and equipment in cities, the Group can already offer a portfolio of emission-free products, which is continuously being expanded.

Risks from product liability

Warranty and product liability claims can lead to compensation and injunction claims. The Group minimizes these risks through utmost care in the development and production of its products as well as through appropriate insurance.

Risks from tax proceedings/tax back payments

Due to the global business activities of the Wacker Neuson Group and the associated tax commitments in various countries, there is a risk of an unfavorable development of the Group's tax rate depending on regional income development. Furthermore, there is the risk of changes in the tax regulatory framework in individual countries. In the case of audits, there is a fundamental risk that the tax authorities will take a view that differs from that stated in the tax returns. In this case the Group assesses the risk after considering all circumstances and forms provisions if audit findings are mandatory and a reliable estimate is possible, or reports in the case of potential commitments that are likely under the contingent liabilities. To minimize tax risks, the Group has established a tax compliance guideline.

Risks from loss of intellectual property

Market-leading products are sometimes copied by other manufacturers. This can lead to a decline in revenue. In case the Group could no longer sufficiently protect its intellectual property, this would have a detrimental effect on its competitiveness. The Group mitigates this exposure with an intensive patent and protective rights system and the enforcement of its protective rights. The Wacker Neuson Group preempts disputes with third parties over protective rights through appropriate investigations and research.

Risks from legal proceedings

Legal proceedings that could materially affect the financial position of the Group are neither pending nor threatened at present. For material liability risks remaining within the Group from potential damage claims, the Group has taken out insurance policies worldwide wherever possible.

Other risks

The proportion of other risks to the overall risks of the Group remains almost unchanged compared to the previous year at around 1 percent (2023: 1 percent). The expected loss value (net) is reduced by approximately 38 percent due to countermeasures and balance sheet provisions.

The risk of increasing competitive pressure, especially concerning the competitive situation in South Africa, is reduced. For this, a reevaluation was carried out in 2024, leading to a material reduction of this individual exposure.

Risks arising from missing or inadequate strategies

According to the strategic development, the Group is continuously expanding its business areas and its sales and service network. In this context, there are risks that chosen strategies and business models may not lead to the desired result, necessitating adjustments. As risk policy, the Group regularly establishes a strategic plan using modern planning methods. Action plans and fallback positions are developed, and business models are regularly reviewed.

Risks from adverse changes in the competitive environment

Adverse changes in the competitive and customer environment, such as mergers, could have a negative impact on the achievement of the Group's strategic targets. Dependence on major customers could also negatively influence strategic target achievement in the event of the termination of the business relationship. Through careful monitoring and observation of market and customer changes as well as the development of adjustment measures, the extent of the risk is limited.

To gain market share and expand its product range, the Wacker Neuson Group also considers alliances and acquisitions, which it carefully evaluates. There is a fundamental risk that the expected effects from entering into an alliance or making an acquisition do not materialize, and the integration into ongoing business operations causes problems. If the Group misjudges the risks in such alliances and acquisitions, this can have a negative impact on the business development and growth prospects of the Wacker Neuson Group. The Group addresses such risks with professional project management and the use of integration teams.

Overall statement on the risk situation of the Group – Assessment of the risk situation by the Executive Board

The main risks – as a percentage of total risk – are operational risks, information technology risks, and legal and regulatory risks. These three categories together account for approximately 82 percent of total risk (2023: 82 percent).

The overall risk has increased compared to the previous year. The material reason for this change lies in the increase in market risks as a result of the global market downturn as well as the resulting cost under coverage risks in the production plants. Additionally, legal and regulatory risks have also increased. The main risks have been comprehensively explained in this report on risks.

No further material risks are currently identified from the Group's perspective. Additionally, the Wacker Neuson Group has not currently identified any risks threatening its existence: the aggregated risks of the Wacker Neuson Group are below the defined risk-bearing capacity.

An external analysis and assessment of the risk profile of the Group – for example, by rating agencies – does not take place.

Significant non-financial risks

The EU Directive 2014/95/EU on non-financial reporting requires entities to report on material non-financial risks arising from their business activities with impacts on environmental, social and employee matters, respect for human rights, as well as anti-corruption and bribery policies. This reporting will be replaced in the future by Directive 2022/2464 (Corporate Sustainability Reporting Directive, CSRD) of the European Parliament and of the Council of December 14, 2022, which significantly extends the requirements for transparency and data quality.

At the time of publication, the law to implement the CSRD has not yet been transposed into German national law. Even though the CSRD has not yet been transposed into German law, the Group is proactively preparing for future reporting requirements. A central component of the preparation was the integration of a double materiality assessment, which aims to identify the key ESG (Environmental, Social, Governance) topics. The double materiality assessment highlights both the impacts of the Group on the environment and society ("Inside-Out") as well as the risks and opportunities through external sustainability developments ("Outside-In"). This is complemented by enhanced data collection and monitoring mechanisms specifically designed to meet the requirements of the European Sustainability Reporting Standards (ESRS). Increased focus is also placed on engaging stakeholders to better address their expectations and potential risks.

Material non-financial risks of the Wacker Neuson Group were therefore identified for the first time in the fiscal year 2024 based on the double materiality assessment in alignment with CSRD. Additionally, all risks related to the German Supply Chain Act (LkSG) were examined. The early adaptation not only ensures compliance but also provides opportunities to further expand the long-term risk monitoring and the sustainability strategy of the Group. The Wacker Neuson Group plans to further optimize these strategic approaches and internal reporting processes in the fiscal year 2025. The Group has already prepared its non-financial reporting for the fiscal year 2024 on a voluntary basis and in alignment with the CSRD. More information can be found under: → Non-financial Group Statement

Opportunity management system

Opportunities are internal and external developments that can positively impact the Group. The direct responsibility for the early identification and management of opportunities is not carried by individuals, but by committees. These committees decide, for example, on strategic projects that the Group uses to respond to new market and customer needs. These committees consist of experts and senior decision-makers within the Group. In decision-making, the Group follows an approach that is opportunity-oriented without losing focus on risks. Opportunities should be identified and adapted early to increase the likelihood of their realization.

Opportunities and megatrends

In the following, opportunities are presented which the Group has identified based on the current environment and its own competitive position and which could influence the Group's assets, financial position, profit, and/or reputation from today's perspective. Long-term global trends (megatrends) result in a sustainable increase in worldwide demand for compact machines and construction equipment.

Key drivers for the Group growth are:

Population growth

In the year 2050, nearly ten billion people will live on Earth, compared to almost eight billion today. As a result, the demand for food and supplies will increase worldwide. Furthermore, investment will continue in road, rail, and telecommunications networks, as well as in the modernization of buildings and the expansion of infrastructure for e-mobility, which will lead to increased demand for construction equipment and compact machines.

Growing prosperity

Especially in developing and emerging countries, increasing purchasing power and demand from new consumer groups are boosting construction activity. At the same time, rising wage levels will further drive mechanization in construction and agriculture.

Urbanization

In 2050, around two-thirds of the world population will live in cities. The greatest challenges for construction, housing, and infrastructure will arise in the so-called "Mega Cities" with more than ten million inhabitants. This will further increase the global demand for agile and compact construction machinery.

Climate change

The warming of the atmosphere and air pollution are increasingly being perceived as a global problem, against which measures are being taken with growing determination at the national and international levels. The ambitious targets of the EU Green Deal are making the importance of renewable energy and the focus on electric mobility an increasingly important issue for the construction and agricultural machinery industry.

The abovementioned trends present long-term growth opportunities for the Wacker Neuson Group. As one of the leading manufacturers of construction equipment and compact machines, the Group will expand its business worldwide through innovative products and customer-oriented services.

While compact construction machines have been established in Europe for many years, the markets in North America and Asia are still in a comparatively young stage. They therefore promise higher growth rates. The Group aims to capitalize on this and gain market share with its innovative machines.

In the area of electrically powered light equipment and compact equipment, the Wacker Neuson Group can already offer its customers an ever-growing product range. All three Group brands have emission-free products that are well received by customers. Their share of the Group's total revenues is still relatively low. However, in view of the ambitious targets of the EU Green Deal, the construction industry will also face stricter regulations in the coming years. Combined with expected technological leaps in the field of battery technology, purely electrically powered light equipment and compact equipment are expected to gain significant importance. The Group will therefore continue to invest specifically in the expansion of its portfolio of purely electrically powered machines.

LONG-TERM GLOBAL TRENDS DRIVING GROUP BUSINESS

Construction industry

- Modernization, maintenance and expansion of infrastructure in mature and emerging markets
- Increase in residential and non-residential construction in cities (urbanization)
- Reconstruction (renovation, modernization)
- Rising standards of living and demand from new consumer groups especially in emerging markets
- Expansion of broadband networks and e-charging points
- Increased use of electrically powered equipment
- Digitalization of products and services

Agriculture and other sectors

- Increasing global demand for food and fodder to meet population growth
- Shift towards larger holdings (especially in Europe) with greater demand for mechanization
- Increasing mechanization of agricultural holdings, also in emerging countries
- More efficient transportation of material in the industrial sector
- Increased use of electrically powered equipment
- Digitalization of products and services

Disclosures in accordance with § 315a HGB and § 289a HGB as well as the explanatory report of the Executive Board in accordance with § 176 paragraph 1 sentence 1 AktG

According to § 315a HGB, listed public companies are required to provide disclosures in the Combined Management Report about the capital structure, shareholder rights and their restrictions, ownership structures, and the company's governing bodies that contain takeover-related information. The same disclosures must be made in the company's Management Report according to § 289a HGB. According to § 176 paragraph 1 sentence 1 AktG, the Executive Board must submit an explanatory report on these disclosures at the Annual General Meeting. The following section summarizes the disclosures according to § 315a HGB and § 289a HGB along with the corresponding explanatory information according to § 176 paragraph 1 sentence 1 AktG.

Composition of the subscribed capital

As of December 31, 2024, the share capital of Wacker Neuson SE amounts to EUR 70,140,000.00 and is divided into 70,140,000 no-par value registered ordinary shares with an accounting share in the share capital of EUR 1.00 per share pursuant to § 3 (2) of the company's Articles of Incorporation. As of December 31, 2024, the company holds a total of 2,124,655 treasury shares, from which the company does not derive any rights pursuant to § 71b AktG. As of December 31, 2024, the 70,140,000 no-par-value shares, less the treasury shares without voting and dividend rights, thus grant a total of 68,015,345 votes. There are no different share classes; all shares – subject to the above-mentioned non-voting own shares of the company – carry the same rights and obligations, which are detailed in §§ 12, 53a, 133 ff., and 186 AktG. The provisions of the German Stock Corporation Act apply to Wacker Neuson SE pursuant to Art. 9 (1) lit. c) ii), Art. 10 of Council Regulation (EC) No. 2157/2001 of October 8, 2001, on the Statute for a European Company (SE), hereinafter referred to as the "SE Regulation," unless special provisions of the SE Regulation provide otherwise.

Restrictions affecting voting rights or the transfer of shares

The following disclosures are based on information provided to the Executive Board by the parties to the Wacker Familiengesellschaft mbH & Co. KG pool agreement and the syndicate agreement.

Disclosures about the pool agreement of Wacker Familiengesellschaft mbH & Co. KG
Some of the shareholders of Wacker Neuson SE (the “Wacker shareholders”) hold part of their shares through Wacker Familiengesellschaft GmbH & Co. KG, which in turn also holds shares through Wacker Werke GmbH & Co. KG. The shares are economically attributed to the Wacker shareholders.

Before each Annual General Meeting of Wacker Neuson SE, a shareholders' meeting of Wacker Familiengesellschaft Gmbh & Co. KG takes place, in which the involved Wacker shareholders determine the voting behavior and exercise of application rights.

For disposals by a Wacker shareholder, acquisition and pre-emption rights apply to disposals to third parties. If a Wacker shareholder leaves the Wacker Familiengesellschaft GmbH & Co. KG by termination, the remaining shareholders of the Wacker Familiengesellschaft GmbH & Co. KG have a pre-emption right to the shares for a period of two years from their departure. Furthermore, the shareholders' meeting can decide that the Wacker shareholder leaving the Wacker Familiengesellschaft GmbH & Co. KG receives his settlement credit not in cash but in the shares of Wacker Neuson SE economically attributable to him. Every Wacker shareholder leaving the Wacker Familiengesellschaft mbH & Co. KG can demand that he receives his settlement credit in the shares economically attributable to him.

Syndicate agreement with Mr. Martin Lehner
Between a shareholder attributed to Mr. Johann Neunteufel and his group of companies (Neunteufel shareholder) and Mr. Martin Lehner, there is a syndicate agreement, due to which the Neunteufel shareholder exercises the voting rights from all shares acquired by Mr. Martin Lehner in the course of the merger of the company and Neuson Kramer Baumaschinen AG (now Wacker Neuson Beteiligungs GmbH). The exercise of voting rights is carried out independently, without instructions, and always in accordance with the shares held by the Neunteufel shareholder himself. With regard to transfers to persons other than the Neunteufel shareholder, the Neunteufel shareholder has a right of first refusal.

The Executive Board is not aware of any restrictions affecting the voting rights or the transfer of shares of the company.

Direct or indirect investments in capital exceeding ten percent of the voting rights

According to the German Securities Trading Act (WpHG), any shareholder who reaches, exceeds, or falls below the thresholds of 3, 5, 10, 15, 20, 25, 30, 50, or 75 percent of the voting rights of Wacker Neuson SE as a listed corporate company must notify the Federal Institute for the Supervision of Financial Services and Wacker Neuson SE.

The following direct or indirect shareholdings, exceeding 10 percent of the voting rights, have been communicated to the Executive Board of the company.

The following disclosures are based on notifications pursuant to §§ 33 ff. WpHG regarding corresponding changes in voting rights up to and including the reporting date of December 31, 2024, which Wacker Neuson SE has received from the shareholders. These notifications are detailed in the Notes of the Annual Financial Statements of Wacker Neuson SE under the note "Notifications and publications of changes in the voting shares pursuant to §§ 33 ff. WpHG". Other direct or indirect holdings in the company's share capital exceeding 10 percent of the voting rights are not known to the Executive Board.

DIRECT/INDIRECT PARTICIPATING INTERESTS THAT EXCEED 10 PERCENT OF VOTING RIGHTS

NAME/COMPANY	
SWRW Verwaltungs-GmbH, München, Deutschland	Direct
Wacker Familiengesellschaft mbH & Co. KG, München, Deutschland	Indirect
Baufortschritt-Ingenieurgesellschaft mbH, München, Deutschland	Indirect
Wacker-Werke GmbH & Co. KG, Reichertshofen, Deutschland	Direct and indirect
Interwac Holding AG, Volketswil, Schweiz	Indirect
Georg Wacker, Deutschland	Indirect
NEUSON Forest GmbH, Linz, Österreich	Direct and indirect
NEUSON Industries GmbH, Linz, Österreich	Indirect
PIN Privatstiftung, Linz, Österreich	Indirect
Johann Neunteufel, Österreich	Indirect

Holders of shares with special rights that grant control powers

There are no shares with special rights that grant control powers.

Type of control over voting rights when employees participate in the capital and do not exercise their control rights directly

Employees of the Group can exercise the control rights to which they are entitled from shares, like other shareholders, directly in accordance with the statutory provisions and the Articles of Incorporation.

Statutory provisions and Articles of Incorporation regarding the appointment and dismissal of board members and amendments to Articles of Incorporation

The appointment and removal of the members of the Executive Board is governed by §§ 84, 85 AktG. The Executive Board of Wacker Neuson SE must consist of at least two persons according to § 6 paragraph 1 of Articles of Incorporation of Wacker Neuson SE. Furthermore, the Supervisory Board determines the number of members of the Executive Board (§ 6 paragraph 2 sentence 1 of the Articles of Incorporation). The appointment of the members of the Executive Board as well as the revocation of their appointment is also carried out by the Supervisory Board, which decides by simple majority.

Members of the Executive Board are appointed at Wacker Neuson SE for a period of up to six years (Art. 9 paragraph 1, Art. 39 paragraph 2 and Art. 46 SE-Regulation, §§ 84, 85 AktG, § 6 paragraph 2 Sentence 1 of the Articles of Incorporation). The Supervisory Board can appoint a chair of the Executive Board, a deputy chair of the Executive Board, and a speaker of the Executive Board (§ 6 paragraph 2 Sentence 2 of the Articles of Incorporation). Currently, a chair of the Executive Board is appointed.

For amendments to the Articles of Incorporation, §§ 179 ff. AktG must be observed. The Annual General Meeting decides on amendments to the Articles of Incorporation (Sections 119 (1) No. 6, 179 (1) AktG). In the case of a Societas Europaea (SE) like Wacker Neuson SE, resolutions amending the Articles of Incorporation generally require a majority of not less than two-thirds of the votes cast, unless the legal provisions for stock corporations in the SE's home state provide for or allow for a larger majority (Art. 59 (1) SE Regulation). However, each member state may determine that a simple majority of the votes is sufficient, provided that at least half of the share capital is represented (Art. 59 (2) SE Regulation). The German legislator has made use of this possibility in Section 51 sentence 1 SE Implementation Act. This does not apply to amendments to the company's objectives, a relocation of the registered office, and cases where a higher capital majority is legally required (Section 51 sentence 2 SE Implementation Act). Accordingly, Section 21 (1) of the Articles of Incorporation stipulates that, unless mandatory legal provisions stipulate otherwise, a majority of two-thirds of the votes cast, or a simple majority of the votes cast if at least half of the share capital is represented, is required for amendments to the Articles of Incorporation.

The Supervisory Board is authorized to decide on amendments to the Articles of Incorporation that only concern their wording (§ 179 paragraph 1 sentence 2 AktG, § 15 of the Articles of Incorporation).

Powers of the Executive Board, particularly regarding the possibility of issuing or buying back shares

No authorization for the acquisition of own shares
There is no authorization for the Executive Board to perform an acquisition of its own shares.

The company acquired a total of 2,124,655 of its own shares under a previously existing authorization from the Annual General Meeting until December 31, 2021. This corresponds to a share in the company's share capital of 3.0292 percent. The average purchase price per share paid on the stock exchange was EUR 24.95. In total, own shares were repurchased at a total price of EUR 52,999,971.94 (excluding incidental acquisition costs). The share buyback program was completed on November 19, 2021.

No authorized or conditional capital
There is no authorized or conditional capital.

Significant agreements of the company which are contingent upon a change of control as a result of a takeover offer, and the resulting effects

The promissory note taken up by Wacker Neuson SE in May 2019 with a term of seven years, still outstanding as of the reporting date amounting to EUR 80.0 million, as well as the promissory note taken up in June 2024 with a term of three years, still outstanding in full as of the reporting date amounting to EUR 100.0 million, provide for termination options for the respective creditors if third parties acquire at least 50 percent of the voting rights in the company. Similar provisions are also included in a promissory note with a term of seven years, outstanding as of the reporting date amounting to USD 7.5 million, which was taken up by Wacker Neuson America Corporation, USA, a wholly-owned subsidiary of Wacker Neuson SE, in February 2018.

The company increased the six bilateral credit agreements concluded with principal banks in 2023, each with initial terms of just under five years, to a credit volume of EUR 75 million each, totaling EUR 450 million. If third parties acquire more than 50 percent of the voting rights of the company, the parties to the respective credit agreements must negotiate bilaterally a mutually satisfactory agreement on the continuation of the respective credit agreement. If no agreement on the continuation of the credit agreement is reached within an agreed period, the affected bank has the right to terminate its credit extraordinarily.

In June 2022, the Group companies Wacker Neuson America Corporation, USA, and Wacker Neuson Linz GmbH, Austria, signed a long-term contract with the John Deere Group for mini and compact excavators weighing less than five tons, under which excavators developed and manufactured by the Wacker Neuson Group are to be distributed by John Deere under the Deere brand through the worldwide dealer network of the John Deere Group. John Deere is entitled to terminate this contract if a competitor of John Deere directly or indirectly takes control of the Wacker Neuson Group or acquires a material portion of the assets or business operations of the Wacker Neuson Group.

Kramer-Werke GmbH and the John Deere Group have entered into an agreement for the international distribution of agricultural wheel loaders and telehandlers. This agreement includes a provision that allows John Deere under certain conditions to terminate the contract if one of the competitors of John Deere, as defined contractually in detail, directly or indirectly holds a share of more than 25 percent in Kramer-Werke GmbH or Wacker Neuson SE or if such a competitor has the right to determine the majority of the members of the bodies of Kramer-Werke GmbH or Wacker Neuson SE. As part of this cooperation, John Deere has also financially participated in Kramer-Werke GmbH. If a direct competitor of John Deere in the agricultural or construction machinery sector acquires a stake of more than 25 percent of the shares of Wacker Neuson SE, the Wacker Neuson Group must, to the extent legally permissible, negotiate with John Deere about the disposal of its shares in Kramer-Werke GmbH to John Deere.

Compensation agreements concluded by the company with the members of the Executive Board or employees in the event of a takeover bid

Such agreements do not exist.

Declaration on corporate governance in accordance with § 289f HGB in conjunction with § 315d HGB

On March 20, 2025, the Executive Board of Wacker Neuson SE issued a corporate governance declaration pursuant to Section 289f in combination with Section 315d of the German Commercial Code (HGB). This can be downloaded from the Wacker Neuson SE website at → www.wackerneusongroup.com/investor-relations.

Remuneration Report

According to § 162 AktG, the Executive Board and the Supervisory Board of listed companies must annually prepare a Remuneration Report and submit it to the Annual General Meeting for approval. The Remuneration Report for the fiscal year 2024, which, since 2021, is no longer part of the Combined Management Report according to legal requirements, will be published simultaneously with the financial statements on the Group's website under the section Investor Relations/Governance.

Supplementary Report

For events that occurred after the balance sheet date of December 31, 2024, it is referred to the disclosures in the Notes of the Consolidated Financial Statements. → Item 29

Opportunities and outlook

Outlook for the overall economic conditions

- Slow but steady global economic recovery expected in 2025
- Further decline in inflation expected

The global economic growth for the year 2025 is forecasted by the International Monetary Fund (IMF) to be 3.3 percent, which is below the historical average of 3.7 percent during the years 2000-2019. The forecast is still below the forecast of October 2024, as the developments in China, India, and Germany are lagging behind expectations.[1]

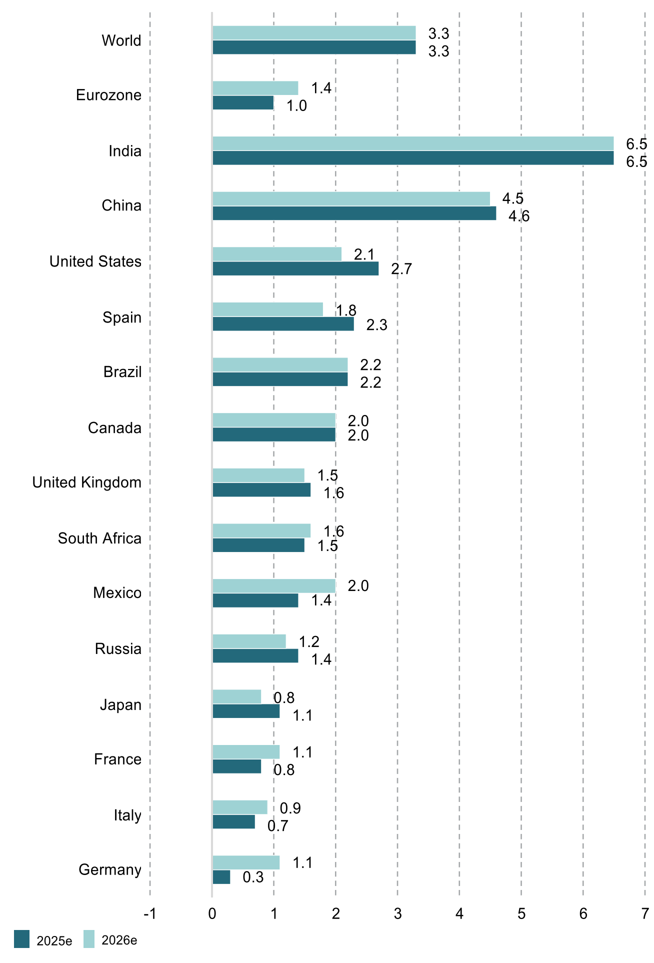
According to the IMF forecast, global inflation is expected to continue to decrease. By 2025, a decline to 4.2 percent is anticipated, and in 2026, inflation is expected to further drop to 3.5 percent. This development indicates successful disinflation, although core inflation is expected to decline more slowly. Despite the positive developments, significant challenges remain. Geopolitical tensions and protectionism could lead to lower investments as well as disruptions in supply chains, and fiscal adjustments in many countries could temporarily hinder growth.

For Germany, the forecasts are more cautious. The IMF expects growth of only 0.3 percent for 2025, while the European Commission forecasts slightly higher growth of 0.7 percent in 2025.[2]

In the Annual Report 2024/25, the German Council of Economic Experts for the assessment of overall economic development emphasizes the necessity of structural reforms and targeted prioritization of public expenditures to strengthen the long-term resilience and competitiveness of the German economy.

Overall, 2025 presents a picture of slow but steady global economic recovery. The risks to growth appear more balanced than in previous years, with the successful fight against inflation providing positive momentum. Nevertheless, structural challenges remain that could impair long-term growth potential. Policymakers must remain vigilant and flexible to changing economic conditions to ensure a sustainable and inclusive economic recovery.[1]

GLOBAL GDP GROWTH 2025E AND 2026E
AS A %



Source: International Monetary Fund, January 2025

Outlook on the construction and agriculture

- Construction industry worldwide under pressure
- Growth of the US and European rental industry driven by economic uncertainty
- First signs of improvement in sentiment in the European agricultural technology sector

Construction industry continues to face challenges
According to the assessments of the market research company Research and Markets, the global construction market grew by 5.1 percent to USD 16.0 trillion in 2024. The growth is driven, among other things, by a growing world population and industrialization, with urbanization being identified as a key driver. Other trends that will drive market development in the coming years include automated construction

[1] Source: IWF, October 2024 and January 2025, World Economic Outlook

[2] Source:European Commision, Fall Forecast 2024: gradual recovery under adverse conditions, November 15, 2024

machinery, the introduction of artificial intelligence and machine learning, innovation networks, and electric construction machinery. By 2028, the construction market is expected to increase to USD 19.9 trillion, which corresponds to an average annual growth rate of 5.6 percent.[1]

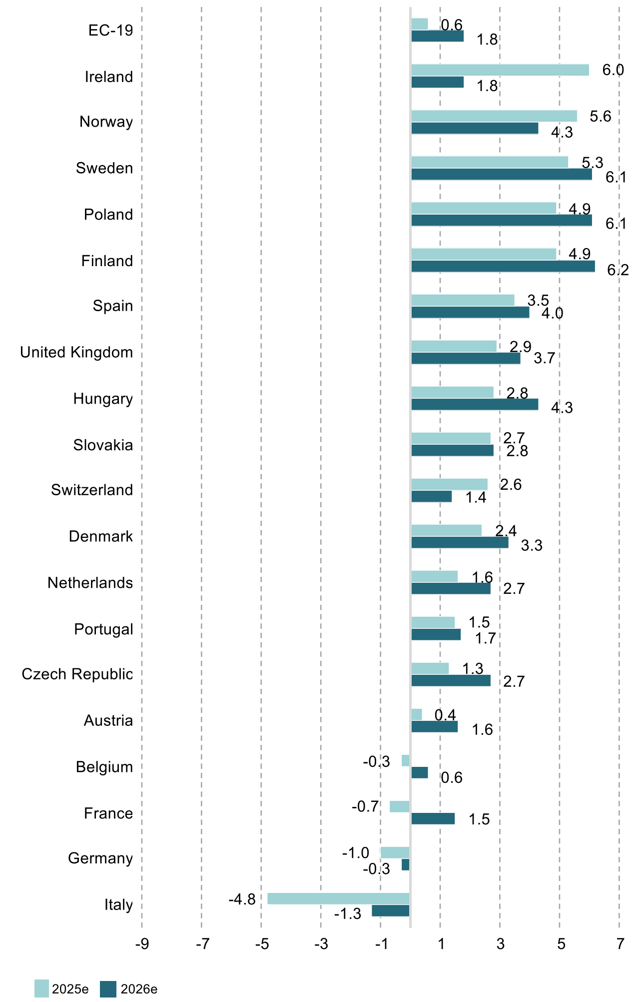
The EUROCONSTRUCT forecasting network expects a decline of 2.4 percent in European construction activity in 2024, driven by declines in residential and building construction. For the subsequent years 2025 and 2026, growth of 0.6 percent in 2025 and 1.8 percent in 2026 is forecasted.[2]

The upward trend of the Business Climate Index of the Committee for European Construction Equipment (CECE) continued after December 2024 into January 2025, although the index remains in the negative range. The order intake also continued to move in negative territory, with initial signs of enhancements being observed. Only the Indian market was rated positively on average. The order book range dropped below two months for almost half of the respondents, indicating that the lowest point is likely reached.[3]

Due to the current uncertain economic situation, the American industry association of the rental industry, American Rental Association (ARA), sees unchanged risks for future investments as well as high financing costs. The growth rate is expected to slow down after 2024. While the growth of 5.2 percent is forecasted for 2025, the growth of 4.1 percent is expected for the year 2026.[4]

The European Rental Association (ERA) observes a normalization of the European rental business and describes the current economic phase as a recovery after the Covid-19 pandemic. Economic uncertainty increasingly leads to construction machinery being rented instead of newly purchased in Europe as well. A growth of 2.8 percent in 2025 and 3.6 percent in 2026 is expected.[5]

PROJECTED DEVELOPMENT OF THE EUROPEAN CONSTRUCTION SECTOR 2025E UND 2026E



Source: Euroconstruct, December 2024

Slow recovery of the European agricultural technology sector in sight

The situation in agriculture remained challenging in 2024. Many farmers are struggling with declining operating results, falling producer prices for plant and animal products, and high operating costs. In addition, the need for relief and investment incentives is increasing amid currently rising market and climate risks.[6]

The Business Climate Index for the agricultural machinery industry of the trade association European Agricultural Machinery Association (CEMA) continued its upward trend from the deep recession zone. In January, the index rose from -37 to -31 points (on a scale from -100 to +100). The enhancement was driven by less negative future revenue expectations. Additionally, some survey participants expect an increasingly positive development of incoming orders.[7]

[1] Source: Research and Markets, February 2024, Construction Global Market Report
[2] Source: Euroconstruct, European Construction Industry, December 2024
[3] Source: Quelle: CECE Business Barometer, January 2025
[4] Source: ARA News “ARA’s latest US and Canada economic forecast released at The ARA Show”, 30. January, 2025
[5] Source: Press release ERA “The European Rental Association (ERA) has released its 2024 Market Report”, 9. October, 2024
[6] Source: The German Farmers’ Association, Press release on the DBV (German Farmers’ Association) situation report: Agriculture with a significant drop in profits, December 2024
[7] Source: CEMA Business Barometer, January 2025

The survey indicates reduced sales by dealers to end customers. This, along with the strong demand in the previous year, led to above-average dealer inventories in most European markets. However, a gradual enhancement in the reduction of dealer inventories can be observed compared to previous months.

Forecast on business development

Expected development of revenue and profitability
The International Monetary Fund (IMF) forecasts in its World Economic Outlook from October 2024 a global economic growth of 3.3 percent for the year 2025. This forecast confirms the earlier expectations and shows a stabilization of global growth. For advanced economies, a slight increase in growth to 1.9 percent is expected in 2025, while a growth of 4.2 percent is forecasted for emerging and developing countries. According to the IMF forecast, global inflation is expected to continue to decline. The situation in the construction and agriculture industry remains challenging. However, the first signs of enhancement can be seen, reflected in stabilizing incoming orders and associated more positive future expectations.

The Wacker Neuson Group experienced a significant cooling of the market environment in 2024 compared to the previous year. The Group started the fiscal year with weak demand in the markets for construction and agricultural machinery, which was reflected in high inventory levels at dealers and uncertainty about the economic outlook. In contrast to the peak levels of backlog and incoming orders at the beginning of 2023, incoming orders and revenues remained low throughout 2024. The supply chain situation eased significantly compared to the previous year, leading to a normalization of delivery times. Forward-looking industry indicators did not suggest a short-term recovery.

For 2025, the Executive Board expects an increasing stabilization of demand in the Group's main markets from the second half of the year onwards, after the year 2024 was characterized by a weak market development overall. Furthermore, further positive impacts on the Group's profitability are expected over the course of 2025 from the "Fit for 2025" measures implemented during 2024.

The forecast for business development in 2025 was based on data available at the time of publication. In light of numerous uncertainties regarding the economic and geopolitical environment in 2024, the Executive Board sees an unchanged exposure to the occurrence of sudden and significant amendments to the economic framework conditions.

The fundamental medium to long-term prospects of the Wacker Neuson Group are still assessed positively by the Executive Board. A recovering order intake and order backlog at a solid level and an overall increasing demand for construction equipment and compact machines for construction and agriculture continue to provide good conditions for the company to achieve solid operational development despite adverse conditions persisting into the year 2025. Taking into account the aforementioned macroeconomic and industry-specific conditions, as well as the opportunities and risks for the Wacker Neuson Group, the Executive Board expects revenue for the fiscal year 2025 to be between EUR 2,100 and EUR 2,300 million, at a comparable revenue level as in 2024 (2024: 2,234.9 million). The EBIT margin is expected to be in the range of 6.5 to 7.5 percent (2024: 5.5 percent).

GUIDANCE

	2025e	2026e
Revenue	€2,100 to 2,300 million	Increasing
EBIT margin	6.5% to 7.5%	Increasing
Net working capital as a % of revenue	approx. 30 %	under 30 %
Investments[1]	approx. €100 million	Stable

Expected development of the segments
For the fiscal year 2025, the Executive Board expects a stagnant to slightly recovering development, both in all three reporting regions as well as in the three business segments light equipment, compact equipment, and services. In the regions, an overall modest market recovery is expected, but with regionally different development. This applies particularly to the construction machinery market in the core regions of Europe and North America. For Germany, weaker trends are initially expected.

Forecasted development of investments and net working capital
The Group will continue to invest in promising projects and steadily develop its subsidiaries. For the fiscal year 2025, investments in property, plant, and equipment and intangible assets amounting to approximately EUR 100.0 million are planned (2024: EUR 102.6 million). This includes not only replacement investments but also expansion in the production network, with which the Group is preparing for further growth.

The Executive Board assumes a net working capital ratio (net working capital as a percentage of ratio) of around 30 percent (2024: 34.6 percent) and thus at the level of the strategic ratio of below 30 percent.

The assets and financial position of the Wacker Neuson Group as well as the market positions of its brands provide a good foundation to secure and gain additional market shares and to grow profitably in the coming years. The Executive Board plans to maintain an equity ratio of over 50 percent (December 31, 2024: 60.3 percent). The Group remains open to cooperations and acquisitions.

Outlook until the year 2026
Taking into account the general background, opportunities, and risks mentioned above and assuming that the economic conditions do not change materially or change slightly positively, the Executive Board currently expects a comparable and thus stable development of the Group's revenue for the year 2025 compared to the previous year with slightly increasing profitability.

[1] Investments refer to property, plant and equipment and intangible assets (this figure does not include investments in the Group's rental equipment and purchase of investments).

Overall statement on the expected development of Wacker Neuson SE and the Group

Global megatrends continue to offer an opportunity-rich environment for the business model of the Wacker Neuson Group. The Group plans to participate in these trends, among other things, through focused processing of its core markets and the offering of innovative products and services. However, in the short-term, risks may arise from the development of the world economy, the functioning of global supply chains, and customer demand in important target markets.

For the fiscal year 2025, the Executive Board expects revenue in the range of EUR 2,100 to EUR 2,300 million and an EBIT margin between 6.5 and 7.5 percent. For 2026, an increase in Group revenue with rising profitability is anticipated.

The actual development of the Group may deviate from the forecasts both positively and negatively due to the opportunities and risks described in this report or in the event that the assumptions made by the Executive Board do not occur.

Non-financial group statement[1]

The present non-financial group statement of the Wacker Neuson Group contains, in accordance with the provisions of §§ 315c i.V.m. 289c to 289e HGB, those disclosures that are necessary for understanding the business performance, business results, situation, as well as the impacts of the business activities.

Furthermore, the non-financial group statement contains the required disclosures pursuant to Article 8 of Regulation (EU) 2020/852 of the European Parliament and of the Council of June 18, 2020, on the establishment of a framework to facilitate sustainable investments and to the modification of Regulation (EU) 2019/2088 (hereinafter referred to as the "EU Taxonomy Regulation") as well as the legal acts issued in this regard.

The Wacker Neuson Group has already prepared its non-financial reporting for the fiscal year 2024 on a voluntary basis and in accordance with Directive 2022/2464 (Corporate Sustainability Reporting Directive, CSRD) as well as the European Sustainability Reporting Standards (ESRS).

Overarching Standards (ESRS 2)

General Disclosures

Regarding the non-financial group statement

BP-1_02, BP-1_03 The Non-financial Group Statement was prepared at the consolidated level of Wacker Neuson Group and includes the entire Group, which consists of Wacker Neuson SE and its subsidiaries. The basis of consolidation for the Non-financial Group Statement is identical to the basis of consolidation of the Consolidated Financial Statements. All disclosures in the Non-financial Group Statement refer to the entire Group, unless otherwise explicitly stated in individual report sections. No subsidiaries were excluded for the sustainability reporting.

BP-1_04 The disclosures in this non-financial group statement cover the entire value chain of the Wacker Neuson Group including the upstream and downstream activities from raw material processing, through internal manufacturing and assembly, to the withdrawal and end-of-life of the products.

BP-1_05, BP-1_06 No use was made of the option to omit certain disclosures regarding intellectual property, know-how, or innovation results. No use was made of the option to withhold certain information about upcoming developments or ongoing negotiations.

Disclosures in relation to special circumstances

BP-2_01, BP-2_02 The Wacker Neuson Group reports for the first time for the fiscal year 2024 on the impacts, risks, and opportunities (IROs) as part of a non-financial group statement in accordance with the European Sustainability Reporting Standards (ESRS) of the Corporate Sustainability Reporting Directive (CSRD) of the European Parliament and the Council. To establish an appropriate connection between retrospective and forward-looking information and to create a clear understanding for readers of the sustainability information on how the past and future sustainability efforts are connected, timelines were chosen for the consideration of material impacts, opportunities, and risks that are aligned with the strategy of the Wacker Neuson Group.

These are:

- Short-term: within one year
- Medium-term: 1 to 3 years
- Long-term: until 2030

BP-2_03 The reporting includes metrics that consider data from the upstream and downstream value chain. For the reporting year 2024, the following metrics were determined based on primary data from the upstream value chain:

For 60 to 70 percent of the transport, the Wacker Neuson Group relies on primary data from its suppliers. Additionally, the Group has reliable data generated through the use of telematics modules and tests. These primary data are also included in the evaluation of the life cycle of sold products.

The calculation of CO2e (CO2 equivalents) emissions is carried out product-related per plant over the entire product life cycle. Based on the production figures of the reporting year, the following parameters are determined:

- Operating hours per year (h).
- Product lifetime (h), calculated for 10 years multiplied by the annual operating hours.
- The assumed lifetime of 10 years is based on the availability of spare parts according to the Wacker Neuson Aftermarket & Services Part Policy.
- Operating hours are based on telematics data for compact machines as well as expert knowledge.

BP-2_04, BP-2_05 The resulting accuracy level of the environmental data is estimated to be moderate, as the sector-specific data used may differ somewhat from the actual volumes and CO2e emissions incurred. The measurement uncertainty is particularly due to the fact that the data are based on industry-wide averages and not from the company's value chain.

BP-2_06 In the year 2025, the Wacker Neuson Group plans to introduce new procurement software to significantly increase the accuracy of the recorded data in the upstream value chain. This measure has not yet impacted the metrics for purchased raw materials. An enhancement of the data situation for the downstream value chain is not foreseeable for the future, which is why a high degree of uncertainty in this area is to be expected in the coming years as well.

BP-2_07 Regarding customer health and safety and also in other areas of the downstream value chain, there are currently almost no quantitative data available that could have been considered in this report. The measurement uncertainty concerning the downstream value chain is therefore particularly high, as the dependency on indirect estimates and assumptions here is significant.

BP-2_08 The disclosures on the sustainability indicators of the Group are based on currently available data and measurement

[1] Unaudited Section of the Combined Management Report.

used, especially when collecting data from complex processes or global supply chains. On the other hand, the availability and quality of data from the upstream and downstream value chain vary, for example, due to different levels of detail or limited access to information from business partners.

BP-2_09 Proxies and estimates were particularly used when complete datasets from the upstream and downstream value chain were not available. For the reporting year 2024, the following metrics were determined by including estimated data from the value chain:

The raw material consumption in the upstream value chain is based on estimates sector-specific average data and on the basis of representative products (extrapolation to the entire portfolio). The CO2e emissions of the upstream value chain are calculated using proxies and industry-specific emissions factors.

The Group has limited data available on product disposal at the end of their lifecycle. Based on the production figures in the respective reporting year, the treatment of sold products at the end of their life cycle is calculated. It is assumed that the materials are separated and disposed of separately in order to utilize market-based disposal processes. For each product group, a disposal emission factor is determined that reflects the average disposal of the main materials in this category. This can take into account various disposal methods, such as recycling, incineration, or landfill.

BP-2_16, BP-2_17 This non-financial group statement was prepared in accordance with Directive (EU) 2022/2464 of the European Parliament and Council of December 14, 2022, amending Regulation (EU) No. 537/2014 and Directives 2004/109/EC, 2006/43/EC and 2013/34/EU regarding group sustainability reporting. Furthermore, this non-financial group statement was prepared in accordance with the requirements of the ESRS, published as delegated regulation 2023/2772/EU by the European Commission on July 31, 2023 (OJ L, 2023/2772 of December 22, 2023).

The necessary disclosures according to Article 8 of Regulation (EU) 2020/852 of the European Parliament and Council of June 18, 2020, on the establishment of a framework to facilitate sustainable investments and amending Regulation (EU) 2019/2088 (Official Journal L 198 of June 22, 2020, pp. 13–43), hereinafter referred to as the "EU Taxonomy Regulation", as well as the Commission delegated acts issued in this regard, are also included. Additionally, the following further principles were utilized in alignment with the preparation of an ESRS-compliant non-financial group statement:

- EFRAG IG 1: Materiality Assessment Implementation Guidance (as of May 2024).
- EFRAG IG 2: Value Chain Implementation Guidance (as of May 2024).
- EFRAG IG 3: List of ESRS Datapoints (as of May 2024).

BP-2_20 For more information on the Wacker Neuson Group and its business model, refer to the Combined Management Report for the fiscal year 2024. For certain disclosures, the option of ESRS 1, paragraph 118ff. was used to refer to other parts of the management report or corporate reporting. The references are marked accordingly below.

BP-2_22, BP-2_23 For the future viability of the business model of the Wacker Neuson Group, it is important to anchor sustainable thinking and acting in all processes of the Group. In addition to economic growth and the increase in profitability, social responsibility, climate change mitigation, and intelligent resource management are relevant for the Wacker Neuson Group. In the fiscal year 2024, the most important aspects were environmental matters and climate change mitigation, customer orientation, more sustainable products, and responsibility towards employees as well as human rights and compliance. Progress in these areas not only contributes to securing long-term economic success but also addresses employee and environmental matters.

A further execution of the strategy is located in the Combined Management Report in the section “The Wacker Neuson Group”.

The described impacts, risks and opportunities affect the strategic orientation and the business model of the Wacker Neuson Group in several areas:

The further expansion and increase in market share in international markets as well as the diversification of the product portfolio for risk spreading and leveraging growth opportunities are the focus. In this context, an adaptation to regional market requirements and the development of local partnerships are also being pursued to strengthen market presence.

Through the early introduction of emissions-free machines and continuous investments in research and development (R&D) for innovative products, the Group positions itself as a player in the area of sustainable solutions. An increased focus is on digitalization and automation to enhance efficiency for customers and open up new business segments.

The integration of additional sustainability principles into operational processes, product development, and production processes serves to meet regulatory requirements and the exploration of new customer segments. At the same time, the promotion of a circular economy and the use of environmentally friendly materials are being pursued to reduce the environmental footprint. Through strategic partnerships and collaborations with other entities and research institutions, the development of innovative solutions is being advanced to further strengthen the zero emission strategy.

BP-2_24, BP-2_25, BP-2_26, BP-2_27 The description of any time-bound targets for material sustainability aspects and the progress in achieving these targets and stating whether the targets related to biodiversity and ecosystems are based on sound scientific evidence is provided within the respective sustainability topic. The same applies to the description of the policies regarding material sustainability aspects, the actions for identifying, monitoring, preventing, mitigating, and remediating adverse impacts as well as their results and the disclosure of relevant metrics.

ESG-Governance

The role of the administrative, management, and supervisory bodies

GOV-1_01, GOV-1_02 The parent company Wacker Neuson SE is a listed European stock corporation (Societas Europaea) under German law with its registered office in Munich, entered in the commercial register of the Munich District Court under HRB 177839. At its founding, the shareholders opted for the dual management system common in German stock corporation law, which provides for two bodies: the Executive Board and the Supervisory Board with separate competencies. The two bodies work closely and collaboratively to achieve a sustainable increase in the company's value.

According to the statutes of Wacker Neuson SE, the Executive Board consists of at least two persons. In the reporting year, the Executive Board consisted of four members (see also disclosure 33 in the Notes to the Consolidated Financial Statements). The members of the Executive Board conduct the business of the company in accordance with the laws, the statutes, the rules of procedure for the Executive Board, and the schedule of responsibilities.

The Supervisory Board consists of six members according to the statutes and advises the Executive Board on material decisions, monitors its work, and appoints and dismisses members of the Executive Board. The Supervisory Board members appointed during the reporting year are listed in the Notes to the Consolidated Financial Statements under disclosure 33.

GOV-1_03 According to the statutes of Wacker Neuson SE, the Supervisory Board is composed of four shareholder representatives and two employee representatives. The four shareholder representatives on the Supervisory Board are elected by the Annual General Meeting. The two employee representatives on the Supervisory Board are appointed by the employees to the Supervisory Board of the SE in accordance with the provisions of the agreement on employee involvement in the SE under the SE Participation Act (SEBG) in its current version.

The representatives of the employees on the Supervisory Board are named in disclosure 34 of the Consolidated Financial Statement Notes, including their functions within the Group.

GOV-1_04 The Supervisory Board considers the international activities of the Group, potential conflicts of interest, the number of independent Supervisory Board members according to the assessment of the Supervisory Board, the age limit of 75 years defined for Supervisory Board members, and the principle of diversity in its composition while respecting the company-specific ownership structure. The Supervisory board does not deem it necessary to define specific targets for its composition or to develop a specific competence profile considering diversity and expertise in sustainability frameworks for the overall body. Therefore, the manner or status of the implementation of such profiles or policies is also not disclosed (see also the current compliance declaration for the German Corporate Governance Code in accordance with § 161 AktG, explanatory information on recommendation C. 1).

GOV-1_08 The Executive Board and Supervisory Board continuously deal with the internal control and risk management systems within the Wacker Neuson Group and the associated reporting. Details on the risk management in the Wacker Neuson Group, including a report on the internal control and risk management system within accounting, can be found in the risk management and opportunity report of the Combined Management Report.

GOV-1_09 According to the bylaws of the Supervisory Board, the Chair of the Supervisory board maintains regular contact with the Executive Board between meetings, particularly with the Chair of the Executive Board, and discusses with him questions of strategy, planning, business development planning, risk position and risk management as well as compliance of the Group.

GOV-1_10, GOV-1_11, GOV-1_12, GOV-1_13 Risk management is organizationally directly anchored with the Executive Board. They bear overall responsibility and make decisions regarding the structure, processes, and allocation of necessary resources for risk management.

In the risk management manual, the risk policy of the Group is defined in terms of financial reporting disclosure definitions, assessment, and quantification of potential risks as well as the structure and procedures of the risk management system. It also regulates the responsibilities and accountabilities both in the process of risk identification and in the analysis, monitoring, and communication of identified risks. This way, appropriate actions can be taken to actively address the identified risks. The risk officers report the identified risks directly to the Corporate Controlling department. After checking for completeness, the presence of interdependencies, and plausibility, the gathered risks are recorded in a risk database and forwarded to the responsible parties. Risk aggregation is carried out by the consolidation of the reported individual risks and transfer into Group risks. In cases of high risk, the Executive Board is informed immediately. The Executive Board informs the Supervisory Board regularly about the identified risks.

STRUCTURE OF THE BODIES EXECUTIVE BOARD AND SUPERVISORY BOARD

	Total amount 2024	Male 2024	Female 2024	Other 2024	No disclosures 2024
Executive Board	4	4	0	0	0
Supervisory Board	6	6	0	0	0

	Total amount 2024	20 to 30 years	30 to 40 years	40 to 50 years	50 to 60 years	60 to 70 years	70 to 80 years
Executive Board	4	0	0	0	1	3	0
Supervisory Board	6	0	0	1	2	1	2

GOV-1_14 At Wacker Neuson Group, sustainability is a central leadership task for which the Executive Board, particularly the CEO, bears full responsibility. At the Supervisory Board level, the Audit Committee primarily monitors the implementation and adherence to the sustainability targets and the sustainability reporting.

The Sustainability Leadership Team is responsible for the further development and implementation of the sustainability strategy and also sets the sustainability targets based on defined KPIs. In addition to the CEO and CFO, the Sustainability Leadership Team consists of members from the departments of sustainability, strategy, and investor relations, who report directly to the CEO. Furthermore, it monitors the development of new statutory requirements and trends in ESG management and regularly engages with the expectations of both internal and external stakeholders with the aim of deriving concrete action recommendations for the company. The Sustainability Leadership Team meets as needed three to four times a year and also sets the guidance for the work of the Sustainability Core Team.

The Sustainability Core Team meets at least quarterly, as needed, and is responsible for the implementation of strategic decisions concerning sustainability through appropriate actions and evaluates the performance and progress achieved in this area. This committee is composed of individual members of the first management level below the Executive Board and, if necessary, other responsible individuals for key areas such as sustainability, strategy, supply chain/procurement, real estate, human resources, investor relations, corporate communications, controlling/risk management, and compliance. This ensures that all relevant departments are involved in the decisions and that the implementation of the sustainability strategy is secured in all company areas.

The sustainability reporting, which includes both the reporting in the financial statements as well as additional ESG disclosures and ESG ratings, is essentially the responsibility of the sustainability and investor relations departments.

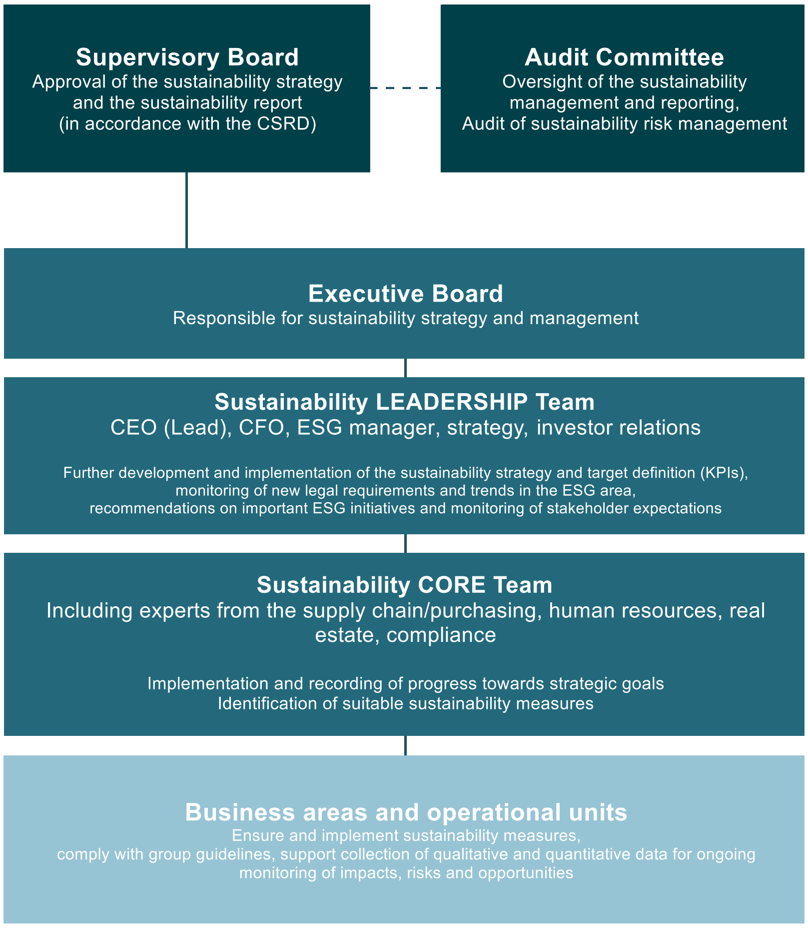
GOV-1_15, GOV-1_16, GOV-1_17 At least one member of the Audit Committee must have expertise in the area of financial reporting and at least one other member of the Audit Committee must have expertise in the area of auditing ("Financial Experts" within the meaning of § 100(5) AktG). The expertise in financial reporting consists of special knowledge and experience in the application of accounting principles and internal control and risk management systems, and the expertise in auditing consists of special knowledge and experience in auditing. Financial reporting and auditing also include sustainability reporting and its audit.

G1.GOV-1_01 The code of conduct of the Wacker Neuson Group contains the compliance principles of the Group and guidance for everyday work behavior. The members of the governing bodies and senior executives of the Group regularly confirm their business conduct compliance with this code of conduct. This confirmation is included in the personnel file. The code of conduct is available for download on the Group website in the “sustainability” section.

G1.GOV-1_02 The Supervisory Board does not consider the development of a specific competence profile necessary, so the type or status of implementation of such profiles or policies is also not disclosed. The Supervisory Board ensures long-term succession planning for the composition of the Executive Board. It continuously assesses the performance of the Executive Board and identifies any need for additions at an early stage.

KPI 1: Average ratio of female to male board members (and other aspects of diversity): Female board members / male board members = 0 / 4 = 0 percent

KPI 2: Independent Supervisory Board members (percentage): 100 percent of the Supervisory Board members are independent (6 out of 6 members). The Supervisory Board generally considers all four shareholder representatives to be independent, as they make their decisions in the Supervisory Board solely in the corporate interest (see declaration on corporate governance 2024). Since the two employee representatives on the Supervisory Board are not selected by the Group but are sent by the employee representatives and also enjoy special termination protection, they are also considered independent.



Information provided to and addressed by the administrative, management, and supervisory bodies of the entity

GOV-2_01 The Executive Board is regularly informed by the operational units and the Sustainability Leadership Team about the progress of the sustainable activities of the Group. This particularly includes the status of the actions to achieve the defined sustainability targets. By integrating it into the Strategy 2030, it is ensured that the Executive Board deliberately addresses the sustainability targets and the corresponding actions.

Furthermore, key impacts, risks and opportunities are captured in risk management, which are included in the regular reports to the Executive Board and the Supervisory Board. Non-financial risks are also integrated into the overall strategy, which is approved by the Executive Board and presented to the Supervisory Board for approval. Both the Executive Board and the Supervisory Board are involved in the reporting on ESG-risks and receive information on the developments of financial and non-financial risks in the risk report on a semi-annual basis.

In the reporting year, sustainability-related topics were addressed within the framework of the business strategy process, which are embedded in the ten strategic levers of the Strategy 2030. The Supervisory Board also reviews the sustainability report of the Group.

GOV-2_02 The involvement of the Executive Board and the Supervisory Board of the Wacker Neuson Group is in accordance with the provisions of the respective rules of procedure and the statutes. These regulations define the conditions under which the bodies are involved, with a focus on the strategic and economic relevance of the respective decision.

As soon as integration is required, the decision makers receive a written document, which is provided to them in due time before the resolution. This document includes the planned decision and its statements. In addition to the targets, the actual or potential impacts, risks and opportunities of the decision, as well as alternative courses of action, if necessary, are presented. Different perspectives are carefully weighed against each other to ensure an informed decision-making process.

GOV-2_03 In the fiscal year 2024, there were no material impacts, risks and opportunities addressed by the Executive Board and the Supervisory Board. The Executive Board and the Supervisory Board discussed the process and implementation of the materiality assessment in several meetings according to the requirements of the CSRD and the ESRS.

Integration of sustainability-related performance into rewards systems

GOV-3_01, GOV-3_02 In the currently applicable remuneration system for members of the Executive Board, the remuneration components and their assessment basis/parameters are described in detail. The short-term variable remuneration (Short-Term Incentive, STI) is a performance-related target bonus with a one-year assessment period. The amount of the STI payout depends on four equally weighted performance criteria. The Supervisory Board has defined three financial performance criteria, which are based on the financial figures of the Group, as well as one quantitative sustainability criterion (related to ESG aspects). The quantitative sustainability target relates to the increase in Group revenue in the respective fiscal year compared to the previous year with battery-powered products, i.e., with particularly low-emission construction machinery and equipment (zero emission product portfolio). The currently valid remuneration system for members of the Supervisory Board does not include sustainability-related performance indicators.

GOV-3_03 Before the start of the respective fiscal year, the Supervisory Board defines operational targets for the individual performance criteria of the STI, which are derived from the strategy of the Group considering the respective budget. To ensure these targets do not fail to incentivize the members of the Executive Board, the Supervisory Board will ensure, in its duty-bound discretion, that the targets are, on the one hand, ambitious, but on the other hand, remain achievable for the Executive Board member. The target achievement levels of the three financial performance criteria and the quantitative sustainability target are determined by comparing the actual value achieved in the fiscal year with the target value (planned value) defined by the Supervisory Board. The range of possible target achievements for the performance criteria in the STI is between 0 percent and 150 percent. Depending on the targets of the performance criteria, a threshold value and a maximum value are set. If the targets set by the Supervisory Board are significantly missed, so that a defined lower threshold is undershot, the target achievement level will be 0 percent. If this is the case for all four performance criteria, the STI can therefore be forfeited.

GOV-3_04, GOV-3_05 The proportion of the STI for the Executive Board members that depends on sustainability-related metrics amounts to 25 percent at 100 percent target achievement. The target achievement is capped at 150 percent of the target amount (cap). The LTI (Long-Term Incentive) does not include any sustainability-related metrics.

GOV-3_06 The current remuneration system for board members was decided by the Supervisory Board of Wacker Neuson SE in its meeting on March 18, 2021. It was then submitted to the Annual General Meeting on May 26, 2021, under agenda item 6 for approval. The Annual General Meeting approved the remuneration system for the board members with a majority of 96.47 percent.

E1.12 The Executive Board and the Supervisory Board of the Group are involved in the implementation and monitoring of the greenhouse gas reduction targets. The Executive Board bears the overall responsibility for setting and adhering to the targets and monitors the progress through reporting by the departments responsible.

In order to ensure target achievement, management has developed action plans that are regularly reviewed and adjusted according to current developments. The focus is on the reduction of emissions in Scopes 1, 2, and 3 (see section "Ecology") to meet the requirements of the climate strategy and international standards such as the Paris Agreement. Scope 1 includes direct emissions from own sources (e.g., boilers, vehicles), Scope 2 refers to indirect emissions from purchased energy (e.g., electricity), and Scope 3 covers all other indirect emissions along the value chain (e.g., raw materials, logistics, business travel).

The Supervisory Board monitors the strategic direction of climate protection measures.

E1.GOV-3_01, E1.GOV-3_02, E1.GOV-3_03 There are no explicit climate-related considerations in the remuneration of the Executive Board. Nevertheless, there is an indirect linking to the CO2e footprint of the Group (Scope 3, emissions at the end user) in the quantitative sustainability criteria in the STI. There are no climate-related considerations in the remuneration of the Supervisory Board.

- **KPI 1:** Proportion of variable remuneration linked to sustainability-related matters: 25 percent of STI and 0 percent of LTI for Executive Board, overall 0 percent for Supervisory Board

- KPI 2: Percentage of compensation linked to climate-related considerations: 0 percent for Executive Board and Supervisory Board

Declaration of Due Diligence

GOV-4_01 Risk assessment and identification of material topics: This step is presented in section “rsk and opportunities report” of the Combined Management Report. It explains how the Group identifies and assesses potential risks and impacts on human rights, environment, and governance along the entire value chain.

Establishment of due diligence obligations and governance structures: In the preceding section "The role of the administrative, management, and supervisory bodies" and in detail in section “Risk and Opportunity Report” of the Combined Management Report, the Group describes how they have integrated their due diligence obligations, what governance structures are in place, and how responsibility and authorities are distributed at the board level. This also includes the establishment of specific committees or persons responsible for sustainability and due diligence topics.

Implementation of actions for risk mitigation and prevention: In the following section “Risk management and internal controls over sustainability reporting” outlines the specific actions undertaken by the Group to mitigate identified risks or prevent negative impacts. This includes, for example, supplier audits, trainings, the implementation of compliance programs and the introduction of environmentally friendly technology.

Reporting and Communication: The chapter “Risk and Opportunity Report” shows how the Group communicates the results of its due diligence processes to relevant stakeholders, including reporting on violations, actions taken, and progress achieved.

Feedback and continuous improvement: Section “Stakeholder Integration” addresses how the Group of companies uses feedback from stakeholders to continuously improve and adjust their due diligence processes.

Risk management and internal controls over sustainability reporting

GOV-5_01 Risk management and the internal control systems of the Group are designed to ensure the accuracy, consistency, and reliability of sustainability reporting. The systems cover all material processes relevant to data collection, processing, and disclosure, and help to minimize possible reporting errors or deviations.

The control processes include the entire sustainability reporting, from data collection in the operational units through to processing and consolidation at the Group level up to the final disclosure in the report. Particular attention is paid to the settlement of the requirements according to ESRS and other regulatory specifications. The internal control mechanisms also extend to the inclusion of data from the upstream and downstream value chain to ensure comprehensive reporting.

GOV-5_02 For the evaluation of non-financial risks, the Group holding company centrally inquiries about the probability of occurrence and the extent of damage from the subsidiaries (similar to the evaluation of the risks described in the opportunity report section "Risk Management System") and determines the gross exposure.

GOV-5_03 In risk management, non-financial risks encompass environmental aspects such as the organization of environmental issues, waste management, hazardous materials, climate change, and harmful environmental influences, as well as non-financial risks under governance matters like bribery/corruption/fraud, country risks, customers, payments, discounts, and deductions. Non-financial risks related to social aspects include the rights of employees and other stakeholders, including topics such as human rights and occupational safety.

In the completed fiscal year 2024, no material non-financial risks were identified that require short-, medium- and long-term mitigation strategies.

GOV-5_04 Central monitoring entities of the Group holding company review the entries of the subsidiaries and initiate countermeasures to determine the net risk. All risks related to the supply chain act are reviewed by the Manager of Supply Chain Due Diligence. Through an automatic reminder process, all reported risks are regularly checked for their timeliness.

GOV-5_06 The Wacker Neuson Group records non-financial risks in risk management and also integrates these in the event of material risks into internal risk reporting to both the Executive Board and the Supervisory Board. In the fiscal year 2024, the Executive Board regularly informed the Supervisory Board about the progress and results of the double materiality assessment and reported in detail on the identified material impacts, risks, and opportunities.

Strategy, business model and value chain

SBM-1_01 The Group offers a wide range of products from construction equipment and compact machines as well as extensive service and solution offerings (see section "The Wacker Neuson Group" in the Combined Management Report).

SEGMENTS

Light equipment	Compact equipment	Services
▪ Concrete technology ▪ Compaction technology ▪ Construction site technology	▪ Track excavators, wheeled excavators ▪ Wheel loaders, tele wheel loaders ▪ Telehandlers ▪ Skid steer loaders ▪ Wheel and track dumpers	▪ Repair, maintenance, spare parts ▪ Digital service solutions ▪ e-Business ▪ Rental ▪ Leasing, financing ▪ Used equipment ▪ Training

SBM-1_02 The Wacker Neuson Group as a manufacturer of construction equipment (Light Equipment, LE) and compact machines (Compact Equipment, CE) has a significant market presence in Europe and is furthermore represented in America and the Asian market. The Group's offerings are primarily targeted at customers from the main construction industry, landscaping, agriculture, recycling, municipalities, and industry. Details of the revenues, segmented by regions and business areas, can be found in the Group management report in the chapter "segment reporting".

SBM-1_08 The Wacker Neuson Group engages in material activities in areas that go beyond the standard sectors and are strategically as well as sustainably relevant. A central area is intragroup research and development, which advances innovative technologies such as low-emission drive systems, energy-efficient machines, and digital solutions. These activities play a role in the transformation of the construction and agricultural sectors and contribute to the reduction of emissions as well as the enhancement of energy efficiency for customers.

Furthermore, intragroup logistics is a material area of activity. The transport of components and finished machines between production sites and logistics centers causes CO2e emissions but also bears potential for optimizations. By adopting more sustainable transport methods and more efficient route planning, these emissions can be reduced and environmental impact minimized.

Another significant area is the management of intragroup real estate and infrastructures. The production facilities, logistics centers, and offices of the Group have environmental impacts, particularly through energy consumption and land sealing. Actions such as the use of renewable energy and the enhancement of energy efficiency at these locations are therefore integral components of the Group's sustainability strategy.

SBM-1_21 The Wacker Neuson Group pursues targets in the area of sustainability that are aligned with various levels of its business model:

- Product and service portfolio: The Group focuses on the development of energy-efficient and low-emission construction machinery that supports environmentally friendly technologies, particularly in the areas of electrification and alternative drives.

- Customer segments: The Wacker Neuson Group aligns its sustainability strategy with its core customers, particularly in the construction and agriculture sectors. These customers benefit from machines that not only increase operational efficiency but also reduce environmental impact.

- Geographic markets: The Group pursues its sustainability targets globally but adapts its strategy to the respective market requirements. In Europe, where the sustainability requirements are stricter, the Group, for example, has a stronger focus on low-emission solutions.

- Stakeholder engagement: The Wacker Neuson Group engages actively in dialogue with its stakeholders, including customers, investors, and the community, to promote sustainable innovation. In doing so, partnerships with suppliers and communities are maintained to implement sustainability targets along the entire supply chain.

SBM-1_22 The Wacker Neuson Group pursues the goal of aligning its products and services with the requirements of sustainability and thus making a positive contribution to addressing global challenges. The focus is on the transformation towards low-emission and energy-efficient solutions. A particular emphasis is placed on the development and promotion of electrified construction machinery, which enables significant CO_2e and pollutant reductions compared to conventional models. These products are in line with the targets for the reduction of GHG emissions and contribute to the decarbonization of the construction industry.

The material markets and customer groups of the Group – including construction companies, municipalities, and rental fleets – show an interest in sustainable solutions. In response to this demand, the Wacker Neuson Group develops products that meet the customers' requirements and contribute to achieving global climate goals. Particularly in Europe and North America, where regulatory frameworks increasingly aim at emissions reduction and energy efficiency, the importance of more sustainable technology becomes clear.

The Wacker Neuson Group will continue to focus its strategy on the development of innovative, more sustainable products and services to meet the needs of customers as well as its own sustainability targets.

SBM-1_23 The corporate strategy is closely linked to the principles of sustainability and considers environmental, social, and financial aspects in all key business decisions. A core objective of the strategy is to have a long-term positive impact on the environment and society while simultaneously promoting sustainable growth and innovation.

Among the key challenges are the reduction of GHG emissions, the promotion of a circular economy, and ensuring a more sustainable value chain. Critical solutions include the transition to renewable energy, the optimization of resource efficiency, and the development of environmentally friendly products and services.

Prioritized projects include the introduction of new technologies for emission reduction in production processes, collaboration with suppliers for the enhancement of sustainability performance, as well as investments in research and development for innovative solutions that reduce the environmental footprint of the Group. The strategy is regularly reviewed and adjusted to changing conditions to ensure it meets the requirements of stakeholders and international standards. This dynamic approach enables the Group to effectively pursue both short-term and long-term sustainability targets.

SMB-1_26 The upstream activities of the value chain include the extraction of raw materials, the production of semi-finished products, hydraulic and steel parts, up to procurement logistics. Downstream activities include outbound logistics, sales, service, and maintenance. The value chain starts with the procurement of raw materials and components essential for the production of construction machinery. Key inputs include metals and alloys like steel and aluminum, which are used in the construction of the machine structure. Electronic components and internal management systems play a central role in the automation and precision control of the machines. Engines and drive systems are essential for the performance of the machines, while hydraulic systems and other mechanical components are also of great importance. Both fossil and alternative energies are utilized for production.

The Group increasingly pursues a sustainable procurement approach. In this context, suppliers that use environmentally friendly procedures are preferred, for example through lower CO_2e emissions in the production or the use of recycled materials. To further reduce the environmental footprint, there is increased cooperation with suppliers that are geographically close to the production sites. Additionally, the Group engages in sustainability partnerships and actively participates in supply chain projects aimed at extracting raw materials in a more sustainable way. In this regard, particular cooperation is with suppliers that adhere to strict environmental and social standards.

SBM-1_27 The main outputs of the value chain are the produced construction machinery as well as the accompanying services. The final products include construction machinery such as excavators, wheel loaders, and other machines, which are sold to customers worldwide. Additionally, the Group offers spare parts and long-term after-sales services for the maintenance and repair of the machines. Another relevant output is digitized solutions, such as telematics systems and connected machines, which provide real-time data for efficiency enhancement and troubleshooting.

The Wacker Neuson Group has various stakeholders, including customers, investors, employees, the society, and the environment, as well as suppliers:

The society and the environment benefit from the more sustainable practices and products of the Group. Suppliers, including raw material suppliers, technology suppliers, and logistics companies, support the production chain. The Group has a positive impact on these stakeholder groups:

The customers of the Group of companies come from different industries, including construction, agriculture, municipalities, industry, the recycling sector, and rental companies that use the machines of the Wacker Neuson Group. The users of the machines are typically construction managers, farmers, machine operators, and technicians who use the machines in daily operations. They benefit from the machines through increased efficiency, lower fuel consumption, and reduced operating costs, which help them reduce their costs. Additionally, the machines offer sustainable solutions with reduced emissions, which comply with stricter environmental regulations and enable customers to achieve their own sustainability targets. Advances in automation and connectivity enhance machine performance and maintenance, leading to increased productivity.

Investors include shareholders and capital providers who are interested in the long-term growth and income of the Group. They also see benefits as the Group has long-term growth opportunities due to the demand for infrastructure projects and sustainable solutions in construction. The Group's market position, based on innovation and technological leadership, further enhances its competitiveness. The focus on sustainability offers investors additional protection against regulatory risks and improves the Group's image.

Employees benefit from continuous training and improved working conditions in a modern production environment, which strengthens their satisfaction and retention. The company benefits through the development of sustainable machines that help to reduce the environmental impacts of large infrastructure projects.

Suppliers benefit from stable and partnership-based business relationships, which are based on common sustainability targets. The Group increasingly pursues a sustainable procurement approach, selecting preferred suppliers who apply environmentally friendly procedures and adhere to strict environmental and social standards. In summary, the Wacker Neuson Group significantly contributes to value creation for its stakeholders through its sustainable and innovative products, as well as through responsible business strategies, promotes sustainability, and supports the achievement of global climate targets.

SBM-1_28 The upstream value chain of the Group begins with the extraction of raw materials and the procurement of material components such as engines, hydraulic parts and electronics, which are sourced from global and regional suppliers in Europe, Asia and North America. The Group pays particular attention to sustainability and quality in the supply chain and performs regular supplier audits. The procurement of raw materials, such as steel and aluminum, is also carried out through certified partners, with long-term relationships forming the basis for continuity and innovation. Sustainability aspects such as CO2e reduction and the compliance with social standards are central to this.

In the area of in-house production, the Group operates specialized production facilities in Europe, the USA, and Asia. These are dedicated to specific product lines such as compaction equipment, compact excavators, and wheel loaders. By using energy-efficient production methods and utilizing renewable energy, the environmental impacts are reduced. The research and development departments of the Group are working on innovative technology such as electric and hybrid drive systems as well as Internet of Things (IoT) integrations to make the machines more sustainable and smarter. Strict quality assurance ensures that all products meet high standards of reliability and safety.

The downstream value chain includes a global distribution network consisting of both dealers and own sales subsidiaries and digital platforms. The main customers come from the construction, agriculture, gardening and landscaping, and industrial sectors. In addition to the sale of machines, the Wacker Neuson Group offers extensive services such as maintenance, repairs, and the supply of spare parts, which significantly contribute to customer satisfaction and the extension of product life. The machines are used by construction companies, farmers, and municipalities who appreciate efficiency, longevity, and low operating costs. The Group supports its customers through trainings and digital monitoring solutions to promote the resource-efficient use of the machines.

The relationships with the key business actors are characterized by close collaboration. Suppliers are actively involved in the development of innovative components. Distribution partners benefit from trainings, marketing materials, and digital platforms, while the direct dialogue with customers helps to understand their needs and develop innovative solutions accordingly. Overall, the Wacker Neuson Group ensures through its integrated business model that innovation, sustainability, and customer satisfaction are promoted along the value chain.

Stakeholder Integration

SBM-2_01, SBM-2_02, SBM-2_03, SBM-2_04, SBM-2_05 The Group takes into account both internal and external stakeholders who are affected by the Group's business activities as part of its sustainability reporting.

Internal stakeholders include:

- Employees: This includes both employees as well as external or freelance employees. The Group cares about their well-being, working conditions, and long-term job security. This also includes the works council, which acts as a voice for employees and represents their interests to corporate governance.

- Shareholders and investors: These stakeholders play a crucial role in the financing and strategic direction of the Group. They are regularly informed about the corporate development and future plans.

External stakeholders include:

- Employees of business partners along the value chain: This stakeholder group includes the employees of suppliers and business partners, whose working conditions and rights are indirectly influenced by cooperation with the Wacker Neuson Group. This also includes the users who operate the machines of the Group.

- Suppliers and service providers: Suppliers and service providers are responsible for the stability of the supply chain and the quality of the offered services and products. Their collaboration with the Group is regulated by contracts and standards to promote more sustainable business practices.

- The non-financial group statement of the Group are also addressed to a variety of users, both internal and external stakeholders, who have a particular interest in the environmental, social, and financial aspects of the Group.

Internal users include:

- Employees: Employees, including external and freelance employees, also benefit from the non-financial group statement. These provide transparency regarding the company's goals in the area of sustainability and convey to employees the importance of their own contribution to more sustainable business practices.

- Shareholders and investors: This stakeholder group uses the non-financial group statement to make informed investment decisions and gain insights into the sustainability strategy and performance of the Group. Particular attention is paid to long-term value creation and risk minimization.

External users include:

- Creditors, credit institutions, and asset managers: These actors review the non-financial group statement to assess risks and opportunities for their financial commitments. They expect information about the sustainability strategy of the Group and how this contributes to financial stability.

- Suppliers and service providers along the value chain: These external stakeholders use the non-financial group statement to align their business practices with the requirements and expectations of the Wacker Neuson Group. This particularly concerns topics such as sustainable supply chains, fair working conditions, and environment-friendly production processes.

SBM-2_06 The feedback from the stakeholder dialogues flows directly into the corporate decision-making processes. In particular, the views and interests of the stakeholders are taken into account in the strategic planning to ensure that the sustainability strategy of the Wacker Neuson Group meets the needs of the relevant stakeholders.

SBM-2_07 As part of the materiality assessment, the Group has assessed the interests and views of its key stakeholders. The main concerns of the customers relate to the development of low-emission and energy-efficient machines, while suppliers increasingly focus on clear sustainability requirements in the procurement process. Employees have particularly expressed concerns in the areas of workplace safety and further training, while investors have expectations regarding the implementation of climate protection measures and the reporting according to ESG criteria.

These interests were collected through a combination of stakeholder surveys, direct dialogues, and feedback mechanisms, and are incorporated into strategic planning. The results of the stakeholder analysis were integrated into the due diligence process to better identify and strategically address risks and opportunities.

SBM-2_08 Based on the feedback from stakeholders, the Wacker Neuson Group regularly reviews its business strategy and the business model. If necessary, adjustments are made to meet the requirements of the stakeholders. These amendments can affect various aspects of the value chain and corporate strategy, such as supply chain processes or product development. The planned steps and their implementation take place within a clearly defined timeframe, allowing the Group to achieve its strategic targets in line with stakeholder expectations.

SBM-2_09 The Group currently sees no need to adjust its strategy and business model based on the feedback from its material stakeholders.

SBM-2_12 The administrative, management, and supervisory bodies of the Wacker Neuson Group are regularly informed about the interests and views of the stakeholders. This information serves as a basis for decisions at the executive level, especially when it comes to long-term strategic issues and sustainability targets.

Material impacts, risks and opportunities and their interaction with strategy and business model

SBM-3_01, SBM-3_02 The Wacker Neuson Group has a long supply chain and international sales and is therefore involved in diverse activities and business relationships that can have significant impacts on the environment and society. The nature of activities ranges from raw material procurement and output to sales and after-sales service and recycling.

Raw material procurement is a critical area, as the materials needed for the production of machinery and construction vehicles come from various parts of the world. This means that the Group indirectly maintains business relationships with suppliers operating in countries with different environmental standards and working conditions. The selection of direct suppliers and the monitoring of compliance with sustainability criteria are therefore of increasing importance to ensure that raw material extraction and delivery do not have negative social or environmental impacts, as forced labor, child labor, or inadequate safety standards could occur, especially in high-risk regions, posing financial risks to the Group. At the same time, this opens up the opportunity to strengthen the trust of customers and investors through responsible procurement and transparency, and to establish a sustainable value chain.

In the production phase, resources are consumed and emissions are released. The implementation of environmental management systems and the continuous enhancement of production processes play a central role in reducing environmental impacts. Efficient use of materials, the use of recycled raw materials, and the extension of product life cycles are key levers to reduce environmental impact. There are risks due to rising raw material prices or insufficient availability, but also opportunities through the growing market for sustainable and long-lasting products. Wacker Neuson Group also sees risks, such as stricter regulatory requirements for emission reduction, as well as opportunities by taking a leading role in the development of emission-free and energy-efficient machines.

The international distribution of machines and construction vehicles adds another dimension to the impacts. The transport of products contributes to the generation of CO2e emissions. The Wacker Neuson Group therefore works closely with logistic companies to optimize transport routes and use lower-emission transport options. In addition, the Wacker Neuson Group must ensure that the products reach the customers safely and efficiently, without any delays or damage.

The business relationships with international distribution partners and dealers are also of great importance in the context of sustainability considerations. These partners are responsible for the local sale and service of the products and play an important role in ensuring product quality and customer satisfaction. The Group must therefore ensure that its distribution partners have the necessary trainings and resources to professionally market and maintain the products.

The effects on the machine operating personnel are another important aspect. Construction and compact machines are often used in challenging working environments that are associated with high physical demands and safety risks. Risks can arise from ergonomically suboptimal machines, noise, vibrations, or accidents. The Group addresses these challenges through the development of machines that meet high safety and ergonomic standards. This includes noise and vibration-reduced equipment, improved visibility systems, and automated safety features. These innovations offer opportunities to significantly improve the working conditions for the operating personnel and promote the health and safety of the users in the long-term.

The after-sales services and the recycling of machines and construction vehicles are material activities that directly affect the Group. These services include maintenance, repairs, and the disposal of old equipment. By providing spare parts, the Group contributes to extending the useful life of its products and reducing environmental impact from electronic waste.

In the area of employees and securing skilled professionals, the Wacker Neuson Group faces challenges in attracting and retaining qualified specialists in a competitive environment. Actions such as training programs, attractive working conditions, and enhanced diversity policies offer the opportunity to increase employer attractiveness and ensure the innovation capability of the Group in the long-term.

In conclusion, compliance with and adjustment to continuously changing regulatory requirements is material for the Wacker Neuson Group. Particularly with regard to new ESG regulations, supply chain acts, or technical standards, there are risks due to possible violations or delays in implementation. At the same time, proactive compliance and reporting according to international standards provide the Group with the opportunity to position itself as a responsible and sustainable market participant.

Through careful analysis and management of these diverse activities and business relationships, the Group aims to ensure that it deals responsibly with the material impacts of its business operations and makes a positive contribution to sustainable development.

S 2.9 The Wacker Neuson Group ensures that all essential personnel of its own workforce who could be significantly affected by business activities are included in the scope of disclosure. This takes into account both the impacts of the own operations as well as those within the entire value chain, including potential influences from products, services, and business relationships. Likewise, the interests, views, rights, and expectations of employees in the company's value chain are considered. The Wacker Neuson Group pursues an approach that ensures the concerns of the employees are included and protected throughout the entire value chain.

S 3.7 In addition to its own workforce and suppliers, the Wacker Neuson Group also considers the interests of communities that could be affected by the activities of the Group. These communities play a role in the social and environmental impacts of the Group. Their interests are integrated into the sustainability strategy.

S3.SBM-3_01 – S3.SBM-3_08 As part of the materiality assessment, no material negative or positive impacts, risks, or opportunities within the meaning of ESRS S3 were identified. The strategy or business model of the Group has no direct relation to such potential impacts. However, it cannot yet be assumed that all affected communities that might be impacted by material impacts have been included in the materiality assessment. For example, impacts on local communities near extraction areas of important precursor materials (e.g., metals) or near waste management facilities have not yet been thoroughly analyzed. Furthermore, based on current knowledge, it is not assumed that affected communities near operational sites or indigenous communities represent material groups for the Group. An in-depth understanding of affected communities with certain characteristics or in specific environments that might be more at risk has not yet been developed.

S 4.7 Finally, the Wacker Neuson Group also takes into account the interests, views, and expectations of the consumers and end-users of its products. This stakeholder group is crucial for the long-term customer satisfaction and market success of the Group. The Group continuously strives to place their needs at the center of its product and service development.

SBM-3_03, SBM-3_04 A central concern of the Group is to reduce dependencies on fossil fuels. Many of the currently used machines are still based on fossil energy sources, which poses a challenge in terms of CO2e emissions. At the same time, the Group is working intensively on the development of alternative drive technologies, including electrically powered machines, to gradually reduce environmental impact. This process is directly related to the requirements under SBM-3_01 and SBM-3_02, as the impacts on the environment are significant and are influenced by strategic decisions within the Group.

Another key sustainability aspect is the safety of the machine users. The Wacker Neuson Group strives to implement the highest level of safety precautions to minimize work-related accidents and protect the health of the machine operators. This action contributes to both positive social impacts and the long-term competitiveness of the Group, as the machine users benefit from the innovative safety features.

The machines of the Wacker Neuson Group play a crucial role in the realization of infrastructure projects that not only strengthen the economy but also can improve the quality of life in many regions. Through the use of the machines, the efficiency of construction projects can be increased, which brings direct benefits for social development and societal infrastructure.

Another important aspect of the Group's sustainability strategy concerns the potential impacts of the machinery on the environment. The use of construction machinery can lead to environmental impacts, specifically affecting air quality and the noise pollution. The Group is working to minimize these negative impacts by promoting innovative solutions and more sustainable construction practices.

SBM-3_05 The material positive and negative impacts are closely linked to the strategy and the business model of the Wacker Neuson Group. As a machine manufacturer, the Group has a direct influence on environmental and social aspects along its supply chain. The strategic decision to focus on sustainable product development and supply chain management results in measurable positive impacts, while at the same time actions are taken to minimize negative effects, such as emissions or resource use.

SBM-3_06 The Wacker Neuson Group recognizes that its business activities and business relationships can have material impacts on the environment and society. As part of their analysis, it was determined that material impacts arise both from the manufacture and distribution of construction machinery as well as from the collaboration with suppliers and service providers. The activities of the Group, particularly in output, can influence the environment through resource consumption, energy use, and emissions. This also includes potential risks along the value chain, for example in raw material procurement, where social and environmental standards among suppliers play a material role.

SBM-3_10 The Wacker Neuson Group continuously reviews the resilience of its strategy and business model in a dynamic environment. In recent years, the Group has undertaken material actions to manage risks and seize opportunities. The focus is particularly on the long-term sustainability and crisis resilience of its business model.

The analyses are based on a risk assessment that takes into account both internal and external factors such as market changes, geopolitical uncertainties, and regulatory developments. A material part of this analysis is the ability of the Group to mitigate value chain and production risks as well as respond to climate-related challenges. The introduction of flexible production processes and close collaboration with suppliers ensures a high responsiveness to potential disruptions while the Group simultaneously pursues new market opportunities – such as in the area of zero emission construction machinery.

E4.SBM-3_01 – E4.SBM-3_06 According to ESRS 2, the materiality assessment must also consider biodiversity as well as ecosystems. This is initially based on a list of all locations in the bases of consolidation, which can be found in the Notes to the Consolidated Financial Statements. According to the current state of knowledge, none of the locations are in or near areas with vulnerable biodiversity, and no activities take place there that negatively impact such areas. In particular, no negative impacts in relation to land degradation, desertification or soil sealing as well as threatened species have been identified. Conversely, the locations are also not dependent on the ecological condition of individual ecosystems.

SBM-3_12 The impact, risk and opportunity described in this sustainability report are covered by the topics, subtopics, and sub-subtopics of the ESRS. Additional company-specific impacts, risks and opportunities do not exist.

Key Topics

Description of the processes to identify and evaluate material impacts, risks and opportunities

IRO-1_01 The methodology of the materiality assessment is based on the requirements and recommendations of the ESRS. It includes the identification of relevant stakeholders, the conduct of stakeholder surveys and internal workshops with specialists, as well as the analysis of corporate data. The assessment of double materiality is currently often still based on assumptions and estimates. These estimates were made where reliable information from the upstream value chain was not available. In the coming years, it will be crucial to replace these with more reliable data. This may lead to adjustments of the material impacts, risks and opportunities as part of a regular review and update of the double materiality assessment once more reliable information becomes available and new insights on impacts, risks and opportunities arise.

IRO-1_02, IRO-1_03 Overview of the process for identifying, assessing, prioritizing, and monitoring potential and actual impacts on people and the environment:

The process begins with a detailed analysis of the value chain, with a particular focus on identifying areas that are sensitive to negative impacts. This includes monitoring direct suppliers, production sites, and distribution partners. In particular, it is examined which specific activities within the value chain potentially entail high risks, such as raw material extraction, which takes place in countries with weak environment and social standards.

Potential and actual positive and negative impacts are determined.

Business relationships are also carefully examined. The Group evaluates the sustainability practices of its suppliers and partners to ensure they comply with the established standards.

G1.IRO-1 For the materiality assessment in connection with corporate governance (ESRS G1) and with regard to compliance risks of corruption and bribery, the geographical location of the sales areas and the industries and sectors in which the Group's business activities are located were taken into account.

Geographical areas in which the Group operates or from which it sources raw materials are assessed regarding their risk profile. Regions with unstable political conditions, poor working conditions, or high environmental impacts are classified as high-risk areas. Enhanced due diligence measures are implemented in these areas to minimize negative impacts.

The assessment of the identified impacts is based on criteria such as the severity of the damage, the probability of occurrence, and the geographical reach. Particularly critical issues such as climate risks or working conditions in high-risk regions are prioritized.

The process is continuously being developed further to meet the dynamic requirements in the field of sustainability.

IRO-1_04 The Wacker Neuson Group systematically considers both the impacts arising from their own activities and those that result from their business relationships. Direct impacts mainly arise from production and the operation of manufacturing sites, such as CO2e emissions, water consumption, and waste generation. To minimize these, the Group relies on energy-efficient technology, optimized production processes, and the use of renewable energy.

Indirect impacts arise primarily along the supply chain, for example, through the procurement of raw materials from regions with increased exposure to human rights violations or through environmental damage caused by suppliers. These are addressed through regular supplier audits, certification requirements, and long-term partnerships based on clear sustainability criteria.

E2.IRO-1_01 – E2.IRO-1_03 As part of the materiality assessment, the Wacker Neuson Group has reviewed its locations and business activities to determine whether there are material impacts, risks and opportunities in connection with pollution. For this purpose, in particular, specialists were consulted in internal workshops. Consultations with potentially affected communities by pollution (especially in the upstream value chain) have not yet been conducted. At none of these locations does pollution constitute a material impact. Overall, no material impacts, risks and opportunities in connection with pollution caused by the business activities of the Group were identified.

E3.IRO-1_01 – E3.IRO-1_02 Analogous to the issue of pollution, the assets and operations were reviewed to determine if there are material impacts, risks, and opportunities related to water and marine resources. In the risk assessment of various natural hazards (see environmental section), the two locations in Spain were identified as areas with water stress. The sites in Pinghu and Reichertshofen are located in relevant river basins and are exposed to an increased flood risk. A deeper analysis (e.g., in terms of the LEAP approach) as well as consultations with potentially affected communities have not yet been conducted. Since the Wacker Neuson Group does not engage in water-intensive activities and does not use marine resources, the topic of water and marine resources was excluded from the materiality assessment.

E4.IRO-1_01 – E4.IRO-1_08 Potential and actual impacts on biodiversity and ecosystems have not yet been comprehensively assessed (particularly not in the sense of the LEAP approach). The actual negative impact of habitat destruction and biodiversity loss from raw material extraction (particularly metals) in the upstream value chain has been considered and evaluated as non-material. Dependencies on biodiversity and ecosystems (including ecosystem services) as well as risks (transition risks, physical and systemic risks related to biodiversity and ecosystems) have not yet been systematically identified and assessed. Consultations with affected communities regarding shared biological resources and ecosystems may be relevant for mining areas of certain raw materials but have not yet been conducted. According to current knowledge, the impacts of own activities on ecosystem services, which may be significant for affected communities, can primarily be avoided by the Wacker Neuson Group reducing its GHG emissions and implementing actions towards a circular economy (see Ecology section).

E4.IRO-1_14 – E4.IRO-1_16 The Wacker Neuson Group currently does not operate locations in or near areas with vulnerable biodiversity according to the current state of knowledge. Furthermore, there are no activities related to these locations that negatively impact such areas. Consequently, the Wacker Neuson Group has not yet concluded that specific remediation measures (e.g., to protect birds or wildlife) need to be taken.

The Wacker Neuson Group clearly differentiates between direct and indirect impacts and evaluates both categories according to their relevance and controllability. While direct impacts are directly managed through operational actions, the Group works closely with its partners in relation to indirect impacts to ensure compliance with high social and environmental standards.

IRO-1_05 Inclusion of affected and external stakeholders in the process of identifying, assessing, prioritizing, and monitoring impacts:

Stakeholder groups that are included in the process of the materiality assessment were defined in multiple workshops between August 2023 and October 2023. The selection was validated by the Chief Executive Officer (CEO). Derived from their interest and claim on the Wacker Neuson Group as well as their influence on the Group, the various stakeholder groups were categorized and evaluated using a four-field matrix. Based on this matrix, it was defined which internal or external stakeholders are to be included in the process of the materiality assessment.

For stakeholder groups with long-standing business relationships, extensive expertise and industry knowledge, or a particularly high level of importance due to their relationship with the Group, a personal (online) interview format was used.

The selection criteria included the importance within the industry, size (revenue), regional coverage, or importance as a supplier (purchase volume) or dependencies (e.g., main bank).

The focus of the dialogue with stakeholders is:

- the impact, i.e., possible impacts of business activities on people and the environment, as well as
- the concern, i.e., aspects of sustainability, which are of particular importance to the relevant stakeholder groups.

IRO-1_06 The Wacker Neuson Group uses a five-level scale (1 to 5) within the scope of sustainability reporting to assess impacts, risks and opportunities. This scale enables a differentiated and transparent presentation of sustainability aspects. It ensures that both positive and negative influences can be systematically evaluated, from minor to significant impacts. This methodology promotes comparability between different areas and entities and facilitates consistent and informed decision-making regarding actions to enhance sustainability performance.

For the severity of an impact or the magnitude of opportunities and risks, a threshold of 3 is consistently set. This ensures that

- a larger number of impacts, risks and opportunities is assessed as (potentially) material and
- the continuity of threshold setting leads to better traceability for all participants in the process.

The threshold for the probability of occurrence is also uniformly set at 50 percent for potential impacts as well as for risks and opportunities, in order to qualify all those as material whose occurrence is considered "more likely".

IRO-1_07 The Wacker Neuson Group has developed a systematic process to ensure that negative and positive impacts are prioritized according to their relative severity, likelihood, and other relevant criteria.

At the beginning of the process, data collection is carried out to identify both negative and positive impacts of the Group's business activities. This data collection is done through stakeholder engagement, audits, and the analysis of environmental, social, and governance data.

Supply chain processes in risk-prone areas are systematically assessed to identify and minimize negative impacts, such as human rights violations or pollution, at an early stage. Additionally, business partners in sectors with increased sustainability risks are carefully scrutinized. Through this targeted risk assessment, appropriate actions can be taken.

The collected data is systematically evaluated to determine the severity and likelihood of negative impacts. Negative impacts are prioritized based on their relative severity, considering factors such as the extent of the damage, the affected Groups, and the duration of the impacts. In addition, the likelihood of these negative impacts occurring is assessed.

In parallel, positive impacts are identified and assessed. Positive impacts are prioritized according to severity, scope, and likelihood of occurrence. The severity refers to the size of the positive impacts, the scope to the number of affected stakeholders, and the likelihood to the realizability of the positive effects.

This process ensures that positive and negative impacts are effectively identified, assessed, prioritized, and monitored.

IRO-1_08 Consideration of the relationships of impacts and dependencies resulting in risks and opportunities:

In all impacts, it is examined whether they are associated with risks or opportunities. Conversely, in risk and opportunities, it is examined what impacts are associated with them.

IRO-1_09 Description of the assessment of the likelihood, severity, and nature of the identified risks and opportunities:

The identification of risks and opportunities is also carried out through a detailed analysis of operational activities as well as external business environment conditions. Both short-term and long-term financial effects are considered, and internal and external data sources are utilized to obtain a complete picture of the possible financial effects. Through a risk assessment, the Group continuously identifies those areas that are associated with a higher risk. Qualitative and quantitative methods such as risk mapping, stakeholder surveys, and industry analyses are used to gain an understanding of potential risks.

A risk matrix is created to categorize these high-risk factors and prioritize them according to their severity and likelihood of occurrence. Special attention is given to risk prone areas, so targeted actions can be developed. As part of detailed risk analysis, the Group examines the potentially adverse impacts of these factors and assesses their causes and probability of occurrence.

IRO-1_10 Description of the prioritization of sustainability-related risks:

The Wacker Neuson Group conducted an assessment of their sustainability-related risks as part of their sustainability strategy. Based on the criteria of potential risk extent, likelihood of occurrence, and relevance to the business strategy, the risks were prioritized.

As particularly critical, climate risks were identified, especially the transition to a low-CO2e economy and the adaptation to stricter regulatory requirements. These risks affect both the output and the value chain and are closely related to the necessity to develop innovative and sustainable products. Social risks, such as ensuring fair working conditions along the value chain, especially in regions with weaker regulatory standards, are also highly prioritized.

IRO-1_11 Description of the organization and the decision-making process and the associated internal control procedures:

For the process, an interdisciplinary project team of internal and external experts was formed. In the first step, a group of individuals was defined, who were tasked with the initial identification and assessment of impacts, risks and opportunities, and consequently derived initial actions for the future measurement and control of sustainability performance.

The steering committee for the materiality assessment consists of the CEO, the CFO, and the Head of Investor Relations & Corporate Communications. Additionally, a project group was defined, whose leadership was temporarily assumed by the CEO. The Global Head of HR is responsible for social issues.

The project group consists of the Manager of Supply Chain Due Diligence and LkSG, the Director of Corporate Strategy/M&A, the General Counsel & Chief Compliance Officer, the Head of Corporate Real Estate, and the Director of Corporate Marketing. Additionally, further specialists, such as from local facility management and corporate accounting, were involved.

Quality assurance has been reorganized, with the steering committee consisting of the CEO, CFO, as well as the Head of Investor Relations & Corporate Communications.

IRO-1_12, IRO-1_13 The Wacker Neuson Group has not yet completely integrated the process for identifying, evaluating, and managing sustainability impacts, risks, and opportunities into its central risk management system.

IRO-1_14 The Wacker Neuson Group uses the following input parameters to identify and evaluate impact, risk and opportunity:

- Data sources: Production data such as energy consumption and CO2e emissions, external reports such as IPCC climate scenarios, and industry benchmarks. In addition, data from suppliers regarding resource use and compliance requirements are collected.

  Scope of coverage: The analysis process covers all company locations and production facilities. Likewise, suppliers and customers are included along the entire value chain.

- Assumptions: Scenarios with a global temperature increase of 1.5 °C and 2 °C are considered to assess long-term climate risks. Assumptions about market development and regulatory amendments in the main markets have been incorporated into the evaluation.

- Stakeholder input: The results from stakeholder workshops also feed into the prioritization of material impacts, opportunities, and risks.

IRO-2_13 The Wacker Neuson Group has determined the material information for sustainability reporting based on a systematic materiality assessment according to ESRS 1. A two-stage approach was applied in this regard:

The potential impacts, risks and opportunities were assessed using internal data (e.g., CO2e emissions, supply chain data), external benchmarks as well as stakeholder feedback.

The topics were assessed regarding their double materiality. For impact materiality, the current or potential impacts on the environment and society were examined, while for financial materiality, the financial impacts on the corporate strategy and results were analysed.

The results of the materiality assessment were reviewed and approved by the Executive Board. This lease recognition ensures that the report addresses both the most important issues for stakeholders and the strategically relevant challenges of the Group.

Appendix

LIST OF MATERIAL TOPICS, SUBTOPICS, AND SUB-SUBTOPICS

		31.12.2024	
Environment	ESRS E1 - Climate change	- Climate change adaptation - Climate change mitigation - Energy	
	ESRS E5 - Circular economy	- Resource inflows including resource use - Resource outflows related to products and services - Waste	
Social	ESRS S1 – Own workforce	Working conditions	- Working time, adequate wages - Collective bargaining - Health and safety
		Equal treatment and opportunities for all	- Gender equality - equal pay for equal work value - Diversity - Training and skills development
	RS S2 - Workers in the value chain	Working conditions	Health and safety
		Other work-related rights	- Child labor - Forced labor
	RS S4 – Consumers and end-users	Personal safety of consumers and/or end-users	Health and safety
Governance	ESRS G1 - Business conduct	- Corporate culture - Protection of whistleblowers - Management of relationships with suppliers including payment practices	

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Environment

ESRS E1 Climate change

Governance

Integration of sustainability-related performance in incentive schemes

E1.GOV-3_01, E1.GOV-3_02, E1.GOV-3_03 In the section on cross-cutting standards (ESRS 2), the remuneration system has already been described in more detail. In summary, it can be stated that for the Executive Board, a component of the STI (Short-Term Incentive) with a sustainability reference is provided, which accounts for 25 percent of the STI at 100 percent target achievement. This sustainability-related component considers revenue growth related to zero emission machines as a target and allows a maximum target achievement of 150 percent. However, an explicit climate reference is missing in the remuneration system of the Executive Board. For the Supervisory Board, no climate-related components are provided in the remuneration system.

Strategy

Transition plan for the mitigation of climate change

E1-1_16 The Wacker Neuson Group recognizes that the transition plan for mitigation of climate change must be recognized as an existing gap because the development of a comprehensive and well-founded plan first requires improved data quality. The emissions from Scope 3 were calculated for the first time for the past fiscal year 2024. The Wacker Neuson Group is committed to improving the data quality in the collection of Scope 3 emissions in the future. The currently established reduction targets for Scope 1 and Scope 2 apply until 2025. After achieving these targets, the Wacker Neuson Group will formulate new objectives that also include Scope 3. These targets are to be adapted in the long-term to the requirements of the 1.5-degree target of the Paris Agreement. Another important step is the engagement with the Science Based Targets initiative (SBTi) to examine whether this framework represents the right basis for the objective setting of the Group. Since an SBTi-compliant CO2e target is based on a complex and time-consuming process, it is currently not possible to communicate a concrete timeframe for the completion of the transition plan.

E1-1_01, E1-1_02 The Wacker Neuson Group currently does not have a transition plan aligned with the 1.5-degree target. This represents an existing gap that is to be closed in the coming years. A central step in this process is the calculation of Scope 3 emissions, which was conducted for the first time for the fiscal year 2024. Based on this data, a comprehensive transition plan will be developed, which will define the targets and actions for the decarbonization of the Group.

For Scope 1 and Scope 2, numerous measures for the reduction of greenhouse gas emissions (GHG emissions) have already been developed and partially implemented in past years. These actions are primarily focused on energy optimizations, which were defined as part of the ISO 14001 and ISO 50001 certifications for the sites in Germany and Austria. The target is to further develop these foundations and use them as a basis for future action plans. The Group pursues the goal of reducing emissions in Scope 1 and 2 by 50 percent by 2025 compared to 2019.

In the area of Scope 3, concrete reduction targets are still lacking. However, these are to be formulated for the period 2025 to 2030. In preparation, the data basis will be improved, and the material categories of Scope 3 emissions will be identified and calculated. Based on this, proposals for measures will be prioritized according to their impact and expense, in order to enable a well-founded objective.

In summary, it can be noted that the Wacker Neuson Group is currently building on existing actions and certification processes but recognizes the need for a complete transition plan. The focus of the endeavors is currently on improving the data basis regarding Scopes 1, 2, and 3 and, based on this, developing a detailed transition plan aligned with the 1.5-degree target, which defines clear targets and actions for decarbonization.

E1-1_03 The Wacker Neuson Group pursues various sets of measures to reduce GHG emissions along the entire value chain. For Scope 1 and 2, a comprehensive and detailed list of measures already exists, especially in connection with the ISO 14001 and ISO 50001 certifications at various locations.

A significant leverage for reducing CO2 emissions lies in the area of Scope 3.11, "Use of Sold Products." Although the GHG emissions resulting from the use phase of the products have not yet been measured, the Wacker Neuson Group promotes the production of low-emission to zero emission machines (zero emission product portfolio) as part of its Strategy 2030. With this product portfolio, the Group offers a range of electrically operated compact machines and construction equipment. This includes battery-powered rammers, vibratory plates and rollers for soil compaction, and internal vibrators for concrete consolidation, as well as track and wheel dumpers, a hybrid mini-excavator, a fully electric mini-excavator, and various fully electric wheel and telehandler models for construction and agriculture. Actions focus on expanding the portfolio with construction machines and equipment featuring alternative drive technologies, especially the electrification of the fleet: Increased use of zero emission machines instead of conventional models significantly contributes to reducing CO2e emissions in this category. The expansion of the portfolio, e.g., with batteries, inverters, and electric motors, forms the basis for further product developments and portfolio expansions across several product groups in the coming years. Additionally, the Wacker Neuson Group offers solutions for flexible power supply on the construction site within the framework of the zero emission ecosystem. These include, among others, energy storage solutions in the area of charging infrastructure.

Additionally, HVO (Hydrotreated Vegetable Oil) has been approved as an alternative fuel for initial filling in the output as well as for the operation of diesel-powered machines, with actual implementation in operation significantly depending on the behavior and acceptance of the customers.

Furthermore, the Group is working on enhancements in the upstream value chain. To this end, the "Procurement Excellence" department was created, which, in close collaboration with the ESG management, identifies actions to improve sustainability in the supply chain. These include, for example, the optimization of material cycles, the recycling and reprocessing of components, as well as the promotion of sustainable procurement.

Furthermore, the Wacker Neuson Group has identified various measures that can contribute to the reduction of GHG emissions in different areas but have not yet been fully implemented.

An example is the start-stop function for certain machine models, which can reduce idling times by 20 to 30 percent. The ECO mode, the auto-idle function, and various optimizations in hydraulic efficiency can also contribute to reducing energy consumption. Other promising approaches include the expansion of driver assistance systems for increased operational efficiency, as well as the increase of resource efficiency through life-extending actions such as refurbishing used equipment.

In the area of internal processes, the Wacker Neuson Group plans actions to increase sustainability in everyday business activities. These sets of actions are currently still in the planning or evaluation phase and have not yet been translated into specific objectives.

E1-1_12 The Group is not exempt from the Paris-aligned EU benchmarks.

E1-1_05, E1-1_06 The tables “CapEx” and “OpEx” in section “EU taxonomy” provide an overview of the financial resources provided to support the transition plan.

Material impacts, risks and opportunities and their interactions with strategy and business model

E1.SBM-3_01 In the course of the materiality assessment, physical and transition risks were identified and classified as material. The following material physical risks can impact the production process and product development and may require significant initial and subsequent investments:

- Extreme weather events can disrupt output and supply chains, for example, prolonged droughts, storms, fires, and typhoons can lead to infrastructure damage. According to the latest climate risk analysis, this most likely affects the Group’s locations in Spain, China, Italy, USA, Serbia, and Australia (see table in Chapter 1.3.1).

- Changes in the construction industry due to climatic conditions can influence the demand for certain types of machinery.

Significant climate-related transition risks can significantly impact the cost structure and competitiveness of the Group. These include:

- Increasing carbon prices and

- stricter regulations to reduce CO2e emissions (e.g., European CO2e border adjustment mechanism CBAM), which may require investments in cleaner technology or the payment of fines for exceeding emission limits.

For the years until 2050, it is crucial to closely monitor legislative developments and increases in CO2e prices. To address these risks, the Group plans to adapt its production processes, utilize more environmentally friendly technologies, and work closely with suppliers.

In addition to the mentioned transition risks, the following material opportunities were identified:

- The switch to more environmentally friendly technologies and practices, such as the electrification or hybridization of machines, can lead to long-term cost savings through reduced fuel consumption and lower maintenance costs.

- The development of sustainable products and solutions (e.g., with regard to improved energy efficiency) can create added value for the customers. This can lead to increased customer demand for more sustainable solutions.

E1.SBM-3_02, E1.SBM-3_03/04, E1.SBM-3_05, E1.SBM-3_06, E1.SBM-3_07 The Wacker Neuson Group has already conducted a climate risk analysis for almost all locations to identify potential physical and transition risks. The locations account for more than 95 percent of the Group’s revenue. It is planned to extend the climate risk analysis to the methods of the Task Force on Climate-related Financial Disclosures (TCFD). However, it is currently unclear to what extent and when a more comprehensive resilience analysis can be implemented.

Impact, risk and opportunity management

Description of the procedures for determining and assessing the material climate-related impacts, risks and opportunities

E1.IRO-1_01 To assess material climate-related impacts, risks and opportunities, the double materiality assessment was applied. It aims to ensure that the Group identifies and evaluates all relevant sustainability topics that are significant either for the financial performance or for its societal, social, and environmental responsibility. For details on the procedures, we refer to section ESRS 2 ("Materiality Assessment").

E1.IRO-1_02 With regard to physical risks, a climate risk analysis was conducted within the framework of the EU taxonomy 2023. The results have been incorporated into the materiality assessment. The results were also externally reviewed in 2024 and adjusted according to the audit findings.

E1.IRO-1_03 The Wacker Neuson Group has assessed physical climate-related risks for its assets and business activities and classified them as material. The description of the individual risks is provided under ESRS 2 SBM-3.

E1.IRO-1_08 Climate risk analyses are available for almost all locations of the Group. These were conducted in the year 2023. As part of the analyses, temperature-, wind-, water-, and solid-dependent risks were examined and evaluated. The analysis of climate risks at the output and sales locations and the headquarters of the Wacker Neuson Group was based on two scenarios:

- Current risk scenario considering the present climate risks and their possible impacts.

- Worst-case scenario, which assumes a temperature increase of 3°C by the year 2085 and examines the potentially most severe risks under these conditions.

E1.IRO-1_05 To create a clear link between retrospective and forward-looking information, timelines were selected that are aligned with the strategy of the Group:

- Short-term: up to 1 year
- Medium-term: 1 to 3 years
- Long-term: until 2030.

These timelines differ from ESRS 1 and are adjusted to the Strategy 2030.

E1.IRO-1_06, E1.IRO-1_07 The Wacker Neuson Group has assessed worst-case risks up to the year 2085 for its eight production sites, all relevant sales locations, and the Group headquarters. In total, 20 sites were assessed. The assessment is based on four various scenarios and includes the relevant risks. The results of the tables "overview of risk classification of various climate-related hazards at different locations" show that the risks at most locations were rated as low, but there are specific medium and high risks for individual sites.

Overview of the risk classification of various natural hazards at the different locations:

TABLE 1: OVERVIEW OF RISK CLASSIFICATION OF VARIOUS CLIMATE-RELATED HAZARDS AT DIFFERENT LOCATIONS

Climate-related hazards (EU Taxonomy 2020/852)							
Temperature-related	**Chronic**				**Acute**		
Location (Country)	Temperature change (air, freshwater, marine water)	Heat stress	Temperature variability	Thawing of permafrost	Heatwave	Cold wave / Frost	Forest and land fires
Munich (GER)	0	0	0	x	0	1	1
Hörsching (AUT)	0	0	0	x	0	1	1
Korbach (GER)	0	0	0	x	0	1	1
Pinghu (CHN)	1	1	0	x	1	0	0
Saragossa (ESP)	1	1	1	x	0	0	1
Pfullendorf (GER)	0	0	0	x	0	0	1
Reichertshofen (GER)	0	0	0	x	0	0	1
Menomonee Falls (USA)	0	1	0	x	1	1	1
Kragujevac (SRB)	0	0	1	x	0	1	2
Melbourne (AUS)	0	1	0	x	0	0	1
Vienna (AUT)	0	0	0	x	0	1	1
Brantford (CAN)	0	0	1	x	0	1	0
Brie-Comte-Robert (FRA)	0	0	0	x	0	0	1
Kleinmachnow (GER)	0	0	0	x	0	0	2
Bremen (GER)	0	0	0	x	0	0	0
Bologna (ITA)	0	1	0	x	1	0	2
Madrid (ESP)	0	1	1	x	1	0	0
Ożarów Mazowiecki (POL)	0	0	0	x	0	1	1
Volketswil (CHE)	0	0	0	x	0	0	1
Stafford (GBR)	0	0	0	x	0	0	1
Total	**2**	**6**	**4**	**0**	**4**	**8**	**19**

TABLE 2: OVERVIEW OF RISK CLASSIFICATION OF VARIOUS CLIMATE-RELATED HAZARDS AT DIFFERENT LOCATIONS

Climate-related hazards (EU Taxonomy 2020/852)				
Wind-related	**Chronic**	**Acute**		
Location (Country)	Changing wind patterns	Cyclone, hurricane, typhoon	Storm (including blizzards, dust, and sandstorms)	Tornado
Munich (GER)	0	x	1	1
Hörsching (AUT)	0	x	1	1
Korbach (GER)	0	x	1	1
Pinghu (CHN)	0	2	2	1
Saragossa (ESP)	0	x	2	1
Pfullendorf (GER)	0	x	1	1
Reichertshofen (GER)	0	x	2	1
Menomonee Falls (USA)	0	2	2	1
Kragujevac (SRB)	0	x	1	1
Melbourne (AUS)	0	x	2	1
Vienna (AUT)	0	x	2	1
Brantford (CAN)	0	x	2	1
Brie-Comte-Robert (FRA)	0	x	2	1
Kleinmachnow (GER)	0	x	2	1
Bremen (GER)	0	x	2	1
Bologna (ITA)	0	x	2	1
Madrid (ESP)	0	1	2	1
Ożarów Mazowiecki (POL)	0	x	1	1
Volketswil (CHE)	0	x	1	1
Stafford (GBR)	0	1	1	1
Total	0	6	32	20

TABLE 3: OVERVIEW OF RISK CLASSIFICATION OF VARIOUS CLIMATE-RELATED HAZARDS AT DIFFERENT LOCATIONS

Climate-related hazards (EU Taxonomy 2020/852)										
Water-related	**Chronic**						**Acute**			
Location (Country)	Changing precipitation patterns and types (rain, hail, snow/ice)	Precipitation or hydrologial variability	Ocean acidification	Saline intrusion	Sea level rise	Water stress	Drought	Heavy precipitation (rain, hail, snow / ice)	Flood (coastal, fluvial, pluvial, groundwater)	Glacial lake outburst
Munich (GER)	0	0	X	X	X	0	0	1	0	X
Hörsching (AUT)	0	0	X	X	X	0	0	1	0	X
Korbach (GER)	0	0	X	X	X	0	0	1	0	X
Pinghu (CHN)	0	0	X	1	X	0	1	1	1	X
Saragossa (ESP)	0	0	X	X	X	2	2	1	0	X
Pfullendorf (GER)	0	0	X	X	X	0	0	1	0	X
Reichertshofen (GER)	0	0	X	X	X	0	0	1	1	X
Menomonee Falls (USA)	0	0	X	X	X	0	0	1	0	X
Kragujevac (SRB)	0	0	X	X	X	0	1	1	0	X
Melbourne (AUS)	0	0	X	1	0	1	1	1	0	X
Vienna (AUT)	0	0	X	X	X	0	1	1	0	X
Brantford (CAN)	0	0	X	X	X	1	1	1	0	X
Brie-Comte-Robert (FRA)	0	0	X	X	X	0	1	1	0	X
Kleinmachnow (GER)	0	0	X	X	X	0	1	1	0	X
Bremen (GER)	0	0	X	0	X	0	0	1	0	X
Bologna (ITA)	0	0	X	0	X	1	1	1	0	X
Madrid (ESP)	0	0	X	X	X	2	1	1	0	X
Ożarów Mazowiecki (POL)	0	0	X	X	X	0	1	1	0	X
Volketswil (CHE)	0	0	X	X	X	0	0	1	0	X
Stafford (GBR)	0	0	X	0	X	0	0	1	0	X
Total	**0**	**0**	**0**	**2**	**0**	**7**	**12**	**20**	**2**	**0**

TABLE 4: OVERVIEW OF RISK CLASSIFICATION OF VARIOUS CLIMATE-RELATED HAZARDS AT DIFFERENT LOCATIONS

Climate-related hazards (EU Taxonomy 2020/852)							
Solid mass-related	**Chronic**				**Acute**		
Location (Country)	Coastal erosion	Soil degradation	Soil erosion	Solifluction	Avalanche	Landslide	Subsidence
Munich (GER)	X	0	0	X	X	X	2
Hörsching (AUT)	X	0	0	X	X	X	1
Korbach (GER)	X	0	0	X	X	X	1
Pinghu (CHN)	X	0	0	X	X	X	2
Saragossa (ESP)	X	0	0	X	X	X	1
Pfullendorf (GER)	X	0	0	X	X	1	1
Reichertshofen (GER)	X	0	0	X	X	X	1
Menomonee Falls (USA)	X	0	0	X	X	X	1
Kragujevac (SRB)	X	1	1	X	X	X	1
Melbourne (AUS)	X	0	0	X	X	X	1
Vienna (AUT)	X	0	0	X	X	X	1
Brantford (CAN)	X	0	0	X	X	X	1
Brie-Comte-Robert (FRA)	X	0	0	X	X	X	1
Kleinmachnow (GER)	X	0	0	X	X	X	1
Bremen (GER)	X	0	0	X	X	X	1
Bologna (ITA)	X	0	0	X	X	X	2
Madrid (ESP)	X	0	0	X	X	X	1
Ożarów Mazowiecki (POL)	X	0	0	X	X	X	1
Volketswil (CHE)	X	0	0	X	X	0	1
Stafford (GBR)	X	0	0	X	X	X	1
Total	**0**	**1**	**1**	**0**	**0**	**1**	**23**

TABLE 5: OVERVIEW OF RISK CLASSIFICATION OF VARIOUS CLIMATE-RELATED HAZARDS AT DIFFERENT LOCATIONS

Climate-related risks
(EU Taxonomy 2020/852)

Location (country)	Total	Comment
Munich (GER)	7	
Hörsching (AUT)	6	
Korbach (GER)	6	
Pinghu (CHN)	14	
Saragossa (ESP)	13	
Pfullendorf (GER)	6	
Reichertshofen (GER)	7	Flood location
Menomonee Falls (USA)	11	
Kragujevac (SRB)	11	
Melbourne (AUS)	10	
Vienna (AUT)	8	
Brantford (CAN)	9	
Brie-Comte-Robert (FRA)	7	
Kleinmachnow (GER)	8	
Bremen (GER)	5	
Bologna (ITA)	12	
Madrid (ESP)	12	
Ożarów Mazowiecki (POL)	7	
Volketswil (CHE)	5	
Stafford (GBR)	6	
Total		

E1.IRO-1_09, E1.IRO-1_10, E1.IRO-1_11, E1.IRO-1_12, E1.IRO-1_13, E1.IRO-1_14, E1.IRO-1_15 Transition risks and opportunities were also identified in the course of the materiality assessment. The Wacker Neuson Group assessed whether and to what extent assets and business activities could be exposed to transition events. Climate-related scenario analyses were not explicitly used in this context.

E1.IRO-1_16 The Wacker Neuson Group is confronted with the requirement to establish a clear link between the climate scenarios used and the critical climate-related assumptions in the financial statements as part of its sustainability and financial reporting. This requires the careful selection and application of appropriate climate scenarios that realistically reflect the specific risks and opportunities of the Group, such as CO2e prices, regulatory developments, or transition risks. It must be ensured that the underlying assumptions are consistently integrated into financial metrics such as depreciation, loss allowance, or long-term investment strategies.

To meet this requirement, it is crucial that climate risks and opportunities are considered not only in the sustainability strategy but also in financial planning and asset valuation. This could mean, for example, explicitly including potential impacts of climate risks on future revenues, production costs, or market developments in the forecasts. A transparent and verifiable presentation of these relationships is not only important for compliance with legal requirements such as the CSRD but also strengthens the trust of stakeholders.

Furthermore, the linking of climate scenarios with the assumptions in the financial statements requires close collaboration between the specialist departments of the Group, especially between the areas of sustainability, finance, and strategy. The Wacker Neuson Group will therefore pursue a systematic approach to ensure that climate-related scenarios are based on robust data and are integrated into strategic decision-making. This also includes building internal competencies as well as establishing processes for regular review and adjustment of the assumptions to new scientific evidence and market developments.

Policies related to climate change mitigation and climate change adaptation

E1.MDR-P_01 - 06, E1-2_01

The Quality, Energy, and Environmental Management (QEaEM) of the Wacker Neuson Group meets the requirements of ISO14001 and ISO50001. The existing energy management manual offers a more detailed description of the processes and responsibilities in the field of energy management. Additionally, there is a Code of Conduct and a short HSEQ Policy (Health, Safety, Environment, Quality), which are also based on the requirements of the ISO standards. Finally, there is the Energy and Environmental Management System Manual. Besides these existing documents, the construction of a more comprehensive and general Health, Safety, Environment Policy (HSE Policy) is planned. Currently, the QEaEM Policy does not explicitly address the issue of climate change adaptation, while the other relevant subtopics are already considered. Additionally, in 2024, a manual on the regulations and reporting requirements related to procurement was created. This is particularly relevant to the topic of the circular economy and will be further explained in chapter "Policies in connection with resource use and circular economy".

Actions and resources related to climate concepts

ESRS 2 MDR-A_01 - 12, E1-3_01 Table "ESRS 2 MDR-A_01 - 12 Tabular overview of actions in the area of climate policy" lists the material actions of the Wacker Neuson Group sites intended to reduce GHG emissions. The actions are aggregated according to the following decarbonization levers:

- Energy savings through retrofitting (e.g. LED)
- Energy savings in heating and cooling
- Installation of photovoltaic (PV) systems at various locations
- Transition to e-mobility (including the establishment of charging infrastructure) and the use of renewable fuels
- Enhancement of energy efficiency in the production processes
- Measurement and management of energy efficiency

Actions that were already implemented before the reporting year 2024 are no longer reported here.

In the future, the Wacker Neuson Group intends to accompany the above-mentioned decarbonization levers (for Scope 1 and 2) with corresponding strategic targets. At the current time, no concrete targets have been adopted.

Beyond the actions mentioned here, the Wacker Neuson Group is convinced that their products can contribute to the reduction of GHG emissions. The GHG emissions from the use of the products fall under Scope 3.11 of the GHG Protocol and were first included in the GHG balances in 2024. These GHG emissions represent the largest share of all emissions along the value chain. For this reason, actions to reduce these emissions have already been initiated and implemented in recent years. In addition to the strategic introduction of the zero emission product line, these actions include, among other things, the development of new internal management systems that optimize the drive systems of the machines. Furthermore, features such as the energy saving mode, which reduces energy consumption and thus increases energy efficiency during operation, are included.

Another leverage for emissions reduction is transport within procurement and the delivery of products (Scope 3.9). The goal of the efforts related to this emission source is to best meet the requirements of customers worldwide in terms of development, delivery conditions, and service, while simultaneously shortening transport routes through regional procurement and output, reducing freight, and thus reducing CO_2e emissions.

ESRS 2 MDR-A_01 - 12 TABULAR OVERVIEW OF ACTIONS IN THE AREA OF CLIMATE POLICY

Location	Actions	Estimated investment and operating costs (€)	Status	Planned completion of the action	Actual implementation
	Electricity savings through retrofitting				
Munich (GER)	Conversion of the lighting in the WC areas to LED (Retrofit)	2,015	In progress	Q3/2024	2024
Munich (GER)	Conversion of office and corridor lighting to LED (Step 1: corridors)	n/a	In progress		Continuously
Reichertshofen (GER)	Acquisition of new/more efficient transformers with reduced power loss	55,000	Implemented	2024	2024
	Energy savings in heating and cooling				
Munich (GER)	Maintenance heating/cooling system (radiators, actuators)	20,000	In progress	Q1/2024	Continuously
Hörsching (AUT)	Switching the heating to district heating	500,000	Decision on implementation pending		
Hörsching (AUT)	Low-energy heating for plant expansions (Finish & KSB (Canteen, multi-functional building)	n/a	In progress	Q2/2023 – Q4/2023	2024
Hörsching (AUT)	Execution of plant expansions in relation to energy efficiency	n/a	In progress	Q3/2023 – Q2/2024	Q2/2024
Hörsching (AUT)	Free cooling of the server rooms	n.a.	In process	2024	2024
Hörsching (AUT)	Review of possible efficiency improvements to the refrigeration systems	n.v.	In progress	2024	Continuously
Korbach (GER)	Replacement of the gas boiler in the office and output with a more efficient heat pump	n/a	In progress	Under clarification	
Pfullendorf (GER)	Use of a water/water heat pump to reduce fossil fuels	110,000	Implemented	2023/2024	2024
Reichertshofen (GER)	Reconstruction of the hall heating system in Hall 3 with connection to the canteen	650,000	In progress	Mid-2024	2024
Reichertshofen (GER)	Replacement of the ventilation systems in the canteen with a newer system featuring heat recovery	n.v.	Implemented	2024	2024
Vienna (AUT)	Vienna: Replacement of the air conditioning system with a more efficient system	n.v.	Implemented	2024	2024
Kleinmachnow (GER)	Energy supply: Heat pump with underfloor heating	n/a	Implemented	Continuously	Continuously
	Construction of photovoltaic systems				
Hörsching (AUT)	Expansion of photovoltaic systems to maximum use of available roof surfaces	1,200,000	Decision on implementation pending	Q1/2023 – Q4/2023	
Hörsching (AUT)	Construction of an additional photovoltaic system at the parking lot	2,000,000	Decision on implementation pending	Q1/2024 – Q4/2025	
Korbach (GER)	Construction of a 2 MWp photovoltaic system on the production building	1,707,587	In progress	2024	2024
Korbach (GER)	Construction of a photovoltaic system on the emerging dispatch building	n/a	In progress	Planning postponed to 2025	
Reichertshofen (GER)	Photovoltaic systems on hall roofs	1,900,000	Decision on implementation pending	Mid 2024	2024
Reichertshofen (GER)	Photovoltaic system on production building 7, logistics building	see above.	Implemented	Mid-2024	2024
Vienna (AUT)	Replacement for Feldkirchen: Photovoltaic system, green roof, charging infrastructure	n/a	In progress	2024	2025
	Transition to e-mobility and the use of renewable fuels				
Hörsching (AUT)	Installation of e-charging stations – can also be used by employees	n/a	Implemented	2024	2024
Pfullendorf (GER)	Installation of charging stations	n.a.	Implemented	2024	2024
Vienna (AUT)	Convert the fleet to hybrid/electric where possible and sensible	n/a	Implemented	Continuously	Continuously
Vienna (AUT)	Review of the supply of all rental branches: electricity for vehicle fleet and zero emission devices - still in progress	n.v.	In progress	2023	Continuously
Vienna (AUT)	Charging infrastructure planned in Stetten	n/a	In progress	2024	2025
Kleinmachnow (GER)	Driver safety training with energy-saving driving methods, electric hybrid vehicles, more efficient fleet composition	n/a	Implemented	Continuously	Continuously
Kleinmachnow (GER)	Use of electric cars (urban areas)	n.a.	Implemented	2024	Continuously
Kleinmachnow (GER)	Electric vehicles for field service	n/a	In processing	2024	Continuously
Hörsching (AUT)	Switch to HVO diesel	n/a	In progress	2024	2025

Location	Actions	Estimated investment and operating costs (€)	Status	Planned completion of the action	Actual implementation
Pfullendorf (GER)	Conversion to HVO diesel	n/a	Implemented	2024	2024
	Improvement of energy efficiency in production processes				
Hörsching (AUT)	Heat generation Finish NEW – Heat pump	n.a.	Decision on implementation pending	Q4 2023-Q2 2025	
Korbach (GER)	Utilization of waste heat from the paint shop to heat the assembly/cold hall	500,000	In progress	2024	
Korbach (GER)	Booster to reduce the oven temperature from 205°C to 160°C of the paint ovens	380,000	Implemented	2024	2024
Korbach (GER)	Installation of heating rods for heat exchanger 1 and 2 in the paint shop	120,000	In progress	2024	
Korbach (GER)	Shutdown or time control of the circulation pump of the chiller-antifreeze mixing system outside of operating hours	150	Implemented	Q1/2024	2024
Korbach (GER)	Supply of heating circuits in production by district heating of MVV Korbach (energy supplier)	n/a	In process	In clarification	
Reichertshofen (GER)	New powder coating with pre-treatment	4,500,000	Decision on implementation pending	Mid 2024	2024
Reichertshofen (GER)	Conversion of production facilities to liquefied gas	100,000	Implemented	End of 2023	2024
Kleinmachnow (GER)	Replacement of the compressors	n.a.	Implemented	Continuously	Continuously
	Measurement and management of energy efficiency				
Munich (GER)	Development of the measurement concept (digitalization, optimization of data collection)		In progress	2023	Continuously
Munich (GER)	Implementation of facility management standards (maintenance strategies)	n/a	In progress	2023	Continuously
Reichertshofen (GER)	Development and implementation of a measurement concept: Permanently installed intermediate meters (digital) in the main and sub-distributions of the individual areas as well as the major consumers	n/a	In process	2024	Continuously
Vienna (AUT)	Start of the construction of two new branches with energy-efficient technology	n.a.	In progress	2023	Open

E1-3_05 The Wacker Neuson Group has set ambitious targets at group level for reducing GHG emissions. The implementation of these targets through appropriate climate protection actions depends significantly on the availability and allocation of financial resources. The necessary investments are primarily financed from internal resources, such as operational cash flow. Additionally, external funding programs, especially from EU initiatives or national innovation funds, play an important role. The resource planning is conducted annually and prioritizes actions with the greatest potential impact on CO2e reduction.

E1-3_06, E1-3_07, E1-3_08 These disclosures are closely related to the requirements and reporting standards of the EU taxonomy and explain how the Wacker Neuson Group strategically aligns its investments (CapEx) and operating expenses (OpEx) to meet the taxonomy-compliant targets. They are therefore explained in the chapter EU taxonomy.

E1-3_03 As described above, the reductions in GHG emissions in the reporting year compared to the base year at the measure level are not yet available. In total, these reductions amount to -14,632 tCO2e or -45.66 percent for Scope 1 and Scope 2 emissions (including the expansion to the companies responsible for 100 percent of the turnover). Considering the reporting scope in the base year 2019 with the current reporting year (like-for-like comparison), the reductions amount to -21,246 tCO2e or -66.31 percent. An assessment including Scope 3 emissions is not representative with reference to the base year, as these emissions were first determined in 2024.

Metrics and targets

Targets related to climate change mitigation and climate change adaptation

ESRS 2 MDR-T_01 - 13 The Wacker Neuson Group ensures the effectiveness of its strategies and actions, among other things, through the implementation of ISO certifications ISO 14001 and ISO 50001. These certifications ensure that processes are standardized and continuously optimized, particularly in the areas of environment and energy management. In addition, progress and results are documented annually within the framework of management review.

E1-4_01, ESRS 2 MDR-T_14-19 The Wacker Neuson Group has defined climate targets, which foresee a reduction of Scope 1 and Scope 2 emissions by 50 percent by the year 2025 compared to the base year 2019. By the end of the year 2024, the complete CO2e footprint of the Group including emissions from Scope 3 was calculated for the first time. These data form the basis for a more comprehensive climate strategy, which will be considered in future reporting. It is planned to set new climate targets that encompass Scope 1, 2, and 3 to ensure a holistic decarbonization and alignment with long-term climate protection requirements. In 2025, new targets for the year 2030 will be set.

E1-4_24 Decarbonization levers, as described under E1-1 and E1-3, have not been defined based on the climate risk analysis so far. This is due to the fact that no acute, short-term climate risks with high relevance have been identified at present. At the same time, the climate strategy of the Wacker Neuson Group is still in the development phase and will be further elaborated in the coming years.

E1-4_02 The following tables indicate the gross GHG emission reductions compared to the previous year and the base year, as well as the target reduction and the target for 2025.

GHG GROSS EMISSIONS REDUCTIONS COMPARED TO THE PREVIOUS YEAR AND BASE YEAR

In tons CO2e

	Reduction for 2024 compared to previous year (2023)	Reduction 2024 to base year (2019(to the base year 2019		Target reductions 2025 to the base year (2019)
	t CO2e	t CO2e	%	t CO2e
Scope 1	-1,644	-2,986	-9.32	
Scope 2 (location-based)	+177	-11,645	-36.34	
Total	**-1,467**	**-14,632**	**45.66-**	**0**

LIKE-FOR-LIKE GROSS EMISSIONS REDUCTIONS COMPARED TO THE PREVIOUS YEAR AND BASE YEAR

In tons CO2e

	Reduction for 2024 to 2023	Reduction 2024 to the base year (2019)		Target reductions 2025 to the base year (2019)
	t CO2e	t CO2e	%	t CO2e
Scope 1	-3,065	-6,668	-20.81	
Scope 2 (location-based)	-642	-14,579	-45.50	
Total	**-3,708**	**-14,632**	**-66.31-**	**0**

OVERVIEW OF THG-EMISSIONS REDUCTION TARGETS TO THE YEAR 2025 (E1-3_04)

In tons CO2e

	Base year (2019)	Target 2025
	t CO2e	t CO2e
GHG-emissions	32,042	19,550

Energy consumption and mix

The following table provides an overview of the energy consumption of the Wacker Neuson Group.

ENERGY CONSUMPTION AND MIX

In MWh

Data point	Energy consumption and mix	2024 End of datacollection 31.12.2024
E1-5_10	(1) Fuel consumption from coal and coal products	0 MWh
E1-5_11	(2) Fuel consumption of crude oil and petroleum products	31,080 MWh
E1-5_12	(3) Energy consumption from natural gas	34,569 MWh
E1-5_13	(4) Fuel consumption from other fossil sources	1,228 MWh
E1-5_14	(5) Consumption of purchased or acquired electricity, heat, steam, and cooling from fossil sources	8,419 MWh
E1-5_02	**(6) Total consumption of fossil energy (sum of lines 1 to 5)**	**75,296 MWh**
E1-5_15	Share of fossil sources in total energy consumption (%)	69.21 %
E1-5_03	(7) Nuclear energy consumption	0 MWh
E1-5_04	Share of nuclear energy consumption in total energy consumption (%)	0 %
E1-5_06	(8) Fuel consumption of renewable energy sources, including biomass (including industrial and municipal waste of biological origin, biogas, renewable hydrogen, etc.)	0 MWh
E1-5_07	(9) Consumption of purchased or acquired electricity, heat, steam and cooling from renewable sources	23,211 MWh
E1-5_08	(10) Consumption of self-generated renewable energy not directed from fuels	10,282 MWh
E1-5_05	(11) Total consumption of renewable energy (MWh) (calculated as the sum of lines 8 to 10)	33,493 MWh
E1-5_09	**Share of renewable sources in total energy consumption (%)**	**30.79 %**
E1-5_01	**Total energy consumption (sum of lines 6, 7, and 11)**	**108,789 MWh**

E1-5_20, E1-5_21 The table below shows the net revenue generated by the Wacker Neuson Group from activities in climate-intensive sectors. Since all entities of the Wacker Neuson Group fall under the codes 28.92 or 28.29 according to the uniform EU-wide classification system for economic activities NACE (Nomenclature des Activités Économiques dans la Communauté Européenne), the need for differentiation is eliminated. Accordingly, all revenues are compared to the total energy consumption and the energy intensity of activities in climate-intensive sectors is calculated.

NET REVENUE DIFFERENTIATED BY ACTIVITIES IN CLIMATE-INTENSIVE AND OTHER SECTORS

In €

Data point	Net evenue	2024
E1-5_22	Net revenue from activities in climate-intensive sectors, used to calculate energy intensity	€ 2,234.9 million
E1-5_23	Net revenue (other)	€ 0.0 million
	Total net revenue (financial statements)	**€ 2,234.9 million**

ENERGY INTENSITY FROM ACTIVITIES IN CLIMATE-INTENSIVE SECTORS

In MWh/€

Data point	Energy intensity	2024
E1-5_19	Total energy consumption from activities in climate-intensive sectors	108,789 MWh
E1-5_18,	Total energy consumption from activities in climate-intensive sectors per net revenue from activities in climate-intensive sectors	0,000048 MWh/€

Gross GHG emissions of categories Scopes 1, 2, and 3 as well as total GHG emissions

E1-6_01, E1-6_02, E1-6_04, E1-6_03 Table"Overview of Scopes 1, 2, 3 and total GHG gross emissions" provides an overview of Scopes 1, 2, 3, and total gross GHG emissions. The bases of consolidation correspond to that of the financial statements. Table 10 shows the breakdown of GHG emissions by country and plant.

E1-6_15 The calculation of Scope 1 and Scope 2 GHG emissions of the Group is based on consumption data, the consumption of purchased energy, and the specific emissions factors of the energy suppliers.

For Scope 1, consumption data such as natural gas, heating oil, liquefied petroleum gas, diesel, and gasoline, as well as process-related emissions, for example from fugitive refrigerants in cooling systems, are considered. These data are collected in country-specific units, converted into kilogram (kg), and then calculated in tons CO2e using recognized emissions factors from the UK authority DESNZ (Department for Energy Security and Net Zero). Regulated emissions like sulphur oxides (SOx), nitrogen oxides (NOx), carbon monoxide (CO), and volatile organic compounds (VOC) are separately recognized and presented as a percentage of the total Scope 1 emissions.

Scope 2 includes the indirect CO2e emissions from purchased electricity, district heating, and district steam. The Wacker Neuson Group calculates these emissions using both the location-based method and the market-based method:

The reporting scope has been expanded over time: While not all locations were considered in 2019, the current reporting covers 100 percent of the Group's revenue.

E1-6_18, E1-6_19, E1-6_20, E1-6_21, E1-6_22, E1-6_23 The Wacker Neuson Group does not use any market-based instruments such as guarantees of origin or certificates for renewable energy to reduce their GHG emissions. Electricity is procured solely based on the standard grid electricity mix without the use of specific contractual instruments linked to energy attributes.

E1-6_26, E1-6_27 The Scope 3 GHG emission categories included in the inventory are shown in the table "Energy intensity of activities in climate-intensive sectors". The following categories were excluded as they were assessed as not material (see subsequent methodology description under E1-6_29):

- Scope 3.2: Investment goods
- Scope 3.3: Activities related to fuels and energy (not included in Scope 1 or Scope 2)
- Scope 3.5: Waste generated in operations
- Scope 3.7: Commuting Employees
- Scope 3.8: Upstream leased assets
- Scope 3.9: Downstream transport
- Scope 3.10: Processing of sold products
- Scope 3.13: Downstream leased assets
- Scope 3.14: Franchises
- Scope 3.15: Investments

E1-6_25 The material activities in the upstream and downstream value chain of the Wacker Neuson Group include the procurement and transport of materials, business travel, the use of the products by customers, and the disposal of the products at end-of-life.

In the upstream value chain, the focus is primarily on the procurement of materials, transport, and business trips:

- Acquired goods and services: This includes all activities for procuring materials and components necessary for production.
- Transport and logistics: The upstream transport involves the route of the purchased materials from suppliers to the production sites. Here, the collaboration with transport service providers contracted by the Wacker Neuson Group, who carry out transport by truck, train, or ship, is considered.
- Business travel: Employees business trips are recorded, particularly flights, travelling by train, and hotel stays. The processing is mainly carried out via travel portals that document and evaluate travel activities.

The downstream activities focus on the use phase of the products and their end-of-life treatment:

- Use phase of the products: After the sale, emissions are generated by the use of the machines and equipment throughout their entire life cycle.

- End-of-Life treatment: At the end-of-life, the products are disassembled and disposed of according to standard market procedures. Recycling, incineration, or landfill are used in this process. It is assumed that the materials are separated and transported for reuse.

The Wacker Neuson Group is currently unable to specify the percentage of emissions that is based on primary data from suppliers or other partners in the value chain. The main reason for this is the lack of available reliable data from the complex and global supply chain. Many suppliers do not record their emissions in the required depth or quality, and standardized methods compatible with the requirements of the CSRD and the ESRS are lacking.

Additionally, there are still no complete established processes within the Group for systematically capturing, validating, and integrating primary data into our calculations. The development of such data management systems requires significant resources and professional know-how, which is currently limited. At the same time, data quality heavily depends on the engagement of suppliers, who often lack the necessary capacities or incentives to provide detailed emissions data.

E1-6_29 As part of the development of the Scope 3 methodology, Wacker Neuson Group determined that the operational control approach would be chosen for the greenhouse gas balance. Thus, all entities and participations over which the Wacker Neuson Group exercises operational control are included, and 100 percent of the emissions are attributed.

According to the GHG Protocol, Scope 3 emissions are divided into 15 categories, which include both minimum boundaries and optional emissions. For the SBTi inventory, only the minimum boundaries are relevant; optional emissions can be reported separately. To identify material categories, factors such as size, impact, exposure, stakeholder interest, outsourcing, or sector-specific guidance are considered. The estimates are made in accordance with ESRS E1 (climate change) following the guidelines of the GHG Protocol.

The Wacker Neuson Group has made estimates of the relevant Scope 3 categories and evaluated the emissions. The classification of the categories was based on qualitative criteria into low, medium, and high.

- Low: Minimal impact on the emissions and minimal impacts. The expense, both in terms of personnel and finances, is low for the Wacker Neuson Group.

- Resources: Influence possibilities and impacts are present, but they are associated with significant personnel expense and/or non-negligible costs.

- High: There are significant opportunities for influence; however, these are associated with high personnel expenses and/or substantial costs.

Categories where at least two criteria were assessed as “high” or “medium to high” are considered material. In the next step, the initially non-materially classified categories were reviewed in terms of existing data quality and feasibility to include potentially relevant categories afterward. In this context, business travel was classified as material, as actions for emissions reduction in this area not only promote active employee participation but also open up significant communication potential for the Group's sustainable activities. To enhance data quality and to develop targeted actions, the focus is on the material categories. The expense for emissions reduction was not included in the materiality assessment but serves only as internal information.

The calculation of Scope 3 emissions at the Wacker Neuson Group is recorded using various methodologies and assumptions for each relevant category.

- Acquired goods and services (Scope 3.1)

The calculation of GHG emissions takes place in three areas. For production-relevant materials, the products manufactured during the reporting period and their bill of materials are used as a basis. Emissions from production-relevant goods purchases were calculated on a mass basis. For received services and other purchased materials, the calculation is based on the expenses recorded during the reporting period (expenditure-based method).

- Upstream transport and distribution (Scope 3.4)

The calculation of transport emissions is carried out according to the suppliers, supplemented by extrapolations. Suppliers provide transport lists with disclosures on transport details and CO2e emissions. If complete data is not available, the extrapolation is carried out using emissions factors per tonne-kilometer (tkm) and transport type. For suppliers who cannot provide disclosures based on tonne-kilometers, the expenditure-based method is applied, using a CO2e/EUR conversion factor.

- Business travel (Scope 3.6)

Business travel are recorded through a travel portal that calculates CO2e emissions for airplanes, trains, and hotels using DESNZ emissions factors. The portal provides data on emissions, costs, number of travelers, and distances. For unrecorded business trips, the emissions are extrapolated based on the travel costs from controlling. The proportion of data from the portal is extrapolated to the total costs of the Group. The annually updated values of the DESNZ serve as emissions factors.

- Use phase of the products (Scope 3.11)

The calculation is carried out on a product basis per plant over the lifetime of the product. The basis is the production quantities of the reporting year as well as the annual operating hours, determined by telematics data or expert estimation. For the use phase, a service life of ten years is assumed. The fuel consumption and the proportion of drive types (diesel, petrol, electric) are taken into account, whereby country-specific electricity factors are applied for electric products. Additionally, refrigerant losses and their Global Warming Potential (GWP values) are included for products in the compact equipment sector. Products without their own use phase, such as modular equipment, are covered by the emissions of the carrier devices. The calculation includes determining the product quantities, estimating the operating hours, and entering model-specific data.

- Treatment of products at the end of their life (Scope 3.12)

The calculation is carried out using the waste-type-specific methods based on the production quantities of the reporting year. It is assumed that the materials are separated, and market-standard disposal processes are applied. For each product group, a disposal emission factor is determined, which represents the average disposal of the main materials, for example, through recycling, incineration, or landfill. In recycling, the cut-off approach is applied, whereby the transport emissions of the Group are credited, while the reprocessing is attributed to the subsequent system.

OVERVIEW OF SCOPES 1, 2, 3 AND TOTAL GHG GROSS EMISSIONS

In t CO2e

		Review				Target year
Data points		**Base year 2019**	**Comparison 2023**	**2024**	**2024/2023**	**2025**
	Scope 1 GHG emissions					
E1-6_07	Scope 1 GHG emissions	**17,255 t CO2e**	**15,913 t CO2e**	**14,269 t CO2e**	**-1,644 t CO2e**	
E1-6_08	Percentage of Scope 1 GHG emissions from regulated emission trading schemes			0,00 %		
	Scope 2 GHG emissions					
E1-6_09	**Location-based Scope 2 GHG emissions**	**14,787 t CO2e**	**2,964 t CO2e**	**3,142 t CO2e**	**+177 t CO2e**	
E1-6_10	**Market-based Scope 2 GHG emissions**	**n/a**	**n/a**	**n/a**		
	GHG emissions Scope 1 and 2	**32,042 t CO2e**	**18,877 t CO2e**	**17,411 t CO2e**	**-1,467 t CO2e**	**19,550 t CO2e**
	Total GHG emissions Scope 1 and 2					
	Significant Scope 3 GHG emissions					
E1-6_11	**Total indirect GHG emissions (Scope 3)**	**n/a**	**n/a**	**2,866,914 t CO2e**		
	1 Purchased goods and services	n/a	n/a	985,013 t CO2e		
	2 Capital goods	n/a	n/a	n/a		
	3 Fuel- and energy-related activities (not included in scope 1 or scope 2)	n/a	n/a	n/a		
	4 Upstream transport and distribution	n/a	n/a	151,068 t CO2e		
	5 Waste generated in operations	n/a	n/a	n/a		
	6 Business trips	n/a	n/a	5,580 t CO2e		
	7 Commuting of employees	n/a	n/a	n/a		
	8 Upstream leased equipment	n/a	n/a	n/a		
	9 Downstream transport	n/a	n/a	n/a		
	10 Processing of sold products	n/a	n/a	n/a		
	11 Use of the sold products	n/a	n/a	1,682,344 t CO2e		
	12 End-of-Life treatment of sold products	n/a	n/a	42,909 t CO2e		
	13 Downstream leased equipment	n/a	n/a	n/a		
	14 Concessions	n/a	n/a	n/a		
	15 Investments	n/a	n/a	n/a		
	GHG emissions overall					
E1-6_12	**Total GHG emissions (location-based)**	**32,042 t CO2e**	**18,877 t CO2e**	**2,884,325 t CO2e**		
E1-6_13	**Total GHG emissions (market-based)**	**n/a**	**n/a**	**n/a**		

BREAKDOWN OF GHG EMISSIONS BY COUNTRY AND PLANT (E1-6_03).

In tons CO2e

Location	Country	Scope 1 values 2024 (t CO2e)	Scope 2 (LBM) values 2024
Munich	Germany	168	173
Hörsching	Austria	1,730	0
Korbach	Germany	1,494	0
Pfullendorf	Germany	1,312	0
Reichertshofen	Germany	732	0
Menomonee Falls	United States of America	1,835	0
Pinghu	China	56	219
Kragujevac	Serbia	164	2,111
Saragossa	Spain	80	49
Munich (Service)	Germany	132	0
Kleinmachnow	Germany	2,498	17
Vienna	Austria	686	18
Volketswil	Switzerland	967	14
Brie-Comte-Robert	France	278	2
Stafford	United Kingdom	57	32
Brantford	Canada	383	76
Ozarow Mazowiecki	Poland	653	175
Melbourne	Australia	65	43
Mollem – Asse	Belgium	59	3
Madrid	Spain	77	5
Törökbálint	Hungary	53	6
Tlalnepantla	Mexico	0	0
Bologna	Italy	99	3
Amersfoort	Netherlands	319	18
Moscow	Russia	52	27
Singapore	Singapore	3	27
Lučenec	Slovakia	50	7
Orhanlı/Tuzla	Turkey	78	29
Florida	South Africa	48	26
Lima	Peru	0	0
Prague	Czech Republic	138	76
Bangalore	India	1	6
Total of all locations		**14,267**	**3,142**

E1-6_17, E1-6_24, E1-6_28 The known biogenic emissions at the Wacker Neuson Group come from fueling the machines with HVO. The factor used for the translation of CO2e values is taken from the supplier invoice, as there is currently only one supplier for all locations. The factor for the translation currently does not provide for a division into the individual components, so a clean separation of the data into GHG emissions and biogenic emissions is not possible. To avoid an improvement of the data, the HVO values were fully included in the GHG balance. In 2024, 100 t CO2e were produced in Scope 1 emissions through the use of HVO (288,396 liters).

In the aforementioned breakdown of GHG emissions by subsidiaries of the Group, there is a difference of 2 t CO2e between the Scope 1 emissions (14,267 t CO2e) and the previous table (14,269 t CO2e). These are due to rounding differences. No biogenic emissions were determined in Scopes 2 and 3.

E1-6_32 The following tables provide an overview of the net revenue for the calculation of GHG intensity and its breakdown.

NET REVENUE USED TO CALCULATE GHG INTENSITY

In €

Data point	Net revenue	2024
E1-6_34	Net revenue used to calculate GHG intensity	€ 2,234.9 million
E1-6_35	Net revenue (other)	€ 0.0 million
E1-6_33	**Total net revenue (financial statements)-**	**€ 2,234.9 million**

GREENHOUSE GAS INTENSITY BASED ON NET REVENUE

Data point	Energy intensity	2023	2024	% 2024 / 2023
E1-6_30	Total GHG emissions (location-based) per net revenue (t CO2e/€)	0.0000	0.0013	+ 100,00 %
E1-6_31	Total GHG emissions (market-based) per net revenue (t CO2e/currency unit)	0.0000	0.0000	0.00 %

ESRS E5 Resource use and circular economy

Impact, risk and opportunity management

Description of the processes to identify and assess material impacts, risks and opportunities in connection with resource use and circular economy

E5.IRO-1_01 The identification of potentially material impacts, risks and opportunities (IROs) was carried out along the entire value chain, both upstream with suppliers and downstream with customers and end consumers of the Wacker Neuson Group. This comprehensive approach enables a complete picture of the impacts of business activities to be obtained and targeted actions to improve sustainability performance to be taken. Details on the materiality assessment process, including the methods and criteria applied by the Wacker Neuson Group, can be found under ESRS 2 (Cross-cutting Standards) in the chapter Materiality Assessment.

E5.IRO-1_02 To identify material impacts, risks and opportunities related to the topic of the circular economy, no consultations with affected communities have been conducted so far. The Wacker Neuson Group currently sees no necessity for this.

ESRS 2 SBM3_01 Regarding the material impacts of the Wacker Neuson Group on the topic of resource use and circular economy, please refer to ESRS 2.

Policies in connection with resource use and circular economy

ESRS 2 MDR-P_01 - ESRS 2 MDR-P_06 In 2024, a handbook on the regulations and reporting requirements concerning procurement was created. The handbook particularly takes into account the regulations REACH, RoHS, EUDR, LkSG, CBAM, and the Battery Directive. It also includes recommendations for actions that support purchasers in creating a sustainable supply chain. These include, for example, the use of recyclates when purchasing plastics or increasing the share of other potentially recycled raw materials (aluminium, steel, copper) in the upstream production processes of the supply chain. These actions aim to support the sustainability approach of the Wacker Neuson Group and minimize the environmental impact of procurement processes.

Actions and resources

In the following table, the material actions of the Group are listed, which aim to increase resource efficiency as well as the share of secondary raw materials (rrecycled), implement policies of circular design, employ circular business practices (e.g., maintenance, repair, upgrading, end-of-life actions), and avoid waste.

Actions that were already implemented before the reporting year 2024 are not reported here.

The table also includes measures that represent new approaches to business models (e.g., "Alternatives to linear sale"). The aim is to promote usage-based concepts instead of traditional purchase models to extend product lifespan and reduce resource consumption. This includes refurbishing processes as well as the introduction of impact-tracking systems, which make the CO2e footprint measurable in relation to productive usage time. Furthermore, the optimization of material cycles is to be advanced, including more sustainable purchasing practices as well as the recycling and reprocessing of components.

ESRS 2 MDR-A_01 - 12 SUMMARY OF ACTIONS IN THE AREA OF CIRCULAR ECONOMY.

Location (Country)	Target	Actions	Estimated investment and operating costs in €	Status	Planned financial statements of the action	Actual implementation
Kleinmachnow (GER)	Reduction resource usage – water	Aquisition of efficient and water-saving equipment	n/a	Implemented	Continuously	Continuously
Kleinmachnow (GER)	Reduction in resource usage – water	Training on the proper cleaning of machines, e.g., use of the steam cleaner's foam lance	n/a	Implemented	Continuously	Continuously
Hörsching (AUT)	Improvement circular economy	Reduction of waste – transition to reusable packaging in production	n/a	Decision on implementation pending	Q2/2023 – Q4/2024	Continuously
Kleinmachnow (GER)	Substitution – use of ecological / sustainable working materials	Oil absorbent RESORB 8 mobile station. RESORB 8 is an absorbent with extremely high absorption capacity and mainly consists of renewable and biodegradable plant fibers (excess absorbent is always reclaimed).	n/a	In progress	2024	Continuously
Hörsching (AUT)	Improvement circular economy	Waste separation for refund	n/a	In progress	2024	Continuously
Korbach (GER)	Improvement circular economy	Switching the delivery to reusable racks	n/a	In progress	Continuously	Continuously
Korbach (GER)	Improvement circular economy	Construction of a waste concept for both locations	n/a	In progress	Continuously	Continuously
div.	Offer alternatives to linear sale	Rent, operating lease, trade-in of used machinery, sales of used machinery	n/a	In progress	Continuously	Continuously
Hörsching (AUT)	Collaboration with industry partners	Engagement with external rental parks, credit institues to promote sustainable business models	n/a	In progress	2025	Continuously
div.	Condition assessment of used equipment	Development of solutions (e.g., app used inspector, certified battery check)	n/a	In progress	Continually	Continuously
Hörsching (AUT), Reichertshofen (GER)	Refurbishing of used devices	Pilot projects on refurbishing (compactors, mini excavators)	n/a	In progress	Q1/2025	Continuously
div.	Reuse of drive batteries	Policies for the reutilization of used propulsion batteries	n/a	In progress	Continuously	Continuously
div.	Extension of useful life	Long spare parts availability, easy reparability, modular machine construction	n/a	In progress	Continuously	Continuously

Metrics and targets

Targets related to resource use and circular economy

ESRS 2 MDR-T_14-19 As part of the sustainability strategy of the Wacker Neuson Group, no specific targets have been set so far in connection with resource use and circular economy. Currently, there is a lack of both the basics for product groups and a comprehensive understanding of relevant material cycles. Nevertheless, various actions have already been initiated to improve resource efficiency and promote the transition to a circular economy. These include optimizing production processes, reducing waste, and promoting recycling initiatives. The Wacker Neuson Group recognizes the importance of these topics and is committed to intensifying efforts in this area. Going forward, it is planned to establish appropriate metrics to make progress measurable. On this basis, actions and targets are intended to be set to further strengthen the commitment to sustainability and circular economy. Waste volumes and waste intensity in the production processes are already being recorded. However, there is little data available on what happens to the products at the end of their life cycle. This is an area in which more data will be collected and assessed in the future to make informed decisions for a more sustainable future.

Resource inflows

E5-4_01 The following lists the resource inflows. In the coming years, it is planned to break these down by the categories of products, materials, water, as well as property, plant and equipment. However, for this year, the data does not yet allow this breakdown. Therefore, in the table below, the resource inflows have been approximately equated to the resource outflows (in tons per plant) as a first approximation. By weight, the largest material inflow consists of the product group "Steel Construction." Other product groups (e.g., drive technology or sheet metal parts) for the construction of the products also predominantly consist of metals, so this approximation with the existing data represents the best approach to report the weighted resource inflows. Disclosures on recycling rates and relevant certifications of individual product groups cannot provided at this time.

E5-4_02 Overall total weight of products and materials used during the reporting period, stated as the weight of products produced in the plants.

TOTAL WEIGHT IN TONS
In tons

	2024
Hörsching	44,776
Korbach	25,595
Menomonee Falls	13,196
Pfullendorf	30,623
Pinghu	2,214
Reichertshofen	9,661
Saragossa	585
Total of all production sites	**126,650**

E5-4_08 To avoid double counting, the Kragujevac site is not recognized separately. This plant in Serbia is an internal supplier and is therefore included in the resource requirements of the other plants. No independent machines are built there so far.

E5-4_03 Biological material is not used in the machines of the Wacker Neuson Group; all materials can be classified under the "technical material" group.

E5-4_04, E5-4_05, E5-4_06 The reporting on secondary re-used parts as well as secondary recycled parts is primarily carried out through the collection of primary data from the supply chain. Currently, this approach is not feasible. The plan is to obtain this information in the future in combination with the collection of the product carbon footprint directly from the supplier, prioritized according to the following steps:

- Integration of the query of primary data into the inquiry process already during tenders: Existing inquiry templates will be adjusted for 2025 and considered in the design of the upcoming purchasing platform.
- Systematic query of the primary data for parts that are already being delivered, prioritized by product groups that, with high probability, may contain secondary or recycled materials.
- Mass update of the collected data and integration into the SAP material master.

E5-4_06 The Wacker Neuson Group uses a methodological approach to calculate resource inflows in the production process. The weight of the manufactured machines is taken as the basis. This procedure enables systematic recording of material flows and establishes a consistent basis for evaluating resource consumption. The weight of the machines serves as a meaningful reference, as it represents the sum of the raw materials and materials used. This methodology allows both the main components and the smaller material shares to be included in the calculations, enabling a comprehensive analysis of resource inflows. At the same time, the approach simplifies data preparation, as the machine weight is an easily accessible and verifiable metric.

Resource outflows

E5-5_01 Resource outflows within the meaning of ESRS E5 include all products and materials, including their packaging, that emerged from the production process of the plants in the reporting year, with packaging playing only a minor role. The following table provides an overview of the products, including their respective disclosures on durability and recyclable components.

PRODUCTS AND MATERIALS ARISING FROM THE PRODUCTION PROCESS

Category/Distribution	Expected durability in years	Disclosures on recyclable components (Parts)
Dumper (Hörsching)	10	Steel Electricity Operating fluid Sheet metal
Excavators (Hörsching)	10	Steel Elektrik Sheet metal Hose
Telescopic handlers, articulated steering (Pfullendorf)	10	Steel Plastics Sheet metal Electricity
Telescopic handlers, all-wheel drive (Pfullendorf)	10	Steel Plastics Sheet metal Electricity
Telescopic handlers (Pfullendorf)	10	Steel Plastics Sheet metal Electricity
Wheel loader, articulated steering (Pfullendorf)	10	Steel Plastics Sheet metal Electricity
Wheel loader, all-wheel drive (Pfullendorf)	10	Steel Plastics Sheet metal Electricity
Telescopic handlers, articulated steering (Korbach)	10	Steel Plastics Sheet metal Electricity
Telescopic handlers (Korbach)	10	Steel Plastics Sheet metal Electricity
Wheel loader, articulated steering (Korbach)	10	Steel Plastics Sheet metal Electricity
Climate technology (Menomonee Falls)	10	Steel Electric
Soil compaction (Menomonee Falls)	10	Sheet metal Electric Wood Steel
Compact loaders (Menomonee Falls)	10	Sheet metal Electric Wood Steel
Utility (Menomonee Falls)	10	Sheet metal Electric Wood Steel
Soil compaction (Reichertshofen)	10	Sheet metal Electric Wood Steel
Concrete technology (Reichertshofen)	10	Sheet metal Electric Paper Hose
Demolition (Reichertshofen)	10	Steel Sheet metal Electric Wood
Utility (Reichertshofen)	10	Steel Sheet metal Wood Paper Electric
Soil compaction (Pinghu)	10	Steel Electric Wood Paper
Concrete technology (Pinghu)	10	Steel Sheet metal Wood Paper
Demolition (Pinghu)	10	Steel Sheet metal Wood
Excavator (Pinghu)	10	Steel Electric Sheet metal Hose
Utility (Pinghu)	10	Steel Sheet metal Wood Paper
ENAR-products (Saragossa)	10	Steel Sheet metal Wood

E5-5_03 Construction machines and equipment of the Wacker Neuson Group are characterized by high repairability: Spare parts are available for the long-term, thereby extending the useful life of the machines. Thanks to the modular design, components and assemblies can be largely exchanged or repaired without replacing the entire machine. The machines are maintenance-friendly, allowing easy and quick execution of maintenance work. Comprehensive repair manuals and technical documentation support this process. Additionally, special trainings are offered to technicians of sales and service organizations to ensure proper maintenance. Regular software updates secure the long-term compatibility and functionality of the machines without requiring replacement. Product improvements that contribute to increased longevity are also offered subsequently in the form of optional upgrades. Upgrades for existing model series are also possible.

To increase the longevity of the products, Wacker Neuson Group offers its customers the option to enter into a full-service contract. Additionally, an extended warranty period can be agreed upon, if desired, to ensure long-term safety and reliability. Using telematics modules for remote diagnostics and maintenance as well as fault localization, diagnostic-related trips can be reduced and tools/spare parts can be delivered more quickly. The longevity of the products is ensured by a product lifespan of at least ten years and a publicly communicated availability of spare parts for at least ten years after the end of production.

E5-5_07 – E5-5_15/16 The table below provides the disclosures on the waste generated during the reporting year, broken down by disposal method and hazard.

GENERATED WASTE

In tons	Hazardous waste (t)	Non-hazardous waste (t)
Waste directed from disposal		
Preparing for re-use	0.0	3.8
Recycling	0.0	13,128.3
Other recovery processes	2.9	115.8
Total	**2.9**	**13,247.9**
Waste directed for disposal		
Incineration	20.4	31.1
Landfill	0.0	0.0
Other disposal	2,550.1	0.0
Total	**2,570.5**	**31.1**
Total amount of waste generated	**2,573.4**	**13,279.0**
Total amount of hazardous and radioactive waste	**2,573.4**	

E5-5_05 Nearly all components of the product packaging for delivered products can be recycled.

E5-5_06 The Wacker Neuson Group systematically integrates the principles of the circular economy into its product design to promote sustainable value creation and best meet the requirements of the EU taxonomy. In this process, the Group defines clear criteria and assumptions to develop and classify products according to circular principles.

Among the central criteria are the longevity and reparability of the products. Machines are designed to achieve a maximum useful life and are easily reparable due to modular designs. To further extend the useful life, Wacker Neuson Group ensures that spare parts are available in the long-term. Re-use and recyclability are also considered important features of product design. Materials and components are specifically selected based on whether they can be re-used or recycled after use. The focus is on recyclable metals and plastics, which enable reintegration into material cycles.

Another focus is on resource-conserving production, where the use of primary raw materials is minimized and replaced by secondary materials without compromising product quality. Production processes are designed to be energy-efficient in order to use raw materials as sustainably as possible. Additionally, the product design aims to reduce environmental impact during use. This includes lower consumption of energy and operational materials, as well as the development of electric and hybrid machines that replace fossil fuels and reduce CO2e emissions.

In the area of end-of-life management, the Wacker Neuson Group relies on a design that facilitates dismantling to enable efficient material recovery. The Group collaborates closely with recycling partners to ensure closed material loops and optimize the recovery of valuable raw materials.

The classification of the product design is based on assumptions and standards, including ISO 14001 (environmental management) and ISO 9001 (quality management). Life cycle assessments (LCA) serve as the basis for analyzing the material consumption, the CO2 balance, and the environmental impacts of a product over its entire life cycle. Additionally, the Group considers future market and customer requirements as well as technological developments such as the use of digital technologies and 3D printing to create sustainable and innovative solutions. Regulatory requirements are another material factor incorporated into the classification approaches.

E5-5_12 The Wacker Neuson Group relies on continuous optimization and disclosure of their waste streams within the scope of their sustainability strategy to minimize environmental impacts and promote the principles of the circular economy. A central focus is on the analysis of waste composition, the disclosure of relevant waste streams, and the best possible identification of materials contained in the waste. The generated waste primarily consists of industrial production waste, including metal waste such as steel and aluminum, plastic waste from packaging materials, electronic waste, as well as hazardous waste like paint and lubricant residues. These wastes are carefully separated to maximize recycling potentials and minimize environmental impacts.

E5-5_13 The relevant waste streams are disclosed in detail. Recyclable materials, such as metals and plastics, are handed over to certified recycling companies to ensure their return to the production cycle. Packaging materials such as plastic and cardboard are collected separately and recycled, while non-recyclable residual waste is disposed of in energy recovery plants to reduce landfill volumes. Hazardous waste is handed over to specialized disposal companies in accordance with legal requirements to ensure safe treatment and disposal.

E5-5_14 A significant aspect of waste management at the Wacker Neuson Group is the identification of the materials contained in the waste. This includes high-quality metals such as aluminum, steel, and copper, which can be completely recycled, as well as plastics made from polyethylene (PE) or polypropylene (PP), which are refurbished for recycling. Electronic components contain precious metals such as gold, silver, and platinum, which are recovered by specialized recycling companies. Chemical residues from lubricants, paints, or varnishes are treated with special care to avoid environmental and health risks.

E5-5_17 The Wacker Neuson Group records and calculates its waste quantities based on a standardized procedure that takes into account classification according to AVV categories (Waste Catalogue Ordinance). At each location, the waste quantities are initially recorded separately according to AVV categories, which enables precise documentation and classification by waste type. These data are then centrally compiled and aggregated to provide a comprehensive picture of the entire waste stream of the Group.

EU Taxonomy

Objective and background of the EU Taxonomy

The global community set the goal through the Paris Climate Agreement in 2015 to limit global warming in the 21st century to well below two degrees Celsius and preferably to no more than one point five degrees Celsius. To achieve these climate goals as well as further sustainability targets, the European Green Deal and the EU Action Plan on Financing Sustainable Growth were adopted at the EU level. The EU aims to achieve net zero greenhouse gas emissions (GHG) emissions by 2050, and by 2030 GHG emissions should be reduced by at least 55 percent compared to 1990. With the new Climate Protection Act, which came into force in August 2021, the German government has already tightened the climate targets for Germany: By 2030, GHG emissions in Germany should be reduced by at least 65 percent compared to 1990. The goal of GHG neutrality should be achieved by 2045.

This can, according to the EU, be achieved, among other things, if global financial flows are directed in such a way that public and private investments support the implementation of the agreed climate targets. The Paris Agreement defines this exactly as one of its core objectives: the consistency of financial flows with development paths toward a climate-friendly world that is also resilient to the negative impacts of climate change. A central instrument is the increase of transparency regarding "environmentally sustainable" economic activities through the EU taxonomy. In particular, by classifying which economic activities are considered "environmentally sustainable," security for investors is to be ensured and greenwashing avoided. The basis is Regulation (EU) 2020/852 of the European Parliament and of the Council of June 2020 on the establishment of a framework to facilitate sustainable investments and on the modification of Regulation (EU) 2019/2088 (hereinafter referred to as the Taxonomy Regulation), which, on the one hand, defines guidelines for sustainable investments and, on the other hand, modifies the disclosure requirements. The Taxonomy Regulation came into force on July 12, 2020.

In Article 9 of the Taxonomy Regulation, the following six environmental objectives are listed:

- Climate change mitigation
- Climate change adaptation,
- Sustainable use and protection of water and marine resources,
- Transition to a circular economy,
- Pollution prevention and control,
- Protection and restoration of biodiversity and ecosystems.

The EU Commission is mandated by the regulation to issue delegated acts to establish technical evaluation criteria. On December 9, 2021, the final EU Commission delegated acts for the environmental objectives of climate change mitigation and climate change adaptation were issued, and on June 27, 2023, these acts underwent various amendments and modifications. Also on June 27, 2023, the EU-Commission adopted a Taxonomy Environmental Delegated Act, including a new set of EU taxonomy criteria for economic activities that make a significant contribution to one or more of the non-climate related environmental objectives, namely: sustainable use and protection of water and marine resources, transition to a circular economy, avoidance and reduction of pollution, and the protection and restoration of biodiversity and ecosystems. At the same time, the Commission also adopted amendments to the Taxonomy Climate Delegated Act, which covers the environmental objectives of climate change mitigation and climate change adaptation, as well as the Taxonomy Disclosure Delegated Act.

The EU taxonomy differentiates between taxonomy-eligible and taxonomy-aligned economic activities. Taxonomy-eligible economic activities are those for which specific criteria for each environmental objective have been defined in Commission delegated acts.

Economic activities are taxonomy-aligned, thus "environmentally sustainable" within the meaning of the Taxonomy Regulation, if they cumulatively meet the following criteria:

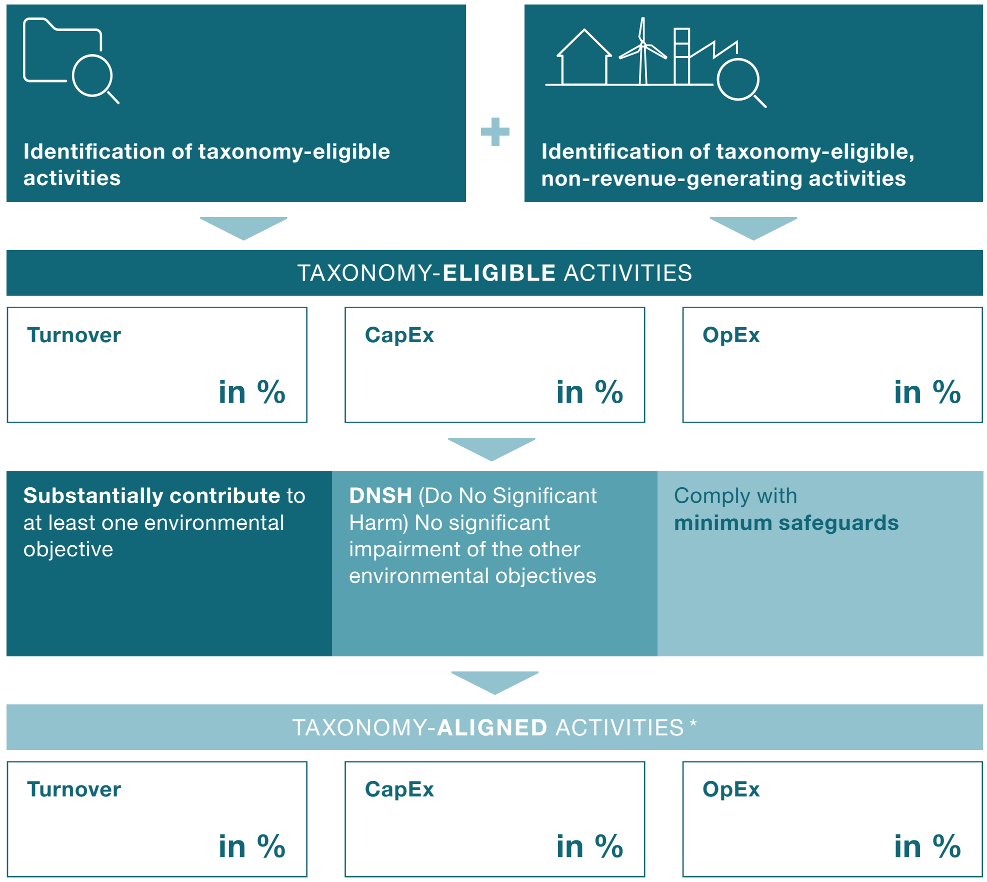
- They make a significant contribution to the respective environmental objectives – currently climate change mitigation or climate change adaptation (Substantial Contribution), evidenced by compliance with the criteria defined by the EU (Technical Screening Criteria),
- they do not significantly harm the achievement of the five other EU environmental objectives (DNSH: Do No Significant Harm) and
- they comply with social Minimum Safeguard Criteria.

Under Article 8 of the Taxonomy Regulation in conjunction with Article 10 of the Commission delegated act (EU) 2021/4987 of July 6, 2021, the disclosure requirements for the annual periods starting 2022 are regulated. The reporting requirement for the fiscal year 2024 includes both taxonomy-eligible and taxonomy-aligned economic activities concerning all six environmental objectives and the share of revenue, capital expenditure (CapEx), and operational expenditure (OpEx) associated with these economic activities to the respective total value of the Group.

REPORTING REQUIREMENT FROM THE FISCAL YEAR 2024

ENVIRONMENTAL OBJECTIVES:

1. Climate change mitigation
2. Climate change adaptation
3. Sustainable use and protection of water and marine resources
4. Transition to a circular economy
5. Pollution prevention and control
6. Protection and restoration of biodiversity and ecosystems



Determination of taxonomy eligibility as well as taxonomy alignment 2024

Building on the results of the reporting from 2023, the taxonomy-eligible and taxonomy-aligned economic activities were determined in 2024. The initial implementation of key performance indicators for taxonomy alignment regarding environmental objectives 3–6 was conducted by a cross-functional project team. To identify the taxonomy-eligible economic activities, a review of all relevant business activities of the Wacker Neuson Group was carried out. This was initially oriented towards the economic activities identified in the previous year and built upon them. Additionally, during the review for the activity catalogs of the six environmental objectives, qualitative materiality considerations were applied to exclude clearly insignificant matters.

In the context of determining the taxonomy-eligible economic activities for revenue, the sale of battery-powered construction equipment and compact machines (zero emission product portfolio), the sale of spare parts and used machines, rental income from the rental equipment, as well as service and repair services were identified. The allocation was made to the economic activities "3.6 Manufacture of other low carbon technologies", "5.1 Repair, refurbishment and remanufacturing", "5.2 Sale of spare parts", "5.4 Sale of second-hand goods", as well as "5.5 Product-as-a-service and other circular use and result-oriented service models." Activity 3.6 was allocated to environmental objective 1, and activities 5.1, 5.2, 5.4, and 5.5 to environmental objective 4.

In the context of determining the taxonomy-eligible economic activities for CapEx, in addition to CapEx related to the previously mentioned revenue activities, investments were also identified in the areas of research and development activity, investments in photovoltaic systems, charging stations for e-vehicles, and heat pumps, as well as additions of self-used real estate assets and fleet. The allocation was made to the previously mentioned activities 3.6, 5.1, 5.2, 5.4, and 5.5 to "6.5 Transport by motorbikes, passenger cars and light commercial vehicles", "7.3 Installation, maintenance and repair of energy efficiency equipment", "7.4 Installation, maintenance and repair of charging stations for electric vehicles in buildings", "7.6 Installation, maintenance and repair of renewable energy technologies", "7.7 Acquisition and ownership of buildings" and "9.1 Close to market research, development and innovation". The activities 3.6, 6.5, 7.3, 7.4, 7.6, 7.7 and 9.1 were allocated to environmental objective 1, activities 5.1, 5.2, 5.4, and 5.5 to environmental objective 4.

In the context of determining taxonomy-eligible economic activities for OpEx, in addition to OpEx related to the zero emission product portfolio, service and repair services, and research and development, expenses related to company bicycle leasing were also identified. The allocation was in addition to the previously mentioned activities 3.6, 5.1, and 9.1 to "6.4 Operation of personal mobility devices, cycle logistics". Activities 3.6, 6.4, and 9.1 were assigned to environmental objective 1, while activity 5.1 was assigned to environmental objective 4.

The identification of taxonomy-eligible activities regarding environmental objectives 1 to 6 was fundamentally based on the review processes of the previous year. The assessment of the significant contribution was conducted for the respective economic activities through interviews with experts from the respective specialist department, evaluating the existing certifications, as well as implementing the proof requirements specified by the project team. Regarding evidence of Do No Significant Harm (DNSH), the requirements of the Commission delegated acts were also reviewed and documented by the project team in collaboration with the specialist departments for each relevant economic activity. Compliance with the social minimum requirements was reviewed and documented at a higher level with reference to the individual economic activities. Based on the assessment of taxonomy eligibility and alignment, the collection of the financial metrics required by the taxonomy, such as revenue, CapEx, and OpEx, led to the conversion of the identified taxonomy-eligible and taxonomy-aligned economic activities into metrics. Where possible, based on materiality principles and the entire dataset, a direct allocation of financial metrics to the corresponding economic activity was made, avoiding double counting. The determination of the financial metrics was based on the IFRS Consolidated Financial Statements for the fiscal year 2024.

Evaluation for the fiscal year 2024

In the fiscal year 2024, 22.79 percent of the Group revenue was taxonomy-eligible but not environmentally sustainable (not taxonomy-aligned) and 1.75 percent was taxonomy-aligned. Accordingly, the remaining 77.21 percent was not taxonomy-eligible. The total revenue (denominator of the financial ratio) represents the line "Revenue" of the Group income statement for the fiscal year 2024. Non-taxonomy-aligned activities include the portion of the zero emission portfolio (activity 3.6) manufactured by external partners for the Group as well as the other activities 5.1, 5.2, 5.4, and 5.5. Taxonomy-aligned activities include the portion of the zero emission product portfolio that is manufactured by the Group itself (3.6). The decline in taxonomy alignment compared to the fiscal year 2023 is primarily due to the fact that revenue from zero emission products was lower in the fiscal year 2024 than in the fiscal year 2023.

In the fiscal year 2024, 44.53 percent of CapEx were taxonomy-eligible but not environmentally sustainable (not taxonomy-aligned) and 5.26 percent were taxonomy-aligned. Accordingly, the remaining 55.47 percent were not taxonomy-eligible. The total CapEx (denominator of the financial ratio) includes the Group's investments in “Property, plant and equipment” (including right-of-use asset according to IFRS 16 as well as potentially investments in “Assets held for sale”) and “Other intangible assets” (excluding “Goodwill”) for the fiscal year 2024. Non-taxonomy-aligned activities include the CapEx in connection with the portion of the zero emission portfolio (3.6) produced by external partners for the Group and the other activities 5.1, 5.2, 5.4, 5.5, 6.5, 7.3, and 7.7. Taxonomy-aligned activities include the CapEx related to the self-produced portion of the zero emission product portfolio (3.6) and the investments in e-charging stations (7.4), photovoltaic systems (7.6), and in the context of the research and development activity (9.1). While non-taxonomy-aligned activities also include companies from non-EU countries, only investments in EU member states were considered for taxonomy-aligned activities, as only these could meet the Substantial Contribution criteria and DNSH criteria and comply with the regulatory requirements of the EU taxonomy. The percentage increase in taxonomy alignment compared to the fiscal year 2023 is essentially due to higher investments in research and development made in the fiscal year 2024. In absolute terms, the share of taxonomy-aligned investments has decreased less significantly compared to the total capital expenditure. This also, among other factors, has driven the percentage increase.

In the fiscal year 2024, 44.25 percent of OpEx were taxonomy-eligible but not environmentally sustainable (not taxonomy-aligned), and 8.03 percent were taxonomy-aligned. Accordingly, the remaining 55.75 percent were non-taxonomy-eligible. The total operating expenses (denominator of the financial metric) includes expenses for maintenance and repair of machinery and buildings, as well as research and development expenses without depreciation, loss allowance, and lease payments. The non-taxonomy-aligned activities include the OpEx related to the part of the zero emission portfolio (3.6) manufactured by external partners for the Group and the other activities 5.1 and 6.4. The taxonomy-aligned activities include the OpEx related to the portion of the zero emission product portfolio (3.6) manufactured internally, as well as the OpEx for research and development (9.1). While the non-taxonomy-aligned activities also include companies from non-EU countries, only EU member states were considered for the taxonomy-aligned activities, as only they could meet the Substantial Contribution criteria as well as the DNSH criteria and comply with the regulatory requirements of the EU taxonomy. The increase in taxonomy alignment compared to the fiscal year 2023 is mainly due to higher research and development expenses incurred in the fiscal year 2024.

Share of revenue from goods or services associated with taxonomy-aligned economic activities - Disclosure for the fiscal year 2024:

				Substantial Contribution Criteria						DNSH Criteria ('Does Not Significantly Harm')									
Economic Activities	Code(s)	Absolute Turnover	Proportion of Turnover	Climate Change Mitigation	Climate Change Adaptation	Water	Pollution	Circular Economy	Biodiversity and Ecosystems	Climate Change Mitigation	Climate Change Adaptation	Water	Pollution	Circular Economy	Biodiversity and Ecosystems	Minimum Safeguards	Taxonomy-aligned (A.1.) or Taxonomy-eligible (A.2.) proportion of total turnover, year 2023	Category enabling activity	Category transitional activity
		m €	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N	Y; N	Y; N	Y; N	Y; N	Y; N	Y; N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
Manufacture of other low carbon technologies	3.6	39.13	1.75	J	N/EL	N/EL	N/EL	N/EL	N/EL	N/A	Y	Y	Y	Y	Y	Y	1.86	E	
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)		**39.13**	**1.75**	**1.75%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**N/A**	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**	**1.86**		
Of which enabling		**39.13**	**1.75**	**1.75%**	0.00%	0.00%	0.00%	0.00%	0.00%	N/A	Y	Y	Y	Y	Y	Y	1.86	**E**	
Of which transitional		**0.00**	**0.00**	0.00%															**T**
A.2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
Manufacture of other low carbon technologies	3.6	0.14	0.01	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.02		
Repair, refurbishment and remanufacturing	5.1	28.62	1.28	N/EL	N/EL	N/EL	N/EL	EL	N/EL								1.00		
Sale of spare parts	5.2	213.99	9.57	N/EL	N/EL	N/EL	N/EL	EL	N/EL								7.68		
Sale of second-hand goods	5.4	82.86	3.71	N/EL	N/EL	N/EL	N/EL	EL	N/EL								3.00		
Product-as-a-service and other circular use- and result-oriented service models	5.5	144.71	6.47	N/EL	N/EL	N/EL	N/EL	EL	N/EL								4.91		
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		**470.31**	**21.04**	0.01%	0.00%	0.00%	0.00%	21.04%	0.00%								16.61		
Turnover of Taxonomy-eligible activities (A.1+A.2)		**509.44**	**22.79**	1.76%	0.00%	0.00%	0.00%	21.04%	0.00%								18.47		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
Turnover of Taxonomy-noneligible activities (B)		**1,725.49**	**77.21**																
Total (A+B)		**2,234.93**	**100.00**																

	Proportion of Turnover/Total turnover	
	Taxonomy-aligned per objective	Taxonomy-eligible per objective
Climate Change Mitigation	1.75%	1.76%
Climate Change Adaptation	0.00%	0.00%
Water	0.00%	0.00%
Pollution	0.00%	21.04%
Circular Economy	0.00%	0.00%
Biodiversity and Ecosystems	0.00%	0.00%

CapEx share from goods or services associated with taxonomy-aligned economic activities – Disclosure for the fiscal year 2024:

				Substantial Contribution Criteria						DNSH Criteria ('Does Not Significantly Harm')									
Economic Activities	Code(s)	Absolute CapEx	Proportion of CapEx	Climate Change Mitigation	Climate Change Adaptation	Water	Pollution	Circular Economy	Biodiversity and Ecosystems	Climate Change Mitigation	Climate Change Adaptation	Water	Pollution	Circular Economy	Biodiversity and Ecosystems	Minimum Safeguards	Taxonomy-aligned (A.1.) or Taxonomy-eligible (A.2.) proportion of total CapEx, year 2023	Category enabling activity	Category transitional activity
		m €	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N	Y; N	Y; N	Y; N	Y; N	Y; N	Y; N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
Manufacture of other low carbon technologies	3.6	1.86	1.26	J	N/EL	N/EL	N/EL	N/EL	N/EL	N/A	Y	Y	Y	Y	Y	Y	1.66	E	
Installation, maintenance and repair of charging stations for electric vehicles in buildings	7.4	0.18	0.13	J	N/EL	N/EL	N/EL	N/EL	N/EL	N/A	Y	Y	Y	Y	Y	Y	0.06	E	
Installation, maintenance and repair of renewable energy technologies	7.6	0.37	0.25	J	N/EL	N/EL	N/EL	N/EL	N/EL	N/A	Y	Y	Y	Y	Y	Y	2.00	E	
Close to market research, development and innovation	9.1	5.35	3.62	J	N/EL	N/EL	N/EL	N/EL	N/EL	N/A	Y	Y	Y	Y	Y	Y	0.95	E	
CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		**7.76**	**5.26**	**5.26%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**N/A**	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**	**4.67**		
Of which enabling		**7.76**	**5.26**	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	N/A	Y	Y	Y	Y	Y	Y	4.67	**E**	
Of which transitional		**0.00**	**0.00**	0.00%															**T**
A.2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
Manufacture of other low carbon technologies	3.6	0.01	0.01	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.02		
Repair, refurbishment and remanufacturing	5.1	1.36	0.92	N/EL	N/EL	N/EL	N/EL	EL	N/EL								0.89		
Sale of spare parts	5.2	10.15	6.87	N/EL	N/EL	N/EL	N/EL	EL	N/EL								6.86		
Sale of second-hand goods	5.4	3.94	2.67	N/EL	N/EL	N/EL	N/EL	EL	N/EL								2.68		
Product-as-a-service and other circular use- and result-oriented service models	5.5	6.86	4.65	N/EL	N/EL	N/EL	N/EL	EL	N/EL								4.39		
Transport by motorbikes, passenger cars and light commercial vehicles	6.5	8.25	5.59	EL	N/EL	N/EL	N/EL	N/EL	N/EL								5.58		
Installation, maintenance and repair of energy efficiency equipment	7.3	0.01	0.01	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.30		
Acquisition and ownership of buildings	7.7	27.41	18.57	EL	N/EL	N/EL	N/EL	N/EL	N/EL								1.77		
CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		**57.99**	**39.28**	24.17%	0.00%	0.00%	0.00%	15.11%	0.00%								22.49		
CapEx of Taxonomy-eligible activities (A.1+A.2)		**65.75**	**44.53**	29.43%	0.00%	0.00%	0.00%	15.11%	0.00%								27.16		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
CapEx of Taxonomy-noneligible activities (B)		**81.89**	**55.47**																
Total (A+B)		**147.65**	**100.00**																

	Proportion of CapEx/Total CapEx	
	Taxonomy-aligned per objective	Taxonomy-eligible per objective
Climate Change Mitigation	5.26%	29.43%
Climate Change Adaptation	0.00%	0.00%
Water	0.00%	0.00%
Pollution	0.00%	15.11%
Circular Economy	0.00%	0.00%
Biodiversity and Ecosystems	0.00%	0.00%

Operating expenses share from goods or services associated with taxonomy-aligned economic activities — Disclosure for the fiscal year 2024:

				Substantial Contribution Criteria						DNSH Criteria ('Does Not Significantly Harm')									
Economic Activities	Code(s)	Absolute OpEx	Proportion of OpEx	Climate Change Mitigation	Climate Change Adaptation	Water	Pollution	Circular Economy	Biodiversity and Ecosystems	Climate Change Mitigation	Climate Change Adaptation	Water	Pollution	Circular Economy	Biodiversity and Ecosystems	Minimum Safeguards	Taxonomy-aligned (A.1.) or Taxonomy-eligible (A.2.) proportion of total OpEx, year 2023	Category enabling activity	Category transitional activity
		m €	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N	Y; N	Y; N	Y; N	Y; N	Y; N	Y; N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
Manufacture of other low carbon technologies	3.6	0.31	0.49	J	N/EL	N/EL	N/EL	N/EL	N/EL	N/A	Y	Y	Y	Y	Y	Y	0.49	E	
Close to market research, development and innovation	9.1	4.73	7.54	J	N/EL	N/EL	N/EL	N/EL	N/EL	N/A	Y	Y	Y	Y	Y	Y	5.86	E	
OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		**5.04**	**8.03**	**8.03%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**N/A**	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**	**6.35**		
Of which enabling		**5.04**	**8.03**	8.03%	0.00%	0.00%	0.00%	0.00%	0.00%	N/A	Y	Y	Y	Y	Y	Y		**E**	
Of which transitional		**0.00**	**0.00**	0.00%															**T**
A.2. Taxonomy-eligible but not environmentally sustain-able activities (not Taxonomy-aligned activities)																			
Manufacture of other low carbon technologies	3.6	0.10	0.15	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.14		
Repair, refurbishment and remanufacturing	5.1	22.57	35.95	N/EL	N/EL	N/EL	N/EL	EL	N/EL								32.78		
Operation of personal mobility devices, cycle logistics	6.4	0.07	0.11	EL	N/EL	N/EL	N/EL	N/EL	N/EL										
OpEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		**22.74**	**36.22**	0.26%	0.00%	0.00%	0.00%	35.95%	0.00%								32.92		
OpEx of Taxonomy-eligible activities (A.1+A.2)		**27.78**	**44.25**	8.29%	0.00%	0.00%	0.00%	35.95%	0.00%								39.27		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
OpEx of Taxonomy-noneligible activities (B)		**35.01**	**55.75**																
Total (A+B)		**62.79**	**100.00**																

	Proportion of OpEx/Total OpEx	
	Taxonomy-aligned per objective	Taxonomy-eligible per objective
Climate Change Mitigation	8.03%	8.29%
Climate Change Adaptation	0.00%	0.00%
Water	0.00%	0.00%
Pollution	0.00%	35.95%
Circular Economy	0.00%	0.00%
Biodiversity and Ecosystems	0.00%	0.00%

ACTIVITIES IN THE AREAS OF NUCLEAR ENERGY AND FOSSIL GAS

	Nuclear activities	
1.	The entity is engaged in the research, development, demonstration, and deployment of innovative power generation systems that produce energy from nuclear processes with minimal waste from the fuel cycle, finances such activities, or holds risk positions related to these activities.	No
2.	The entity is involved in the construction and safe operation of new nuclear technology facilities for the generation of electricity or process heat - including for district heating or industrial processes such as hydrogen production - as well as in their safety enhancement using the best available technologies, finances such activities, or holds risk positions related to these activities.	No
3.	The entity is engaged in the safe operation of existing nuclear facilities for the generation of electricity or process heat – including for district heating supply or industrial processes such as hydrogen production – as well as in their safety-related enhancements, finances such activities, or holds risk positions related to these activities.	No
	Activities in the area of fossil gas	
4.	The entity is involved in the construction or operation of appendix for the generation of electricity from fossil gaseous fuels, finances such activities, or holds risk positions related to these activities.	No
5.	The entity is engaged in the construction, upgrade, and operation of facilities for combined heat/cooling generation with fossil gaseous fuels, finances such activities, or holds risk positions related to these activities.	No
6.	The entity is engaged in the construction, upgrade, and operation of systems for heat generation, which produce heat/cold from fossil gaseous fuels, finances such activities, or holds risk positions related to these activities.	No

No disclosures according to VO (EU) 2022/1214 on additional nuclear and gas reports are made, as the Wacker Neuson Group does not engage in these activities.

Social

ESRS S1 Own Workforce

The Wacker Neuson Group pursues consistent ethical and responsible actions, which serve as the foundation for all business areas. This attitude is reflected in a corporate culture based on the values of competence, enthusiasm, entrepreneurship, appreciation, and agility. Integrity and strict compliance with laws and regulations are particularly in focus as unwavering guidance.

Responsibility for social matters is anchored at the highest management level, supported by a company-wide Code of Conduct that sets mandatory standards for lawful and responsible behavior. Additionally, the external whistleblower reporting channels "Tell-it" provide a trusted way to report grievances anonymously.

With the statement of principles on global human resource work, published in June 2023, the Group commits to working conditions based on international standards such as the human rights of the United Nations (UN) and the International Labor Organization (ILO) conventions. Regular reviews of health and safety policies as well as the commitments of suppliers to global standards for working time and remuneration ensure a high level of safety – both within the Group and along the value chain.

The social chapter illustrates how forward-looking strategies and concrete actions create a work environment that meets the needs of the workforce as well as the requirements of sustainable corporate governance. Specifically established procedures promote the development of employees, ensure health and safety, and guarantee the consistent adherence to labor law. Additionally, a work atmosphere is promoted that not only favors but actively embodies diversity, equal opportunities, and social justice. This interplay of values, commitment, and foresight demonstrates that people are at the center – as the basis for long-term success and sustainable growth.

Strategy

The human resources strategy developed in 2023 is a central component of the "Strategy 2030" and aims to position the Wacker Neuson Group as an attractive employer under the motto "Best Company to Work For". The strategy defines strategic areas of action and objectives across the Group. These are intended to support the long-term growth of the Group, increase employer attractiveness, and sustainably strengthen employee motivation.

Key focus areas include the development of flexible work models, the promotion of diversity, and the creation of innovative career paths. Initial actions have already been implemented, including the revision of employer branding, the expansion of the benefits offering, and the intensification of succession planning. Additionally, the Group underscored its commitment to diversity and inclusion by signing the 'Diversity Charter' in October 2023 – an initiative that promotes diversity in the workplace.

5 PILLARS OF THE HR STRATEGY

Pillar	Description
Attract & Recruit	We enhance our employer value proposition, find the right and best talents in time and offer an outstanding candidate experience.
Engage & Reward	We foster modern working environments and an appreciative corporate culture. We acknowledge the importance of diversity, promote mutual feedback and recognize performance.
Inspire & Grow	We ensure individual growth and development, implement global career concepts and fill the talent and succession pipeline. Our leadership principles are part of our DNA.
Enable & Deliver	We train and enable our people in line with business needs and know the future needs of competencies. We provide state-of-the-art and flexible working models.
HR-Excellence	Human Resources is a strategic partner to the business. It turns change into reality and provides a customer-centric employee journey.

Additionally, since the fiscal year 2020, five leadership principles have served as guidelines for collaboration among all employees. They form a common foundation for the Wacker Neuson Group's understanding of values.

GUIDELINES FOR COLLABORATION

	Description
We assume responsibility	We help our employees and teams to act independently. We provide the information and resources they need to act on their own responsibility.
We believe in mutual respect	We live a corporate culture built on open, transparent communication and mutual appreciation.
We act as coaches	We are role models and enable our employees and teams to achieve their goals.
We celebrate successes	Together we are responsible for achieving objectives and we celebrate our success as a team.
We continue to develop	We use mistakes as learning opportunities, give and accept feedback and develop solutions together.

Interests and views of stakeholders

ESRS 2 SBM-2 | S1.SBM-2_01 The Wacker Neuson Group places the highest priority on the interests and views of its stakeholder groups and considers them as a crucial foundation for a future-oriented corporate strategy. Employees, in particular, play a central role as their influence and importance for the long-term success of the Group are immense. To meet this standard, the Group ensures regular and transparent communication. Through the group-wide intranet "Connect", employee events, leadership conferences, working sessions, as well as virtual and physical town hall meetings, employees at all levels – from the top management to the entire workforce – are comprehensively informed and actively involved.

Furthermore, the Wacker Neuson Group plans to intensify the dialogue with additional stakeholders, especially in the context of sustainability, in the medium term. In this context, employees will be involved early in the planning and agenda of relevant discussions to ensure broad participation and well-founded preparation. The results of these dialogues will not only be shared within the Group but will also be strategically integrated into the further development of the sustainability strategy. This ensures that key insights from stakeholders are taken into account and strategic actions are continuously optimized.

An essential component of these efforts are regularly scheduled meetings within the Sustainability Leadership Team, where the focus is particularly on the exchange between ESG management, Chief Executive Officer (CEO), and Chief Financial Officer (CFO). These meetings serve to monitor progress and consistently implement agreed-upon actions. They strengthen trust and transparency both with internal and external stakeholders.

In the long-term, the Wacker Neuson Group aims for a dynamic and adaptable sustainability strategy that continuously meets current requirements and expectations through ongoing dialogue with stakeholders. This consistent collaboration underlines the Group's commitment to promoting sustainable development while considering the interests of all parties involved.

Material impacts, risks and opportunities and their interaction with strategy and business model

ESRS 2 SBM-3, S1.SBM-3_03, S1.SBM-3_04, S1.SBM-3_05, S1.SBM-3_06, S1.SBM-3_07, S1.SBM-3_08, S1.SBM-3_09, S1.SBM-3_10, S1.SBM-3_11, S1.SBM-3_12, S1.13a-1, S1.13a-2 The Wacker Neuson Group pursues a holistic approach to identify material impacts, risks and opportunities and to assess their interactions with its strategy and business model. This includes all affected communities who may be influenced by the Group – from employees to external workers to potential future employees – within the scope of disclosure in accordance with ESRS 2.

One of the significant adverse impacts consists of the risk of gender pay gaps, especially among employees with contracts not subject to collective agreements. Additionally, reputational damage could arise from work-related accidents, work-related ill health, or incidents of discrimination. Although the likelihood and scope are assessed as limited and the potential impact as not material, preventive actions are an integral part of the corporate strategy to minimize potential financial or reputational consequences.

In contrast, numerous positive impacts result from targeted actions of the Wacker Neuson Group, as also outlined taking into account country-specific aspects. An adequate wage, which includes both collective and non-collective remuneration, contributes materially to employee satisfaction. Development programs such as trainee offers, trainings, and further education strengthen the long-term commitment of employees and contribute to their professional as well as personal development. Additionally, flexible working arrangements and additional benefits create an attractive work environment that facilitates work-life balance. Ergonomic workplaces, Health & Safety trainings, and “Jobrad” programs promote employee safety and satisfaction. Moreover, clear processes and policies ensure a high level of employee security.

In its transition plans to reduce environmental impacts and achieve climate-neutral operations, the Wacker Neuson Group considers not only environmental objectives but also potential impacts on the workforce. Efficiency improvements, automation, or new technology may require restructuring and adjustments, particularly in areas with high CO2e emissions. At the same time, new jobs are created in research, sustainable product design, and the manufacturing of energy-efficient machines. To ensure a socially responsible transition, the Group offers targeted training programs to prepare employees for new technology and processes. Change processes are carried out in close consultation with employee representatives and in compliance with local labor regulations. Regular exposure and opportunity analyses help to identify and minimize negative impacts at an early stage.

The Wacker Neuson Group offers reskilling and upskilling measures for employees in areas particularly affected by technological changes. This includes, for example, production teams at locations with increasing automation. These training programs are specifically aimed at employees whose tasks could be changed or replaced by the use of new technologies.

Furthermore, we address specific age groups in our workforce: For younger employees, we focus on career start programs. For more experienced employees, we build on initiatives such as health promotion or flexible transitions into retirement.

Geographically based differences, such as different regulatory requirements or local market conditions, are also taken into account when planning our actions. These targeted approaches complement our general actions, which apply to all employees, and help to promote both the satisfaction and performance of our workforce.

The Wacker Neuson Group continuously plans further analyses to address specific risks of individual groups within the workforce more precisely and implement more effective preventative measures. This differentiated approach underscores the Group's commitment to creating a work environment that meets the highest ethical standards and satisfies both the individual needs of employees and the requirements of sustainable corporate governance.

Impact, risk and opportunity management

Policies in relation to the own workforce

MDR-P_01, MDR-P_2, MDR-P_03, MDR-P_04, MDR-P_05, MDR-P_06, S1-1, S1-1_01, S1-1_03, S1-1_04, S1-1_05, S1-1_06, S1-1_07, S1-1_08, S1-1_09, S1-1_10, S1-1_12, S1-1_13, S1-2_05 The Wacker Neuson Group has implemented comprehensive policies which consider the entire own workforce, all relevant activities in the value chain, as well as geographical and stakeholder-specific aspects.

These policies apply to all employees – regardless of location, type of employment, or position – and include key topics such as working conditions, human rights, health and safety, as well as promote diversity and inclusion. Along the value chain, they address both upstream activities such as the procurement of materials and components as well as downstream activities such as sales and use of the products. Special attention is given to supply chain management, with standards clearly communicated and monitored through regular audits to ensure consistent compliance.

To ensure a sustainable and responsible value chain, supply chain management is strictly monitored, and stakeholder concerns are systematically integrated into the Group's strategic and operational alignment. These interests, closely linked to social, ecological, and economic issues, are captured through regular dialogue and targeted communication channels. Formats such as surveys, feedback systems, and stakeholder workshops enable a structured identification of relevant concerns. These insights directly flow into risk analysis, strategy development, and reporting to ensure that central issues are consistently considered. Through this proactive alignment, the Wacker Neuson Group creates sustainable value and strengthens the long-term trust of its stakeholders.

The Wacker Neuson Group strengthens trust and sustainable collaboration with its stakeholders – including employees, business partners, and external interest groups – by creating transparency, making its policies available to the relevant stakeholders through various communication channels, and ensuring effective implementation. The Statement of Principles on Human Rights, the Code of Conduct for employees, as well as the Supplier Code of Conduct and Distributor Code of Conduct, are publicly accessible on the company's website among other things, offering (potentially affected) stakeholders the opportunity to review the policies. Internally, employees and executives involved in the implementation of the policies are regularly sensitized and trained through trainings and internal communication. Additionally, both internal and external stakeholders can report any violations of the policies via the whistleblower reporting channels "Tell-it", enabling a dialogue with the potentially affected parties.

Together with the Statement of Principle on HR Policy and the signed Diversity Charta, the Code of Conduct for employees and the Statement of Principles on Respect for Human Rights aim to prevent discrimination in any form, actively promote equal opportunities, and create a respectful working environment. They cover material human rights policy commitments and are guided by internationally recognized standards and initiatives to comprehensively and effectively address human rights, social, and ecological responsibilities.

These include:

OVERVIEW ESG GUIDELINES

UN Guiding Principles on Business and Human Rights (2011)	International framework that defines the responsibility of states and entities for the protection and respect for human rights both in their own operations and along the supply chain. They are based on three pillars: the state's duty to protect, the corporate responsibility to respect human rights, and the provision of access to remediation for affected parties. Although they are not legally binding, they offer practical guidance for integrating human rights into business activities.
Universal Declaration of Human Rights of the United Nations (1948) including the International Covenant on Civil and Political Rights (1967) and the International Covenant on Economic, Social and Cultural Rights (1967)	Basic international document that defines the universal rights and freedoms of every person regardless of nationality, gender, religion, or social status, securing the fundamental rights to economic, social and cultural rights, as well as civil and political freedoms.
Core labor standards of the International Labor Organisation (ILO) (1998)	Fundamental international standards aimed at ensuring fair and decent working conditions worldwide. They encompass four central principles: freedom of association and the right to collective bargaining, protection against forced labor, prohibition of child labor as well as the elimination of discrimination in employment and occupation. These standards are enshrined in eight fundamental ILO conventions and constitute the basis for promoting equality, safety, and dignity in the world of work.
The Minamata Convention on Mercury (2013)	International treaty to protect human health and the environment from the impacts of mercury and mercury compounds. It regulates the controls of emissions, mining, use, and disposal of mercury and aims to reduce the global mercury emissions.
Stockholm Convention on Persistent Organic Pollutants (2001)	International agreement to protect human health and the environment from the harmful impacts of persistent organic pollutants (POPs). It aims to reduce or eliminate the production, use, and release of these chemical substances as they accumulate in the environment and food chain causing health and ecological damage.
Basel Convention on the Control of Transboundary Movements of Hazardous Wastes (1992)	International agreement aimed at regulating the transboundary movement of hazardous wastes and ensuring their environmentally sound disposal. The convention protects humans and the environment from the risks that can arise from improper handling, storage, or disposal of such wastes.

Furthermore, the Wacker Neuson Group has been a partner of the Blue Competence initiative of VDMA since 2013, which promotes sustainability in mechanical engineering and is based on twelve binding principles that include compliance with human rights and resource-conserving actions.

These third-party standards and initiatives are firmly embedded in internal policies and processes and ensure that the commitments correspond to globally recognized best practices. Compliance is regularly evaluated and made transparent through reports, such as the annual non-financial group statement and the reports under the Supply Chain Act (LkSG).

Since the well-being and safety of employees are crucial for sustainable productivity and service quality, the Wacker Neuson Group places these aspects at the forefront. The Group is committed to adhering to strict health and occupational safety guidelines to ensure a safe and healthy working environment. Both the physical and mental well-being of the workforce are promoted. As part of the Code of Conduct for its employees, the Wacker Neuson Group promotes a global health and occupational safety policy that includes preventive actions to reduce accidents, the prohibition of illegal substances in the workplace, and the encouragement of responsible handling of risks and hazards.

Special emphasis is also placed on the inclusion of vulnerable groups within the workforce. The general political commitments of the Wacker Neuson Group include actions to support and ensure the equal treatment of all employees, regardless of their background or life circumstances, making additional specific policies unnecessary. Additionally, there are site-specific policies that address local requirements and further strengthen the global commitments.

The implementation of these principles is ensured through specific procedures. This includes that every employee agrees to the Code of Conduct, which describes the commitment to promote diversity and inclusion as well as to fight discrimination. The management team monitors the compliance with these principles and ensures that they are actively practiced in daily business operations. In this way, the Wacker Neuson Group not only creates an inclusive work environment but also strengthens the values and corporate culture in the long-term.

Processes for engaging the Group's own workforce and employee representatives with respect to impacts

S1-2, S1-2_01, S1-2_02, S1-2_03, S1-2_04, S1-2_06, S1-2_07, S1-2.25 Wacker Neuson SE relies on a structured and inclusive process to involve people in its own workforce as well as employee representatives regarding actual and potential impacts.

The aim is to ensure transparent communication, identify potential risks at an early stage, and develop sustainable solutions together. The HR policy of the Group affirms the commitment to uphold fundamental employee rights, including freedom of association and the right to collective bargaining. In this context, the Group works closely with employee representatives and promotes an open and constructive dialogue, which also played a central role in the implementation of the materiality assessment.

In regular meetings, topics such as working conditions, organizational changes, potential risks, and strategic initiatives are discussed. This enables early identification and addressing of potential impacts on the workforce. During restructurings or other changes that potentially impact the workforce, affected employees and their representatives are involved early in the planning and implementation phases. Trainings, information sessions, and workshops are offered to create transparency and address concerns specifically. Leaders are specially trained to understand and apply the importance of employee retention and collaboration with employee representatives in their practice.

Important elements of engagement include regular communication via the company-wide intranet "Connect," leadership conferences, employee events, as well as virtual and physical town hall meetings. These formats enable exchanges between various levels – from executive management to the entire workforce – and help to create transparency and actively gather feedback. Additionally, regular works council meetings are held to further deepen communication. Any questions or issues are also addressed or discussed with the works council.

Through the whistleblower reporting channel "Tell-it," employees can anonymously and confidentially report potential or actual risk. This system complements direct communication and serves as important input for process enhancements. This structured approach ensures that the concerns and perspectives of employees and their representatives actively contribute to decision-making and risk management. In this way, responsible corporate governance is strengthened, and a continuous enhancement process is facilitated.

Employee co-determination is also carried out through the Supervisory Board, whose composition includes representatives of both shareholders and employees. Four members are elected by the Annual General Meeting, while the employee representation is appointed by the employees in accordance with the German SE Participation Act (SEBG). This structure ensures that the perspectives of the workforce are considered at the highest level.

To strengthen employee engagement further, the Wacker Neuson Group uses additional tools such as performance reviews, the implementation of leadership guidelines and continuous dialogue in internal forums. Managing Directors (MDs) of all units also bear the responsibility for ensuring compliance with local laws as well as group-wide policies. Violations of these regulations are consistently sanctioned to ensure adherence to the standards.

Currently, there are no detailed insights into the specific situation of marginalized groups within the Group. However, this topic has been identified as an area of action and is to be addressed in the coming years in order to include these perspectives in the decision-making processes.

Procedures to remediate negative impacts and channels through which own workforce can express concerns

S1-3,S1-3_01, S1-3_02, S1-3_05, S1-3_06, S1-3_07, S1-3_08, S1-3.36-2, S1-3.30 Wacker Neuson SE has established clear processes and timelines to minimize negative impacts and provide remediation measures in case of actual or potential violations of human rights and labor standards in a timely and effective manner. Additionally, the Group enables workers and external stakeholders to express concerns or report grievances through efficient channels.

A key element of the structures for reporting concerns is the online-based whistleblower reporting channel "Tell-it", which is available around the clock. It was developed to provide employees, business partners, and external stakeholders with a protected framework in which they can report grievances. In addition to the "Tell-it" whistleblower reporting channel, other reporting channels such as a dedicated email address or an internal reporting office are available. The processing of incoming reports ("complaints handling mechanism") is carried out systematically: reports via "Tell-it" are automatically recorded and tracked, while other inputs are documented manually (see Chapter “Governance”).

In the Code of Conduct, which is part of every employee contract, reference is made to the whistleblower reporting channels "Tell-it". A survey on the awareness of the reporting channels within the workforce is currently conducted only indirectly, by asking Managing Directors (MDs) as part of compliance reporting whether new employees have been made aware of the Code of Conduct. To raise awareness of the available reporting channels, posters will be displayed in all companies of the Group in 2025, indicating the reporting channels. Additionally, the Corporate Compliance Office has begun the introduction of comprehensive trainings, including programs like "Be a Compliance Leader" and "Code of Conduct", aimed at fostering trust in the reporting processes and sensitizing the workforce to the importance of whistleblower reporting channels (see chapter “Governance”).

At the end of the annual period 2024, the Wacker Neuson Group adopted a new policy that describes all reporting channels and processes. This so-called Speak-Up Policy also includes the prohibition of retaliation against whistleblowers and applies not only to internal staff but also to external stakeholders. The policy was published on the corporate homepage, while an additional internal regulation (see chapter “Governance”) details the protection of whistleblowers.

Actions and resources

Taking actions regarding material impacts on the own workforce and approaches to managing material risks and seizing material opportunities related to the own workforce, as well as the effectiveness of these actions

S1-4, MDR-A_01, S1-4_01, S1-4_02, S1-4_04, S1-4_08, S1-4_09, S1-4_05, S1-4_06, S1-4_07 The Group pursues a structured approach to manage material impacts on its workers and mitigate risks. The human resources strategy “Best company to work for” serves as the basis for numerous initiatives, such as the revision of employer branding, the expansion of benefits, and the intensification of succession planning. Promoting diversity and inclusion is particularly in focus to create a modern, inclusive work environment.

For the hedging of this commitment and the avoidance of adverse impacts, the Code of Conduct serves as a fundamental instrument. It establishes clear standards for responsible behaviour and is supplemented by internal audits and policies aimed at proactively preventing tensions and conflicts. Should tensions and/or violations arise, reactive actions are taken to resolve the situation and ensure compliance with the standards. Based on insights gained from the initial implementation and the establishment of processes to implement an annual non-financial group statement according to CSRD, further processes are to be defined to identify actual or potential significant adverse impacts on the own workforce.

An important concern of the Group is to present itself as a family-friendly employer. Flexible working arrangements, part-time options, remote working, as well as support for childcare, such as kindergarten allowances or summer holiday programs, facilitate the work-life balance. Through innovative regulations like the life-phase-oriented optional working hours, additional flexibility is offered to employees. Employees in Germany can choose annually between the collectively agreed full-time working hours or 40 hours per week. New room concepts and formats for personal exchange also make working on-site more attractive. These actions aim to provide employees with the greatest possible flexibility and optimal conditions to realize their potential.

Simultaneously, the Wacker Neuson Group places great emphasis on fair and transparent remuneration systems. The German groups of the company are bound by collective agreements or are subject to collective wage regulations. The company's collective agreement with IG Metall in Germany is valid indefinitely and can be terminated for the first time on December 31, 2030. In Austria, there are collective agreements for the Metalworking Industry, which include mechanical engineering and apply to both employees and workers. In addition, there are also collective agreements in the USA and, since January 1, 2023, for the company in Serbia.

Compliance with the equal treatment clauses in the Code of Conduct and in the HR policy ensures that comparable positions are remunerated equally, regardless of gender or social origin. Due to the size of the Group, a direct comparison is often difficult, as many positions are only occupied once. To ensure just and fair remuneration, the principle of equal treatment is consistently applied even when filling new positions. Should deviations occur, they will be reviewed and, if necessary, immediately corrected.

These actions are part of Wacker Neuson SE's holistic strategy for risk mitigation, which integrates health and safety management, diversity, employee retention, and continuous development as central elements. Regular safety inspections, trainings, and improved safety measures at the workplace minimize the risk of work-related accidents and health impairments. Additionally, programs to promote mental health, such as stress management trainings and employee assistance offers, strengthen the well-being of the workforce. Flexible working time and remote work promote a healthy work-life balance and reduce the risk of burnout and employee shortages.

Diversity and inclusion are central components of these actions: with clear policies, trainings, and communities such as Women@Wacker Neuson Group, discrimination is prevented while targeted programs support female workers in leadership positions and employees from underrepresented groups. Regular performance reviews, transparent career development, and recognition of achievements also promote long-term commitment and satisfaction of the workforce.

To strengthen the working conditions, promote the well-being of employees, and evaluate the effectiveness of actions, the Wacker Neuson Group continuously invests in health management, trainings, and further training actions (e.g., e-learnings and location-specific academies) and consistently adjusts programs. The aim is to prepare employees for technological, methodological, and organizational changes and to understand these as opportunities. Additional benefits such as anniversary bonuses, meal subsidies, and pension plan offerings complement this commitment.

Through the targeted addressing of social issues such as health and safety (H&S), training, working conditions, and diversity with specially assigned human resources, the Wacker Neuson Group creates a work environment that not only meets the needs of its employees but also strengthens its long-term competitiveness and attractiveness as an employer.

A list of significant actions taken during the reporting year, the expected outcomes, and, if applicable, how their implementation contributes to the achievement of the policies and guidelines is not yet available for this reporting year.

Metrics and targets

Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

S1-5, S1-5_01 The Wacker Neuson Group has defined a specific goal for managing significant adverse impacts, promoting positive effects, and managing core risks and opportunities, which is the focus in the first phase: increasing the proportion of women workers in leadership positions at the SE level.

The development of this goal was carried out in close coordination between the ESG manager, the Head of HR, the CEO, the CFO, the Director of Strategy, and the Head of Investor Relations. After final review by the Executive Board, the goal was also presented to the Supervisory Board, including the employee representatives. Other stakeholders have not been involved in this process so far.

The objective is currently set on an annual horizon, and no long-term targets have been defined yet. Progress cannot be measured at this time since the implementation of the actions is still in its early stages. The Wacker Neuson Group will consistently pursue the objective in the coming years, evaluate it, and adjust it to new requirements as needed to continuously strengthen its sustainable human resources strategy.

Metrics

Characteristics of the employees of the group

S1-6, S1-6_17, S1-6_13, S1-6_14, S1-6_15, S1-6_16 The data basis for determining the workforce of the Wacker Neuson Group is provided by the SAP Business Warehouse BW system. This system updates the employee numbers daily to enable a precise real-time representation of the workforce. At the end of each month, the numbers are finalized and fixed, creating a stable basis for reporting. Based on this consolidated data source, all relevant metrics for analyses and reports are developed.

Reporting in the Wacker Neuson Group is carried out in Full-Time Equivalents (FTE). An FTE represents the working capacity of a full-time employee, while part-time employees are proportionally considered according to their actual working time. The number of employees has been rounded to full-time equivalents (rounding differences). This approach enables a standardized and realistic assessment of the workforce by accurately capturing employees' actual contributions. For the calculation of employee turnover, however, the average number of employees in the reporting period is used, with headcounts being used regardless of individual working time. This method has been specifically designed to precisely depict the dynamics of personnel changes in the reporting period.

Outside the calculation of fluctuations, all other key performance indicators are based on reference date collected at the end of each reporting period. This fixed point in time ensures consistency and clarity in the evaluation of personnel metrics across all periods.

At the end of the annual period 2024, the Group employed 6,019 own workers and 128 temporary staff worldwide (2023: 6,579 own workers and 346 temporary staff). All subsequent metrics refer only to the own workforce.

The average length of service has increased to 8.9 years (2023: 7.8 years). The fluctuation rate, which includes exits due to resignations, termination agreements, retirement, or death, has risen to 16.3 percent (2023: 14.2 percent). This includes an employee-related fluctuation of 4.3 percent (2023: 5.6 percent).

No additional contextual information is required to understand the reported figures or any fluctuations in employee numbers during the reporting period. For a comprehensive overview, Note 3 of the Consolidated Financial Statements ("Personnel expenses") offers an additional perspective. It links personnel statistics with financial aspects, including salaries, social security contributions, and expenses for pension benefits.

PRESENTATION OF INFORMATION ON THE NUMBER OF EMPLOYEES BY GENDER

Gender	Number of employees (FTE)
Male	5,084
Female	935
Other	-
Not specified	-
Employees in total	6,019

NUMBER OF EMPLOYEES IN COUNTRIES WHERE THE GROUP HAS AT LEAST 50 EMPLOYEES, WHICH ACCOUNT FOR AT LEAST 10% OF ITS TOTAL NUMBER OF EMPLOYEES

Country	Number of employees (FTE)
Austria (A)	1,137
Germany (D)	2,905

PRESENTATION OF INFORMATION ABOUT EMPLOYEES BY CONTRACT TYPE, BROKEN DOWN BY GENDER (FTE)

2024	Female	Male	Other*	Not disclosed	Total
Number of employees	935	5,084	-	-	6,019
Number of permanent employees	850	4,667	-	-	5,517
Number of tempory employees	85	417	-	-	502
Number of non-guaranteed hours employees	0	0	-	-	0
Number of full-time employees	784	4,900	-	-	5,684
Number of part-time employees	151	184	-	-	335

* Gender, as self-reported by the employees.

PRESENTATION OF INFORMATION ON EMPLOYEES BY CONTRACT TYPE AND BROKEN DOWN BY REGIONS WHERE THE GROUP HAS AT LEAST 50 EMPLOYEES, REPRESENTING AT LEAST 10% OF ITS TOTAL NUMBER OF EMPLOYEES (FTE).

	Germany (D)	Austria (A)	Total
Number of employees	2,905	1,137	4,042
Number of permanent employees	2,620	1,082	3,702
Number of tempory employees	285	55	340
Number of non-guaranteed hours employees	0	0	0
Number of full-time employees	2,685	1,053	3,738
Number of part-time employees	220	84	304

Collective bargaining coverage and social dialogue

S1-8 Around 83 percent of employees in Germany, Austria, Serbia, and the USA are covered by tariff agreements and/or collective agreements that apply at the national and regional levels. These agreements cover a variety of topics, including working conditions, wage, working hours regulations, and other labor law provisions. A collective agreement exists either through sectoral, area, or company-specific agreements in the countries of Germany, Austria, Serbia, and the USA.

PERCENTAGE OF EMPLOYEES COVERED BY COLLECTIVE BARGAINING AGREEMENTS

Country	Number of employees (FTE)
Percentage of total employees covered by collective agreements	82.9%
Percentage of total employees represented by employee representatives	100.0%

REPORTING TEMPLATE FOR COLLECTIVE BARGAINING COVERAGE AND SOCIAL DIALOGUE

	Collective Agreement Coverage		Social dialogue
Coverage	Employees – EEA* (for countries with >50 employees, representing >10% of total employees)	Employees - Non-EEA (estimate for regions with more than 50 employees, representing more than 10% of total employees)	Workplace representation at the operational level (only EEA) (for countries with more than 50 employees, representing more than 10% of total employees)
0-19%			
20-39%			
40-59%			
60-79%	2,905, Germany		
80-100%	1,137, Austria		2,905, Germany; 1,137, Austria

* European Economic Area

For those employees who are not directly covered by these collective agreements, the employment relationships are oriented towards the general terms of the collective bargaining agreements of the Group or other relevant companies in the industry. This means that working conditions, such as wage, working time and other benefits, are in many cases aligned with the collective agreements applicable to the industry to ensure fair and competitive wages and working conditions. This practice ensures that even employees not bound by collective agreements benefit from standards established in the industry.

Diversity metrics

S1-9, S1-9_06 The Executive Committee (ExCom) of the Wacker Neuson Group is the central management body and consists of members of the Executive Board as well as the top management from the areas of Sales, Operations, Research and Development, and Corporate Functions. Depending on the topic, the committee is supplemented by experts to enable well-founded decisions.

The ExCom meets three to four times a year to discuss strategic issues and to adjust the direction of the Group and its brands to changing market and competitive conditions. These meetings are a material part of the annual strategy process and also provide the opportunity to involve additional leaders in the development of market, brand, and product strategies.

Furthermore, the ExCom serves as a forum for the exchange of experiences and best practices within the Group. It supports the development and implementation of overarching targets that strengthen collaboration and consistency between the company divisions.

Another focus of the ExCom is the organizational development across the Group. It initiates, coordinates, and harmonizes strategic as well as organizational projects to ensure consistent implementation of global actions.

TABLE 1: GENDER DISTRIBUTION IN NUMBER AND PERCENTAGE AT THE TOP MANAGEMENT LEVEL

	Male	Female
ExCom	30	3
Percentage on senior management level	90.9%	9.1%

DISTRIBUTION OF EMPLOYEES BY AGE GROUPS

	Total	Male	Female
Under 30 years	1,347	1,117	230
30-50 years	3,309	2,810	499
Over 50 years	1,363	1,157	206
Total	6,019	5,084	935

Adequate wages

S1-10, S1-10_01 All employees receive an adequate wage that at least corresponds to the applicable benchmarks.

Training and skills development metrics

S1-13 To remain competitive in the future, the Wacker Neuson Group relies on committed and qualified employees. Lifelong learning is indispensable to keep up with the times and professionally meet the requirements of the working world.

The Wacker Neuson Group supports the continuous learning of its employees through various training opportunities: webinars, team and individual coaching, external and internal trainings, e-learnings, and on-the-job training concepts. The employees should not only be able to realize their full potential in their work but also continuously develop – both professionally and personally. This aims to ensure and expand motivation and skills in the long-term. This starts with vocational training.

At the end of the fiscal year 2024, the Wacker Neuson Group trained 232 young people (2023: 226) in Germany, Austria, Switzerland, and the United Kingdom. The training takes place both in commercial, technical and business professions, as well as in practice-oriented degree programs at dual universities. The retention rate after training decreased compared to the previous year due to declining business dynamics and amounted to 78.8 percent in the fiscal year 2024 (2023: 89.8 percent).

The Group offers its employees the opportunity to undertake part-time degree programs or further education. This is partially financially and/or organizationally supported, for example, through tailored, flexible working arrangements. In the reporting period, employees in Germany, Austria, and the USA were specifically supported in this way.

In addition, the Wacker Neuson Group operates its own academies both in Europe (locations in Reichertshofen and Pfullendorf in Germany) and in the USA (Menomonee Falls) – equipped with modern training rooms and product testing areas for theory and practice. Here, mainly specialized and function-specific product training for employees in sales and service is conducted.

Additionally, in 2024, a comprehensive training program was offered for all employees of the subsidiary Weidemann for the first time, to prepare them for topics such as electric drive, high-voltage technology, robots, and digitalization. As one of the first groups, Weidemann utilized the qualification allowance instrument that started in Germany in 2024.

In German-speaking countries as well as in America, employees can select additional location-specific and regional training offers via the HR training portal in the global intranet.

The training offering consists of a mix of classroom training, e-learnings, and other online offerings to reach as many employees as possible. New seminars and training programs in the areas of leadership, finance, resilience, communication, and rhetoric expanded the range of offerings in 2024. These were specifically designed for the Wacker Neuson Group and thus tailored to the needs of the employees.

In an increasingly dynamic work environment, driven in part by digital transformation, the requirements for leadership style and collaboration are also changing. Instead of long-term planning, faster and more agile action is necessary. A new generation of employees wants to work increasingly autonomously and responsibly. The Wacker Neuson Group responds to these new needs with a targeted human resources strategy and development programs. To equip employees with the necessary knowledge of modern work forms, the Wacker Neuson Group also continued to invest in training for agile work methods in 2024. Training offerings for Agile Enablers / Coaches, Product Owners, and agile project management were available in both the commercial and technical sectors, aiming to empower employees. Traditional project management, project management systems, and sophisticated project communication are also continuously trained in regular sessions.

The management program “PerspACTIVE” for emerging leaders has been conducted in German-speaking countries since 2012. PerspACTIVE is a multi-stage, modular program for the development of leadership skills. The participant groups are composed across departments and locations; as a result, the program not only promotes specialized knowledge but also contributes to a shared leadership culture. In the year 2024, four German-speaking groups were trained in different modules (2023: four groups). Additionally, the second international, English-speaking group completed the program in 2024.

Since 2018, "ReflACTION" has been offering a development platform for middle management in the German-speaking region. In 2022, the program was expanded to include the target group of project managers. Personal strengths and areas for development are identified for managers, qualification recommendations are derived from them, and their implementation is supported in the long-term. Self-reflection is at the forefront, participants should get to know themselves and their own values better and draw conclusions about their own actions as a leader from this. For this purpose, they go through various tasks to receive detailed feedback from an observer team in order to reconcile self-perception and external perception. In 2024, four sessions of this development center took place (2023: six sessions).

In 2015, the group-wide trainee program T.A.G. (train and grow) was introduced as part of the junior staff retention strategy. The program is aimed at master's graduates in technical and business fields and is designed for a maximum of 24 months. The duration of each departmental assignment generally varies between two and four months. At least one assignment must be completed in a foreign subsidiary; additionally, a project must be completed in the trainee group. The diversity of departmental assignments allows program participants to quickly get to know the group of companies from different perspectives. The trainee program also promotes the connectivity of the different companies within the group. The demand for trainees in 2024 is at a comparable level to the previous year.

Health and safety metrics

S1-14

KEY FIGURES FOR HEALTH PROTECTION AND SAFETY

KPI 1: Percentage of employees covered by the health and safety management system of the corporate group (%)	100%
KPI 2: Number of fatalities due to work-related injuries and work-related ill health in the own workforce	0
KPI 3: Number of fatalities as a result of work-related injuries and work-related ill health	0
KPI 4: Number of reportable work-related accidents for the own workforce	78
KPI 5: Rate of notifiable work-related accidents for the own workforce	13.9%

The data collection to cover the health and safety management system currently includes Germany, Austria, and the USA. The recording of the number and rate of reportable work-related accidents is currently taking place in Germany and Austria, with the local distribution company in Austria being excluded. A gradual extension of data availability is being advanced in the following years.

Remuneration metrics (pay gaps and total compensation)

S1-16, S1-16_03 The recognized gender pay gap by the Wacker Neuson Group refers to Germany and Austria, as sufficient remuneration data are available for these countries to enable well-founded and concrete statements.

The unadjusted gender pay gap at the Wacker Neuson Group measures the percentage difference in average gross hourly earnings between men and women workers. This calculation takes into account both annual earnings and contractual working time. The unadjusted gender pay gap shows the pay differences between genders within the group without considering factors such as occupation, qualification, or function. The calculation exclusively includes employees (excluding phased retirement, trainees, and student workers) who were continuously employed by the Group throughout the entire calendar year. The weighting of countries in the consolidation results from the average number of employees. Based on the unadjusted gender pay gap, we plan to also determine an adjusted gender pay gap in the following years, which considers country-specific differences and comparable fields of activity.

Although the gender pay gap indicates potential structural inequalities, it does not directly reflect discriminatory practices, as various factors and statistical influences significantly affect the earnings or the result.

The total compensation at Wacker Neuson Group consists of the following components:

- Base salary: the fixed, regular remuneration for work performed.
- Variable remuneration: performance-related additional payments that are oriented towards individual and/or company-specific targets.
- Other remuneration: includes in-kind contributions, allowances, pensions, and other additional benefits that are not classified as basic salary or variable remuneration.

The annual compensation of the highest-paid person is taken from the remuneration report of the respective reporting period. To determine the median, the total compensation per Group company is divided by the average number of full-time equivalents (FTE) of the respective company. Subsequently, the median is calculated from these values.

GENDER PAY GAP

KPI 1: Gender Pay Gap (average gross hourly wage of female employees per average gross hourly wage of male employees)	-3.4 %
KPI 2: Ratio of annual total remuneration of the highest-paid person to the median annual total remuneration of all employees (excluding the highest-paid person)	4,917 %

The presentation of information on the unadjusted gender pay gap at the Wacker Neuson Group is currently available only for Germany and Austria, as data collection processes for other regions have not yet been fully established. In these countries, payroll systems already exist with the ability to evaluate consolidated remuneration data. Comparable systems and reporting infrastructures are currently lacking for other regions. The complexity of international business operations, including different legal and organizational frameworks, complicates unified data collection.

Incidents, complaints and severe human rights impacts

S1-17, S1-17_06, S1-17_07, S1-17_10/KPI 5, S1-17 12, S1-17_13 The Wacker Neuson Group takes its responsibility in the area of human rights seriously and has established corresponding mechanisms to address complaints and potential incidents. A central component is the whistleblower reporting channels "Tell-it", supplemented by internal reporting channels, which provide both employees and external third parties the opportunity to raise concerns or complaints anonymously and securely.

In the half year reporting of management, it is systematically examined whether fines have been imposed due to human rights violations. In the annual LkSG risk reporting, human rights violations that do not have any immediate financial effect are also identified. The "Complaints Handling Mechanism" ensures that all incoming complaints are carefully examined and processed according to established standards.

So far, there have been no such incidents, which is why no actions were necessary. Nevertheless, the Group remains vigilant and ensures that all employees can report potential violations through channels such as the whistleblower reporting channel "Tell-it". In the event of a future incident, appropriate actions will be taken promptly and the responsible authorities will be informed.

METRICS REGARDING IMPACTS RELATED TO HUMAN RIGHTS

KPI 1: Number of reported incidents of discrimination including harassment	7
KPI 2: Number of complaints related to social and human rights issues, excluding discrimination (harassment)	0
KPI 3: Total amount of fines, penalties, and compensation for damages due to violations of social and human rights factors	0
KPI 4: Number of severe human rights violations and incidents involving own workforce	0
KPI 6: Total amount of fines, penalties, and compensation payments relating to serious human rights violations and incidents	0

ESRS S2 Workers in the value chain

The second social chapter is dedicated to the value chain workers and highlights the responsibility of the Wacker Neuson Group for fair and safe working conditions at their partners and suppliers. The focus is on actions to comply with international labor standards, to avoid risks such as forced or child labor, as well as to promote social minimum standards along the entire value chain. This commitment underlines the Group's claim to ensure sustainable and ethically acceptable value creation.

Strategy

Interests and views of stakeholders

ESRS 2 SBM-2, S2.9 The approach of the Wacker Neuson Group to consider the interests, views, rights, and expectations of affected employees in the value chain is based on several pillars. In the future, there will be a stronger focus on structured collaboration with Tier-1 suppliers. This collaboration aims to gather information on working conditions, social standards, as well as health and safety in the value chain. Additionally, the Wacker Neuson Group is guided by best practices and international frameworks, particularly the requirements of the Supply Chain Act (LkSG), to create a solid foundation for considering these interests.

Despite these efforts, there are gaps in data collection for employees in the downstream activities of the value chain. These areas are often difficult to access as they lie outside our direct sphere of influence and reliable data has not yet been adequately available.

To bridge this gap, the Wacker Neuson Group plans further actions in the coming years, including an expansion of data collection and monitoring mechanisms to ensure better integration of the interests of the employees in the downstream areas. In the course of the materiality assessment, it was also determined that there are currently no material risks or impacts related to downstream employees. In summary, the interests, views, rights, and expectations of the employees in the value chain are incorporated into Wacker Neuson Group's strategy and business model through existing dialogue processes and policies. The targeted further development of data collection mechanisms will help to consider the perspectives of the employees in downstream activities more strongly in the future.

Impact, risk and opportunity and their interaction with strategy and business model

ESRS 2 SBM-3, S2.SBM-3_02, S2.SBM-3_05, S2.SBM-3_06, S2.SBM-3_07, S2.SBM-3_08, S2.SBM-3_09, S2.10a-1, S2.10a-2, S2.10b The Wacker Neuson Group pursues a systematic approach to analyzing the impacts, risks and opportunities along its entire value chain to minimize impairments and promote sustainable development potential. The basis for this is the LkSG, which covers both the company's own operations and the upstream value chain – particularly Tier-1 suppliers. Action is still required for non-mandated suppliers and the downstream value chain, while specific areas, such as the entire production purchasing, spare parts purchasing and certain indirect needs, are already considered as mandated suppliers. The spare parts purchasing at the Wacker Neuson Group includes all services and products offered to customers and dealers after purchasing machines and equipment. This includes spare part supply, maintenance, repairs, retrofitting, and technical support to maximize the lifespan and efficiency of the machines. The indirect purchasing organization advises and supports regarding all equipment, consumables, services, and rights. Customers are addressed separately under ESRS S4.

In accordance with ESRS 2 SBM-3 paragraph 48, all value chain workers who could potentially be affected by material impacts of business activities are recorded. This concerns both the Group's own operations and the upstream value chain, products, services, and business relationships.

The risks for Tier-1 workers, such as violations of labor rights, inadequate health and safety, and lack of social protection, are regularly and event-driven incorporated into risk management. Initial incidents have already been addressed as part of case management. The Wacker Neuson Group works closely with suppliers, collects relevant data, and promotes enhancements according to LkSG standards. The assessment of working conditions takes into consideration specific contextual factors such as region, industry, and work environment. Special attention is given to high-risk regions such as low-wage regions and high-risk activities. Additionally, factors such as gender, age, ethnicity, and type of contract (e.g., temporary employment or agency work) are included in the analysis, as they can increase vulnerability to negative impacts.

Workers in the lower levels of the supply chain (Tier-2 and below) often face increased risks of poorer working conditions or human rights violations. Since reliable data at these stages remains limited, the Wacker Neuson Group plans to address these gaps through enhanced monitoring, an expansion of due diligence actions, and cooperation with industry initiatives in the upcoming reporting cycles. Employees in joint ventures or special purpose groups in which Wacker Neuson SE is involved, as well as their key business partners, are included in the due diligence examination within the M&A process as part of the event-driven risk analysis, provided that Wacker Neuson SE has a controlling influence over these joint ventures or special purpose groups. These analyses identify risks related to labor rights, health and safety, and social standards at an early stage, to derive targeted actions for ensuring corporate standards.

Furthermore, the Wacker Neuson Group considers workers who are affected by business relationships, such as with service providers, logistics partners, or distribution partners. The focus here is on fair pay, appropriate working time, and basic labor standards. Workers who might be affected by the use of the Group's products and services, for example through ergonomic risks or safety issues, are also addressed within the scope of product responsibility and safety checks.

Through targeted training and development programs, fair procurement practices, and the promotion of a "just transition," the Wacker Neuson Group achieves positive impacts along the value chain. These actions strengthen social standards, improve working conditions – especially in risk-prone regions and low-wage sectors – and create new qualification opportunities for employees. Thus, the Group makes a valuable contribution to social protection and sustainable development in the value chain, while existing data collection gaps are gradually closed.

In the course of the materiality assessment, no risks and opportunities were identified as material that result from impacts and dependencies of employees in the value chain. This also applies to impacts that affect specific groups or relate to the strategy and the business model. Furthermore, no material impacts on employees in the value chain were identified that arise from or in connection with the strategy and the business model or that influence the strategy and the business model.

A list of geographies where there is significant exposure to child labor can be accessed in real-time via the due diligence software from Osapiens.

Policies in connection with workers in the value chain

S2-1, MDR-P_01 –06, S2-1_01 –02, S2-1_03, S2-1_04, S2-1_05, S2-1_06, S2-1_08, S2-1_09 As part of its international orientation and the "Strategy 2030", the Wacker Neuson Group has committed to comprehensively uphold human rights – both within its own Group and along the entire value chain. This commitment is based on the implementation of strict policies and processes that are aligned with internationally recognized standards and are continuously developed.

One of the key policies of the Wacker Neuson Group is the Supplier Code of Conduct, which is firmly embedded as a mandatory part of the contractual framework and the onboarding process. Additionally, there is the Code of Conduct for business partners, which is gradually extended to all customer relationships to ensure high standards are maintained. Both sets of regulations are based on the Wacker Neuson Group's statement of principles on the respect of human rights, aligned with international principles such as the UN Guiding Principles on Business and Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work, and the OECD Guidelines for Multinational Enterprises. These documents address fundamental issues such as the respect of human rights, labor rights, and environmental protection, including child and forced labor. Together, the policies ensure that clear requirements for partners along the entire value chain are defined and effectively communicated during the onboarding process of new business partners. The regular review of compliance is anchored in risk management. Additionally, there are general purchasing conditions that apply to all contracts between the Wacker Neuson Group and suppliers, covering at least the purchase of goods and/or rights and/or the performance of works and/or services for the Wacker Neuson Group. Moreover, every new supplier is required to complete a Supplier Self-Assessment, which includes specific questions regarding ESG information.

The existing guidelines provide a solid foundation for the protection of human rights in the value chain. Existing suppliers with high or very high business impacts (these result from the influence over the suppliers and from their risk score) are required to demonstrate compliance with these standards by confirming conformity with the Code of Conduct. They are each checked for compliance with these standards when there are material expansions of the business relationships or when concrete risks related to human rights are identified, necessitating on-site verification. The Supplier Nomination Committee decides on the selection or rejection of a supplier. This committee consists of technical and production executives, as well as experts from the areas of quality management, purchasing, logistics, and corporate aftermarket, with the composition varying according to order volume and product group.

Thanks to the application of specific monitoring mechanisms, it has been ensured that no violations of the established standards have been reported so far (see metrics). However, should material weaknesses be identified with suppliers, direct collaboration with them will be undertaken to bring about sustainable enhancements of the situation.

The qualification of potential new suppliers takes place in the course of audits based on an internal guideline that defines uniform evaluation criteria. These criteria include, among other things, ensuring freedom of assembly as well as the exclusion of child labor to ensure fair and sustainable collaboration along the value chain and to reduce risks of violations of human rights in the value chain.

In 2024, the Wacker Neuson Group developed a comprehensive manual covering regulatory requirements such as REACH, RoHS, the requirements of LkSG, and other regulations. This manual supports employees in procurement to identify potential risks early and take targeted actions to mitigate risks.

In addition, the entire supply chain of Wacker Neuson Group is monitored using due diligence software from Osapiens. An automated message screening enables the identification of potential violations or risks in real-time. If critical cases are detected, an internal escalation is initiated as needed based on a defined escalation pyramid, which, in case of doubt, can reach the Executive Board level. If a supplier is unwilling to cooperate in remedying violations, corresponding consequences are taken up to the termination of the business relationship.

The reporting system "Tell-it" is available not only to employees but also to external stakeholders such as suppliers and sub-suppliers as well as dealers and customers. It allows the reporting of potential violations, thus providing additional transparency and traceability across the entire value chain.

The continuous review and adjustment of the policies ensure that the Wacker Neuson Group actively acknowledges and continuously strengthens its responsibility as an international Group.

The Wacker Neuson Group has therefore introduced various policies to manage the material sustainability topics related to the impacts on workers in the value chain. These policies pursue clear targets to improve the working conditions along the entire supply chain and to minimize human rights risks. The material content of the statement of principles includes the respect for human rights, employee rights, and environmental protection, including the promotion of fair working conditions, the assurance of workplace safety, and the prevention of child and forced labor. The implementation is monitored through audits and with the help of due diligence software to make progress measurable and to detect potential violations at an early stage.

The focus of these policies is on direct suppliers and service providers. Geographically, the concentration is on high-risk regions where the probability of human rights violations or poor working conditions is higher. Stakeholder groups, such as suppliers and employees of service providers, are at the center of the policies to ensure that all relevant interests are considered.

Responsibility for the implementation and monitoring of the statement of principles lies at the highest level with the management of the Wacker Neuson Group, supported by an interdisciplinary team of sustainability, procurement, and compliance experts. The statement of principles is guided by recognized standards and initiatives such as the UN Guiding Principles on Business and Human Rights, the Universal Declaration of Human Rights, and the ILO Core Labor Standards.

Processes for engaging workers in the value chain with respect to impacts

S2-2, S2-2_01, S2-2_02, S2-2_03, S2-2_04, S2-2_05, S2-2_06, S2-2_07, S2-2_08 The implementation of the Code of Conduct for suppliers, which is based on the statement of principles regarding respect for human rights, ensures the adherence to and promotion of key employee rights within the value chain, including the right to collective bargaining. Although there are currently no global framework agreements or specific agreements with international trade union federations, the Code of Conduct ensures adherence to basic principles such as the protection of human rights within the value chain.

To optimize the integration of value chain workers, the Wacker Neuson Group plans to systematize this process more in the future. So far, this does not occur regularly, but the whistleblower reporting channels "Tell-it" are available to external stakeholders such as suppliers, subcontractors, and customers.

Assessments of potential impacts are currently based on past experiences with partners as well as on recognized international standards. Reports received via "Tell-it" or other channels lead to a dialogue and, if necessary, to further investigations. However, it was noted that the whistleblower reporting channel has not yet been used by so-called "credible proxies" or trustworthy intermediaries (employee associations, industry associations). The audits are carried out either as part of supplier qualifications or on an ad hoc basis in response to specific indications or risks.

Value chain workers are occasionally included in audits that take place on-site with suppliers. During these visits, working conditions are examined and direct interaction with employees is facilitated to identify potential issues at an early stage.

The supplier audits for direct production material, also called "Supplier Potential Assessments", are based on uniform assessment standards across the Group. A central component of these audits is the review of compliance with ESG criteria as well as the group-wide guidelines on human rights. An exception was the North American production company, which previously addressed human rights issues in a separate Supplier Quality Process Audit. In the fiscal year 2024, the Group standard on ESG issues from the “Supplier Potential Assessments” was coordinated with the responsible colleagues from the North American production company, trained accordingly, and since then, uniform criteria for audits regarding ESG and human rights have been used throughout the entire Group.

The overall responsibility for all topics related to the LkSG lies with the Supply Chain Due Diligence Management. For audits, the Quality and Supply Chain Management is responsible in collaboration with the Procurement Excellence Department. The administration of the "Tell-it" system is the responsibility of the Head of the Legal and Compliance Department.

A comprehensive KPI set for supply chain due diligence has been established, with quarterly reviews taking place. These include metrics for audits and complaints handling mechanisms, but do not yet explicitly consider stakeholder engagement. The checklists used to review the LkSG due diligence processes also contain checkpoints for audits and complaints handling mechanisms, but without specific focus on stakeholder engagement.

Vulnerable groups are currently recorded internally according to the processed cases in the control tool. A systematic identification and consideration of these groups are currently being further developed to better tailor future actions to their specific needs.

Procedures to remediate negative impacts and channels through which workers in the value chain can raise concerns

S2-3, S2-3_01, S2-3_02, S2-3_03, S2-3_04, S2-3_05, S2-3_06, S2-3_07, S2-3_08 The general policies and procedures of the Wacker Neuson Group for providing remediation measures for significant adverse impacts on workers in the value chain are based on a structured risk management system that includes clear responsibility assignments and regular reviews.

The directors of all operating group companies as well as the members of the purchasing organization have a duty to inform the supervisors who come from the purchasing area. These supervisors are responsible for evaluating risk analyses and advising the risk owners on the implementation of appropriate actions. They report quarterly as well as on an ad hoc basis to the Wacker Neuson Group’s Supply Chain Due Diligence Committee (WN SCDDC). This committee is headed by the Manager Supply Chain Due Diligence (MSCDD), who coordinates the central due diligence processes and ensures their adequacy and effectiveness. The MSCDD regularly reports to the Chief Technical Officer (CTO) and once a year to the Executive Board on the status of due diligence obligations, planned adjustments, and necessary decisions.

Violations can be identified as part of regular risk analysis, incident-related audits of indications, e.g., via the complaint channel, or as part of incident-related audits of reports from media monitoring. The results of these analyses lead to the derivation of targeted actions, which may include incident-related audits at direct suppliers. These audits are secured by audit clauses in the Supplier Code of Conduct and are carried out on potential new or existing suppliers when material impacts on business relationships or specific human rights-related risks are identified.

The whistleblower reporting channels "Tell-it" offer a specific channel for external complaints. As part of the onboarding process into Osapiens' due diligence software, suppliers are made aware of the existence of "Tell-it" through the LkSG information sheet. This information is then forwarded to the respective purchasing contact person, who usually represents the sales department of the supplier. This ensures that suppliers are actively informed about the reporting channels and their usage possibilities.

The tracking and monitoring of received complaints also take place via "Tell-it". Complaints relating to the LkSG are transferred to the due diligence software for processing and are assigned to the corresponding business partner, whereby the effectiveness of the actions is regularly checked using KPIs and checklists. This structured approach supports the continuous enhancement of due diligence processes and ensures that actions to comply with human rights standards are effectively and purposefully implemented.

Furthermore, the effectiveness of the due diligence processes is reviewed as part of internal audits. A comprehensive effectiveness review of the global due diligence processes according to the LkSG and a random check of the implementation in local companies are planned for 2025. These audits are intended to help ensure that the due diligence processes are implemented effectively both globally and locally and are continuously improved.

The Wacker Neuson Group currently does not pursue a systematic evaluation to determine whether the workers in the value chain are informed about and trust the existing structures and procedures to adequately address their concerns or needs. The assessment has so far focused solely on the number of incoming complaints through the available channels.

To ensure the protection of whistleblowers, the Wacker Neuson Group has implemented strategies aimed at preventing retaliation. A central component of these efforts is the newly developed Speak-Up Policy, which was adopted by the Executive Board and introduced in the fiscal year 2024. This policy comprehensively defines all reporting channels, the responsible reporting office, the various types of reports, as well as the processes for handling the received reports. Furthermore, the prohibition of retaliation against whistleblowers is explicitly established.

The Speak-Up Policy is also directed at external stakeholders and is publicly accessible on the company's website. Additionally, there is an internal policy for the reporting office, which also provides specific protection actions for whistleblowers. These actions underline the Wacker Neuson Group's commitment to creating a safe and trustworthy environment for the expression of concerns and issues.

Actions and resources

Taking actions regarding material impacts on value chain workers and approaches to managing material risks and leveraging material opportunities related to workers in the value chain, as well as the effectiveness of these actions

S2-4, S2-4_02, S2-4_03, S2-4_04, S2-4_05, S2-4_06, S2-4_07, S2-4_08, S2-4_09, S2-4_10, S2-4_11, S2-4_12, MDR-A_01, MDR-A_02 The Wacker Neuson Group pursues a comprehensive approach to the avoidance and mitigation of significant adverse impacts on workers in the value chain. As part of implementing the requirements of the LkSG, the Group implemented extensive prevention and remediation actions. These include appropriate award criteria, a Supplier Self Assessment, Supplier Potential Assessment, as well as targeted trainings and awareness actions for suppliers. Clear guidelines in the Supplier Code of Conduct and contractual obligations aim to ensure compliance with human rights and environmental standards. The integration of these processes into the procurement strategy helps to identify and continuously minimize risks in the upstream area of the value chain. Tensions between corporate guidelines and human rights requirements are addressed through clear escalation procedures to ensure the implementation of the measures while finding practical solutions for all involved. In the downstream area, particular attention is paid to health and safety aspects, such as risks from hand-arm vibrations that may arise from the use of the products. These actions also consider the potential impacts on the secondary and tertiary use of the products. For areas such as the end-of-life of the product, however, there is currently no reliable information as the ability to provide meaningful statements is limited due to the lack of influence (see also ESRS S4).

In preparation for the implementation of the LkSG, Wacker Neuson Group established an interdisciplinary project team in 2022 and 2023 that thoroughly assessed the protected legal positions and embedded due diligence. The activities in the area of human rights were redefined and expanded, particularly concerning risk aspects such as child labor, forced labor and slavery, forced eviction and deprivation of land, health and safety, freedom of association, discrimination, adequate wage, torture, and degrading treatment by security forces. In this context, the Group updated both the statement of principles respecting human rights and the supplier Code of Conduct.

Should violations be identified, incidents are clarified and remediation actions are developed. In this process, collaboration with affected suppliers takes place and, if necessary, an established complaint mechanism is employed. The goal is to resolve the issues and effectively avoid future risks. The whistleblower reporting channel "Tell-it" also received a new category to specifically address human rights-related notices. Since 2023, the trained processes have been fully transitioned into operational use. They are regularly reviewed for their appropriateness and effectiveness and adjusted as needed to changing statutory requirements.

Currently, the Group is further developing its processes to specifically address potential or actual negative impacts on value chain workers. These approaches are supported by risk analysis and implemented in a structured case management system, carried out in close coordination with key users and process owners for Supplier OS, and advised by the MSCDD on LkSG topics. Escalation processes come into effect when actions do not achieve the desired impact.

For the management of these requirements, the Wacker Neuson Group provides specialized resources. In each production company as well as in spare parts purchasing and indirect purchasing, employees from the purchasing department, as key users, monitor the supply chain using the due diligence software Osapiens. In documented incidents, category buyers are involved in the communication with suppliers to jointly develop appropriate solutions. In the past fiscal year, there were two confirmed violations. Furthermore, investigations on potential cases of Uyghur forced labor are ongoing with upstream Tier-N suppliers.

A violation of the prohibition of unequal treatment in employment was found at a direct supplier. First, the supplier was asked for comment letters. Based on the available information, the case was further investigated and validated. It was determined that a legal proceeding had already taken place concerning this incident, in the course of which appropriate remediation was ordered for the perpetrator and has already been implemented. Consequently, no further remediation was required on the part of Wacker Neuson Group.

The supplier will continue to be considered as part of risk management and is required to ensure that its managers and HR employees are trained regarding the prohibition of discrimination. Additionally, the supplier is obligated to report annually on compliance with the agreement to a third party, who in turn reports to the relevant national authorities. A violation of the prohibition of discrimination in employment has also been identified with an indirect supplier.

The immediate supplier of the Wacker Neuson Group, who was the business partner of the respective intermediate supplier, immediately terminated the business relationship. Therefore, no further actions were taken by the Wacker Neuson Group regarding the incident.

To regularly review the appropriateness and effectiveness of the due diligence processes, including preventative measures, KPIs are collected and checklists are used, see "Appropriateness & Effectiveness" in Chapter E. Additionally, it is planned to embed the review of the appropriateness and effectiveness of the preventative measures in the course of handling specific incidents.

These examples highlight the importance of a robust system to mitigate human rights and environmental risks along the entire value chain.

At the current time, the Wacker Neuson Group has no reliable figures regarding the amount of financial resources utilized in the current reporting year for the implementation of important action plans, as well as for the planned resource allocation in future timelines. Wacker Neuson SE aims to systematically capture and disclose this information in upcoming reporting cycles to improve the transparency and traceability of resource allocation.

Metrics and targets

Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

S2-5, S2.MDR-T_01-13, S2-5_01-03 MDR-T_17, MDR-T_18 The Wacker Neuson Group implements further actions to minimize material risks in the value chain and ensure compliance with human rights standards. Since 2024, whenever there is substantial knowledge of possible violations by indirect suppliers and in newly developed markets, a case-by-case risk analysis is conducted. A central aim is not to engage mandated suppliers with high or very high business impacts, based on a combination of risk score and leverage. It is aimed that all mandated suppliers with high or very high business impacts have confirmed adherence to the current Supplier Code of Conduct or a comparable document, thereby reducing their risk score, provided there are no specific incidents.

Further actions include the completion of all e-learnings sent to suppliers on LkSG topics and the conduct of Supplier Potential Assessments (SPA), if these are necessary in the course of the risk analysis. In addition, long-term trainings for all employees of the Wacker Neuson Group who are actively involved in the implementation of due diligence processes are introduced to strengthen their awareness of human rights risks.

Additionally, relevant data points such as the number of identified violations and (valid) received complaints are collected and assessed to monitor the development, even though no specific targets exist for this.

A direct inclusion of the workers in the value chain, their legitimate representatives, or credible proxies in setting these targets, assessing target achievement, and deriving lessons learned and enhancements is currently not taking place. However, the organization continuously reviews the effectiveness and adequacy of its actions to specifically address future challenges.

In the course of the current reporting, no measurable targets have been identified so far. This concerns the reduction of negative impacts on workers in the value chain, the promotion of positive impacts, and the management of material risks and opportunities. Currently, there are no specific, time-bound and outcome-oriented targets in these areas. The Wacker Neuson Group is aware of this gap and is continuously working on improving transparency and data collection along the value chain. In the coming years, the focus will be on defining corresponding objectives, establishing relevant processes for involving employees or their representatives, and systematically monitoring target achievement.

To prevent child and forced labor throughout the entire value chain, the Wacker Neuson Group plans to conduct a comprehensive risk analysis and implement preventative measures with all suppliers. The results of the risk analysis and audits will be used to take targeted actions. In addition, the number of certified suppliers, who work according to SA8000 or BSCI standards, for example, should be increased to promote a sustainable and transparent value chain.

Metrics

In the fiscal year 2024, Wacker Neuson Group conducted comprehensive audits to verify compliance with human rights standards along their value chain. Ten audits were carried out with potential suppliers in Europe and China, while 28 such audits took place the previous year. Additionally, three audits were conducted with existing suppliers, compared to seven in the year 2023. Besides the traditional quality and delivery requirements, particular emphasis was placed on working conditions and compliance with human rights regulations.

Fortunately, the reviews revealed no indications of violations of human rights standards, neither in the year 2024 nor in the previous year. At the organizational level, the Corporate Compliance Office recorded no complaints or suspected cases related to human rights issues within the Group in the fiscal year 2024, while in the previous year no such reports were received either.

ESRS S3 Affected Communities

The Wacker Neuson Group does not report on S3 “Affected communities”, as the issue is considered immaterial in the context of corporate activities. This is justified by the comprehensive coverage of relevant aspects through the statement of principles for global personnel work, which is based on international standards such as the UN Human Rights and ILO Conventions. Regular reviews of health and safety policies and the contractual obligations of suppliers to comply with global standards for working hours and remuneration ensure a high level of protection for all affected parties.

Additionally, it is ensured that all stakeholders impacted by the Group's activities are already covered through the reporting on Standards S1 (Own workforce), S2 (Value chain workers), and S4 (Customers and end-users). Therefore, additional reporting on S3 would not provide any new or material insights, as the existing actions and reporting structures comprehensively cover the relevant aspects.

ESRS S4 Consumers and end-users

The Wacker Neuson Group considers the needs of its customers as the central guidance for its actions. The focus is on the conviction that long-term success and clear differentiation from the competitors can only be achieved by creating real added value for their customers. This approach is also reflected in the fiscal year 2024, in which the Group has further developed and specifically promoted the topic of customer orientation as an essential part of its strategic alignment.

The customer groups of the Wacker Neuson Group are diverse and include professional users in construction and agriculture, dealer partners, rental chains, as well as international construction companies. To meet the specific requirements of these target groups, the Group aligns its activities in the area of customer orientation closely with the directors of the local sales companies, the production plants, and the central functions Corporate Sales & Marketing Centers. In doing so, the strategic direction is always coordinated with the Executive Board to ensure consistent and target-oriented implementation.

Strategy

Interests and views of stakeholders

ESRS 2 SBM-2, S4.SBM-2_01 The Wacker Neuson Group places great importance on dialogue with its customers and end-users, who, as a central interest group, not only directly benefit from business activities but also play a material role as users of non-financial group statements. These stakeholders belong to the "Keep Informed" group, which means they have a high interest in the Wacker Neuson Group and its brands but exert less influence on the Group and strategic decisions. To meet this informational need, the Wacker Neuson Group regularly provides relevant and meaningful information and continuously conducts surveys and workshops to accurately capture and specifically address requirements and expectations.

A material part of the strategy is the global customer satisfaction analysis, which is carried out at regular intervals. The latest survey (from 2022 to early 2023) examined aspects such as product quality, support from sales teams, spare part availability, and the satisfaction of dealers with training and service offerings. The results are analyzed in detail in marketing to derive customized actions for further enhancements of customer satisfaction in collaboration with local sales. This systematic approach supports the Group in meeting the demands of their customers and gaining valuable insights for optimizing their products and services.

Furthermore, the Wacker Neuson Group plans to deepen the dialogue with various stakeholders, including customers, suppliers, employees, investors, NGOs, and authorities, through increased stakeholder discussions. The target is to identify sustainability priorities, recognize risks and opportunities early on, and further strengthen relationships with the interlocutors. To ensure high participation and effective preparation, the relevant groups will be informed in a timely manner about targets and the agenda. This continuous dialogue creates a solid foundation for further sustainable development of the business model and the strategic direction of the Wacker Neuson Group.

Material impacts, risks, and opportunities and their interaction with strategy and business model(s)

ESRS 2 SBM-3, S4.SBM-3_03, S4.SBM-3_05, S4.SBM-3_06, S4.SBM-3_07, S4.SBM-3_08, S4.9a-1, S4.9a-2, S4.9b The Wacker Neuson Group recognizes the central role of decision-makers, users, and end-users, especially in industries such as construction, agriculture, gardening and landscaping, municipalities, and industry, as material stakeholders of their business activities. These target groups benefit from the machines and services offered through higher efficiency, reduced fuel consumption, and lower emissions. These advantages not only reduce operating costs but also help the customers to achieve their sustainability targets. In doing so, the Wacker Neuson Group considers the entire product lifecycle – from manufacturing to disposal – and tailors its sustainability strategies specifically to the needs of construction and industrial companies, as well as farmers, who seek environmentally friendly and efficient solutions.

Against this backdrop, customer orientation represents a central component of the corporate strategy. It focuses on the expansion of high-quality products and effective communication with customers. Through close collaboration in the development of new products and services, customer needs are precisely met, satisfaction is increased, and long-term business relationships are solidified. This iterative process leads to a dynamic interaction: customers influence the corporate strategy and the business model, while the strategic direction of the Group is specifically aligned with the needs of the customers.

A lack of commitment or ineffective communication, however, carries risks that can undermine customers trust. Lack of transparency, delayed responses, or inadequate complaints handling mechanisms can lead to reputational damage and negatively impact brand loyalty as well as revenue. To counter these risks, the Wacker Neuson Group places a high value on the continuous development of customer interaction and engagement, which is at the core of their strategic focus.

Nevertheless, in the course of the materiality analysis, no material risks and opportunities were identified that result from impacts or dependencies from consumers and end-users in connection with the strategy or business model of the Group. This also includes impacts that affect specific groups of consumers and end-users. Furthermore, there are no findings regarding consumers or end-users with specific characteristics, such as those who use certain products and services and are exposed to greater risks. Therefore, according to the requirements of the CSRD, no further disclosures are required in this regard.

Impact, risk and opportunity management

Policies related to consumers and end-users

S4-1_01, S4-1_02, S4-1_03, S4-1_04, S4-1_05, S4-1_06, S4-1_07, MDR-P_04, MDR-P_05, MDR-P_06, S4-1_07 The focus of product safety activities is on the consistent compliance with or exceeding of European consumer protection requirements, in particular the New Legislative Framework (CE Regulation) and specific product safety standards. These actions ensure that only products that do not pose any hazards to users and their environment when used as intended are offered. To further increase the safety of users, the Wacker Neuson Group provides comprehensive user manuals and often offers instructional videos and machine training sessions to customers, which include clear safety guidelines and demonstrations. Thus, the Wacker Neuson Group makes a significant contribution to the prevention of accidents.

Specialized departments in the manufacturing plants are dedicated solely to product compliance and product safety. Their task is to research statutory requirements and systematically integrate them into the development and production of the products. Customers can rely on the products being not only safe but also legally compliant.

Besides multiple communication and information channels, such as the corporate website, social media channels, and a 24-hour hotline, the whistleblower reporting channel "Tell-it" is available through the company's homepage to all external stakeholders, including customers. Additionally, specific concerns can be submitted via a service hotline or a service email address. Looking ahead, the Wacker Neuson Group plans to extend the Code of Conduct to customers to ensure even more comprehensive involvement and responsibility within the entire value chain.

In addition, the group employs interactive formats such as "Voice of Customer" (VoC) events and deep-dive sessions to specifically address topics like the reduction of sound levels and exhaust emissions, as well as hand-arm vibration (HAV). Additionally, regular dealer visits are conducted in various markets, where product managers collect valuable feedback. This feedback is systematically documented and serves to optimize the quality level in new developments, series production, and pre-series models. These activities are supplemented by exclusive events for dealers and customers.

Measuring the effectiveness of the VoC approach is challenging due to the diversity of queried areas and the breadth of the product range. The effectiveness of customer outreach and continuous dialogue is also measured by the stability of revenue and the consistency of customer relationships. This structured approach ensures that feedback and problem-solving are effectively integrated into corporate processes.

Processes to remediate negative impacts and channels for consumers and end-users to raise concerns

S4-3, S4-3_01, S4-3_02, S4-3_03, S4-3_04, S4-3_05, S4-3_06 The Wacker Neuson Group attaches great importance to a continuous dialogue with its customers and has established a wide range of communication channels for this purpose. These also serve to provide consumers and end-users with the opportunity to directly raise their concerns and have them handled professionally.

The Wacker Neuson Group follows a systematic approach to provide remediation when it is identified that significant adverse impacts on consumers and end-users have been caused or contributed to. Negative impacts are initially identified through a structured complaint management system and ongoing monitoring mechanisms. Once such an impact is recognized, consumers and end-users who are affected are directly involved in the remediation process to ensure that their perspectives are taken into account and the extent of the damage is minimized. The nature of the available remediation varies depending on the type of negative impact. It ranges from product adjustments or recalls to providing compensation and long-term solutions such as enhancements to product safety standards.

Through communication channels such as the brand websites, the Group website, social media channels, newsletters, traditional print brochures, and specialist press contributions, the Wacker Neuson Group offers target group-specific access to up-to-date information on products, services, and the Group. Furthermore, the online-based whistleblower reporting channel "Tell-It," which is accessible via the Group's homepage, is also available to third parties. Incoming inquiries are promptly and competently processed. Additionally, customer support offers a service hotline and e-mail through which concerns of end customers are usually directly handled by the company's own sales subsidiaries or affiliated dealers. For specific health and safety questions, there is no dedicated hotline; such topics are forwarded to the relevant departments, such as sales or product management, via the brand websites, dealers, or customer service.

To assess the effectiveness of the remediation, Wacker Neuson SE has implemented various mechanisms. Direct feedback from the affected consumers and end-users plays an important role. The insights gained are incorporated into the continuous improvement of the remediation processes and product design to prevent similar negative impacts in the future. The Wacker Neuson Group guarantees that not only negative impacts on consumers and end-users are addressed, but also sustainable solutions are developed. This strengthens the trust of consumers and end-users in the Group's products and services and supports the strategy of responsible corporate governance.

The introduction of the Speak-Up policy, which took place in December 2024, aims to further professionalize the processes. This policy adopted by the Executive Board defines reporting channels, processing procedures, protects whistleblowers from retaliation, and constitutes a complaint modality under the LkSG. Here, third parties can also obtain information about the implemented processes and the protection of whistleblowers. It applies to internal and external stakeholders and is published on the homepage. Furthermore, the Code of Conduct includes a reference to "Tell-It" – making the system also known in business relationships.

The effectiveness of the channels is systematically tracked and monitored. The Speak-Up Policy serves as a basis to foster trust in the structures and ensure comprehensive protection for whistleblowers.

Actions and resources

Taking actions in relation to material impacts on consumers and end-users and approaches to managing material risks and leveraging material opportunities related to consumers and end-users as well as the effectiveness of these actions

MDR-A_01, MDR-A_02, MDR-A_07, 09, 10, MDR-A_11, 12, S4-4, S4-4_01, S4-4_03, S4-4_04, S4-4_10, S4-4_11, S4-4_12 Customer safety plays a fundamental role in the Wacker Neuson Group. The machines are designed to be easy to operate without the risk of danger and to optimally support the user in their work. To continuously improve user safety, both existing series are optimized through technical adjustments and new, innovative products are developed.

In addition to the technical enhancements, the Wacker Neuson Group relies on a comprehensive training concept to sustainably promote product safety and service quality. This offering is aimed at both internal sales and service employees as well as external target groups such as dealers, rental companies, and customers from various industries. By conducting trainings and training sessions in specialized academies, for example in Reichertshofen (Germany) and Menomonee Falls (USA), as well as at production sites such as Pfullendorf, Korbach (Germany) and Pinghu (China), targeted further education is enabled.

A significant advancement in this area was achieved in 2023 with the development of the Wacker Neuson eCampus. This modern learning management platform connects the sales and service channels of all Group brands and not only serves to organize training content but also offers an efficient booking system. With the introduction of comprehensive skill management, it also enables precise recording and analysis of users' abilities based on defined skill profiles, thereby ensuring targeted competency development.

Parallel to these actions, the Wacker Neuson Group is intensifying the collaboration with external partner organizations to further strengthen product safety. For example, the Group is working closely with BG BAU and DGUV in Germany as well as OPP OTB in France. Safety-relevant aspects are discussed together, and discharges for product development are made. These innovations are regularly presented at trade fairs and events, thereby making them accessible to a wide audience and actively promoting safety standards.

To evaluate the effectiveness of the implemented safety measurements, the Wacker Neuson Group conducts systematic monitoring in the aftermarket. Progress in retrofit actions is carefully tracked and supported by detailed analyses. Distribution partners are assessed using specific KPIs and are given corresponding incentives to successfully implement the measures. In most cases, these are optional features, the use of which is tracked through so-called take rates. Although precise documentation of accident prevention due to usage by external customers is not possible, close collaboration with partner organizations such as BG BAU, DGUV, and OPP OTB confirms the positive impacts of the actions taken. Some of these initiatives are actively supported or jointly presented by the partners to further promote the achieved safety standards.

The Group does not pursue practices that cause harm or contribute to negative impacts, including practices related to marketing, sales, and data use. Similarly, no human rights issues or incidents related to consumers and/or end-users have been identified. Therefore, no specific resources have been allocated for the management of material impacts.

The Wacker Neuson Group does not currently have the required data to disclose the amount of current or future funds for operating expenses (OpEx) and/or capital expenditure (CapEx) in connection with the implementation of action plans. The collection and analysis of this information is planned for upcoming reporting cycles to accurately determine the necessary disclosures and report in accordance with the requirements.

Metrics and targets

Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

S4-5, S4-5.38a, S4-5.38b, S4-5.38c, S4-5.41, S4-5_01, S4-5_02, S4-5_03, MDR-T_01, MDR-T_02, 03, MDR-T_04, MDR-T_05, MDR-T_07, 08, MDR-T_09, MDR-T_10, MDR-T_11, MDR-T_12, MDR-T_13, MDR-T_17, MDR-T_18 At the current reporting date, the Wacker Neuson Group has no established metrics or specific targets for the mentioned data points. This applies to both time-bound and outcome-oriented targets related to reducing negative impacts, promoting positive impacts, and managing risks and opportunities.

For this reason, no disclosures can currently be made regarding target levels, base values and base years, target periods and milestones, or the scope of activities along the value chain. Likewise, procedures for setting time-bound and outcome-oriented targets and for involving consumers and end-users in target development, performance monitoring, and enhancement of actions are currently lacking.

Further information on tracking target achievements, performance analysis, the effectiveness of policies and actions, as well as defined ambition levels and corresponding indicators is currently not available. Also, the relationship of the targets with existing policies, their scientific basis, the involvement of stakeholders, and the reasoning for any amendments cannot be presented.

The Wacker Neuson Group recognizes the need for these disclosures and plans to further develop existing processes for defining and implementing targets in future reporting cycles. A special focus will be placed on collecting reliable data and the development of suitable metrics to transparently and comprehensibly present the effectiveness of the actions in the future.

Governance

The role of administrative, management, and supervisory bodies

G1.GOV-1_01 The administrative, management, and supervisory bodies of the Wacker Neuson Group play a central role in ensuring responsible and compliant business operations. The Executive Board is responsible for the development and implementation of the corporate strategy and ensures that it is in line with the ethical principles, statutory requirements, and sustainability targets of the Group.

In the area of business practices, the Executive Board is responsible for monitoring compliance with policies such as the Code of Conduct, including stipulations to avoid corruption, and the requirements for supply chain due diligence. Additionally, the Executive Board has initiated the implementation of a company-wide compliance management system, which includes regular trainings and audits to mitigate potential risks.

The Supervisory Board assumes a monitoring role and ensures that the managing bodies comply with the established standards and guidelines. In regular meetings, the Supervisory Board is informed about the progress on ESG goals (Environmental, Social, and Governance). This includes, for example, actions to ensure a transparent supply chain, to promote fair working conditions, and to support anti-corruption efforts.

The management team at the operational level carries the responsibility for implementing the strategic guidelines and integrating responsible business practices into daily operations. This includes conducting risk analysis within the scope of supply chain due diligence, monitoring emission reduction projects, and promoting a sustainable corporate culture.

G1.GOV-1_02 The administrative, management and supervisory bodies of the Wacker Neuson Group have extensive expertise in relevant areas of business practices that ensure sustainable and responsible corporate governance. The Executive Board and the management team combine many years of experience in leading global entities with specific expertise in the areas of compliance, corporate governance and sustainability management.

A key focus is on the expertise in compliance with statutory requirements, such as the requirements of supply chain due diligence and anti-corruption regulations. The members of the Executive Board and the Supervisory Board have experience in the implementation and monitoring of compliance management systems as well as in the development of ethical policies and standards. This knowledge is continuously utilized to ensure that the business practices of the Wacker Neuson Group comply with standards.

Additionally, the members possess expertise in the development and management of sustainability strategies, including the reduction of CO2e emissions, the promotion of a circular economy, and the implementation of social responsibility along the supply chain. The Supervisory Board also brings specific know-how from the construction and mechanical engineering sectors, which supports the strategic orientation of the Group.

Members of the administrative, management and supervisory bodies regularly evaluate the effectiveness of their own work and take improvement measures, if necessary, which may include trainings and further education.

Corporate culture

G1.MDR-P_01_06 The Code of Conduct for all employees of the Group (see **G1-1_01** and **G1-1_02**) is the central instrument used by the Wacker Neuson Group to fulfill legal requirements and ensure ethical standards in everyday business. Additionally, there is a separate Code of Conduct for sales partners as well as another one for suppliers. Furthermore, a policy on reporting compliance concerns (Speak-Up policy) was implemented in the Group in the year 2024.

All previously mentioned policies of the Group also aim to minimize the Group's environmental impacts, ensure compliance with social standards, and secure long-term competitiveness through sustainable innovation.

The scope of these codes of conduct (for employees, sales partners, and suppliers) covers all business activities of the Wacker Neuson Group as well as the upstream and downstream value chain. Geographically, these policies extend to all regions in which the Group operates. The policies specifically cover stakeholder groups such as employees, sales partners, and suppliers.

The Executive Board of the Wacker Neuson Group is responsible for the implementation of all policies. The operational responsibility lies with the respective departments of the group holding company, which report to the Executive Board regularly.

G1-1_01 The Code of Conduct for employees of the Group stipulates that all employees, all managers, and every executive member are bound by the Code of Conduct. The Code of Conduct is handed out to every employee. Managers are responsible for ensuring that the content of this Code of Conduct is understood by all employees. The Code of Conduct serves as the foundation for all further internal regulations of the Wacker Neuson Group, which specify the Code of Conduct in more detail and must therefore be observed in addition. To take regional or local particularities into account, separate regional or local policies may provide supplementary regulations, which must not contradict this Code of Conduct.

Violations of this Code of Conduct can result in disciplinary actions as well as civil or criminal proceedings.

G1-1_02 The Speak-Up policy describes what happens with a submitted report and what investigation steps are taken. The documentation "Minimum Safeguards" in connection with the taxonomy states compliance topics are addressed by the Corporate Audit department as part of the audit process (see **G1-1_08**). The integration of compliance issues into the audit process ensures that legal and ethical standards are not only established, but also effectively monitored and enforced. This meets the requirements of the EU taxonomy and demonstrates the commitment to promoting sustainable and compliant business practices.

G1-1_05 Every employee of the central office for compliance concerns is aware of its internal policy and acts accordingly. In particular, the duty of confidentiality is documented through non-disclosure agreements for employees who support internal investigations of the office. The Speak-Up policy also includes the prohibition of reprisals against whistleblowers. An external internet-based whistleblowing system named “Tell It” has been available at the Wacker Neuson Group since 2014. It is accessible online around the clock, seven days a week, and worldwide. Reports can also be submitted anonymously there. The Compliance Committee of the

Group, which consists of the heads of Internal Audit, the Corporate Legal & Compliance department, and the HR department, is the central body for all known compliance reports. The committee coordinates the respective approach in consultation with the Executive Board based on its rules of procedure. The Chief Compliance Officer reports both regularly and on an ad-hoc basis to the Executive Board and, if desired, usually once a year, to the Supervisory Board.

G1-1_08 Reports to the Chief Compliance Officer and the Corporate Compliance Office are always possible.

G1-1_10 Trainings and information sessions for employees on the topics of compliance, corruption prevention, avoidance of conflicts of interest, and antitrust violations are being further expanded worldwide to achieve deeper sensitization. Due to its international nature, the group relies on e-learnings. Corresponding multilingual training content from a renowned provider has been offered via the online learning management system since the fiscal year 2021 and is completed by various target groups. In addition to basic training (offered in seven languages) for every executive and employee with access to e-learning programs, targeted compliance training sessions with more detailed content will be introduced in the medium term. These aim to strengthen independent decision-making and systematically promote lawful behavior.

G1-1_11 No groups of employees are singled out; instead, a Code of Conduct is implemented that is binding for every employee. It is handed out to every new employee and is accessible via the company-wide intranet. The code is available in 15 languages and on the Group's website in German and English.

Further information on the established systems and procedures for the protection of whistleblowers can be found in connection with the disclosures about the standards ESRS S1 and ESRS S2 in the Chapter S of the Non-financial Group Statement.

Management of supplier relationships

G1-2_01, G1-6_01, G1-6_02, G1-6_03 In the Treasury Manual of the Wacker Neuson Group, clear policies are established for the processing of payments. All payments, both domestic and international, must be executed electronically, with payment runs conducted at least once a week, including individual payments if necessary. In practice, more than 98 percent of the payment obligations are settled within 31 days after the due date. The Treasury Manual contains no specific regulations for small and medium-sized enterprises (SMEs). However, the same deferred settlement terms apply to all business units, including SMEs. Different deferred settlement terms are agreed upon, which generally do not exceed 60 days.

G1-6_04 During the reporting period, there were no ongoing legal proceedings related to late payments within the Group.

G1-6_05 The Wacker Neuson Group places importance on transparent and fair payment practices with its suppliers. To collect the reporting data on payment practices, a sampling method is applied, which allows a valid assessment of payment performance. The sampling results confirm the findings presented above. Delays, which occur in a few cases, are mostly due to administrative clarification processes.

G1-2_02, G1-2_03 With regard to risks associated with the value chain, the Group identifies potential hazards such as dependencies on individual suppliers, disruptions in the supply chain, or violations of legal and ethical standards. Through regular risk analyses and audits, suppliers are evaluated regarding their performance and compliance with the sustainability guidelines.

The selection and evaluation of suppliers are based on defined sustainability criteria, which include aspects such as the reduction of CO2e emissions, the use of more sustainable materials, and compliance with social standards. The Wacker Neuson Group obligates its suppliers to adhere to its Code of Conduct, which is based on international standards such as the UN Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises. Violations of these standards are addressed through an escalation process that can lead to the exclusion of the supplier.

To continuously improve the sustainability performance of their suppliers, the Wacker Neuson Group closely collaborates with them. This includes regular trainings, technical support, and the mutual exchange of best practices.

Prevention and detection of corruption or bribery

G1-3_01, G1-3-02, G1-3_03 The compliance organization, which is responsible for the core compliance topics of anti-corruption, antitrust law, and other property crimes in the group, is centrally structured. If necessary, the Group headquarters stipulate unified policies applicable worldwide. The regional, local, or functional compliance managers (regional presidents and/or local directors) promote compliance locally and within their areas of responsibility. These regional or functional compliance managers support various compliance measures and, for example, conduct trainings for employees if necessary. In 2024, no trainings were conducted by regional compliance managers. The compliance manager report on relevant topics in their compliance functions to the Corporate Compliance Office, which is part of the Corporate Legal & Compliance department. The Chief Compliance Officer, who is also the Head of Corporate Legal & Compliance, reports directly to the CEO.

The compliance reporting is carried out semi-annually by the respective local or regional compliance managers to the Corporate Compliance Office. This reporting is supplemented by a compliance self-assessment of all subsidiaries as well as the corporate functions in the form of a self-declaration, which is submitted by the heads of the respective companies or corporate functions to the Corporate Compliance Office.

The compliance committee of the Group, which consists of the heads of Internal Audit, the Corporate Legal & Compliance department, and the Human Resources department, is the central body for all compliance notices that come to light. The committee coordinates the respective approach based on its bylaws in consultation with the Executive Board. The Chief Compliance Officer (CCO) reports both regularly and as needed to the Executive Board and usually once a year to the Supervisory Board.

In addition, the Group has an Anti-Fraud Committee led by the head of Internal Audit, which includes executives from the areas of Internal Audit, Corporate Legal & Compliance, Information Security, and Treasury. The Anti-Fraud Committee generally meets semi-annually, more often if necessary. It is responsible for the prevention and review of potential fraud attempts or external attacks – for example, in payment transactions – as well as for warning and educating employees. To achieve this, process automation, IT security measures, policies, and active communication with employees are utilized. Information about fraud attempts should be forwarded by employees to the Anti-Fraud Committee.

G1-3_05, G1-3_06, G1-3_07 Trainings for employees and informational events on compliance, corruption prevention, avoidance of conflicts of interest and antitrust violations are being expanded worldwide to achieve deeper sensitisation. Due to its international nature, the Group relies on e-learnings. Corresponding multilingual training content from a renowned provider has been offered via the online learning management system since the fiscal year 2021 and completed by various target groups. In addition to a basic training course (offered in seven languages) for every manager and every employee with access to e-learning programs, targeted compliance training sessions with more detailed content will be introduced in the medium term. These aim to strengthen independent decision-making and systematically promote lawful behavior. The basic training, which has been offered since 2021, was completed in the fiscal year 2024 by a total of 1,537 employees (2023: 1,194) for the first time or as a refresher course. In total, this training has been completed at least once by 2,739 employees (2023: 1,.202) since its introduction. These figures also include employees who have already left the Group at the reporting date.

At the end of the fiscal year 2024, there were 2,393 (2023: 1,918) active employees who had completed this basic training within the last 24 months.

The share of employees trained in basic compliance within the total workforce should continuously increase with the help of e-learnings, while at the same time, the international reach should be expanded.

The selection of employees and managers who are primarily to participate in compliance training is based on the respective risk potentials; primarily, these are employees from sales, marketing, purchasing, and administrative areas.

Every new employee receives the Code of Conduct mentioned under **G1-1_11**, all employees are bound by the Code of Conduct, a corresponding passage has been included in employment contracts since 2016.

Corruption cases should also be prevented in the value chain. The Group expects its suppliers to comply with compliance principles. These are described in the Code of Conduct for suppliers of the Wacker Neuson Group. Adherence to these principles forms the basis for a trustworthy and sustainable business relationship. The Code of Conduct is available on the company group's website. Compliance with the principles is also checked in the form of on-site supplier audits, so-called "Supplier Potential Assessments".

In the fiscal year 2023, a Code of Conduct for Sales Partners was also adopted. As it expects from its suppliers, the Wacker Neuson Group also expects its sales partners to comply with the compliance principles laid down in the new Code of Conduct. This is continuously implemented in the sales organization.

With the already mentioned whistleblower reporting channels “Tell-it” under **G1-1_05**, the Group has an internet-based communication channel to receive reports on possible violations of laws and guidelines as well as human rights violations and environmental violations concerning the entities of the Wacker Neuson Group or their value chain.

In previous years, a classification of group companies based on country risks according to the Corruption Perception Index of Transparency International was conducted. From 2019 onwards, among other things, the Corporate Compliance Office established a policy for a more detailed risk analysis of such compliance risks. The corresponding questions were also made available to all subsidiaries under the leadership of the Risk Management department during the reporting year. Depending on the results, individual mitigation measures, particularly e-learnings, will be used in the coming years.

The Wacker Neuson Group cannot provide data point **G1-3_08**, which covers the scope of trainings for members of administrative, executive, and supervisory bodies, in the current reporting year. The reason for this is the still not completely implemented data collection and analysis methodology, which is necessary to provide this information consistently and in the required level of detail. The same applies to the table required according to **G1-4_03** on the trainings conducted to prevent corruption and bribery.

Confirmed incidents of corruption and bribery

G1-4_01, G1-4_02 In the fiscal year 2024, no confirmed case of corruption from within the organization was reported to the Compliance Committee (2023: None). Likewise, no confirmed case of corruption in the supply chain was reported (2023: None).

Political influence and lobbying activities

G1-5_06, G1-5_07 The Wacker Neuson Group did not make any financial or non-financial political contributions to parties, political organizations, or election campaigns during the reporting period. The Group strictly adheres to its guidelines on political neutrality, excluding any support for political actors to ensure transparency and independence in all business activities.

G1-5_09 The Wacker Neuson Group did not engage in direct lobbying activities during the reporting period and is not directly involved in political or regulatory decision-making processes.

The strategic orientation is based on complying with regulatory requirements and operating in accordance with international standards such as the EU taxonomy and the UN Guiding Principles on Business and Human Rights. In doing so, the Group aligns itself with existing legal frameworks and consciously refrains from active political influence.

G1-5_11 During the reporting period, no members of the administrative, management or supervisory bodies of the Group were appointed who held a comparable position in public administration or with regulators in the two years prior to their appointment. The Group ensures that all appointments meet high standards of independence and transparency.

Munich, March 20, 2025

Wacker Neuson SE, Munich

The Executive Board

Dr. Karl Tragl	**Felix Bietenbeck**
Chairman of the Executive Board	Chief Operations Officer (COO)
Chief Executive Officer (CEO)	Chief Technology Officer (CTO)
Christoph Burkhard	**Alexander Greschner**
Chief Financial Officer (CFO)	Chief Sales Officer (CSO)

Consolidated Financial Statements

Statement of Profit or Loss

FOR THE PERIOD JANUARY 1 TO DECEMBER 31

IN € MILLION

	Notes	Jan. 1 – Dec. 31, 2024	Jan. 1 – Dec. 31, 2023
Revenue	(1)	2,234.9	2,654.9
Cost of sales		-1,716.9	-2,008.4
Gross profit		**518.0**	**646.5**
Sales and service expenses		-251.6	-245.5
Research and development expenses		-58.9	-63.7
General administrative expenses		-95.8	-101.9
Other income	(2)	16.3	43.4
Other expenses	(4)	-5.5	-5.6
Earnings before interest and tax (EBIT)		**122.5**	**273.2**
Result from investments accounted for using the equity method	(5a)	-1.4	-1.6
Financial income	(5b)	27.1	32.0
Financial expenses	(5c)	-46.7	-48.9
Earnings before tax (EBT)		**101.5**	**254.7**
Income taxes	(6)	-31.3	-68.8
Profit for the period		**70.2**	**185.9**
Of which are attributable to:			
Shareholders in the parent company		70.2	185.9
		70.2	**185.9**
Earnings per share in € (diluted and undiluted)	**(7)**	**1.03**	**2.73**

Statement of Comprehensive Income

FOR THE PERIOD JANUARY 1 TO DECEMBER 31

IN € MILLION

	Notes	Jan. 1 – Dec. 31, 2024	Jan. 1 – Dec. 31, 2023
Profit for the period		**70.2**	**185.9**
Other income			
Income to be recognized in the Statement of Profit or Loss for subsequent periods			
Exchange differences		7.4	-3.5
Cash flow hedges		-0.5	-4.1
Effect of income taxes		0.2	0.9
Income to be recognized in the Statement of Profit or Loss for subsequent periods		**7.1**	**-6.7**
Income not to be recognized in the Statement of Profit or Loss for subsequent periods			
Actuarial gains/losses from pension obligations		1.2	-5.5
Effect of income taxes		-0.4	1.4
Income not to be recognized in the Statement of Profit or Loss for subsequent periods	**(17)**	**0.8**	**-4.1**
Other comprehensive income after tax		**7.9**	**-10.8**
Total comprehensive income after tax		**78.1**	**175.1**
Of which are attributable to:			
Shareholders in the parent company		78.1	175.1

Statement of Financial Position

AS OF DECEMBER 31

IN € MILLION

	Notes	Dec. 31, 2024	Dec. 31, 2023
Assets			
Property, plant and equipment	(8)	620.2	581.8
Investment properties	(9)	27.2	27.8
Goodwill	(10a)	236.3	232.5
Other intangible assets	(10b)	235.6	219.1
Investments accounted for using the equity method	(5a)	4.2	–
Other Investments	(28)	3.8	4.0
Deferred tax assets	(6)	50.1	54.9
Non-current financial assets	(11)	29.5	24.3
Other non-current non-financial assets	(11)	0.1	–
Rental equipment	(12)	273.6	260.9
Total non-current assets		**1,480.6**	**1,405.3**
Inventories	(13)	621.9	774.4
Trade receivables	(14)	254.0	346.6
Tax assets	(6)	28.4	9.8
Other current financial assets	(15)	39.1	44.2
Other current non-financial assets	(15)	29.3	36.8
Cash and cash equivalents	(16)	35.3	27.8
Total current assets		**1,008.0**	**1,239.6**
Total assets		**2,488.6**	**2,644.9**
Equity and liabilities			
Subscribed capital	(17)	70.1	70.1
Other reserves	(17)	611.1	603.2
Net profit/loss		871.4	879.4
Treasury shares		-53.0	-53.0
Equity attributable to shareholders in the parent company		1,499.6	1,499.7
Equity		**1,499.6**	**1,499.7**
Non-current financial liabilities	(20)	193.8	97.3
Non-current lease liabilities	(25)	103.2	88.4
Deferred tax liabilities	(6)	62.7	63.2
Provisions for pensions and similar obligations	(18)	36.5	40.0
Non-current provisions	(19)	12.7	14.0
Non-current contract liabilities	(23)	21.5	16.1
Total non-current liabilities		**430.4**	**319.0**
Trade payables	(21)	166.6	251.5
Current liabilities to financial institutions	(20)	150.6	296.1
Current portion of non-current liabilities	(20)	1.5	0.2
Current lease liabilities	(25)	28.1	29.7
Current provisions	(19)	30.6	26.2
Current contract liabilities	(23)	11.3	10.0
Income tax liabilities	(6)	29.2	33.9
Other current financial liabilities	(22)	86.1	106.9
Other current non-financial liabilities	(22)	54.6	71.7
Total current liabilities		**558.6**	**826.2**
Total equity and liabilities		**2,488.6**	**2,644.9**

Statement of Changes in Equity

FOR THE PERIOD JANUARY 1 TO DECEMBER 31

IN € MILLION

	Subscribed capital	Capital reserves	Exchange differences	Other neutral changes	Net profit/loss	Treasury shares	Equity attributable to shareholders in the parent company
Balance at January 1, 2023	**70.1**	**618.7**	**6.3**	**-11.0**	**761.5**	**-53.0**	**1,392.6**
Profit for the period	–	–	–	–	185.9	–	185.9
Other comprehensive income	–	–	-3.5	-7.3	–	–	-10.8
Total comprehensive income	**–**	**–**	**-3.5**	**-7.3**	**185.9**	**–**	**175.1**
Dividend	–	–	–	–	-68.0	–	-68.0
Balance at December 31, 2023	**70.1**	**618.7**	**2.8**	**-18.3**	**879.4**	**-53.0**	**1,499.7**
Balance at January 1, 2024	**70.1**	**618.7**	**2.8**	**-18.3**	**879.4**	**-53.0**	**1,499.7**
Profit for the period	–	–	–	–	70.2	–	70.2
Other comprehensive income	–	–	7.4	0.5	–	–	7.9
Total comprehensive income	**–**	**–**	**7.4**	**0.5**	**70.2**	**–**	**78.1**
Dividend	–	–	–	–	-78.2	–	-78.2
Balance at December 31, 2024	**70.1**	**618.7**	**10.2**	**-17.8**	**871.4**	**-53.0**	**1,499.6**

Statement of Cash Flows

FOR THE PERIOD JANUARY 1 TO DECEMBER 31

IN € MILLION

	Notes	Jan. 1 – Dec. 31, 2024	Jan. 1 – Dec. 31, 2023
EBT		**101.5**	**254.7**
Adjustments to reconcile earnings before tax with gross cash flows			
Depreciation, amortization, impairment and reversal of impairment of non-current assets		99.4	87.1
Unrealized foreign exchange gains/losses		-0.7	-7.2
Financial result	(5)	21.0	18.5
Gains from the sale of intangible assets and property, plant and equipment		0.6	-16.5
Changes in rental equipment, net		-9.3	-50.3
Changes in misc. assets		9.2	-22.9
Changes in provisions		1.6	7.9
Changes in misc. liabilities		-38.5	46.0
Gross cash flow		**184.8**	**317.3**
Changes in inventories		166.0	-102.6
Changes in trade receivables		96.5	-46.5
Changes in trade payables		-90.1	-8.5
Changes in net working capital		**172.4**	**-157.6**
Cash flow from operating activities before income tax paid		**357.2**	**159.7**
Income tax paid		-51.9	-46.5
Cash flow from operating activities		**305.3**	**113.2**
Purchase of property, plant and equipment	(8)	-61.9	-129.0
Purchase of intangible assets	(10)	-40.7	-34.5
Cash outflows for investments accounted for using the equity method and other investments		-4.1	-0.6
Cash outflows for additions to the consolidation structure		-15.6	–
Cash outflows for loans to investments accounted for using the equity method		–	-1.3
Proceeds from the sale of property, plant and equipment, intangible assets and assets held for sale		1.6	27.3
Cash flow from investment activities		**-120.7**	**-138.1**
Free cash flow		**184.6**	**-24.9**
Dividend	(17)	-78.2	-68.0
Cash receipts from current borrowings		44.3	202.1
Repayments from current borrowings		-195.0	-100.7
Cash receipts from non-current borrowings		100.0	0.6
Repayments from non-current borrowings		-1.0	-0.5
Repayments from lease liabilities	(25)	-27.9	-23.4
Interest paid		-23.7	-19.0
Interest received		4.0	3.9
Cash flow from financial activities		**-177.5**	**-5.0**
Change in cash and cash equivalents before effect of exchange rates and changes in consolidation group		**7.1**	**-29.9**
Effect of exchange rates on cash and cash equivalents		-0.5	4.0
Change in consolidation group		0.9	–
Change in cash and cash equivalents		**7.5**	**-25.9**
Cash and cash equivalents at the beginning of the period	**(16)**	**27.8**	**53.7**
Cash and cash equivalents at the end of period	**(16)**	**35.3**	**27.8**

Segment Reporting

FOR THE PERIOD JANUARY 1 TO DECEMBER 31

Segment Reporting is part of the Notes to the Consolidated Financial Statements (see Note 30 “Segment reporting”).

SEGMENT REPORTING (GEOGRAPHICAL SEGMENTS)

IN € MILLION

	Europe	Americas	Asia-Pacific	Consoli-dation	Group
2024					
Segment revenue					
Total revenue	2,600.6	496.7	78.8		3,176.1
Less intrasegment sales	-796.7	-36.2	-15.6		-848.5
	1,803.9	460.5	63.2		2,327.6
Intersegment sales	-72.2	-9.8	-10.7		-92.7
Revenue from external customers	**1,731.7**	**450.7**	**52.5**		**2,234.9**
EBIT	**79.0**	**26.3**	**1.9**	**15.3**	**122.5**

	Europe	Americas	Asia-Pacific	Consoli-dation	Group
2023					
Segment revenue					
Total revenue	3,288.5	645.4	111.3		4,045.2
Less intrasegment sales	-1,038.7	-61.8	-22.0		-1,122.5
	2,249.8	583.6	89.3		2,922.7
Intersegment sales	-227.4	-27.1	-13.3		-267.8
Revenue from external customers	**2,022.4**	**556.5**	**76.0**		**2,654.9**
EBIT	**271.3**	**50.3**	**3.1**	**-51.5**	**273.2**

The recognized and non-segment assigned consolidation effect primarily includes the elimination of intercompany profits on inventories and rental equipment.

SEGMENT REPORTING (BUSINESS SEGMENTS)

IN € MILLION

	2024	2023
Segment revenue from external customers		
Light equipment	452.7	525.9
Compact equipment	1,284.6	1,652.9
Services	513.2	494.5
	2,250.5	2,673.3
Less cash discounts	-15.6	-18.4
Total	**2,234.9**	**2,654.9**

Information about geographical areas

REVENUE ACCORDING TO COMPANY LOCATION

IN € MILLION

	2024	2023
Germany	1,044.3	1,287.3
USA	352.5	408.2
Austria	133.4	154.5
Other	704.7	805.0
Total	**2,234.9**	**2,654.9**

NON-CURRENT ASSETS ACCORDING TO COMPANY LOCATION

IN € MILLION

	2024	2023
Germany	664.3	623.6
Austria	447.5	436.9
USA	53.5	42.9
Other	227.6	218.7
Total	**1,393.0**	**1,322.1**

The recognized non-current assets listed here include property, plant and equipment, investment property, goodwill, other intangible assets, rental equipment as well as other non-current assets not classified as financial instruments.

Notes to the Consolidated Financial Statements

General Group information

The Wacker Neuson SE (hereinafter also referred to as the "Company") is a listed European stock corporation (Societas Europaea, abbreviated: SE) based in Munich (Germany) and is entered in the commercial register of the Munich District Court under HRB 177839.

The shares of the company have been admitted to the Prime Standard of the regulated market of the German Stock Exchange in Frankfurt since May 2007 and have been listed in the SDAX selection index since September 2007.

General disclosures on accounting standards

The preparation of the present Consolidated Financial Statements of the Group for the fiscal year 2024 was carried out in accordance with the International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS) adopted and published by the International Accounting Standards Board (IASB) and their interpretation by the IFRS Interpretation Committee (IFRS IC), as applicable in the EU, and the supplementary commercial law regulations to be applied in accordance with Section 315e (1) of the German Commercial Code (HGB). All standards valid and mandatory for the fiscal year 2024 have been considered.

The Consolidated Financial Statements consist of the Statement of Profit or Loss, the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity, the Statement of Cash Flows and the Notes to the Consolidated Financial Statements. Additionally, in accordance with § 315 HGB, a Group Management Report, which is combined with the Management Report of the company, has been prepared. The preparation of the Consolidated Financial Statements is generally based on the historical cost principle and under the going concern assumption. Exceptions are the accounting of derivatives as well as certain other financial instruments, which are always measured at fair value. The statement of profit or loss is presented using the cost of sales method. The Consolidated Financial Statements are prepared in Euro (€) and all amounts are, unless otherwise stated, rounded to the nearest million Euro (€ m or EUR million).

The fiscal year of Wacker Neuson SE corresponds to the calendar year and the present Consolidated Financial Statements for the fiscal year 2024 (including the previous year's figures) were authorized for issue by the Executive Board on March 20, 2025.

Amendments to financial reporting according to IFRS

Standards or interpretations applicable for the first time in the fiscal year

The following standards, amendments to standards, and interpretations have been mandatory since January 1, 2024:

Name	Description	Mandatory[1]
EU endorsement issued by the date of release for publication		
IFRS 16	Amendments to IFRS 16 Leases: Lease liability in a Sale-and Leaseback	Jan. 1, 2024
IAS 1	Amendments to IAS 1: Classification of liabilities as current or non-current and non-current liabilities with covenants	Jan. 1, 2024
IAS 7/ IFRS 7	Amendments to IAS 7 Statement of Cash Flows as well as IFRS 7 Financial Instruments: Disclosures in the notes for Supplier Finance Arrangements	Jan. 1, 2024

[1] For fiscal years that start on or after this date, initial application in line with EU law

Amendments to IFRS 16 Leases: Lease liability in a Sale-and Leaseback

In September 2022, the IASB published amendments to IFRS 16.

These specify that the lease liability resulting from a sale and leaseback transaction must also include variable payments not based on an index or interest rate. Furthermore, the initial measurement requirements in paragraph 100(a) of IFRS 16 apply to the recognition of the right-of-use asset and the profit or loss on the sale and leaseback. Additionally, the seller-lessee must subsequently measure the right-of-use asset from the leaseback by applying paragraphs 29-35 of IFRS 16.

The amendments to IFRS 16 did not have any significant impact on the accounting policies of the Group.

Amendments to IAS 1: Classification of liabilities as current or non-current and non-current liabilities with covenants

The IASB published a narrow-scope modification to IAS 1 to clarify that the classification of liabilities as current or non-current depends on the rights available to the entity at the end of the reporting period.

Liabilities are classified as non-current if the Group has a substantial right at the end of the reporting period to defer settlement of the liability for at least 12 months after the reporting date. The classification is no longer determined by unconditional rights, as loans are rarely unconditional. When assessing whether a substantial right exists, it should not be considered whether the company will exercise its right. Thus, management's intention in this regard does not affect the classification.

Rights to deferral, which are dependent on the existence of certain conditions, are based on whether the conditions are met at the reporting date. Only if this is the case, there is a right to deferral. A liability must thus be classified as current if a condition for deferral was breached on or before the reporting date, even if the creditor waives fulfillment of the condition after the reporting date. However, if the condition is not breached until after the reporting date, the corresponding liability is still to be recognized as non-current in the Consolidated Financial Statements.

The "settlement" of a liability is defined as repayment of a liability with cash, other economic resources or the entity's own equity instruments. For convertible debt instruments that include terms that allow the counterparty to require settlement in equity instruments, the exception applies that these terms do not affect the classification as current or non-current, provided the option is recognized separately as an equity component of a compound financial instrument in accordance with IAS 32.

The first-time application of these amendments did not have any significant impact on the accounting policies of the Group.

Amendments to IAS 7 Statement of Cash Flows as well as IFRS 7 Financial Instruments: Disclosures in the notes for Supplier Finance Arrangements

In May 2023, the IASB published amendments to IAS 7 and IFRS 7. These relate to additional mandatory disclosures in the notes, specifically to enhance the transparency of reverse factoring arrangements with respect to the liabilities, cash flows, and liquidity risks of a company.

As a result of the implementation of the amendments, the Group has made additional disclosures in the notes regarding a reverse factoring agreement. For details, please refer to Note 21 "Trade payables".

Published standards and interpretations not yet applied

The following accounting standards have been issued but are not yet effective are therefore not yet mandatory. If the accounting standards have been recognized by the European Union (EU endorsement), early voluntary application would generally be possible. At present, the Group intends to apply these standards from the effective date.

Name	Description	Mandadory[1]
EU endorsement issued by the date of release for publication		
IAS 21	Amendments to IAS 21 The effects of changes in foreign ex-change rates: Lack of exchangeability	Jan. 1, 2025
EU endorsement still outstanding		
IFRS 9/ IFRS 7	Amendments to the classification and measurement of financial instruments	Jan. 1, 2026
IFRS 9/ IFRS 7	Amendments relating to contracts pertaining to nature-dependent electricity	Jan. 1, 2026
IFRS 18	Presentation and disclosure in financial statements	Jan. 1, 2027
IFRS 19	IFRS 19 Subsidiaries without public accountability: Disclosures	Jan. 1, 2027
IFRS 10/ IAS 28	Amendments to IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures: Sale or contribution of assets between an investor and an associate or joint venture	Delayed indefinitely

[1] For fiscal years that start on or after this date, initial application in line with EU law

Amendments to IAS 21 The effects of changes in foreign exchange rates: Lack of exchangeability

In August 2023, the IASB published amendments to IAS 21. These relate to the determination of the exchange rate when there is a prolonged lack of exchangeability, as IAS 21 previously did not include explicit provisions on which exchange rate an entity should use when the closing rate is not observable. The amendments are mandatory for fiscal years beginning on or after January 1, 2025. Early application is permitted.

The first-time application of these amendments is not expected to result in any significant changes to accounting policies.

Amendments to the classification and measurement of financial instruments

In May 2024, the IASB published amendments to IFRS 9 and IFRS 7. The amendments address certain issues identified in connection with the classification and measurement of financial instruments.

Amendments relating to contracts pertaining to nature-dependent electricity

In December 2024, the IASB published amendments to IFRS 9 and IFRS 7. These amendments relate to Power Purchase Agreements. Adjustments were made regarding the hedging relationships in connection with corresponding contracts, as well as new disclosure requirements, which enable investors to understand the impact of these contracts on financial performance and future cash flows. The amendments are applicable for fiscal years beginning on or after January 1, 2026. Early application is permitted.

The first-time application of these amendments is not expected to result in any significant changes to the accounting policies.

IFRS 18 Presentation and disclosure in financial statements

In April 2024, the IASB published IFRS 18, which will replace IAS 1 Presentation of financial statements. The objective of the standard is to improve the comparability of reporting on financial performance and to provide investors with a better basis for analysis. For this purpose, all income and expenses in the Statement of Profit or Loss are assigned to one of the five categories: operating category, investing category, financing category, income taxes category, or discontinued operations category. Additionally, a newly defined subtotal "operating result" is introduced. Furthermore, certain entity-specific performance measures, known as "Management-defined Performance Measures" (MPMs) must be explained in a separate disclosure in the notes. Improved guidance on grouping information within the Consolidated Financial Statements is also introduced. In addition, all entities are required to use the operating result as the starting point for the Statement of Cash Flows when presenting cash flows from operating activities using the indirect method. The amendments are mandatory for fiscal years beginning on or after January 1, 2027. Early application is permitted.

Currently, the Group is assessing the potential impact of the new standard, particularly with regards to the structure of the Statement of Profit or Loss, the Statement of Cash Flows, and the additional disclosure requirements for MPMs.

IFRS 19 Subsidiaries without public accountability: Disclosures

In May 2024, the IASB published IFRS 19. The objective of the standard is to reduce the costs for preparing financial statements of subsidiaries. Subsidiaries that are not subject to public accountability and whose parent company prepares IFRS Consolidated Financial Statements, can optionally apply IFRS 19 to reduce the extent of disclosures in the Notes compared to other IFRS standards. The amendments are mandatory for fiscal years beginning on or after January 1, 2027. Early application is permitted.

The first-time adoption of these amendments is not expected to result in any changes to the accounting policies for the group.

Amendments to IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures: Sale or contribution of assets between an investor and an associate or joint venture

In December 2015, the IASB published its amendment to defer the initial application date of the amendment on the Sale or Contribution of Assets between an Investor and an Associate or Joint Venture. As a result, the initial application date of the original amendment standard is now deferred for an indefinite period. This is to avoid potentially contradictory amendments to the standards within a short period based on the results of the research project on the equity method.

The Group will address the amendments in a timely manner.

Amendments to accounting policies and accounting estimates as well as correction of errors

Regarding the amendments to the accounting policies, changes in accounting estimates and errors already published in the previous year, we refer to the Notes to the Consolidated Financial Statements as of December 31, 2023.

Furthermore, no other changes of accounting policies occurred in the fiscal year 2024.

Reporting date

Reporting date for all subsidiaries included in the Consolidated Financial Statements is December 31 of each year. The accounting period applicable to these Consolidated Financial Statements is from January 1 2024 to December 31 2024.

Scope of consolidation

In the Consolidated Financial Statements as of December 31 2024, the following subsidiaries controlled by the company in addition to Wacker Neuson SE as the parent company are included. Control exists when the company is exposed to or has rights to variable returns from its involvement with the subsidiary and has the power to affect those returns through its power over the investee. Control is generally exercized through the following voting rights:

CONSOLIDATION STRUCTURE (FULLY CONSOLIDATED COMPANY)

	Company Name	City	Type of Company[1]	Country	Wacker Neuson SE Shareholding as a %		Equity IN € K	Segment
					direct	indirect		
	Germany							
1	Wacker Neuson Produktion GmbH & Co. KG	Reichertshofen	PXX	Germany	100		57,271	Europe
2	Wacker Neuson PGM Verwaltungs GmbH	Reichertshofen	Other	Germany		100	42	Europe
3	Wacker Neuson Vertrieb Deutschland GmbH & Co. KG	Munich	SXX	Germany	100		101,447	Europe
4	Wacker Neuson SGM Verwaltungs GmbH	Munich	Other	Germany		100	35	Europe
5	Wacker Neuson Aftermarket & Services GmbH	Munich	Logistics	Germany	100		31,378	Europe
6	Weidemann GmbH	Korbach	PXX	Germany	100		85,718	Europe
7	Kramer-Werke GmbH	Pfullendorf	PXX	Germany	5	90	94,363	Europe
8	Wacker Neuson Rail GmbH	Mohnheim	SXX	Germany		100	1,733	Europe
9	Kramer-Areal Verwaltungs GmbH	Pfullendorf	Other	Germany		95	6,967	Europe
10	Wacker Neuson Immobilien GmbH	Überlingen	Other	Germany		95	3,160	Europe
	Rest of Europe							
11	Wacker Neuson S.A.S.	Brie-Comte-Robert (near Paris)	SXX	France	100		12,091	Europe
12	Wacker Neuson Ltd.	Stafford (near Birmingham)	SXX	UK	100		14,310	Europe
13	Wacker Neuson srl con socio unico	San Giorgio	SXX	Italy	100		4,883	Europe
14	Wacker Neuson B.V.	Amersfoort	SXX	Netherlands	100		8,143	Europe
15	Weidemann Nederland B.V	Swifterbant	SXX	Netherlands		100	2,467	Europe
16	Wacker Neuson Belgium BVBA	Asse-Mollem	SXX	Belgium	100		6,168	Europe
17	Compact Machinery B.V.	Ath	SXX	Belgium		100	1,552	Europe
18	Wacker Neuson Beteiligungs GmbH	Hörsching (near Linz)	Holding	Austria	100		161,952	Europe
19	Wacker Neuson Linz GmbH	Hörsching (near Linz)	PXX	Austria		100	176,273	Europe
20	Wacker Neuson Kragujevac d.o.o.	Kragujevac	PXX	Serbia	100		26,461	Europe
21	Wacker Neuson GmbH	Wien	SXX	Austria	100		21,668	Europe
22	Wacker Neuson Sp. z.o.o.	Jawczyce (near Warschau)	SXX	Poland	100		13,080	Europe
23	Wacker Neuson GmbH	Moskau	SXX	Russia	100		1,693	Europe
24	Wacker Neuson AG	Volketswil (near Zürich)	SXX	Switzerland	100		32,372	Europe
25	Wacker Neuson, S.A.	Torrejón de Ardoz (near Madrid)	SXX	Spain	100		6,381	Europe
26	ENARCO S.A.	Zaragoza	PXX, SXX	Spain	100		14,381	Europe
27	Malcom Auxen Iberia S.A.	Zaragoza	Other	Spain		100	322	Europe
28	Mecanization Auxen S.A.	Zaragoza	Other	Spain		100	239	Europe
29	Sage 21 S.A.	Zaragoza	Other	Spain		100	549	Europe
30	ENARPOL Sp Z.O.O.	Krakow	SXX	Poland		100	750	Europe
31	ENARCO Colomobia	Bogotá	SXX	Colombia		100	50	Europe
32	MOPYCSA S.A. de CV.	Queretaro	SXX	Mexico		100	871	Europe
33	ENAR (Shanghai) Manufacture C.O. Ltda	Shanghai	Other	China		100	216	Europe
34	ENAR (Haimen) Manufacture C.O. Ltda	Nantong City	PXX, SXX	China		100	743	Europe
35	Wacker Neuson (Pty) Ltd.	Florida (near Johannesburg)	SXX	South Africa	100		3,127	Europe
36	Wacker Neuson s.r.o.	Prag	SXX	Czech Republic	100		4,530	Europe
37	Wacker Neuson s.r.o.	Lučenec	SXX	Slovakia	100		194	Europe
38	Wacker Neuson Makina Limited Şirketi	Tuzla (near Istanbul)	SXX	Turkey	100		2,020	Europe
39	Wacker Neuson Kft.	Törökbálint (near Budapest)	SXX	Hungary	100		1,032	Europe
	Americas							
40	Wacker Neuson Máquinas Ltda.	Itaiba (near São Paulo)	SXX	Brazil	100		17	Americas
41	Wacker Neuson Ltda.	Huechuraba (near Santiago)	SXX	Chile	100		317	Americas

	Company Name	City	Type of Company[1]	Country	Wacker Neuson SE Shareholding as a % direct	indirect	Equity IN € K	Segment
42	Wacker Neuson Ltd.	Mississauga (near Toronto)	SXX	Canada	100		19,767	Americas
43	Wacker Neuson S.A. de C.V.	Mexico City	SXX	Mexico	100		3,990	Americas
44	Wacker Neuson America Corporation	Menomonee Falls[2]	SXX	USA	100		141,917	Americas
45	Lightning Rod Investments LLC	Menomonee Falls[2]	Other	USA		100	10,015	Americas
46	Wacker Neuson Bogotá S.A.S.	Bogotá	SXX	Colombia	100		-8,336	Americas
47	Wacker Neuson Lima S.A.C. i.L.	Lima	SXX	Peru	99	1	537	Americas
	Asia-Pacific							
48	Wacker Neuson Pty Ltd.	Springvale (near Mel-bourne)	SXX	Australia	100		12,676	Asia-Pacific
49	Wacker Neuson Machinery (China) Co., Ltd.	Pinghu	PXX	China	100		11,359	Asia-Pacific
50	Wacker Neuson Machinery Trading (Pinghu) Co., Ltd.	Pinghu	SXX	China		100	3,470	Asia-Pacific
51	Wacker Neuson (Singapore) PTE. LTD	Singapur	SXX	Singapore	100		1,859	Asia-Pacific
52	Wacker Neuson Equipment Private Ltd.	Bangalore	SXX	India	100		2,562	Asia-Pacific

[1] SXX = Sales company / PXX = Production company / Other = generally refers to real-estate companies or general partners (Komplementär) in KG companies.
[2] Near Milwaukee.

In the fiscal year 2024, the following changes occurred in the scope of consolidation:

- An investment accounted for using the equity method, TorqueWerk GmbH was acquired.
- Weidemann Nederland B.V. was acquired.
- The Wacker Neuson Rail GmbH (formerly Axor Mietservice GmbH) was acquired.
- Compact Machinery BV was acquired.

TorqueWerk GmbH

On January 1, 2024, an investment in TorqueWerk GmbH amounting to 45.5 percent of the share capital in TorqueWerk GmbH was acquired. The company based in Aachen was included in the Group at this time using the equity method with a carrying amount of EUR 3.3 million. The company's business activities include the development, manufacturing, licensing, and distribution of electric drive systems.

Weidemann Nederland B.V.

On May 2, 2024, the group acquired 100 percent of the shares and voting shares in Weidemann Nederland B.V. based in Swifterbant, Netherlands. Weidemann Nederland B.V. distributes products of the Weidemann brand in the Dutch market. The acquisition is intended at strengthening the market position in the Netherlands through synergy benefits and further expanding service for end customers in the municipal, park, industrial, and agricultural sectors.

Since the acquisition date in May 2024, Weidemann Nederland B.V. contributed revenue amounting to EUR 7.3 million and a profit amounting to EUR 1.5 million to the profit for the period.

The consideration transferred includes cash amounting to EUR 4.8 million as well as contingent consideration amounting to EUR 1.9 million. Of this amount, EUR 1.0 million and EUR 0.9 million are initially retained as safety and recorded as other current financial liabilities and non-current financial liabilities, respectively. The amounts will be paid out, provided no claims are asserted, at the latest within 18 and 36 months after the acquisition date.

In connection with the business combination, costs amounting to EUR 0.2 million were incurred. These costs were recognized in the general administrative expenses.

Below are the recognized amounts of the material acquired assets and assumed liabilities as of the acquisition date:

IN € MILLION

	May 2, 2024
Property, plant and equipment	0.2
Other intangible assets	4.2
Inventories	1.3
Trade receivables	0.6
Tax assets	0.2
Other current non-financial assets	0.1
Cash and cash equivalents	0.4
Deferred tax liabilities	1.1
Trade payables	0.4
Other current financial liabilities	0.1
Other current non-financial liabilities	0.3

The trade receivables include gross amounts of EUR 0.6 million; none of these were considered uncollectible at the acquisition date.

If within one year from the acquisition date new information about facts and circumstances that existed at the acquisition date become known and would have led to restatements of the aforementioned amounts, the accounting for the business acquisition will be adjusted.

The goodwill recognized as part of the acquisition is not tax-deductible and is determined as follows:

IN € MILLION

	May 2, 2024
Consideration transferred	6.8
Fair value of net assets	5.1
Goodwill	**1.7**

The Goodwill represents mainly synergies within the scope of Weidemann brand sales as well as the potential to develop business in the Netherlands and is therefore allocated to the cash-generating unit Weidemann Nederland.

Wacker Neuson Rail GmbH (formerly Axor Mietservice GmbH)

On July 1, 2024, the group acquired 100 percent of the shares and voting shares in Wacker Neuson Rail GmbH (Formerly Axor Mietservice GmbH). The company, based in Monheim, Germany, is a nationwide special lessor for track machines, thus the transaction focuses on expanding business activities in the track construction sector.

Since the acquisition date in July 2024, Wacker Neuson Rail GmbH (formerly Axor Mietservice GmbH) contributed revenue amounting to EUR 3.8 million and a profit amounting to EUR 0.4 million to the profit for the period.

The consideration transferred includes cash amounting to EUR 2.8 million.

In connection with the business combination, costs amounting to EUR 0.3 million were incurred. These costs were recognized in the general administrative expenses.

Below are the recognized amounts of the material acquired assets and assumed liabilities as of the acquisition date:

IN € MILLION

	July 1, 2024
Property, plant and equipment	0.3
Other intangible assets	0.9
Rental equipment	4.2
Inventories	0.7
Trade receivables	0.7
Other current non-financial assets	0.1
Cash and cash equivalents	0.2
Non-current financial liabilities	2.5
Deferred tax liabilities	0.3
Trade payables	0.3
Current portion of non-current liabilities	1.5
Other current financial liabilities	0.1
Other current non-financial liabilities	0.1

Trade receivables include gross amounts of EUR 0.8 million; at the acquisition date, none of these were considered uncollectible.

The goodwill recognized as part of the acquisition is not tax-deductible and is calculated as follows:

IN € MILLION

	July 1, 2024
Consideration transferred	2.8
Fair value of net assets	2.3
Goodwill	**0.5**

The Goodwill represents synergies and development potentials of the rail machine leasing business and is therefore allocated to the cash-generating unit Wacker Neuson Rail.

Compact Machinery B.V.

On October 1, 2024, the Group acquired 100 percent of the shares and voting rights in Compact Machinery B.V. based in Ath, the company will enable Belgium, Wacker Neuson to strengthen its position and expand its customer relationships in the Belgian market for compact equipment.

Since the acquisition date in October 2024, Compact Machinery B.V. contributed revenue amounting to EUR 4.4 million and a profit amounting to EUR 1.7 million to profit for the period.

The consideration transferred includes cash amounting to EUR 4.6 million.

In connection with the business combination, costs amounting to EUR 0.2 million were incurred. These costs were recorded in the general administrative expenses.

The following are the recognized amounts of the material acquired assets and assumed liabilities as of the acquisition date:

IN € MILLION

	Oct. 1, 2024
Property, plant and equipment	0.9
Other intangible assets	1.8
Inventories	2.6
Trade receivables	1.2
Other current non-financial assets	0.1
Cash and cash equivalents	0.3
Deferred tax liabilities	0.5
Trade payables	3.0
Current portion of non-current liabilities	0.2
Other current non-financial liabilities	0.2

Trade receivables include gross amounts of EUR 1.2 million, at the acquisition date, none of which were considered uncollectible.

The goodwill recognized in the context of the acquisition is not tax-deductible and is derived as follows:

IN € MILLION

	Oct. 1, 2024
Consideration transferred	4.6
Fair value of net assets	3.0
Goodwill	**1.6**

The goodwill mainly results from the strengthening of the business in Belgium and is therefore assigned to the cash-generating unit Wacker Neuson Belgium.

If the aforementioned acquisitions had taken place on January 1, 2024, the revenue would have been EUR 2,258.1 million and the profit for the period for the fiscal year 2024 would have been EUR 69.5 million.

There were no other changes to the scope of consolidation.

Consolidation principles

The Consolidated Financial Statements are based on the financial statements prepared in accordance with IFRS of the included domestic and foreign entities as of December 31 2024. The financial statements of these entities are prepared using uniform accounting policies applicable to the Group.

The capital consolidation was carried out using the acquisition method. In doing so, for initially consolidated subsidiaries, the identifiable assets, liabilities and contingent liabilities of the acquired entities were recognized at their fair values.

In the initial consolidation of acquired entities that constitute a business combination, positive differences arise after considering hidden reserves or liabilities. These are recognized as goodwill from the capital consolidation and are subjected to an annual impairment test. The goodwill is allocated for the impairment test to those cash-generating units of the group that are expected to benefit from the business combination.

Investments in joint ventures are accounted for using the equity method. They are initially recognized at cost, which includes transaction costs. After initial recognition. the Consolidated Financial Statements include the Group's share of the total comprehensive income, less distributions received, of the financial assets accounted for using the equity method until the significant influence or joint control ends.

All intercompany assets and liabilities, equity, income and expenses as well as cash flows from intercompany transactions are eliminated in fill on consolidation. Intercompany profits in the consolidated inventories, leased assets and non-current assets are eliminated.

Deferred taxes are recognized for consolidation adjustments that affect profit or loss and those that do not.

Classification as current and non-current

The Group classifies its assets and liabilities in the Statement of Financial Position into current and non-current assets or liabilities. An asset is classified as current if the realization of the asset is expected within the normal operating cycle, or the asset is held for sale or consumption within this period, the asset is primarily held for trading purposes, the realization of the asset is expected within twelve months after the reporting date, or it is cash and cash equivalents, unless the exchange or use of the asset to fulfil an obligation is restricted for at least twelve months after the reporting date. All other assets are classified as non-current.

A liability is classified as current when settlement of the liability is expected within the normal operating cycle, the liability is held primarily for trading purposes, the settlement of the liability is expected within twelve months after the reporting date or the entity does not have a substantial unconditional right to defer the settlement of the liability for at least twelve months after the reporting date, which exists at the reporting date.

If the liability is subject to conditions under which it can be settled by issuing equity instruments at the option of the counterparty, this does not affect its classification.

All other liabilities are classified as non-current.

Foreign currency translation

Transactions in foreign currency are recognized at the exchange rate applicable at the transaction date. Nominally in foreign currency denominated assets and liabilities are translated at the reporting date rate. The resulting exchange differences are recognized in profit or loss. This does not apply to monetary items designated as part of a Group's net investment in a foreign operation. These are recognized in other comprehensive income until the disposal of the net investment.

The financial statements of the consolidated subsidiaries prepared in foreign currency are translated into Euro based on the concept of functional currency. The respective national currency serves as the functional currency, with exceptions being Peru (US dollar) and Hungary (Euro). Therefore, assets and liabilities are translated using the exchange rates at the reporting date, and income and expenses are translated using the annual average rates, unless the exchange rates were subject to significant fluctuations during the period.

Translation differences arising from the translation of foreign subsidiaries into the group currency, which result from the application of different exchange rates between the Statement of Financial Position and the Statement of Profit or Loss accounts, are recorded in other comprehensive income and included in equity as a separate component.

The exchange rates of the currencies significant to the group are as follows:

RATES OF MAJOR CURRENCIES

1 euro equals		2024	2023	2024	2023
		Annual average rates		Rates at reporting date[1]	
Australia	AUD	1.6400	1.6289	1.6772	1.6263
Brazil	BRL	5.8266	5.4019	6.4253	5.3618
Chile	CLP	1020.6049	907.2125	1033.5700	979.4000
China	CNY	7.7863	7.6601	7.5833	7.8509
Denmark	DKK	7.4589	7.4510	7.4578	7.4529
United Kingdom	GBP	0.8467	0.8698	0.8292	0.8691
Hong Kong	HKD	8.4431	8.4675	8.0686	8.6314
India	INR	90.5384	89.3207	88.9335	91.9045
Japan	JPY	163.8324	151.9507	163.0600	156.3300
Canada	CAD	1.4820	1.4597	1.4948	1.4642
Colombia	COP	4405.8915	4680.0969	4585.1000	4291.0000
Mexico	MXN	19.8136	19.1943	21.5504	18.7231
Norway	NOK	11.6305	11.4248	11.7950	11.2405
Peru	PEN	4.0575	4.0462	3.9115	4.0536
Philippines	PHP	61.9852	60.1679	60.3010	61.2830
Poland	PLN	4.3058	4.5417	4.2750	4.3395
Russia	RUB	100.4173	92.4203	113.7180	99.0404
Sweden	SEK	11.4339	11.4743	11.4590	11.0960
Switzerland	CHF	0.9527	0.9717	0.9412	0.9260
Serbia	RSD	117.0858	117.2516	117.0149	117.1540
Singapore	SGD	1.4458	1.4524	1.4164	1.4591
South Africa	ZAR	19.8341	19.9581	19.6188	20.3477
Thailand	THB	38.1751	37.6304	35.6760	37.9730
Czech Republic	CZK	25.1190	24.0034	25.1850	24.7250
Turkey	TRY	35.5624	25.7559	36.7372	32.6531
USA	USD	1.0821	1.0816	1.0389	1.1050

[1] Rates at reporting date: rates on the last working day of the year.

Turkey has met the definition of a hyperinflationary economy since April 30, 2022. Consequently, the standard IAS 29 (Financial Reporting in Hyperinflationary Economies) has been applied to the subsidiary Wacker Neuson Makina Limited Şirketi (STI) in Turkey. To adjust the non-monetary assets and liabilities as well as the Statement of Profit or Loss items. the data on the Turkish Consumer Price Index (CPI) published by the Turkish Statistical Institute (Turk Stat) is used. At the end of the reporting period, the average monthly change in the Turkish CPI is 3.12% (2023: 4.28%). The financial statements and the corresponding figures have been adjusted for prior periods to reflect the changes in the general purchasing power of the functional currency and are therefore stated in the measuring unit applicable at the end of the reporting period. The effect on profit and loss resulting from the application of IAS 29 is not significant.

Events of material significance

For the reporting period 2024, the following significant events occurred in addition to the legal changes:

Annual General Meeting 2024

- The annual general meeting of Wacker Neuson SE took place on May 15, 2024, in the presence of shareholders and their proxies (with the exceptions of the company's voting representatives).

- The shareholders approved the proposal of the Executive Board and the Supervisory Board and to distribute a dividend of EUR 1.15 per share for the fiscal year 2023. Thus, EUR 78.2 million was distributed to the shareholders.

- Forvis Mazars GmbH & Co KG Wirtschaftsprüfungsgesellschaft Steuerberatungsgesellschaft, Hamburg, Munich office, was elected as the new auditor for the financial statements and Consolidated Financial Statements for the fiscal year 2024.

Accounting policies, assumptions, judgements and estimations

Revenue recognition

Revenue recognition Revenue is recognized when control of distinct goods or services is transferred to the customer, i.e. when the customer has the ability to direct the use of the transferred goods or services and obtains substantially all of the remaining benefits from them. The prerequisite for this is that a contract with enforceable rights and obligations exists and, among other things, the collect of the consideration – taking into account the customer's creditworthiness – is probable. Revenue corresponds to the transaction price that the Group expects to receive. Variable consideration is included in the transaction price if it is highly probable that there will not be a significant reversal of revenue once the uncertainty associated with the variable consideration no longer exists.

Revenue from the sale of construction equipment and compact machines
Revenue from the sale of light equipment and compact equipment is recognized at the point in time when control is transferred to the acquirer, typically upon delivery of the goods. Invoices are issued at this time; the payment terms usually stipulate payment within 30 days of invoicing.

The Group assesses whether the contract contains other commitments that constitute separate performance obligations, to which a portion of the transaction price must be allocated (e.g., extended warranties).

(a) Variable consideration
If a contractual consideration contains a variable component, the Group determines the amount of consideration it is entitled to in exchange for the transfer of goods to the customers. The variable consideration is estimated at the beginning of the contract and can only be included in the transaction price if it is highly probable that there will be no significant reversal in the cumulative revenue recognized once the uncertainty associated with the variable consideration is resolved. Some contracts for the sale of construction equipment and compact machines provide customers with a withdrawal and buyback obligation on the part of the Group or quantity discounts or trade discounts. These lead to variable consideration.

- Right-of-return obligations

Certain contracts grant a customer the right to return the products at a predetermined price. Based on the contract designs, the Group currently does not assume that the customer will obtain an economic benefit from exercising the right of return and therefore accounts for the return obligation according to the regulations of IFRS 15 on return rights. Based on the historical experience of such transactions, the Group estimates the probability of its return obligations as immaterial. Therefore, no refund liabilities and right-of-return assets are recognized. Disclosures on this are made in Note 27 “Other financial commitments”.

- Quantity and sales discounts

The Group grants certain customers retrospective discounts once the quantity of products purchased during the period exceeds a contractually agreed minimum purchase quantity or a specific revenue level. Discounts are offset against the amounts payable by the customer. To estimate variable consideration for the expected future discounts, the Group applies the most likely amount method for contracts with a single minimum purchase quantity/volume, and the expected value method for contracts with multiple minimum purchase quantities/volumes. The selection of the method that can most reliably determine the amount of variable consideration primarily depends on the number of minimum purchase quantities/volumes included in the contract. The Group includes the variable price components already in the recognition of revenue from the product sale if it is probable that the customer will achieve the agreed targets. The regulations for limiting the estimation of variable consideration are considered. An equivalent refund liability for the expected future discounts is recognized.

- Discount

The Group grants certain customers price reductions if payment is made within certain shortened payment terms (cash discounts). The granted cash discounts are offset against the amounts payable by the customer. The Group determines the transaction price by considering the most likely amount and includes this variable consideration of the trade discount already at the realization of the revenue when, based on the customer's past payment behavior, it can be assumed that the customer will deduct the granted cash discount amount. The regulations for limiting the estimation of variable consideration are considered. A refund liability for the expected future cash discounts is recognized in the same amount.

(b) Significant financing component
The Group usually receives short-term advance payments from customers. In accordance with the practical expedient provided in IFRS 15, it refrains from adjusting the amount of the promised consideration for the impacts of a significant financing component when it expects at contract inception that the period between the transfer of the promised good or service to the customer and the payment for this good or service by the customer will be no more than one year. The advance payments from customers are shown by the Group in the Consolidated Financial Statements as contract liabilities.

The Group offers customers financing services through financing partners. The interest payable by the Group to the financing partner is recognized as a reduction in sales.

Revenue from the sale of spare parts
Revenue from the sale of spare parts is recognized at the point in time when control is transferred to the purchaser, typically upon delivery of the goods. Invoices are issued at this time; the payment terms usually require payment within 30 days of invoicing. Revenue from the sale of spare parts is reported under the services segment.

Warranty liabilities
The Group usually provides warranties for the remediation of defects that were present at the time of sale, as required by law. Under IFRS 15, these so-called "assurance-type warranties" are recognized as provisions according to IAS 37. Details on the accounting policy for warranty provisions are included in the section "Other provisions."

The Group offers extended warranties (contract liability) in addition to the remediation of defects that existed at the time of sale. These so-called "service-type warranties" according to IFRS 15 are sold either separately or bundled together with light equipment and compact equipment. Contracts for the bundled sale of light equipment or compact equipment and a "service-type warranty" contain two performance obligations, as the commitments to transfer the light equipment or compact equipment and to provide the "service-type warranty" are distinct and separately identifiable. When applying the method of relative standalone selling prices, a portion of the transaction price is allocated to the "service-type warranty" and deducted from the transaction price for the sale of the products. Revenue from extended warranty obligations is recognized generally on a straight-line basis over the performance period in accordance with IFRS 15. This period typically begins after the expiry of the legally required warranties, known as "assurance-type warranties." The Group reports the extended warranties in the Statement of Financial Position as contract liabilities.

Revenue from rendering of services
Service revenues are recognized on a straight-line basis over the period of service provision or – if the service provision is not linear – in accordance with the performance of the services. Invoices are issued in accordance with the contractual terms; the payment terms usually stipulate payment within 30 days of an invoice being issued. Essentially, the revenues from the provision of services include, in addition to lease income, also income from customer financing, telematics business, extended warranties, and the spare parts business. The telematics business involves a digital service through the use of the EquipCare tool. EquipCare-equipped machines report maintenance needs, operational disruptions, or unexpected relocations in real-time to the customer's device.

If customers make an advance payment for services to be provided in the future, this is generally to be recognized as a contract liability. The accrued advance payments for services to be provided in the future are reported by the Group as contract liabilities in the Statement of Financial Position.

Revenues from rental of machines and equipment
The Group recognizes revenue from the short-term lease of machines and equipment on a straight-line basis over the term of the lease contract, as the customer consumes the benefit from the Group's service simultaneously with the rendering of the service. The average lease duration is approximately 19 days. These are revenues that fall within the scope of IFRS 16. The payment terms usually stipulate payment within 30 days of an invoice being issued.

Expense recognition

Operating expenses are recognized in the Statement of Profit or Loss when the service is utilized or at the time they are incurred. Interest expense is recognized on an accrual basis, considering the outstanding principal of the loan and the applicable effective interest rate.

Fair value measurement

The Group determines and measures certain financial instruments (e.g., derivatives, securities, investments, and plan assets in accordance with IAS 19) according to applicable regulations at each reporting date at fair value. Additionally, the fair value of financial instruments is recognized. Disclosures on fair value can be found in Note 28 "Additional information on financial instruments". The fair value is the price that would be received for the sale of an asset or paid for the transfer of a liability in an orderly transaction between market participants at the measurement date. The measurement of fair value assumes that the transaction takes place either

- in the principal market for the asset or the liability;
- or, if no principal market exists, in the most advantageous market for the asset or liability..

The Group must have access to the principal market or the most advantageous market.

The fair value of an asset or a liability is measured based on the assumptions that market participants would use in pricing the asset or liability. It is assumed here that the market participants act in their best economic interest. In the fair value measurement of a non-financial asset, the ability of the market participant is considered to generate economic benefits through the highest and best use of the asset or through its sale to another market participant who finds the highest and best use for the asset.

The Group applies valuation techniques appropriate in the respective circumstances and for which sufficient data are available to perform a fair value measurement. The use of significant observable inputs should be maximized and the use of unobservable inputs should be minimized.

All assets and liabilities for which fair value is determined or recognized in the financial statements are categorized into the fair value hierarchy described below according to IFRS 13, based on the lowest level input that is material to the overall fair value measurement:

- Level 1: quoted prices (unadjusted) in active markets
- Stage 2: Valuation techniques in which the material parameter for valuation at the lowest level is directly or indirectly observable in the market
- Level 3: Valuation techniques in which the material parameter essential for the valuation is not observable in the market

For assets and liabilities that are measured at fair value on a recurring basis in the financial statements, the Group determines whether transfers have occurred between the hierarchy levels by reviewing the categorization (based on the lowest level input that is significant to the overall fair value measurement) at the end of each reporting period. The responsible specialist departments (e.g., Corporate Real Estate, Corporate Treasury) of the Group, in conjunction with the board member responsible determine the policies and procedures for recurring (e.g., for investment property and unlisted financial assets) and non-recurring (e.g., for assets held for sale) fair value measurements.

External valuers are employed if necessary for the valuation of material assets, such as investment property and unlisted financial assets. The decision whether to engage external valuers is reviewed annually by Group's departments based on observed market indicators to determine if material framework conditions have changed. After consultation and approval by the Executive Board, an external valuer is engaged. Selection criteria include, for example, market knowledge, reputation, independence, and adherence to professional standards. Typically, valuers are reselected after three years. The managers of the departments and the board member responsible decide, after discussions with the Group's external valuers, which valuation techniques and input factors to apply in each individual case.

At each reporting date, the specialist departments of the Group analyze the value developments of the assets and liabilities that need to be re-evaluated or reassessed according to the accounting policy of the Group. In this analysis, the significant input factors that were applied in the last valuation are reviewed by the specialist departments of the Group by comparing the information in the valuation calculations with contracts and other relevant documents. In collaboration with the external valuers of the Group, the specialist departments also compare the changes in the fair value of each asset and each liability with corresponding external sources to evaluate whether the respective changes are plausible. The valuation results are presented to the audit committee throughout the year. In this process, the key assumptions underlying the valuations are also discussed.

To fulfill the disclosure requirements for fair value measurements, the Group determined classes of assets and liabilities based on their nature, characteristics, and risks as well as the levels of the fair value hierarchy explained above.

Property, plant and equipment
Assets under construction are measured at cost, less accumulated impairment losses. Property, plant and equipment are measured at cost, less accumulated linear depreciation and accumulated impairment losses. Property, plant and equipment are derecognized either upon disposal (i.e., when the recipient gains control) or when no further economic benefits are expected from the continued use or disposal of the recognized asset. Gains or losses resulting from the derecognition of the asset are determined as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in profit or loss in the period in which the asset is derecognized. The residual values, economic lives and depreciation methods of property, plant and equipment are reviewed at the end of each annual reporting period and adjusted prospectively if necessary.

Borrowing costs are capitalized provided there is a qualifying asset.

Investment Property
Properties and buildings held to generate rental income are measured at cost less accumulated depreciation according to the cost model. Straight-line depreciation is carried out using the pro-rata temporis method.

Intangible assets
Intangible assets that were not acquired as part of a business combination are initially recognized at cost. The cost of intangible assets acquired as part of a business combination corresponds to their fair value at the time of acquisition.

For the measurement after recognition of intangible assets, a distinction is made between intangible assets with a finite and those with an indefinite useful life.

Intangible assets with finite useful lives are amortized over their estimated economic life and tested for impairment, if there are indications that the intangible asset might be impaired. The amortization period and the depreciation method for intangible assets with finite useful lives are reviewed at least at the end of each reporting period. Changes in the amortization method or the period of amortization due to changes in the expected useful life or the expected pattern of consumption of the future economic benefits of the asset are treated as changes in accounting estimates. Amortizations of intangible assets with finite useful lives are recognized in the Statement of Profit or Loss in the expense category that corresponds to the function of the intangible asset within the entity.

For intangible assets with indefinite useful lives, an impairment test is carried out at least once a year for the individual asset or at the level of the cash-generating unit. These intangible assets are not amortized. The useful life of an intangible asset with an indefinite useful life is reviewed annually to determine whether the assessment of an indefinite useful life is still justified. If this is not the case, the assessment is changed prospectively from an indefinite to a finite useful life.

An intangible asset is derecognized either on disposal (i.e., at the point in time when the recipient obtains control) or when no further economic benefits are expected from either its use or disposal. Gains or losses from the derecognition of intangible assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in profit or loss in the period in which the asset is derecognized.

Borrowing costs are capitalized provided there is a qualifying asset.

Investments accounted for using the equity method
Investments accounted for using the equity method in associates are recognized at cost in the Statement of Financial Position at the date significant influence is obtained. The carrying amount of the investment may include identifiable assets, assumed liabilities, and contingent liabilities recognized as part of the purchase price allocation at the acquisition date, as well as goodwill as a positive difference. In subsequent periods, the carrying amount is adjusted for the proportionate changes in the equity of the associate and for the impacts of the revaluation of assets and liabilities identified at the initial recognition. Losses from an investment accounted for using the equity method that exceed the Group's interest in the investment are not recognized, unless the Group has entered into legal or de facto obligations to assume the losses or to provide financing, or unless additional identifiable financial assets related to the investment exist beyond the carrying amount. Dividends received from investments accounted for using the equity method reduce their carrying amount. The proportionate result of the associate attributable to the Group is included in the Group's Statement of Profit or Loss as "Result from investments accounted for using the equity method."

Leasing
Leases in which the Group acts as lessee are recognized as right-of-use asset and corresponding lease liability at the time the lease asset is made available for use by the Group. Each lease payment is divided into principal and finance expenses. The finance expenses are recognized in profit or loss over the lease term so that a constant periodic interest rate on the remaining balance of the liability is achieved for each period. The right-of-use asset is depreciated on a straight-line basis over the shorter of the two periods of useful life and lease term.

The Group assesses at the inception of a contract whether a contract constitutes or contains a lease. This is the case if the contract conveys the right to control the use of an identified asset in exchange for consideration for a specified period of time.

The Group recognizes and measures all leases (with the exception of short-term leases and leases where the underlying asset is of low value) under a single model. It recognizes liabilities to make lease payments and right-of-use assets for the right to use the underlying asset.

Assets and liabilities from leases are initially recognized at present values.

(a) Lease liabilities

The lease liabilities include the present value of the following lease payments:

- Fixed payments (including in-substance fixed payments, less any lease incentives receivable)
- Variable lease payments that are linked to an index or interest rate
- Expected residual value payments from residual value guarantees of the lessee
- The exercise price of a purchase option if exercise by the lessee is reasonably certain
- Penalties for lease termination if it is considered during the lease term that the lessee will exercise a lease termination option

When calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date, as the interest rate implicit in the lease cannot be readily determined. After the lease commencement date, the amount of lease liabilities is increased to reflect the higher interest expense and decreased to reflect the lease payments made. Additionally, the carrying amount of the lease liabilities is remeasured in the event of a lease modification, changes in the lease term, changes in lease payments (e.g., changes in future lease payments resulting from a change in the index or rate used to determine those payments), or a change in the assessment of a purchase, termination, or lease extension option, as well as expected residual value guarantees for the underlying asset.

(b) Right-of-use asset

Right-of-use assets are measured at cost, which consists of the following:

- The amount of the initial measurement of the lease liability
- All lease payments made at or before the commencement date, less any lease incentives received
- All initial direct costs incurred by the lessee
- Estimated costs incurred by the lessee for dismantling or disposal of the underlying asset, for the restoration of the site where it is located, or for returning the underlying asset to the condition required by the lease agreement

Right-of-use assets are depreciated straight-line over the shorter of the two periods of the lease term and the expected useful life of the leases.

If the ownership of the leased asset is transferred to the Group at the end of the lease term or if the costs consider the exercise of a purchase option, depreciation is determined based on the expected useful life of the leased asset.

The right-of-use assets are also tested for impairment.

(c) Short-term leases and leases involving a low-value asset

The Group applies the exemption for short-term leases (i.e., leases with a lease term of twelve months or less from the lease commencement date and that do not contain a purchase option) to its short-term leases of all assets. It also applies the exemption for leases of low-value assets (e.g., IT equipment, bicycles, and small office furniture) to leases, which are classified as low-value assets.

Lease payments for short-term leases and for leases underlying a low-value asset (which regularly have acquisition values of less than EUR 5,000) are recognized on a straight-line basis over the lease term as an expense.

(d) Sale-and-Leaseback

The Group has previously entered into a sale-and-leaseback agreement with financial institutions, where the leaseback had already to be classified as a finance lease under the previous regulations of IAS 17 due to the existing repurchase option. According to IFRS 16, the head lease is still to be treated as leasing. The contract conditions, including the purchase option, are passed on identically to selected dealers. From the Group's perspective, this again leads to a classification as a finance lease, so the asset from the head lease is immediately derecognized and at the same time, a lease receivable is recognized. This sales-supporting measure provides the dealer with access to favorable interest conditions.

Other contracts concluded according to the model described above are now accounted for in accordance with IFRS 16, and the associated liabilities are recognized as financial liabilities. For disclosures, please refer to Note 20 "Current and non-current financial liabilities".

(e) The Group as lessor

The Group also acts as a manufacturer-lessor. In this case, each lease is classified at the inception of the contract as either a finance lease or an operating lease. In a finance lease, substantially all rewards and risks associated with the leased asset are transferred to the lessee, whereas in an operating lease, these remain primarily with the Group.

In the case of a finance lease, the underlying asset is derecognized from the Statement of Financial Position, and a lease receivable is recognized accordingly, which is divided into current and non-current. The amount of the lease receivable corresponds to the net investment value of the leased asset at the lease commencement date. Revenue and cost of sales are recognized for a finance lease at the lease commencement date of the leased asset. Revenue is recognized at the fair value of the leased asset and is reduced by unguaranteed residual values of the leased asset that are expected to be returned to the Group. Cost of sales is also reduced by unguaranteed residual values. Subsequently, the received lease payments are divided into an interest portion and a principal portion and are shown as interest income and repayment of the lease receivables. The interest income is allocated to periods in such a way that a constant periodic interest rate is shown over the term of the lease agreement.

In an operating lease, the underlying asset (usually referred to as rental equipment) continues to be shown in the Statement of Financial Position, and the received lease payments are recognized as revenue on a straight-line basis over the term of the respective leases through profit or loss in the Statement of Profit or Loss.

Rental equipment

Rental equipment is recognized at cost less accumulated straight-line depreciation (between 2 and 3 years) and accumulated impairment losses. It is generally intended that a machine transferred to the pool will be made available to customers for "short-term rentals" over the long term. However, a sale is also possible at any time – similar to inventory – and is also supported. Rental equipment is either derecognized upon disposal (i.e., when the recipient obtains control) or when no further economic benefits are expected from the continued use or disposal of the recognized asset. Gains or losses resulting from the derecognition of the asset are determined as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in profit or loss in the period in which the asset is derecognized. The residual values, economic lives, and depreciation methods of rental equipment are reviewed at the end of each reporting period and adjusted prospectively if necessary. Consequently, rental equipment is recognized under non-current assets.

Inventories

Inventories of work in progress and finished products as well as materials and production supplies are valued in accordance with IAS 2 at cost. If the cost of the inventories is not recoverable, they are written down to the lower net realizable value as of the reporting date. The net realizable value corresponds to the estimated selling price under ordinary business terms less estimated costs of completion and necessary to make the sale. If the net realizable value of previously written-down inventories has increased, corresponding reversals of an impairment loss are made.

When determining the acquisition costs, incidental acquisition costs are added, and purchase price reductions are deducted. The cost of sales include all expenses that can be directly or indirectly attributed to the manufacturing process.

The cost of inventories were primarily determined using the FIFO method. It is assumed that assets purchased first are consumed first. To simplify valuation, the moving average price method is also applied. The Group uses derivative financial instruments to hedge currency risk from the purchase of inventories in foreign currency (see “Derivative Financial Instruments” for details).

Financial instruments and hedge accounting

(a) Financial assets

At initial recognition, financial assets are classified and subsequently measured either at amortized cost, at fair value through other comprehensive income or at fair value through profit or loss.

The classification of financial assets in the form of debt instruments upon initial recognition depends on the characteristics of the contractual cash flows of the financial assets and on the Group’s business model for managing its financial assets. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the simplified method for calculating expected credit losses, the Group measures a financial asset at its fair value and, in the case of a financial asset that is not measured at fair value through profit or loss, plus the transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined in accordance with IFRS 15. In this context, reference is made to the accounting policies in the section "Revenue recognition".

In order for a financial asset in form of debt instruments to be classified and measured at amortized cost or at fair value through other comprehensive income, the cash flows must solely consist of payments of principal and interest (SPPI) on the outstanding principal amount. This assessment is referred to as the SPPI test and is carried out at the level of the individual financial asset.

The business model of the Group for managing its financial assets reflects how an entity manages its financial assets to generate cash flows. Depending on the business model, the cash flows arise from collecting contractual cash flows, selling the financial assets, or both. Financial assets that are classified and measured at amortized cost are held within a business model whose objective is to hold financial assets to collect the contractual cash flows. Loans, receivables, and other debt instruments are allocated to the "Hold" business model to collect the contractual cash flows consisting of interest and principal.

Financial assets classified and measured at fair value through other comprehensive income are, in contrast, held within a business model whose objective is both to collect contractual cash flows and to sell financial assets.

The assessment of whether contractual cash flows from debt instruments represent solely payments of principal and interest was based on the facts and circumstances that existed at the time of the initial recognition of the assets. In accordance with IFRS 9, debt instruments are measured at fair value through profit or loss, at amortized cost, or at fair value through other comprehensive income. Classification is based on two criteria: the Group's business model for managing the assets and whether the contractual cash flows of the instruments represent solely payments of principal and interest on the outstanding principal amount.

Purchases or sales of financial assets that provide for delivery of the assets within a timeframe established by regulations or conventions of the respective market (regular market purchases) are recognized on the trade date, i.e., the day on which the Group commits to purchasing or selling the asset.

For the subsequent measurement, financial assets are classified into four measurement categories:

- financial assets at amortized cost (debt instruments)
- financial assets (debt instruments) measured at fair value through other comprehensive income with reclassification of cumulative gains and losses
- financial assets measured at fair value through other comprehensive income (equity instruments) without reclassification of cumulative gains and losses upon derecognition
- financial asset at fair value through profit or loss (equity and debt instruments)

Financial asset at amortized cost (debt instruments)

This category has the greatest significance for the Consolidated Financial Statements.

Financial assets at amortized cost are measured subsequently using the effective interest method and are subject to impairment review. Gains and losses are recognized in profit or loss when the asset is derecognized, modified, or impaired. The Group's financial assets at amortized cost are as follows:

- Trade receivables from deferred settlement terms with dealers: To support sales for selected dealers, long-term settlement terms with maturities exceeding 360 days are granted. The Statement of Financial Position recognition occurs under the line item "Non-current financial assets" as long as the maturity exceeds 360 days. Once the maturity is less than 360 days, the short-term portion is reclassified to the line item "Trade receivables.“
- Receivables from prepaid volume bonuses: To support US dealers in market penetration and development, volume bonuses are prepaid to selected US dealers. The non-current portion is included in the line item "Non-current financial assets." Meanwhile, the current portion is recognized within the line item "Other current financial assets."
- Trade receivables: The financial receivables without material financing component from revenue recognition are reported under "Trade receivables".
- Cash and cash equivalents: These financial assets comprise cash on hand, checks, and demand deposits.

Financial asset at fair value through profit or loss

The group of financial assets at fair value through profit or loss includes financial assets held for trading, financial assets designated at initial recognition as at fair value through profit or loss, or financial assets mandatorily measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of disposal or repurchase in the near term. Derivatives, including separately recognized embedded derivatives, are also classified as held for trading, with the exception of derivatives that are designated as hedging instruments and are effective. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, regardless of the business model. Notwithstanding the aforementioned criteria for the classification of debt instruments into the categories “measured at amortized cost” or “measured at fair value through other comprehensive income,” debt instruments may be classified at initial recognition as “measured at fair value through profit or loss” if this eliminates or significantly reduces an accounting mismatch.

Financial assets at fair value through profit or loss are recognized in the Statement of Financial Position at fair value, with changes in fair value recognized on a net basis in the Statement of Profit or Loss.

This category includes derivative financial instruments, listed and unlisted equity instruments, where the Group has not irrevocably chosen to classify them at fair value through other comprehensive income. The following significant financial assets and liabilities exist in the Group, which are measured at fair value through profit or loss:

- Derivatives without hedge accounting: The Group uses currency swaps to hedge the currency risk arising from loans granted between group companies. The currency effects from the accounting of these intercompany foreign currency loans are recognized in the financial result. Through the fair value measurement of the used derivatives, these valuation results are also recognized in the financial result. Depending on the market value, these derivatives are recognized either under the line "Other current financial assets" or within the line "Other current financial liabilities".
- Minority interest in Austria: Disclosure of the shares in a non-listed entity amounting to EUR 3.8 million (2023: EUR 4.0 million). The purpose of the entity is to invest in innovative start-up entities. From this, the entity expects to obtain access to new technologies.

Financial assets (equity instruments) measured at fair value through other comprehensive income

On initial recognition, the Group can irrevocably choose to classify its held equity instruments in other companies as equity instruments measured at fair value through other comprehensive income, if they meet the definition of equity according to IAS 32 Financial Instruments: Presentation and are not held for trading. The classification is done individually for each instrument.

Gains and losses from these financial assets will never be reclassified to profit or loss. Dividends are recognized in profit or loss as other income when the right to payment is established, unless the dividends represent a recovery of part of the historical cost of the financial asset. In this case, the gains are recognized in other comprehensive income.

The Group has irrevocably chosen to classify listed equity instruments in this category.

The following significant financial assets exist in the Group, which are measured at fair value through other income without affecting profit or loss:

- Pension fund shares: The Group holds pension fund shares for the coverage of pension entitlements of retired board members. These are not recognized as plan assets according to IAS 19 and are not offset against the provision for pensions. The pension fund shares are recognized under the line item "Non-current financial assets."

Derecognition

Within the Group, receivables are sold individually or bundled for financing purposes. A financial asset (or a part of a financial asset or a part of a group of similar financial assets) is then derecognized (i.e., removed from the Group Statement of Financial Position) when one of the following conditions is met:

- The contractual rights to receive cash flows from the financial assets have expired.
- The Group has transferred its contractual rights to receive cash flows from the financial asset to third parties or assumed a contractual obligation to immediately pay the cash flows to a third party under a so-called pass-through agreement and has either (a) transferred substantially all the rewards and risks associated with ownership of the financial asset or (b) neither transferred nor retained substantially all the rewards and risks associated with ownership of the financial asset but transferred control over the asset.

If the Group transfers its contractual rights to receive the cash flows from an asset or enters into a pass-through agreement, it evaluates to what extent the risks and rewards associated with ownership are retained. If it neither transfers nor retains substantially all the risks and rewards of ownership of the asset, and does not transfer control, it continues to recognize the transferred asset to the extent of its continuing involvement. In this case, the Group also recognizes an associated liability. The transferred asset and the associated liability are measured in a way that reflects the rights and commitments the Group has retained.

If the continuing involvement takes the form of guaranteeing the transferred assets, the extent of the continuing involvement is the lower of the original carrying amount of the asset and the maximum amount of the consideration received that the Group may have to repay. The Group's remaining involvement in the receivable after derecognition is recognized within the "non-current financial assets"/ "other current financial assets" and the associated liability within the "current liabilities to financial institutions"/ "other current financial liabilities".

Impairment of financial assets

The Group recognizes a loss allowance for expected credit losses (ECL) on all debt instruments that are not measured at fair value through profit or loss. Expected credit losses are based on the difference between the contractual cash flows that are due in accordance with the contractual terms and the sum of the cash flows that the Group expects to receive, discounted at a proxy of the initially effective interest rate. The expected cash flows include the cash flows from the liquidation of held collateral or other credit enhancements that are an integral part of the contractual terms. Expected credit losses are recognized in three steps in accordance with the requirements of IFRS 9.

For financial instruments for which the credit risk has not increased significantly since initial recognition, a loss allowance amounting to the expected credit losses based on a default event within the next twelve months (12-month ECL) is recognized. For financial instruments for which the credit risk has increased significantly since initial recognition, an entity must recognize a loss allowance based on the expected credit losses over the remaining life of the instrument, regardless of when the default event occurs (lifetime ECL). The expenses from the loss allowance for expected credit losses are allocated to sales and service expenses.

For trade receivables, the Group applies the simplified approach in calculating the expected credit losses. Therefore, it does not track changes in credit risk but instead records a loss allowance at each reporting date based on the expected loss over the entire lifetime of the receivable (lifetime ECL). The Group has developed an impairment matrix based on its historical experience of credit losses on trade receivables, adjusted for forward-looking factors specific to the debtors and economic conditions if the current economic outlook or other macroeconomic parameters justify such adjustments. In addition to trade receivables, the Group applies the simplified approach based on lifetime ECL to the following financial assets:

- Receivables (extended deferred settlement terms) from dealers
- Receivables from finance leases as a lessor

The Group determines defaults of financial assets using the impairment matrix and if contractual payments are 90 days past due. In certain cases, it may also assume a default on a financial asset when internal or external information indicates that it is unlikely that the Group will receive the outstanding contractual amounts in full before considering all credit enhancements held by it. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows. For the Group, this reasonable expectation exists in cases where the customer files for bankruptcy. Further details can be found in Note 14 “Trade receivables”.

(b) Financial liabilities
Financial liabilities are classified as financial liabilities at amortized cost or financial liabilities at fair value through profit or loss at initial recognition. All financial liabilities are measured at fair value at initial recognition. In the case of financial liabilities at amortized cost, directly attributable transaction costs are deducted at initial recognition.

The financial liabilities of the Group include trade payables and other payables, liabilities to financial institutions (from loans and bank overdrafts) and derivative financial instruments.

The Group classifies liabilities arising from supplier financing under trade payables if they have a similar nature and function to trade payables. This is the case when the supplier financing is part of the working capital used in the normal business cycle of the Group, the amount of the provided collateral is similar to the trade payables, and the payment terms do not differ materially from the payment terms of trade payables that are not part of the supplier financing. Cash flows related to liabilities from supplier financing that are recognized under trade payables in the Statement of Financial Position are included in the Statement of Cash Flows within the cash flow from operating activities.

Financial liability at fair value through profit or loss includes derivative financial instruments completed by the group that are not designated as hedging instruments in hedging relationships according to IFRS 9. Profit or loss from financial liabilities is recognized in profit or loss.

Foreign exchange swaps are used by the Group to hedge the currency risk from loans granted between group companies. The currency effects from the accounting of these intercompany foreign currency loans are recognized in the financial result. The fair value valuation of the used derivatives, with an impact on profit and loss, also recognizes these valuation results in the financial result. Depending on the market value, these derivatives are either reported under the line item "Other current financial assets" or within the line item "Other current financial liabilities".

Liabilities to financial institutions (from loans and bank overdrafts) are measured at amortized cost after initial recognition, using the effective interest method.

Derecognition
A financial liability is derecognized when the underlying obligation is discharged, canceled, or has expired. If an existing financial liability is exchanged with another financial liability of the same lender with substantially different contractual terms or if the terms of an existing liability are materially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. The difference between the respective carrying amounts is recognized in profit or loss.

(c) Derivative financial instruments
The group uses derivative financial instruments such as foreign exchange forward contracts and interest rate swaps to hedge against foreign exchange, interest rate, and commodity price risks. These derivative financial instruments are initially recognized at fair value at the date the contract is entered into and subsequently re-measured at fair value in subsequent periods. Derivative financial instruments are recognized as financial assets if their fair value is positive and as financial liabilities if their fair value is negative. Such trading transactions were concluded centrally and always have a reference to the hedged item.

As part of the risk management strategy and measures, various derivatives are used for economic hedging of risks.

Derivative financial instruments that are not included in an effective hedge relationship (hedge accounting) are measured at fair value through profit or loss. This exclusively pertains to the currency swaps used to hedge the currency risk from loans granted between Group companies. No designation occurs within a hedge relationship, as the hedged items are eliminated in the context of consolidation and only the effect from the foreign currency valuation remains in the consolidated result. The valuation result of the currency swaps is then also recognized in the financial result and offset against the result from the foreign currency valuation of the loans granted between Group companies.

In addition, the Group uses foreign exchange forward contracts to hedge planned intragroup purchases of goods. These are formally assigned as a hedge to the corresponding hedged item in a hedge relationship when the foreign exchange forward contract is concluded.

The requirements for hedge accounting under IFRS 9 are met in these cases. At the beginning of the designated hedging relationships, the group documents the risk management objectives and strategies pursued in terms of hedging. The Group also documents the economic relationship between the hedged item and the hedging instrument and whether changes in the cash flows of the hedged item and the hedging instrument are expected to offset each other. Furthermore, at the beginning of the hedging relationship and continuously thereafter, the Group assesses the effectiveness of the hedge relationship. The foreign exchange forward contracts used by the group as part of the risk management strategy are accounted for as cash flow hedges, with the effective portion of the changes in fair value recognized in other comprehensive income. The ineffective portion is immediately recognized in profit or loss in the Statement of Profit or Loss. Upon occurrence of the underlying transaction, the valuation gains and losses initially recognized in other comprehensive income are allocated to inventories and subsequently affect the cost of sales upon sale of the corresponding products in the future. From the occurrence of the underlying transaction, these derivatives are also treated as standalone, and any further valuation changes are recognized in profit or loss and offset against the foreign exchange valuation of the intragroup liability resulting from the originally hedged transaction.

If the hedge no longer meets the criteria for hedge accounting or the hedging instrument is sold, expires, is terminated, or is exercised, hedge accounting for the hedge relationship is prospectively discontinued. If hedge accounting for cash flow hedges is discontinued, the amount that has been accumulated in the hedging reserve remains in equity until – for a hedging relationship resulting in the recognition of a non-financial item – that amount is included in the cost of the non-financial item upon initial recognition or – for other cash flow hedges –

that amount is reclassified to profit or loss in the period or periods in which the hedged expected future cash flows affect profit or loss.

If the occurrence of the hedged future cash flows is no longer expected, the amounts that have been transferred to the reserve for hedging relationships and the reserve for hedging costs are immediately reclassified to profit or loss.

Research and development
Research costs are recognized as an expense in the period in which they are incurred. Development costs of an individual project are only capitalized as an intangible asset when the group can demonstrate the settlement of the following six criteria of IAS 38:

- the technical feasibility of completing the intangible asset that enables internal use or sale of the asset;
- the intention to complete the intangible asset;
- the ability and intention to use or sell it;
- the way in which the asset will generate future economic benefits;
- the availability of resources for purposes of completing the asset;
- the ability to reliably determine the expenses attributable to the intangible asset during its development

Development costs are, after their initial recognition, capitalized as an intangible asset at historical cost less accumulated linear amortization and accumulated impairment losses. Amortization begins upon the completion of the development phase and from the point in time at which the asset can be used. It is carried out over the period during which future benefits are expected and is recognized in the cost of sales. During the development phase, the asset is checked annually for impairment indicators and, if necessary, an impairment test is conducted.

In addition, the Group annually reviews intangible assets not yet ready for use for impairment. During the review of property, plant and equipment and other intangible assets for impairment, the determination of the recoverable amount of the assets is associated with estimates.

Other non-financial assets
Other non-financial assets are generally measured at nominal value. Individual write-downs are fully recognized for other assets where a default is highly probable.

Cash and cash equivalents
Cash and cash equivalents include cash, cheques, and demand deposits. They belong to the category "financial asset at amortized cost" and have an original term of up to three months. Cash and cash equivalents are measured at nominal value in the group currency. This corresponds to fair value in terms of liquid resources. Since the cash and cash equivalents are held only at large international banks that have good credit ratings, the need for impairment is negligible and of minor significance to the Group.

Government grants
Government grants are only recognized when it is reasonably certain that the associated conditions will be met and the grants will be received. Government grants for the acquisition of non-current assets are recognized as a reduction of the carrying amount of the asset. The grant is recognized in profit or loss over the useful life of the depreciable assets using a reduced depreciable amount. If the Group receives government grants for expenses, these are recognized over the period in which the related expenses are incurred for which the compensation is received. Government grants received are offset with the respective expenses for which the compensation was paid. If the government grants were not provided directly for incurred expenses, they are recognized within other income.

Pensions and similar liabilities
The Group has defined benefit pension plans primarily in Germany and Switzerland. Contributions must be made to a separately administered fund for these. There are also, essentially, defined benefit pension plans in the USA and Austria. Provisions for pensions and similar obligations from defined benefit plans are measured using the projected unit credit method, taking future salary and pension adjustments into account in accordance with IAS 19. Remeasurements, including actuarial gains and losses, the effects of the asset ceiling (without considering amounts included in the net interest on the net liabilities of defined benefit plans), and income from plan assets (without considering amounts included in the net interest on the net liabilities of defined benefit plans), are immediately recognized in the Statement of Financial Position and charged to retained earnings (debit or credit) through other income in the period in which they arise. Revaluations must not be reclassified to the Statement of Profit or Loss in subsequent periods.

The past service cost is recognized in profit or loss at the earlier of the following dates:

- the time when the amendment or curtailment of the plan occurs, or
- the point in time at which the group recognizes costs associated with the restructuring.

Pension obligations in Germany are determined based on biometric calculation principles according to the Heubeck 2018 G tables by Prof. Dr. Klaus Heubeck. In determining the pension obligations abroad, country-specific actuarial principles and parameters are taken into account.

The net interest is determined by applying the discount rate to the net amount (liability or asset) of the defined benefit plan. The Group recognizes the following amendments to the defined benefit obligation in the Statement of Profit or Loss by their function, primarily in administrative and sales and service expenses:

- Service cost, including current service cost and past service cost as well as gains and losses from curtailments and extraordinary plan settlements
- Net interest expense or income

The service cost for the beneficiaries results from the systematic basis development of the accrued benefit value. The net interest is recognized in the financial result. Contributions under defined contribution pension plans are directly recognized as an expense.

Other provisions
Other provisions are recognized in accordance with IAS 37 when the Group has a present legal or constructive obligation as a result of a past event that is likely to result in an outflow of resources embodying economic benefits, and the amount of which can be reliably estimated. All identifiable obligations are included in the other provisions. The measurement is based on estimates of the expected settlement amount using the best possible commercial judgment. If provisions are not due within a year and a reliable estimate of the payment amounts and timing is possible, the present value is determined by discounting. Provisions for assurance-type warranties are determined based on historical experiences, the warranty periods, and the volume of prod-

ucts sold. For the treatment of service-type warranties, see the explanatory information in the above-mentioned chapter on revenue and earnings recognition (sub-section: warranty obligations).

Other provisions are made for all identifiable risks and uncertain commitments to the extent of their probable occurrence.

Income taxes
Deferred and current taxes are calculated in accordance with IAS 12.

For temporary differences between the tax base and the carrying amount, for consolidation processes that affect profit and loss, and for tax loss carryforwards, deferred tax assets and liabilities are recognized.

Deferred tax provisions on tax loss carryforwards are only recognized if it is probable that the associated tax reductions will occur within the next (maximum) five years and can be utilized in subsequent periods. Loss carryforwards were included in the deferred tax provision in the past fiscal year.

The measurement of deferred taxes is based on the tax rate applicable or enacted for the company concerned on the reporting date, which will apply when the reversal effects are expected to occur.

Changes in deferred taxes in the Statement of Financial Position generally lead to deferred tax expense or income. If transactions that result in changes in deferred taxes are recognized directly against equity, the change in deferred taxes is also directly considered in equity.

Current taxes are measured in the amount at which reimbursement from the tax authorities or payment to the tax authorities is expected. The calculation of current taxes is based on the tax rates and tax laws that are applicable in the respective countries as of the reporting date.

Share-based remuneration
The valuation of cash-settled share-based payments is based on the fair value of the equity instrument or the liability. The liability is recognized in other (non-current) provisions until settlement. Changes in the fair value occurring over time are recognized in profit or loss.

Significant judgements, estimates and assumptions

The preparation of the Consolidated Financial Statements requires assumptions to be made and estimates to be determined that affect the valuation of recognized assets and liabilities, income and expenses, as well as contingent liabilities. The following significant estimates and assumptions, as well as the uncertainties associated with the chosen accounting estimates, are crucial for understanding the underlying risks of financial reporting, as well as the impacts these estimates, assumptions, and uncertainties could have on the Consolidated Financial Statements:

(a) Significant judgements

Development Costs
The Group capitalizes the costs of product development projects and IT projects for process optimizations in various organizational areas, e.g., output, logistics, etc. The initial capitalization of the costs is based on the management's assessment that the technical and commercial realizability has been proven; this is usually the case when a product development project has reached a certain milestone in an existing project management model. For the purpose of determining the amounts to be capitalized, management makes assumptions about the amount of expected future cash flows from the project, the applicable discount rates, and the period of inflow of the expected future benefits.

Determination of the lease term for leases with extension and termination options – Group as lessee
The Group determines the lease term based on the non-cancellable period of a lease as well as including periods arising from a lease extension option, provided it is reasonably certain that the option will be exercised, or periods arising from a lease termination option, provided it is reasonably certain that the option will not be exercised.

The Group has entered into several lease agreements that contain extension and lease termination options. It makes judgments when assessing whether it is reasonably certain that the option to extend or terminate the lease term will be exercised or not. This means it considers all relevant factors that provide economic benefits to exercise the extension or termination option. After the lease commencement date, the Group reassesses the lease term if a significant event or a modification of circumstances occurs that lies within its control and affects whether it will exercise the lease termination option to extend or terminate the leasing term or not (e.g., carrying out material leasehold improvements or significant adjustments to the underlying asset).

Several lease agreements, particularly in real estate, contain lease extension options and lease termination options. The lease extension options for real estate lease agreements are typically for two to five years. Such contract terms are used to maintain maximum operational flexibility for the Group regarding the contract portfolio. The existing lease extension and lease termination options can only be exercised by the Group, not by the lessor.

The Group has considered the extension periods as part of the lease term for rented branches and warehouse spaces as these real estate properties are significant to the business operations. These lease agreements have a relatively short non-cancellable remaining term (one to three years) and significant negative impacts on business operations would result if no alternative options could be utilized. For agreements with a longer term, existing lease extension options were not considered as they were assessed as not yet reasonably certain. The lease extension options are reviewed every six months to determine whether for longer lease terms, the option has been exercised prematurely. The lease extension options for vehicle leasing were not considered as part of the leases since they are only very short-term (up to three months) and are only exercised if the replacement vehicle has not yet been delivered.

For details on potential future lease payments for periods after the exercise date of the extension and lease termination options, which are not included in the lease term, please refer to Note 25 “Lease liabilities”.

(b) Estimates and assumptions

Indications of impairment of property, plant, and equipment and intangible assets and development costs (event-driven impairment tests)
At each reporting date, the Group assesses whether there is any indication that the carrying amount of a property, plant, and equipment or an intangible asset may be impaired. In the fiscal year 2024, impairments of intangible assets were identified and carried out. For details, please refer to Note 10 "Intangible Assets". There were no impairments for property, plant and equipment during the fiscal year.

Fair value measurement of financial instruments
If the fair value of recognized financial assets and financial liabilities cannot be measured using quoted prices in active markets, they are determined using valuation techniques, including the discounted cash flow method. The input factors included in the model rely as much as possible on observable market data. If these are not available, valuation models must be used. Valuation models are estimation techniques that also involve the judgement of management. These judgements can affect input factors such as liquidity risk, credit risk, and volatility. Changes in the assumptions made for these factors may impact the recognized fair value of financial instruments.

The fair value of pension funds measured at "fair value through other comprehensive income" is determined based on stock prices in active markets. The shares in the pension fund are recognized under the line "Other investments."

The Group has minority interests in the form of unlisted shares assigned to Level 3 – fair value hierarchy. Level 3 is a valuation technique in which the input factor of the lowest level that is overall significant to the fair value measurement is not observable in the market.

The fair values at level 3 were determined using the discounted cash flow method. The valuation requires certain assumptions by internal management regarding the input factors of the model, including forecasted cash flows, the discount rate, the credit risk, and the volatility. The likelihood of occurrence of the various estimates within a range can be reasonably assessed and are used by internal management in estimating the fair value of these unlisted equity instruments. For details, we refer to Note 28 "Additional information on financial instruments".

Income taxes
At each reporting date, the Group assesses whether the realizability of future tax benefits for the recognition of deferred tax assets is reasonably certain. The recognized deferred tax assets could be reduced if the estimates of planned taxable income and the tax benefits achievable through available tax strategies were lowered or if amendments to current tax legislation restricted the timing or scope of the realizability of future tax benefits. In the fiscal year 2024, no indications compared to the previous year were identified or made for significant loss allowances on deferred tax assets. For details, please refer to Note 6 "Income Taxes".

Tax positions are determined considering the respective local tax laws as well as the relevant administrative opinions and, due to their complexity, may be subject to differing interpretations by taxpayers on one hand and local financial authorities on the other. Different interpretations of tax laws may lead to subsequent tax payments for past years; they are included based on the assessment of the Group in accordance with the requirements of IFRIC 23.

Impairment test of Goodwill and assets with indefinite useful life (at least once a year)
The Group reviews at least once a year and, if there are any indications, also several times a year, whether an impairment of goodwill, intangible assets with indefinite useful lives or capitalized development costs has occurred. This requires estimates regarding the forecast and the discounting of future cash flows.

For the cash-generating units Weidemann GmbH (Germany), Wacker Neuson Beteiligungs GmbH (subgroup/Austria), the ENAR Group (Spain) Weidemann (subgroup/Germany-Netherlands), Wacker Neuson Rail GmbH (Germany), and Wacker Neuson Belgium (subgroup Belgium), a detailed calculation was used for the impairment test as of December 31, 2024. In the last review, the detailed analysis revealed that the recoverable amount significantly exceeds the carrying amount of the respective unit.

Regarding the details of the calculation, the assumptions, and the sensitivity of the assumptions, we refer to Note 10 "Intangible Assets".

Employee benefits
Pensions and similar liabilities are recognized in accordance with actuarial valuations. These valuations are based on statistical and other factors to anticipate future events. These factors include, among other things, actuarial assumptions such as the discount rate, expected salary increases, and mortality rates. These actuarial assumptions can differ significantly from the actual commitments due to changes in market and economic conditions and can lead to changes in the amount of corresponding future expenses.

For details and sensitivity analyses performed, please refer to Note 18 "Provisions for pensions and similar obligations".

Legal risks
Legal risks arise from lawsuits against Wacker Neuson SE or individual group companies. The outcome of such legal proceedings could have a material effect on the Group's assets, financial position, and financial performance. Management regularly assesses the current information on these cases and makes provisions for probable commitments. Internal and external experts and lawyers are employed to assess these cases. When deciding on the necessity of a provision, management considers the likelihood of an unfavorable outcome as well as the ability to reliably estimate the amount of the commitment. We also refer to Note 27 "Other financial commitments".

Revenue deferral of volume rebates
The expected volume bonuses of the Group are estimated on an individual customer basis for contracts with a single minimum purchase quantity. The assessment of whether a customer is likely to be entitled to a discount depends on their historical discount entitlement and the purchases made to date. All significant changes compared to the historical purchasing behavior and the historical discount entitlements influence the expected discount rates estimated by the Group. The Group updates its assessment of the expected volume bonuses once a year.

The impairment test in the current fiscal year 2024, did not result in any impairment(2023: EUR 0.0 million). For further disclosures, refer to Note 11 "Non-current financial assets".

Loss allowance for expected credit losses on financial assets
The impairment test in the current fiscal year 2024 resulted in an expense of EUR 2.3 million (2023: expense of EUR 0.1 million). The Group uses, in general, an impairment matrix to calculate the expected credit losses on selected financial assets. The financial assets are essentially:

- Trade receivables
- Receivables (extended deferred settlement terms) from dealers
- Receivables from prepaid volume bonuses
- Receivables from finance lease as lessor

The impairment rates are determined based on the number of days past due for various customer segments grouped (according to criteria such as the geographical region, product type, customer type, and credit rating as well as coverage by a letter of credit or another form of credit insurance) with similar default patterns. The impairment table is based on the historical default rates of the Group. Subsequently, the Group calibrates the table to adjust its historical credit defaults to forward-looking information. For example, if the anticipated economic conditions (such as the gross domestic product) are expected to deteriorate over the coming year, which may lead to an increase in credit defaults in the manufacturing sector, the historical default rates are adjusted. As of each reporting date, the historical default rates are updated and amendments to forward-looking estimates are assessed.

For trade receivables (deferred settlement terms) from dealers, historical default rates are initially used. In a second step, this empirical risk provision is adjusted for specific forward-looking factors, such as country risk, concentration risk, and collateral provided. For this purpose, the Group uses default probabilities available in the market for entities in certain industries and compares them with historical analysis. If there are significant changes over time, the historical analyses will be adjusted by this forward-looking information. For details on loss allowances, we refer to Note 14 "Trade receivables". Evaluating the relationship between historical default rates, forward-looking economic conditions, and expected credit losses represents a significant estimate. Significant, individual risks are already accounted for by the Group through individual loss allowances. In this context, receivables adjusted via an ECL are generally not burdened with any particular risk. Moreover, a historical analysis has shown that there is no significant increase in expected default rates based on relevant exposure assessment. For this reason, the Group refrains from a general, group-wide mandate for a blanket adjustment of the ECL for forward-looking information by Group Accounting. Instead, the respective local management of the individual entities was asked in an Information Letter to evaluate the necessity of a respective adjustment based on their understanding of the business and – if necessary – to include an individual, reasonably estimated forward-looking component in the ECL calculation.

Leases – estimate of the incremental borrowing rate
The Group cannot readily determine the interest rate implicit in the lease. Therefore, it uses its incremental borrowing rate to measure lease liabilities. The incremental borrowing rate is the rate that the Group would have to pay to borrow over a similar term, and with a similar security the funds necessary to obtain an asset of similar value to the right-of-use asset in a comparable economic environment. Therefore, the incremental borrowing rate reflects the interest the Group would 'have to pay'. If no observable rates are available (e.g., for subsidiaries that do not enter financing transactions) or if the rate needs to be adjusted to reflect the terms of the lease (e.g., when it is not denominated in the subsidiary's functional currency), the incremental borrowing rate must be estimated. The Group estimates the incremental borrowing rate using observable input factors (e.g., market interest rates) when available and has to make specific entity-related estimates (e.g., individual credit assessment of the subsidiary).

Transfer of financial assets
Within the Group, receivables are sold individually or bundled for financing purposes. This is done through factoring or in the context of so-called "asset-backed" transactions. In connection with the derecognition of these sold receivables, estimates and the exercise of judgment were particularly required in the following areas:

- The determination of whether the relevant rewards and risks from the transferred receivables have been substantially transferred to the acquirer or remained with the seller was carried out in the form of a before-and-after test. In this process, it was assessed whether the range of fluctuation (spread and variability) of the present value of the expected revenues differs substantially before and after the transfer. In this context, the present values of the expected cash flows from the receivables had to be determined for various environmental conditions and supported with probabilities of occurrence.

- To the extent that neither substantially all rewards and risks are retained nor transferred, it depends on the transfer of control whether the receivables are completely derecognized or (partially) continue to be recognized according to the continuing involvement. In this context, the assessment, in particular, whether the transferee is entitled and, under the respective circumstances, actually able according to the contractual arrangements to sell or pledge the purchased receivables as a whole to an unrelated third party without needing the consent of the transferor or having to impose restrictions on the resale, was crucial. In this context, the assessment of the specific impacts of individual contract clauses was particularly subject to discretion.

The aforementioned conditions are reviewed at each reporting date to evaluate the continued permissibility of derecognition.

Loss allowance for spare parts
Assumptions and estimates are also necessary in determining the recoverability of spare parts within the inventories. With an implemented new IT solution in the spare parts management of the Group, a more detailed clustering of spare parts (ABC parts) is possible, which is used as the basis for the recoverability assessment.

Explanatory comments on the Statement of Profit or Loss

1 – Revenue

The following table shows the revenue of the Group, which is derived from contracts with customers and other sources of revenue by product groups and locations:

IN € MILLION

	2024	2023
Geographical segments		
Europe	1,731.7	2,022.4
Americas	450.7	556.5
Asia-Pacific	52.5	76.0
Total revenue	**2,234.9**	**2,654.9**
Business segments		
Light equipment	452.7	525.9
Compact equipment	1,284.6	1,652.9
Services	513.2	494.5
Less cash discounts	-15.6	-18.4
Total revenue	**2,234.9**	**2,654.9**
Source of revenue:		
Revenue generated from contracts with customers	2,000.8	2,443.0
Other revenue	234.1	211.9
Total revenue	**2,234.9**	**2,654.9**

Other revenue (source type) mainly includes revenues from flexible leasing solutions for machinery and accessories according to IFRS 16 as well as revenues from dealer financing according to IFRS 9.

Revenues from services (business segment) include revenues from flexible rental solutions for machinery and accessories amounting to EUR 230.4 million (2023: EUR 210.5 million), which are allocated to the geographical segment Europe. The rental period is generally short-term and averages approximately 19 days (2023: 19 days). EUR 3.7 million from dealer financing was recognized (2023: EUR 1.4 million), which is allocated to the geographical segment Americas.

Further disclosures within the framework of IFRS 15 are made in the respective notes to the affected items.

2 – Other income

IN € MILLION

	2024	2023
Offsetting of non-cash benefits	3.2	2.3
Rental income on investment properties	2.8	2.1
Insurance reimbursements	2.1	1.1
Income from the sale of scrap	1.8	1.9
Carry-forwards	1.8	–
Gains from sale of property, plant and equipment and assets held for sale	1.3	17.8
Government grant	1.3	1.0
Proceeds from sale of design and technical IP	–	11.0
Income from change in the consolidation group	–	1.6
Other income	2.0	4.5
Total	**16.3**	**43.4**

Due to the expansion of the logistics capacities at the Reichertshofen production site, a developed tract of land and the associated building in Karlsfeld, Germany were sold as “non-current assets held for sale” in the course of the consolidation of the two sites in the previous year. The disposal occurred in the first quarter of 2023. The profit from this disposal amounted to EUR 15.5 million in the fiscal year 2023 and was included in the line “gains from the sale of property, plant and equipment and non-current assets held for sale”.

Since 2022, there has been a strategic collaboration between the Wacker Neuson Group and the John Deere Construction & Forestry Company, a company within the John Deere Group, a global leader in the manufacture of machinery for the agriculture, forestry, and construction industry, in the segment of mini and compact excavators. The collaboration involves a technical cooperation between John Deere and the Wacker Neuson Group for excavators in the weight classes between five and nine tons. Last year, John Deere acquired design and technical know-how from the Wacker Neuson Group and further developed it according to its own production requirements and innovation requirements. From this sale of design and technical know-how, the Wacker Neuson Group generated a profit of EUR 11.0 million (2024: EUR − million).

As a result of the liquidation of Wacker Neuson Limited i.L., Hong Kong, and Wacker Neuson Manila, Inc. i.L., Philippines, a profit amounting to EUR 0.5 million and EUR 1.1 million (2024: − EUR million) was realized in the previous reporting period.

Onward charges amounting to EUR 1.8 million (2023: EUR 0.0 million) mainly consist of cost transfers in connection with service companies or suppliers for e.g. inventory damage or customs duties.

The government grants primarily include research funding for product development. As of the reporting date December 31, 2024, no unfulfilled conditions remain.

3 – Personnel expenses

Personnel expenses are composed as follows:

IN € MILLION

	2024	2023
Wages and salaries	394.7	405.5
Social security contributions	92.3	93.7
Expenses for pensions	8.3	6.5
Total	**495.3**	**505.8**

The expenses for pension plans include the expense for retirement benefits excluding the interest portion, which is recognized in the financial result.

Wages and salaries include expenses for severance payments to the following extent:

IN € MILLION

	2024	2023
Severance payments	8.2	2.6

Of this, EUR 1.0 million (2023: EUR 1.0 million) relates to statutory severance provisions for the locations in Austria. The increase in severance payments in the fiscal year 2024 compared to the previous year is essentially due to expenses from actions to adjust production capacities to the economic environment at German companies.

As part of government support programs, the Group received a total of EUR 0.3 million (2023: EUR 0.0 million) in grants for social contributions in the fiscal year 2024, which were offset against the respective expenses.

- Cost of sales: EUR 0.2 million (2023: EUR 0.0 million)
- Sales and service expenses: EUR 0.0 million (2023 EUR 0.0 million)
- Research and development expenses: EUR 0.1 million (2023: EUR 0.0 million)
- General administrative expenses: EUR 0.0 million (2023: EUR 0.0 million)

Government grants for social security contributions were received in Germany as part of short-time work allowances.

The functional costs include the following personnel expenses:

- Cost of sales: EUR 226.2 million (2023: EUR 236.8 million)
- Sales and service expenses: EUR 142.8 million (2023: EUR 140.3 million)
- Research and development expenses: EUR 60.8 million (2023: EUR 60.8 million)
- General administrative expenses: EUR 65.5 million (2023: EUR 67.8 million)

The average number of employees for the reporting year is composed as follows by functional areas (excluding leased personnel):

	2024	2023
Production	3,331	3,836
Sales and service	1,503	1,505
Research and development	604	615
Administration	566	617
Total	**6,004**	**6,573**

4 – Other expenses

IN € MILLION

	2024	2023
VAT risk from tax audits	1.4	2.0
Losses on the disposal of property, plant and equipment	1.4	1.1
Expenses in relation with customer financing	1.0	0.9
Expense from a change in the consolidation group	–	0.9
Back payments for customs duties	0.9	–
Other expenses	0.8	0.6
Total	**5.5**	**5.6**

In the previous year, a deconsolidation loss amounting to EUR 0.9 million was recorded, which relates to the liquidation of the subsidiary Wacker Neuson AB, Sweden. 0.9.

5 – Financial result

a) Result from investments accounted for using the equity method

The Wacker Neuson Group holds a 33.3% (2023: 33.3%) investment in Sequello GmbH, based in Vienna, Austria which is accounted for using the equity method, and is considered immaterial for the Group. Sequello GmbH operates a platform for the digitalisation of core construction logistics processes. During the fiscal year, the Wacker Neuson Group acquired a 45.5% stake in the share capital of TorqueWerk GmbH, Aachen, which is also accounted for using the equity method and is immaterial for the Group. The Group's business activities are the development, manufacture, licensing, and distribution of electric drive systems.

The carrying amount of the two investments as of December 31, 2024 is EUR 4.2 million (31.12.2023: EUR 0.0 million). Of this amount, EUR 0.9 million (2023: EUR 0.00 million) is attributable to Sequello GmbH and EUR 3.3 million (2023: EUR 0.0 million) is attributable to TorqueWerk GmbH.

As of the reporting date, financing commitments to Sequello GmbH amount to EUR 0.5 million (December 31, 2023: EUR 0.5 million). These are related to a loan agreement totaling EUR 1.8 million. The loan is recognized under non-current financial assets. The carrying amount as of December 31, 2024 is EUR 1.0 million (December 31, 2023: EUR 0.4 million).

The share of total comprehensive income for 2024 from investments accounted for using the equity method amounts to EUR -1.4 million (2023: EUR -1.3 million). Of this, EUR 0.0 million (2023: EUR -0.6 million) was offset against the loan carrying amount in accordance with IAS 28. The loan was valued in accordance with the provisions of IFRS 9. This resulted in an expense of EUR 0.0 million (2023: EUR 0.3 million). Consequently, the result from investments accounted for using the equity method is EUR -1.4 million (2023: EUR -1.6 million).

b) Financial income

IN € MILLION

	2024	2023
Foreign exchange gains	18.0	24.9
Interest and similar income	5.1	3.9
Income from foreign exchange contracts	3.6	2.7
Other financial income	0.4	0.4
Total	**27.1**	**32.0**

To finance the internally granted foreign currency loans, external swap agreements are entered into. This resulted in income amounting to EUR 3.6 million (2023: EUR 2.7 million). In contrast, there are expenses amounting to EUR 3.2 million (2023: EUR 3.5 million) from internal foreign currency loans, which are hedged by the swaps within the risk management strategy. These hedged currency losses are included under currency losses within the financial expenses.

c) Financial expenses

IN € MILLION

	2024	2023
Foreign exchange losses	16.7	27.2
Interest and similar expense	25.5	18.1
Expenses from foreign exchange contracts	4.2	3.2
Other financial expense	0.3	0.4
Total	**46.7**	**48.9**

Interest income and similar income were offset with interest expense and similar expenses amounting to EUR 0.9 million (2023: EUR 0.6 million) in the reporting year. See Note 16 "Cash and cash equivalents" for further details.

To finance the internally granted foreign currency loans, external swap agreements were entered into. This results, among other things, in an expense amounting to EUR 4.2 million (2023: EUR 3.2 million). In contrast, there are income from internal foreign currency loans amounting to EUR 4.2 million (2023: EUR 2.0 million), which are hedged items through swaps under the risk management strategy. These hedged foreign currency gains are included under the foreign currency gains within the financial income.

6 – Income taxes

The total income tax is composed as follows:

IN € MILLION

	2024	2023
Current income taxes	28.7	84.3
Deferred income taxes	2.6	-15.5
Total	**31.3**	**68.8**

Current income taxes include an amount of EUR 0.3 million (2023: EUR 0.5 million income) relating to prior periods. The EUR 0.3 million primarily comprise income tax expense relating to tax risks arising from tax audits conducted for previous years.

Deferred taxes from temporary differences are calculated applying the balance sheet liability method in accordance with IAS 12 (Income taxes) and are generally recognized for all temporary differences between the tax base of an asset or a liability and its carrying amount in the IFRS Statement of Financial Position. Further, deferred taxes are recognized for temporary differences resulting from consolidation topics which had a profit and loss impact. Additionally, deferred tax assets are recognized for future expected income tax benefits resulting from the utilization of tax loss carryforwards.

Deferred taxes are determined based on the expected income tax rates that will be valid at the time of reversal of temporary difference or the utilization of the tax loss carryforwards. Until tax law changes are enacted or substantially enacted, the currently valid income tax rates are applied. For domestic companies, a corporate income tax rate of 15 percent and a solidarity surcharge of 0.825 percent are considered as of December 31, 2024. Additionally, a trade tax rate measured at the respective rate applied by local municipality is considered. This results in a total income tax rate for domestic companies which is in a range of 27.04 percent and 30.34 percent (2023: 27.03 percent and 30.12 percent). For foreign companies, the respective country-specific tax rates were applied to calculate deferred income taxes.

Deferred income taxes from items recognized in other comprehensive income are comprised as follows:

IN € MILLION

	2024	2023
Income taxes recognized in other comprehensive income (with recycling in the P/L)		
Cash flow hedges	0.2	0.9
Total	**0.2**	**0.9**
Income taxes recognized in other comprehensive income (without recycling in the P/L)		
Remeasurements from defined pension plans	-0.4	1.4
Total	**-0.4**	**1.4**
Total	**-0.2**	**2.3**

The tax rate reconciliation explains the relationship between the expected income tax expense and the actual income tax expense recognized in the Statement of Profit or Loss by applying an income tax rate of 29.64 percent (2023: 29.57 percent).

IN € MILLION

	2024	2023
EBT	101.5	254.7
Income tax expense at the applicable income tax rate: 29.64%	30.0	75.4
(previous year: 29.57%)		
Tax rate differences	-2.5	-9.3
Prior year taxes	0.3	0.5
Tax effects from non-deductible expenses and tax-free income	2.2	3.1
Tax rate changes	–	0.1
Tax effects of deferred tax assets arising from tax loss carryforwards	0.4	0.1
Impairment on deferred tax assets	–	–
Other	0.9	-1.1
Total	**31.3**	**68.8**

The deferred tax assets and liabilities are attributable to the following Statement of Financial Position line items:

IN € MILLION

	2024 Deferred tax assets	2024 Deferred tax liabilities	2023 Deferred tax assets	2023 Deferred tax liabilities
Recognition and valuation differences: intangible assets	2.7	57.8	0.8	56.0
Valuation differences: property, plant and equipment and rental	30.2	15.0	24.9	13.7
Valuation differences: inventories	17.8	3.8	22.5	4.8
Valuation differences: receivables	0.7	0.3	2.9	1.0
Valuation differences: provisions for pensions	7.8	0.1	8.1	–
Valutation differences: IFRS 16	–	–	–	–
Valuation differences: liabilities	8.3	9.1	7.5	2.7
Tax loss carry forwards	1.0	–	1.2	–
Other	8.1	3.1	3.0	1.0
Total before offsetting	**76.6**	**89.2**	**70.9**	**79.2**
Offsetting	**-26.5**	**-26.5**	**-16.0**	**-16.0**
Total after offsetting	**50.1**	**62.7**	**54.9**	**63.2**

Deferred taxes recognized in the Statement of Financial Position are commensurate with the deferred tax recognized in the balance sheets of the individual Group companies. At the individual company level, deferred tax assets and liabilities were offset to the extent that there is a legal right to offset the recognized amounts.

Deferred taxes on intangible assets are essentially related to the recognition of brands in connection to capitalized development costs as well as to the acquisitions of Weidemann and Neuson Kramer.

Rental equipment and inventories include deferred taxes resulting from the evaluation of rental equipment and inventories at group cost of goods manufactured.

The unused tax losses for which no deferred tax assets were recognized in the Statement of Financial Position amount to EUR 28.2 million (2023: EUR 28.4 million). The unused tax loss carryforwards amounting to EUR 21.1 million (2023: EUR 20.4 million) relate to the Americas segment, where they can be carried forward for up to 3 years, and EUR 1.9 million (2023: EUR 4.4 million) relate to the Asia Pacific segment, where they can be carried forward for up to 5 years. All other tax loss carryforwards can be carried forward indefinitely. The non-recognition of the tax losses is due to, on the one hand, the absence of sufficient deferred tax liabilities. On the other hand, the material portion of the tax losses pertains to subsidiaries in South America, which are planned to be liquidated within the next two years as part of the cost reduction and efficiency enhancement program.

Deferred taxes from pension provisions amounting to EUR 7.1 million (2023: EUR 7.3 million) as well as from cash flow hedges amounting to EUR 0.2 million (2023: EUR -0.1 million) were directly recorded in equity. All other deferred taxes were recorded in the profit and loss statement.

Deferred tax liabilities on undistributed earnings of subsidiaries were only recognized if a distribution based on intragroup regulations is planned. Deferred taxes amounting to EUR 1.1 million (2023: EUR 1.1 million) were recognized for this topic. Available distributable amounts are EUR 140.2 million (2023: EUR 125.1 million).

The Group falls within the scope of the OECD Pillar Two model rules. The Pillar Two legislation has been passed in Germany, the country where the entity is headquartered, and takes effect from January 1, 2025. The Group is utilizing the exemption from the recognition of deferred taxes in connection with Pillar Two income taxes, which was subject to the amendment to IAS 12 published in May 2023. According to the legislation, the Group must pay a top-up tax in each country amounting to the difference between the GloBE effective tax rate and the minimum rate of 15 percent.

The Wacker Neuson Group is working on the implementation of processes to meet the requirements of the Pillar Two regulations in a timely manner. The Group expects to take advantage of the temporary relief measures for the introduction period (so-called Safe Harbours) to a large extent. The impacts of the Pillar Two regulations on the taxes of the Group are currently estimated to be negligible (approximately EUR 0.2 million) as of the reporting date.

7 – Earnings per share

	2024	2023
Profit for the period attributable to shareholders in € million	70.2	185.9
Weighted average number of shares outstanding during current period in million	68.01	68.01
Undiluted earnings per share in €	**1.03**	**2.73**
Diluted earnings per share in €	**1.03**	**2.73**

The earnings per share are calculated in accordance with IAS 33 by dividing the annual result attributable to the shareholder of Wacker Neuson SE by the weighted average number of shares outstanding.

In the fiscal year 2024, there was no share repurchase program and therefore the number of shares outstanding remained unchanged during the fiscal year. In the period January 1 to December 31 2024, earnings per share were calculated, as in the previous year, with a number of 68,015,345 shares outstanding.

Explanatory information to the Statement of Financial Position

8 – Property, plant and equipment

a) Property, plant and equipment (including right-of-use assets)

DEVELOPMENT OF PROPERTY, PLANT AND EQUIPMENT

IN € MILLION

	Land and buildings	Machinery and equipment	Office and other equipment	Payments on account/Assets under construction	Total
Acquisition costs					
Balance at January 1, 2024	578.6	176.6	176.9	59.7	991.8
Exchange rate differences	0.1	2.1	1.5	–	3.7
Change in consolidation group	2.2	0.1	0.8	0.1	3.2
Additions	16.2	10.1	44.5	36.5	107.4
Disposals	-13.3	-4.3	-7.0	–	-24.6
Transfers	33.3	12.1	4.7	-50.1	–
Balance at December 31, 2024	**617.1**	**196.7**	**221.4**	**46.2**	**1,081.4**
Accumulated depreciation					
Balance at January 1, 2024	185.2	119.2	104.9	0.7	410.0
Exchange rate differences	1.2	1.5	0.8	-0.3	3.2
Change in consolidation group	0.2	0.1	0.4	–	0.7
Additions	28.8	14.1	23.6	–	66.5
Disposals	-9.0	-4.1	-5.1	–	-18.2
Reversal of impairment losses	–	-1.0	–	–	-1.0
Balance at December 31, 2024	**206.4**	**129.8**	**124.6**	**0.4**	**461.2**
Carrying amount at December 31, 2023	**393.4**	**57.4**	**72.0**	**59.0**	**581.8**
Carrying amount at December 31, 2024	**410.7**	**66.9**	**96.8**	**45.8**	**620.2**
Useful life in years	16–50	1–10	1–15		

	Land and buildings	Machinery and equipment	Office and other equipment	Payments on account/Assets under construction	Total
Acquisition costs					
Balance at January 1, 2023	498.5	153.8	149.3	22.7	824.3
Exchange rate differences	0.9	-1.0	-0.4	-0.2	-0.7
Additions	67.6	12.8	34.4	77.4	192.2
Disposals	-8.4	-4.5	-10.0	-0.8	-23.7
Transfers	20.0	15.5	3.6	-39.4	-0.3
Balance at December 31, 2023	**578.6**	**176.6**	**176.9**	**59.7**	**991.8**
Accumulated depreciation					
Balance at January 1, 2023	166.2	111.6	93.0	0.7	371.5
Exchange rate differences	-1.1	-0.8	-0.4	-0.1	-2.4
Additions	27.2	12.3	21.1	–	60.6
Disposals	-7.1	-3.9	-8.7	–	-19.7
Transfers	–	–	-0.1	0.1	–
Balance at December 31, 2023	**185.2**	**119.2**	**104.9**	**0.7**	**410.0**
Carrying amount at December 31, 2022	**332.3**	**42.2**	**56.3**	**22.0**	**452.8**
Caryying amount at December 31, 2023	**393.4**	**57.4**	**72.0**	**59.0**	**581.8**
Useful life in years	16–50	1–10	1–15		

Land is considered to have an unlimited useful life.

The total depreciation and impairment of property, plant and equipment, investment property, goodwill, intangible assets, and rental equipment recognized in the Statement of Profit or Loss of the Group (see Note 12 "Rental equipment") amount to EUR 164.0 million (2023: EUR 142.6 million).

IN € MILLION

	2024	2023
Functional areas		
Cost of sales	107.1	91.6
Sales and service expenses	30.3	26.9
Research and development expenses	7.3	4.2
General and administrative expenses	19.3	19.8
Other operating expenses	–	–
Total depreciation and impairment losses	**164.0**	**142.6**

Without the rental equipment, the depreciation amounts to EUR 99.4 million (2023: EUR 87.0 million). The change is mainly due to the increased investments in property, plant and equipment compared to the previous year.

The breakdown of impairment losses (including intangible assets) by function areas and regions:

IN € MILLION

	2024	2023
Functional areas		
Cost of sales	2.6	0.2
Other operating expenses	–	–
Total impairment losses	**2.6**	**0.2**
Regions		
Europe	2.6	0.2
Total impairment losses	**2.6**	**0.2**

From the review of business prospects, impairments for capitalized product development amounting to EUR 2.6 million (2023: EUR 0.2 million) were identified.

Regarding the purchase of property, plant, and equipment, these included, among other things, the plant expansions in Linz, Austria, Menomonee Falls, USA, as well as further investments in production and logistics at the two sites in Pfullendorf, Germany, and Reichertshofen, Germany. These expansion measures significantly increased the additions to advance payments made/assets under construction to EUR 36.5 million (2023: EUR 77.4 million).

The reclassifications of advance payments/assets under construction amounted to EUR 50.1 million (2023: EUR 39.4 million). These reclassifications were mainly triggered by the expansion of our production capacities at the Linz, Austria site for the contract manufacturing of John Deere machines, which will be delivered from 2025.

b) Right-of-use assets

The following tables show the development of right-of-use assets separately presented by individual classes of property, plant, and equipment.

Detailed explanations regarding the specific structuring of the underlying lease contracts are included in Note 25 "Lease liabilities". We refer to this note at this point to avoid duplicate mentions.

RIGHT-OF-USE ASSETS
IN € MILLION

	Land and buildings	Machinery and equipment	Office and other equipment	Total
Acquisition costs				
Balance at January 1, 2024	144.8	0.3	38.8	184.0
Exchange rate differences	-0.6	–	-0.2	-0.8
Change in consolidation group	0.9	–	0.1	1.0
Additions	12.1	0.2	33.1	45.5
Disposals	-12.6	–	-2.2	-14.8
Balance at December 31, 2024	**144.6**	**0.5**	**69.6**	**214.7**
Accumulated depreciation				
Balance at January 1, 2024	50.9	0.3	19.3	70.5
Additions	17.9	–	10.0	27.9
Disposals	-8.9	–	-1.3	-10.2
Balance at December 31, 2024	**59.9**	**0.3**	**28.0**	**88.2**
Carrying amount at December 31, 2023	**93.9**	**0.1**	**19.5**	**113.4**
Carrying amount at December 31, 2024	**84.7**	**0.2**	**41.6**	**126.5**

	Land and buildings	Machinery and equipment	Office and other equipment	Total
Acquisition costs				
Balance at January 1, 2023	96.9	0.3	32.2	129.4
Additions	55.0	0.1	10.7	65.8
Disposals	-7.1	–	-4.1	-11.2
Balance at December 31, 2023	**144.8**	**0.4**	**38.8**	**184.0**
Accumulated depreciation				
Balance at January 1, 2023	41.5	0.2	14.7	56.4
Additions	15.7	0.1	7.9	23.8
Disposals	-6.3	–	-3.3	-9.7
Balance at December 31, 2023	**50.9**	**0.3**	**19.3**	**70.6**
Carrying amount at December 31, 2022	**55.3**	**0.1**	**17.5**	**73.0**
Carrying amount at December 31, 2023	**93.8**	**0.1**	**19.5**	**113.4**

9 – Investment properties

The investment properties developed as follows in the years 2024 and 2023:

IN € MILLION

	2024	2023
Acquisition costs		
Balance at January 1	42.9	40.5
Additions	–	2.4
Transfers	–	–
Balance at December 31	**42.9**	**42.9**
Accumulated depreciation		
Balance at January 1	15.1	14.5
Additions	0.6	0.6
Balance at December 31	**15.7**	**15.1**
Carrying amount at January 1	**27.8**	**26.0**
Carrying amount at December 31	**27.2**	**27.8**

DETAILS ON PROPERTIES

PROPERTY

	Carrying amount as at Dec. 31, 2024 in € MILLION	Fair value as at Dec. 31, 2024 in € MILLION	Calculation method	Depreciation method	Useful life
Germany	24.8	45.0			
Munich	9.0	22.1	German income approach	Straight-line	50 years
Überlingen	13.8	20.7	Survey/German income approach	Straight-line	25–50 years
Reichertshofen	2.1	2.2	German income approach	Straight-line	15 years
Switzerland	2.3	2.3			
Bern	2.3	2.3	Purchase contract	Straight-line	30 years
Total	**27.2**	**47.4**			

	Carrying amount as at Dec. 31, 2023 in € MILLION	Fair value as at Dec. 31, 2023 in € MILLION	Calculation method	Depreciation method	Useful life
Germany	25.4	48.2			
Munich	9.5	25.3	German income approach	Straight-line	50 years
Überlingen	13.8	20.7	Survey/German income approach	Straight-line	25–50 years
Reichertshofen	2.2	2.2	German income approach	Straight-line	15 years
Switzerland	2.4	2.4			
Bern	2.4	2.4	Purchase contract	Straight-line	30 years
Total	**27.8**	**50.6**			

The result from investment properties is as follows:

IN € MILLION

	2024	2023
Rental income	2.7	2.0
Depreciation and impairment	-0.6	-0.6
Other expenses	-0.8	-1.0
Total	**1.3**	**0.4**

The results are attributable to the segment Europe.

The investment properties include the land and buildings mentioned above, all of which are rented to third parties or are intended for third-party rental. The specified depreciation methods and useful lives apply exclusively to the included buildings.

The applied measurement methods are listed in the table above.

The material unobservable input parameters for the valuation of property held as financial investment are as follows (fair value measurement – Level 3):

The fair values of real estate, which are calculated using the income approach or discounted cash flow methods, were partially determined by appraisers. These valuations are based on input factors such as standard land values, market rental rates, estimated operating costs, and estimated remaining useful lives.

10 – Intangible Assets

a) Goodwill

The development of goodwill is as follows:

IN € MILLION

	2024	2023
Balance at January 1	232.5	232.5
Change in consolidation structure	3.8	–
Balance at December 31	**236.3**	**232.5**

The increase in goodwill by EUR 3.8 million is a result of the acquisitions of Weidemann Nederland B.V., Wacker Neuson Rail GmbH (formerly Axor Mietservice GmbH), and Compact Machinery BV.

b) Other intangible assets

-> see development on following page

The expected remaining useful life and the residual carrying amounts of the other intangible assets are as follows:

IN € MILLION

	Book value on Dec. 31, 2024	Book value on Dec. 31, 2023	Useful life
Brands	70.0	70.0	Indefinite
Customer base	8.2	2.7	7 – 10 years
Software development	11.5	16.3	1 – 8 years
Miscellaneous	2.9	–	3 years
Total	**92.6**	**89.1**	

Other intangible assets include a value of EUR 22.0 million for the Weidemann brand name from the acquisition of Weidemann GmbH in 2005. Due to the material market position of the company Weidemann GmbH, an indefinite useful life is estimated for the brand or the name.

From the merger with the Neuson Kramer Group, a value of 42.8 million EUR results for the brand name, which is also assigned an indefinite useful life due to the significant market position of the company. Wacker Neuson SE is not the owner of the Neuson trademark. This is owned by the PIN Foundation, which is part of the Group of the Chairman of the Supervisory Board, Johann Neunteufel. However, under certain conditions, the company has an exclusive, irrevocable, and perpetual free license to use this trademark in connection with the name component Wacker.

Through the acquisition of the ENAR Group, the capitalization of the brand name was carried out in the fiscal year 2022 amounting to EUR 5.2 million. This brand name was also assigned an indefinite useful life due to its significant position.

From the acquisition of KLC SERVIS s.r.o. in 2018, resulted in a customer base amounting to EUR 1.2 million. This is amortized on a straight-line basis over 10 years. In the fiscal year 2022, the capitalization of the customer base of the ENAR Group amounting to EUR 4.7 million also took place. The amortization period is 7 years. As a result of the acquisitions of Weidemann Nederland B.V., Wacker Neuson Rail GmbH (formerly Axor Mietservice GmbH), and Compact Machinery BV, customer bases amounting to EUR 3.9 million, EUR 0.8 million, and EUR 1.7 million, respectively, are also included in the carrying amount as of December 31, 2024. The amortization period here is essentially 10 years.

The self-generated intangible assets consist of capitalized development costs.

In the context of a specific impairment test in the fiscal year 2024, impairments of self-generated intangible assets amounting to EUR 0.3 million (2023: EUR 0.2 million) were identified. The review for impairment was conducted at the level of individual assets.

IN € MILLION

	2024	2023
Functional lines		
Cost of sales	0.3	0.2
Total impairment losses	**0.3**	**0.2**
Regions		
Europe	0.3	0.2
Total impairment losses	**0.3**	**0.2**

The additions of intangible assets in progress primarily result from product developments as well as capitalizations of IT projects.

DEVELOPMENT OF INTANGIBLE ASSETS

IN € MILLION

	Licenses and similar rights	Other intangible assets	Internally produced intangible assets	Intangible assets under development	Total
Acquisition costs					
Balance at January 1, 2024	39.2	123.0	144.6	61.7	368.5
Exchange rate differences	0.4	–	1.6	0.2	2.2
Change in consolidation structure	0.1	6.9	–	–	7.0
Additions	1.6	3.8	0.8	38.5	44.7
Disposals	-0.2	-3.7	-1.9	-0.5	-6.3
Transfers	4.3	0.6	19.5	-24.4	–
Balance at December 31, 2024	**45.4**	**130.6**	**164.6**	**75.5**	**416.1**
Accumulated depreciation					
Balance at January 1, 2024	32.8	33.9	81.2	1.4	149.4
Exchange rate differences	0.5	0.1	1.0	–	1.6
Change in consolidation structure	0.1	–	–	–	0.1
Additions	2.2	7.7	20.7	–	30.6
Impairment	–	–	0.3	2.3	2.6
Disposals	-0.1	-3.7	–	–	-3.8
Balance at December 31, 2024	**35.5**	**38.0**	**103.2**	**3.7**	**180.5**
Carrying amount at December 31, 2023	**6.3**	**89.1**	**63.4**	**60.3**	**219.1**
Carrying amount at December 31, 2024	**9.8**	**92.6**	**61.4**	**71.8**	**235.6**
Useful life in years	3 – 10	1 – 10	5 – 6		

	Licenses and similar rights	Other intangible assets	Internally produced intangible assets	Intangible assets under development	Total
Acquisition costs					
Balance at January 1, 2023	37.2	118.5	108.3	77.0	341.0
Exchange rate differences	-0.3	-0.1	-0.8	0.1	-1.3
Additions	2.5	0.8	-2.4	33.6	34.5
Disposals	-0.3	-1.0	-2.7	-2.1	-6.0
Transfers	0.1	4.7	42.3	-46.9	0.3
Balance at December 31, 2023	**39.2**	**123.0**	**144.6**	**61.7**	**368.5**
Accumulated depreciation					
Balance at January 1, 2023	31.4	27.4	67.4	3.8	130.0
Exchange rate differences	-0.3	-0.1	-0.6	–	-0.8
Additions	1.9	7.6	16.1	–	25.5
Impairment	–	–	0.2	–	0.2
Disposals	-0.2	-1.0	-2.7	-1.6	-5.5
Transfers	–	–	0.7	-0.7	–
Balance at December 31, 2023	**32.8**	**33.9**	**81.2**	**1.4**	**149.4**
Carrying amount at December 31, 2022	**5.8**	**91.1**	**40.9**	**73.2**	**211.0**
Carrying amount at December 31, 2023	**6.3**	**89.1**	**63.4**	**60.3**	**219.1**

c) Impairment of goodwill and intangible assets with indefinite useful lives

The goodwill acquired under business combinations and the brands Weidemann, Neuson, and ENAR with an indefinite useful life are allocated for the purpose of impairment review to the following cash-generating units or groups of cash-generating units that are included in the Europe segment:

- Weidemann GmbH (Germany)
- Wacker Neuson Beteiligungs GmbH (subgroup/Austria)
- ENAR Group (subgroup/Spain)
- Weidemann (subgroup/Germany-Netherlands)
- Wacker Neuson Rail GmbH (Germany)
- Wacker Neuson Belgium (Subgroup/Belgium)

The carrying amounts are divided as follows:

IN € MILLION

	Dec. 31, 2024	Dec. 31, 2023
Weidemann GmbH		
Carrying amount of goodwill	24.2	24.2
Carrying amount of the indefinite-lived brand	22.0	22.0
Wacker Neuson Beteiligungs GmbH (subgroup/Austria)		
Carrying amount of goodwill	204.4	204.4
Carrying amount of the indefinite-lived brand	42.8	42.8
Enar Group (subgroup/Spain)		
Carrying amount of goodwill	3.9	3.9
Carrying amount of the indefinite-lived brand	5.2	5.2
Weidemann Group (subgroup/Germany-Netherlands)		
Carrying amount of goodwill	1.7	–
Wacker Neuson Rail GmbH		
Carrying amount of goodwill	0.5	–
Wacker Neuson Rail GmbH (subgroup/Belgium)		
Carrying amount of goodwill	1.6	–
Carrying amount of goodwill	**236.3**	**232.5**
Carrying amount of the indefinite-lived brand	**70.0**	**70.0**

The goodwill and brands with indefinite useful life is tested, except in the year of initial recognition, either when there is an indicator of impairment or in the course of the annual impairment test. For this purpose, the carrying amount is compared with the fair value less costs of disposal of the cash-generating units or group of cash-generating units. The fair value less costs of disposal is determined using the discounted cash flow method (fair value measurement – hierarchy level 3). Future cash flows are discounted to the current reporting date. An impairment exists if the fair value less costs of disposal is lower than the carrying amount.

Cash-generating units (CGU)

The Group performs at least once a year and, if any indication exists, also several times a year, an impairment test of goodwill. For the cash-generating units or groups of cash-generating units Weidemann GmbH (Germany), Wacker Neuson Beteiligungs GmbH (subgroup/Austria), ENAR Group (subgroup/Spain), Weidemann (subgroup/Germany-Netherlands), Wacker Neuson Rail GmbH (Germany), and Wacker Neuson Belgium (subgroup/Belgium), the annual impairment test was performed as of December 31, 2024.

Cash flow forecasts are based on financial budgets approved by management for a period of three years (until 2027). The discount rate after taxes used for the cash flow forecasts is measured depending on the respective cash-generating unit at 9.6 to 10.4 percent (2023: 10.3 to 11.3 percent). Cash flows after the period of three years are extrapolated using a growth rate of 0.8 to 3.2 percent (2023: 1.1 to 3.4 percent) for an additional two years (until 2029). The review showed that the fair value less costs of disposal exceeds the carrying amount and no impairment was to be recognized.

In the event of a 10.0 percent decrease in operating free cash flows, even with a simultaneous increase in the discount rate by 1 percent and a reduction of the growth rate to 0 percent in perpetuity, there would be no need for impairment for the cash-generating units or groups of cash-generating units Weidemann GmbH (Germany), Wacker Neuson Beteiligungs GmbH (subgroup/Austria), Weidemann (subgroup/Germany-Netherlands), Wacker Neuson Rail GmbH (Germany), and Wacker Neuson Belgium (subgroup/Belgium).

The management expects that the operational free cash flows will increase during the forecast period; however, a decline of 4.5 percent would imply an impairment for the cash-generating unit (CGU) ENAR Group (subgroup/Spain).

An increase in the discount rate to 10.8 percent (i.e., +0.4 percentage points) would signify an impairment requirement for the cash-generating unit (CGU) ENAR Group (subgroup/Spain).

Additionally, a decrease in the perpetual pensions to 0.2 percent (i.e., -0.8 percentage points) would mean an impairment requirement for the cash-generating unit (CGU) ENAR Group (subgroup/Spain).

Assumptions for the calculation of fair value less costs of disposal and the sensitivity analysis

The following estimation uncertainties exist for the assumptions made in the calculation of fair value less costs of disposal:

- Free cash flow
- Discount rates
- Growth rate, which is the basis for the extrapolation of the cash flow forecasts beyond the forecast period
- Perpetuity

Free cash flow after taxes – the free cash flow is determined based on a detailed planning phase from 2025 to 2027. For cash-generating units (CGUs), the growth rates for the first three planning years (up to 2027) are determined based on the market environment, taking into account historical values. Higher growth rates compared to the forecasted average growth of the industry are due to the already achieved above-average growth of the cash-generating units.

Discount rates – the discount rates reflect management's estimate of the risks associated with the cash-generating units. In addition to a risk-free interest rate, a risk premium is considered. The discounting for the cash-generating units is carried out at a cost of capital rate of 9.6 to 10.4 percent (2023: 10.3 to 11.3 percent), the WACC (Weighted Average Cost of Capital) after taxes.

Estimates of the growth rates – the growth rates are subject to managements and the subsidiaries' assessment based on the specific characteristics of local markets. For the extrapolation of the cash flow forecasts beyond the forecast period, growth rates based on average projected growth rates of the gross domestic product by the International Monetary Fund were used.

Group market capitalization
Among other factors, the ratio between market capitalization and carrying amount is also considered when checking for indications of impairment. The share of Wacker Neuson SE closed the year at a price of EUR 14.64 on the last trade date. As of December 31, 2024, the market capitalization of the Group was below the carrying amount of its equity. This could be an indicator of impairment of goodwill, however, the annual impairment tests of the cash-generating units presented a positive picture.

11 – Non-current financial assets

The non-current financial assets consist of the following items:

IN € MILLION

	Dec. 31, 2024	Dec. 31, 2023
Continuing involvement	6.6	7.5
Dilution Reserve (ABS-structure)	3.8	5.9
Investment securities	1.5	1.4
Non-current receivables from finance lease	8.1	0.6
Non-current trade receivables	4.3	5.4
Misc. other non-current financial assets	5.2	3.5
Non-current financial assets	**29.5**	**24.3**
Other non-current non-financial assets	**0.1**	**–**
Total	**29.6**	**24.3**

The development of risk provisions on these non-current assets is as follows:

IN € MILLION

	2024	2023
Balance at January 1	0.4	0.4
Reversals	-0.2	–
Balance at December 31	**0.2**	**0.4**

The non-current trade receivables, non-current receivables from finance leases, and prepaid volume bonuses to US dealers include a financing component, which leads to income from customer financing and is recognized as revenue from ordinary activities.

The expenses from loss allowances for potential bad debts are recognized under sales and service expenses. As of December 31, the loss allowances are divided as follows:

IN € MILLION

	2024	2023
Breakdown of allowances		
Non-current trade receivables	4.5	5.8
Allowances for doubtful receivables	-0.2	-0.4
Carrying amount	**4.3**	**5.4**
Non-current receivables from finance leases	8.1	0.6
Carrying amount	**8.1**	**0.6**

For sales support reasons, the Group grants selected dealers deferred settlement terms of more than one year. The associated non-current receivables are recognized in the Statement of Financial Position line item "Non-current financial assets" as long as the maturity exceeds one year. As soon as the maturity is less than one year, the short-term portion is reclassified to the Statement of Financial Position line item "Trade receivables".

The non-current receivables from finance leases mainly result from transactions with a wholesaler in Australia.

If the Group transfers its contractual rights to receive the cash flows from an asset or enters into a pass-through arrangement, it assesses whether and to what extent the risks and rewards associated with ownership remain with it. If it neither transfers nor retains substantially all the risks and rewards associated with ownership of this asset nor transfers control of the asset, it continues to recognize the transferred asset to the extent of its continuing involvement. In that case, the Group also recognizes an associated liability. The transferred asset and the associated liability are measured in a way that reflects the rights and commitments retained by the Group. The Group regularly sells receivables individually or (since 2020) bundled and has determined that for these transactions the risks and rewards have neither been transferred nor retained. The long-term portion of the Group's continuing involvement amounting to EUR 6.6 million (December 31, 2023: EUR 7.5 million) is recognized under other non-current assets. Under the ABS program, a security deposit is provided in advance in the amount of EUR 3.8 million (December 31, 2023: EUR 5.9 million). For further disclosures on these financial transactions, please refer to Note 28 “Additional information on financial instruments”.

12 – Rental equipment

IN € MILLION

	2024	2023
Acquisition costs		
Balance at January 1	370.3	307.2
Exchange rate differences	-1.3	6.5
Change in consolidation structure	7.1	–
Additions	127.0	145.4
Disposals	-107.6	-88.9
Transfers	–	–
Balance at December 31	**395.5**	**370.2**
Accumulated depreciation		
Balance at January 1	109.4	100.9
Exchange rate differences	-0.4	2.1
Change in consolidation structure	2.8	–
Additions	64.5	55.6
Disposals	-54.4	-49.3
Transfers	–	–
Balance at December 31	**121.9**	**109.3**
Carrying amount at January 1	**260.9**	**206.3**
Carrying amount at December 31	**273.6**	**260.9**
Useful life in years	2 – 3	2 – 3

The rental equipment consists of machines that are held for operation at the customers' premises. Upon request from the customers, these are also sold.

13 – Inventories

IN € MILLION

	Gross value	Allowance	Net value Dec. 31, 2024
Raw materials and supplies	140.5	-5.4	135.1
Work in progress	28.8	-0.2	28.5
Finished goods	473.5	-15.3	458.2
Total	**642.8**	**-21.0**	**621.9**

	Gross value	Allowance	Net value Dec. 31, 2023
Raw materials and supplies	194.2	-4.7	189.5
Work in progress	42.9	-0.2	42.7
Finished goods	558.5	-16.2	542.3
Total	**795.6**	**-21.1**	**774.4**

The inventory of machinery as well as raw materials and supplies as of December 31, 2024 were reduced by 19.7 percent to EUR 621.9 million (December 31, 2023: EUR 774.4 million). The inventory of finished machinery decreased as a consequence of the reduced output of the production companies. Consequently, the inventory of raw materials and components also declined in the fiscal year 2024. In view of these developments, the scope of inventory correspondingly fell from 141 to 132 days. (For further details, see the chapter net assets, financial position and results of operations" in the Combined Management Report)

Costs of conversion and acquisition of inventories sold during the fiscal year, expenses amounting to EUR 1,306.2 million (2023: EUR 1,633.8 million) were recognized as cost of sales during the period.

Raw materials, supplies, work in process, and finished products were measured at acquisition or costs of conversion, or at the lower net realizable value. The corresponding loss allowances decreased compared to the previous year by EUR 0.1 million (2023: Increase by EUR 2.3 million).

In the reporting year, as in the previous year, no inventories were pledged as safety for liabilities.

14 – Trade receivables

The trade receivables are composed as follows:

IN € MILLION

	Dec. 31, 2024	Dec. 31, 2023
Trade receivables at nominal value	276.0	368.3
Less allowance	-22.0	-21.7
Total	**254.0**	**346.6**

The decrease in receivables is primarily due to the lower business volume compared to the previous year.

As of December 31, 2024, the following breakdown of trade receivables and loss allowance is as follows:

IN € MILLION

	Nominal value Dec. 31, 2024	Allowance Dec. 31, 2024
Not overdue	201.6	1.9
Overdue <30 days	35.5	0.2
Overdue 30–90 days	11.9	0.7
Overdue >90 days	26.9	19.2
Total	**275.9**	**22.0**

	Nominal Value Dec. 31, 2023	Allowance Dec. 31, 2023
Not overdue	271.7	1.4
Overdue <30 days	53.7	0.3
Overdue 30 – 90 days	17.1	0.5
Overdue >90 days	25.8	19.4
Total	**368.3**	**21.7**

The development of the loss allowances is as follows:

IN € MILLION

	2024	2023
Balance at January 1	21.7	20.6
Exchange rate differences	-0.4	-0.1
Additions	2.6	2.5
Amount used for write-offs	-0.5	-0.3
Reversals	-1.3	-1.1
Balance at December 31	**22.1**	**21.7**

The short-term trade receivables are non-interest bearing and essentially have a maturity of up to 30 days. The Group identifies defaults on financial assets using the provision matrix as well as when contractual payments are 90 days past due. Additionally, it may, in specific cases, consider a financial asset to be in default if internal or external information indicates that it is unlikely that the group will collect the outstanding contractual amounts in full before considering all credit enhancements held. The Group assesses the concentration of risk in regard to trade receivables as low, as its large number of customers are located in various countries, belong to different industries, and operate in largely independent markets. The Group has developed a provision matrix based on its historical experience with credit losses and adjusted for forward-looking factors specific to the debtors and the economic environment.

The following table shows the proportion of impaired receivables by maturity as of the reporting date:

IN € MILLION

	Dec. 31, 2024	Dec. 31, 2023
Not overdue	1%	1%
Overdue <30 days	0%	1%
Overdue 30 – 90 days	6%	3%
Overdue >90 days	71%	75%

The material reason for the significantly high loss allowances in the overdue band > 90 days is based on the individual consideration of contract dealers in Latin America who have already encountered payment difficulties in previous years. Likewise, the overdue band > 90 days includes material loss allowances in China. Therefore, the impairment rates shown here are not representative of the entire portfolio. Excluding the two aforementioned regions, the credit default rate is 56.5% (2023: 62.8%).

The fair value approximates the carrying amount since it exclusively concerns receivables with a remaining term of less than one year.

15 – Other current assets

IN € MILLION

	Dec. 31, 2024	Dec. 31, 2023
Prepaid volume bonuses to US dealers	0.2	2.8
Receivables from finance leases	0.9	0.5
Government grants	1.4	0.4
Creditors with debit accounts	1.0	1.6
Deposits	0.3	0.3
Continuing involvement	20.1	22.0
Dilution Reserve (ABS-structure)	10.6	10.7
Positive fair value from derivatives	1.2	2.0
Misc. other current financial assets	3.4	3.9
Other current financial assets	**39.1**	**44.2**
VAT	8.9	20.3
Advance payments	18.2	16.1
Advances to employees	1.3	0.1
Misc. other current non-financial assets	0.9	0.2
Other current non-financial assets	**29.3**	**36.8**
Total	**68.4**	**80.9**

The fair value of the other current financial assets approximately equals the carrying amount, as these are solely items with a remaining maturity of less than one year.

The other current assets include the current portion of receivables from finance leases amounting to EUR 0.9 million (December 31, 2023: EUR 0.5 million).

The long-term interests in finance leases are recognized under the item Non-current financial assets and amount to EUR 8.1 million (December 31 2023: EUR 0.6 million).

The advance payments mainly relate to other services within the scope of ordinary business activities to be deferred.

The Group is a counterparty to a factoring transaction, under which the bank is required to purchase trade receivables from machine sales with fees already due over a period of several years. The Group regularly sells receivables individually or (since 2020) bundled and has determined that the rewards and risks have neither been transferred nor retained for these transactions. The current portion of the Group's continuing involvement amounting to EUR 20.1 million (December 31 2023: EUR 22.0 million) is recognized under other current assets. For further disclosures regarding the financial transaction, refer to Note 28 "Additional information on financial instruments ".

For loss allowances related to the current portion of prepaid volume bonuses to US dealers and receivables from finance leases, see the attached summary:

IN € MILLION

	2024	2023
Breakdown of allowances		
Prepaid volume bonuses to US dealers	1.4	4.0
Allowances for doubtful receivables	-1.2	-1.2
Carrying amount	**0.2**	**2.8**
Current receivables from finance leases	0.9	0.5
Carrying amount	**0.9**	**0.5**

The future minimum lease payments to be received were as follows:

IN € MILLION

	Dec. 31, 2024	Dec. 31, 2023
Within one year	0.9	0.5
In between one and two years	4.3	0.4
In between two and three years	5.0	0.2
In between three and four years	–	–
In between four and five years	–	–
After more than five years	–	–
Total	**10.2**	**1.1**

The following table shows the reconciliation of future minimum lease payments to the gross and net investment in leases as well as the present value of future minimum lease payments:

IN € MILLION

	Dec. 31, 2024	Dec. 31, 2023
Future minimum lease payments	10.2	1.1
Plus: Not guaranteed residual value	–	–
Gross investment in leases	10.2	1.1
Less: Unrealized financial income	-1.2	–
Net investment in leases	9.0	1.1
Less: Allowances for doubtful accounts	-0.0	–
Less: Present value of not guaranteed residual value	–	–
Present value of future minimum lease payments	**9.0**	**1.1**

The present value of future minimum lease payments was due as follows:

IN € MILLION

	Dec. 31, 2024	Dec. 31, 2023
Within one year	0.9	0.5
Between one and five years	8.1	0.6
After more than five years	–	–
Total	**9.0**	**1.1**

The investments in finance lease mainly resulted from the leasing business with construction machinery.

In 2024 the Group recognized a disposal gain from finance lease amounting to EUR 0.3 million (2023: EUR 0.0 million).

In 2024 the Group recorded interest revenue on receivables from finance lease amounting to EUR 0.4 million (2023: EUR 0.1 million).

No income was generated for the Group as a lessor from variable lease payments.

For the positive market value of foreign exchange forward contracts, please refer to Note 24 "Derivative financial instruments”.

16 – Cash and cash equivalents

IN € MILLION

	Dec. 31, 2024	Dec. 31, 2023
Bank balances	26.9	23.9
Cash deposits	8.3	3.7
Petty cash	0.1	0.2
Total	**35.3**	**27.8**

Daily cash balances are interest-bearing at floating rates at banks. Depending on the Group's liquidity requirements, surplus cash balances are invested as short-term term account with a maturity from one day to three months. The term accounts bear interest according to the agreed interest rates.

Bank balances amounting to EUR 84.3 million (including cash pool current account balances) (December 31, 2023: EUR 79.0 million) were netted against liabilities from cash pool current accounts amounting to EUR 57.4 million (December 31, 2023: EUR 55.1 million) as a netting option was agreed with the cash pool bank. Bank balances as of December 31, 2024 after offsetting amount to EUR 26.9 million (December 31, 2023: EUR 23.9 million).

17 – Equity

The subscribed capital is unchanged from the previous year at EUR 70.1 million and is divided into 70,140,000 no-par-value registered shares with a notional share of the subscribed capital of EUR 1.00 each. As of the reporting date of the Consolidated Financial Statements, the subscribed capital is fully paid up.

Other reserves include:

IN € MILLION

	Dec. 31, 2024	Dec. 31, 2023
Capital reserves	618.7	618.7
Exchange differences	10.2	2.8
Other neutral changes	-17.8	-18.3
Total	**611.1**	**603.2**

The capital reserve essentially results from the share premium amounts from the initial public offering and from the merger with Wacker Neuson Beteiligungs GmbH (formerly Neuson Kramer Baumaschinen AG).

The reserve for exchange differences includes gains and losses, recognized directly in equity from translating the annual financial statements of consolidated affiliates prepared in foreign currency according to the concept of the functional currency.

The other neutral changes include reserves for recognizing revaluation results of pensions and similar liabilities, mainly from actuarial gains and losses as well as other comprehensive income related to hedge accounting.

The Annual General Meeting of Wacker Neuson SE took place on May 15, 2024, as an in-person event.

A total of approximately 78 percent of the share capital was represented. The shareholders followed the proposal of the Executive Board and Supervisory Board to increase the dividend for the past fiscal year to EUR 1.15 per share entitled to dividends. Accordingly, EUR 78.2 million was distributed to the shareholders. In the fiscal year 2023, a dividend of EUR 1.00 per share, amounting to a total of EUR 68.0 million, was distributed for the fiscal year 2022. In the fiscal year 2025, a dividend of EUR 40.8 million (EUR 0.60 per share) is proposed for the fiscal year 2024. Proposed dividends on ordinary shares, that require a resolution at the Annual General Meeting, were not recognized as a liability as of December 31, 2024. For further presentation of equity, please refer to the Statement of Changes in Equity.

Authorized capital

The Executive Board was authorized at the Annual General Meeting on May 30, 2017, to increase the company's capital stock up to May 29, 2022, with the approval of the Supervisory Board by issuing up to 17,535,000 new registered shares in exchange for cash and/or contributions in kind, in full or in partial amounts, once or several times, but in total by no more than EUR 17,535,000.00 (Approved Capital 2017). The term of this resolution ended in the fiscal year 2022, and no new resolution was adopted at the Annual General Meeting in June 2022. Thus, there is no approved capital for the fiscal year.

Treasury shares

In 2021, 2,124,655 treasury shares (which corresponds to 3.03 percent of the Company's share capital) were acquired. The purchase price was EUR 53.0 million (excluding acquisition-related costs). The acquired shares are recognized in equity under the line item ”treasury shares” at historical cost including transaction costs and less any tax benefits.

Rights, preferences, and restrictions of shares

A syndicate agreement is in place between a shareholder belonging to the Neunteufel family and Mr. Martin Lehner, under which the shareholder belonging to the Neunteufel family exercises voting rights for shares purchased by Mr. Martin Lehner. For detailed explanations, please refer to the section of the Management Report entitled "Restrictions affecting voting rights or the transfer of shares".

18 – Provisions for pensions and similar obligations

IN € MILLION

	Dec. 31, 2024	Dec. 31, 2023
Provisions for pension obligations	36.4	39.9
Provisions for other obligations to employees	0.1	0.1
Total	**36.5**	**40.0**

Within the Group, there are various types of provisions regarding retirement and survivor benefits for worldwide employees. Most pension plans provide for the payment of fixed lump-sum amounts, while the others involve the payment of benefits from the beginning of retirement until death, with the amount of these benefits being determined by the classification of employees (both in salary grades and hierarchical levels) and their years of service.

At the parent company, there are pension commitments which commence from retirement and these are available to board members as well as former directors or board members.

The Swiss subsidiary has statutory pension plans in place according to the Federal Act on Occupational Old Age, Survivors' and Disability Pension Plans (BVG), which are accounted for as defined benefit plans in terms of IAS 19. These defined benefit pension plans are funded through reinsurance policies. In this case, the respective entity pays contributions to the corresponding insurer based on statutory provisions. Even though the future benefits are generally dependent on the accrued contributions including interest, a residual risk remains for the respective entity due to the guarantees included in the pension law.

For the remaining domestic and foreign entities, it partly involves a lump-sum payment calculated based on the salary at the time of retirement – multiplied by a factor dependent on years of service – and partly involves salary-dependent ongoing payments, which are made for employees with country-specific different lengths of service, from the time of retirement until the time of death.

The defined benefit pension plans are partially financed through reinsurance policies. In addition, there are pension commitments not financed through reinsurance policies or funds, where the Group bears the future payment obligations upon the maturity of pension payments. These are essentially direct commitments, for which the regulatory framework of the respective country (e.g., for pension adjustments) applies.

For domestic and foreign subsidiaries, there are also defined contribution pension schemes. In this case, the respective entity pays contributions to the relevant pension provider based on legal or contractual provisions. With the payment of the contributions, there are no further obligations for this entity. The ongoing contribution payments are recognized as expense for the respective year in the operating result.

The actuarial valuation is essentially based on the following assumptions, excluding the Swiss pension plans (see separate schedule):

		2024	2023
Actuarial assumptions[1]			
Discount rate	as a %	3.5	2.8
Salary increase rate	as a %	0.6	0.8
Pension increase rate	as a %	1.9	1.6
Retirement age	in years	62	62

[1] Weighted average of the individual benefit schemes

The actuarial valuation of the Swiss pension plans is mainly based on the following assumptions:

		2024	2023
Actuarial assumptions			
Discount rate	as a %	1.0	1.5
Salary increase rate	as a %	1.2	1.2
Retirement age	in years	65	65

Pension obligations are distributed as follows:

IN € MILLION

	Dec. 31, 2024	Dec. 31, 2023
Fair value of pension obligations, funded	59.7	56.5
Fair value of plan assets	-45.1	-40.3
Shortfall in pension obligations, funded	**14.6**	**16.2**
Fair value of pension obligations, not funded	21.9	23.8
Shortfall in all pension obligations	**36.5**	**40.0**
Pension obligations	**36.5**	**40.0**

The changes in the present value of the obligation and the plan assets are as follows:

IN € MILLION

	2024	2023
Changes in the present value of pension obligations		
Balance at January 1	80.3	74.3
Current service costs	1.0	0.8
Interest expense	2.3	2.5
Contributions by plan participants	2.1	2.0
New valuations:		
Actuarial gains/losses		
- from changes to demographic assumptions	0.1	0.1
- from changes to financial assumptions	-1.5	3.6
Experience adjustments	1.9	1.6
Changes in exchange rate	-0.2	1.1
Paid benefits	-4.5	-5.4
Past service cost	0.1	-0.3
Balance at December 31	**81.6**	**80.3**

IN € MILLION

	2024	2023
Changes in fair value of plan assets		
Balance at January 1	40.3	36.7
Interest income	1.0	1.2
Changes in exchange rate	-0.3	1.1
New valuations:		
From changes to financial assumptions	–	–
Experience adjustments	1.6	–
Employer's contributions	2.5	2.4
Contributions by plan participants	2.1	2.0
Payouts	-2.1	-3.1
Balance at December 31	**45.1**	**40.3**

Plan assets include, among other things, reinsurance policies with German life insurance companies, whose future benefits have been pledged in favor of the entitled beneficiaries. The reinsurance policies are not listed on an active market. The fair value of the plan assets is communicated by the life insurance company and amounts to EUR 22.4 million (December 31, 2023: EUR 20.9 million). Furthermore, there is also a reinsurance policy with Swiss life insurance companies, whose future benefits have been pledged in favor of the entitled beneficiaries. The Swiss reinsurance policy is not listed on an active market. The fair value of the plan assets is communicated by the life insurance company and amounts to EUR 22.7 million (December 31, 2023: EUR 19.4 million).

The average time to maturity of the present value of the defined benefit obligation is 14.0 years at the end of the reporting period (December 31, 2023: 11.6 years).

The investment strategy for the plan assets, primarily the German and Swiss reinsurance, aims to achieve a sufficient return on investment on contributions in order to manage the financing risk from pension obligations appropriately. Depending on the current economic conditions, the actual contribution allocation may deviate from the determined investment strategy.

The pension expenses are composed as follows:

IN € MILLION

	2024	2023
Current service costs	1.0	0.8
Interest expense for pension obligations	2.7	2.5
Net interest	0.4	-1.2
Past service cost	-0.1	-0.3
Total pension expense from defined benefit schemes	**4.0**	**1.8**
Total pension expense from defined contribution schemes	**0.6**	**0.5**
Total contributions to statutory pension insurance schemes	**10.0**	**9.6**
Total pension expense	**14.6**	**11.8**

The interest expense from pension obligations is recognized in the financial result. The remaining pension expenses are included as personnel costs shown in the appropriate functional line of the Statement of Profit or Loss.

The valuation date for the fair value of fund assets and the present value of obligations is December 31. The base value for the discounting of pension obligations is the present value of entitlements as of January 1. The base value for the expected return on fund assets is the fair value as of January 1. Intra-year allocations are considered on a pro-rata basis.

The contributions expected to be made to German fund assets in 2025 amount to EUR 1.5 million (for 2024: EUR 1.6 million).

The following overview contains the expected pension payments for the next five years:

IN € MILLION

Due in 2025	4.2
Due in 2026	3.9
Due in 2027	4.0
Due in 2028	4.3
Due in 2029	5.5

Following table shows a sensitivity analysis of the material actuarial assumptions:

IN € MILLION

	as a %	Sensitivity	Increase in valuation parameters	Decrease in valuation parameters
Discount rate	3.5	+/- 1,00 %	-16.6	21.5
Salary increase rate	0.6	+/- 0,50 %	10.2	-8.0
Pension increase rate	1.9	+/- 0,50 %	3.2	-1.6

The sensitivity analysis shows how the actuarial present value of obligations would develop with a possible modification of individual actuarial assumptions. The sensitivity analysis was only determined according to the projected-unit-credit method. This involves determining and displaying the impact of a change to individual actuarial assumptions, while all other assumptions remain unchanged.

For the Group, the following risks arise from the pension commitments made:

- A reduction in the discount rate leads to an increase in pension obligations.
- An increase in life expectancy leads to an increase in pension obligations.

The following table shows the impacts of a one percentage point increase/ reduction in assumed healthcare costs:

IN € MILLION

	Additions	Reversals
2024		
Effect on the present value of pension obligations	0.1	-0.1
2023		
Effect on the present value of pension obligations	0.1	-0.1

The present value of the obligations and the pension payments as well as the revaluations are allocated as follows to pension obligations and healthcare contributions:

IN € MILLION

	2024	2023
Provisions for pensions recorded in the Statement of Financial Position		
Pension obligations	35.6	39.0
Healthcare	0.9	1.0
Total	**36.5**	**40.0**
Pension expenses listed under EBIT		
Pension obligations	1.0	0.8
Healthcare	–	–
Total	**1.0**	**0.8**
New valuations		
Pension obligations	-0.9	5.4
Healthcare	-0.2	0.1
Total	**-1.1**	**5.5**

19 – Other provisions

IN € MILLION

	Balance at Jan. 1, 2024	Currency	Utilization	Additions	Reversals	Balance at Dec. 31, 2024
Provisions						
Warranties	28.7	0.3	-21.3	24.7	-3.2	29.2
Obligations towards employees	6.9	–	-3.9	7.8	-0.1	10.7
Professional fees	0.6	–	-0.7	0.5	–	0.4
Litigation costs	0.4	–	–	0.1	-0.1	0.4
Other provisions	3.7	–	-1.6	0.7	-0.2	2.6
Total	**40.2**	**0.3**	**-27.5**	**33.8**	**-3.6**	**43.3**

	Balance at Jan. 1, 2023	Currency	Utilization	Additions	Reversals	Balance at Dec. 31, 2023
Provisions						
Warranties	21.1	-0.2	-15.8	24.3	-0.7	28.7
Obligations towards employees	7.3	–	-3.1	2.6	0.1	6.9
Professional fees	0.4	–	-0.2	0.5	–	0.6
Litigation costs	0.5	–	-0.1	0.1	-0.2	0.4
Other provisions	0.3	–	0.1	3.4	-0.1	3.7
Total	**29.6**	**-0.2**	**-19.1**	**30.9**	**-1.0**	**40.2**

Provisions for legally required warranties required by law in the amount of EUR 29.2 million (December 31, 2023: EUR 28.7 million) remained stable in the fiscal year 2024 compared to the previous year despite the decline in sales which is attributable to the large volume of machines still under warranty.

An interest effect of less than EUR 0.1 million (31 December 2023 under EUR 0.1 million) was recognized in the provisions for 2024.

The maturities of the above-mentioned provisions are allocated to the as follows:

IN € MILLION

	Current (< 1 year)	Non-current (> 1 year)	Balance at Dec. 31, 2024
Provisions			
Warranties	24.4	4.8	29.2
Obligations towards employees	4.8	5.9	10.7
Professional fees	0.4	–	0.4
Litigation costs	0.2	0.2	0.4
Other provisions	0.8	1.8	2.6
Total	**30.6**	**12.7**	**43.3**

	Current (< 1 year)	Non-current (> 1 year)	Balance at Dec. 31, 2023
Provisions			
Warranties	22.8	5.8	28.7
Obligations towards employees	1.0	5.9	6.9
Professional fees	0.6	–	0.6
Litigation costs	0.2	0.1	0.4
Other provisions	1.6	2.1	3.7
Total	**26.2**	**14.0**	**40.2**

The Group's commitment from the working time accounts of employees is offset against the securities of fixed assets held to secure these claims. The commitment from the working time accounts amounts to EUR 11.8 million (December 31, 2023: EUR 11.1 million). The historical cost of the securities is EUR 9.8 million (December 31, 2023: EUR 9.6 million) and the fair value as of December 31, 2024 is EUR 11.7 million (December 31, 2023: EUR 11.0 million), of which EUR 11.7 million is offset (December 31, 2023: EUR 11.0 million).

The Group's obligations to the members of the Executive Board resulting from the performance share plan amounted to EUR 3.2 million (December 31, 2023: EUR 3.0 million) under long-term commitments to employees.

20 – Current and non-current financial liabilities

The following amounts are recognized under financial liabilities in the Statement of Financial Position items: Non-current financial liabilities EUR 193.8 million (December 31, 2023: EUR 97.3 million), current liabilities to financial institutions EUR 150.6 million (December 31, 2023: EUR 296.1 million) and current portion of non-current liabilities EUR 1.5 million (December 31, 2023: EUR 0.2 million).

The non-current financial liabilities include non-current liabilities from sale and leaseback transactions amounting to EUR 0.1 million (December 31, 2023: EUR 0.2 million). The current portion of non-current liabilities includes current liabilities from sale and leaseback transactions amounting to EUR 0.2 million (December 31, 2023: EUR 0.2 million). The Group did not recognize any loss from sale and leaseback transactions in the year 2024 (2023: no loss).

The carrying amounts of the financial liabilities are as follows:

IN € MILLION

	Dec. 31, 2024	Up to 1 year	1 to 5 years	Over 5 years
Borrowings from banks	127.6	124.1	2.9	0.6
Promissory note (Schuldschein)	189.8	9.9	179.9	–
Investment “SpeedInvest”	0.2	0.2	–	–
Liabilities from sale-and-leaseback	0.3	0.2	0.1	–
Continuing involvement	24.5	17.8	6.7	–
Price obligation TorqueWerk GmbH	1.5	–	1.5	–
Price obligation Weidemann Nederland B.V.	0.9	–	0.9	–
Obligation from capacity commitments	1.1	–	1.1	–
Total	**345.9**	**152.2**	**193.1**	**0.6**

	Dec. 31, 2023	Up to 1 year	1 to 5 years	Over 5 years
Borrowings from banks	207.4	204.8	2.0	0.6
Promissory note (Schuldschein)	157.6	70.8	86.8	–
Investment “SpeedInvest”	0.2	0.2	–	–
Liabilities from sale-and-leaseback	0.4	0.2	0.2	–
Continuing involvement	28.0	20.3	7.7	–
Total	**393.6**	**296.3**	**96.7**	**0.6**

The bank borrowings up to 1 year as at December 31, 2024, essentially consist of money market loans which can be flexibly and also for short terms utilized under the long-term committed credit lines (until 2027) amounting to EUR 450 million.

The following table details the contractual residual maturities of financial liabilities as of December 31, 2024, including estimated interest payments. These are undiscounted gross amounts including estimated interest payments.

IN € MILLION

	Dec. 31, 2024	Up to 1 year	1 to 5 years	Over 5 years
Borrowings from banks	128.1	124.4	3.1	0.6
Promissory note (Schuldschein)	201.2	12.4	188.8	–
Outstanding payment investment “SpeedInvest”	0.2	0.2	–	–
Liabilities from sale-and-leaseback	0.3	0.2	0.1	–
Continuing involvement	24.5	17.8	6.7	–
Price obligation TorqueWerk GmbH	1.5	–	1.5	–
Price obligation Weidemann Nederland B.V.	0.9	–	0.9	–
Obligation from capacity commitments	1.1	–	1.1	–
Total	**357.8**	**155.0**	**202.2**	**0.6**

	Dec. 31, 2023	Up to 1 year	1 to 5 years	Over 5 years
Borrowings from banks	208.4	205.5	2.1	0.8
Promissory note (Schuldschein)	160.0	71.5	88.5	–
Outstanding payment investment “SpeedInvest”	0.2	0.2	–	–
Liabilities from sale-and-leaseback	0.4	0.2	0.2	–
Continuing involvement	28.0	20.3	7.7	–
Total	**397.0**	**297.7**	**98.5**	**0.8**

Borrowings from banks

Borrowings from banks

	Dec. 31, 2024 IN € MILLION	Interest rate as a percentage	Interest rate type	Due dates
Money market loans in EUR	10.0	3.73	fix	< 1 Year
Money market loans in EUR	10.0	3.39	fix	< 1 Year
Money market loans in EUR	15.0	3.69	fix	< 1 Year
Money market loans in EUR	10.0	3.63	fix	< 1 Year
Money market loans in EUR	15.0	3.60	fix	< 1 Year
Money market loans in EUR	20.0	3.55	fix	< 1 Year
Overdrafts in EUR	34.6	2.91	variable	< 1 Year
Overdrafts in USD	6.9	4.49	variable	< 1 Year
Overdrafts in SGD	0.1	2.31	variable	< 1 Year
Loans in EUR	1.3	1.23 – 8.75	fix	< 1 Year
Loans in EUR	0.9	1.50	fix	< 1 Year
Loans in EUR	0.2	3.34	fix	< 1 Year
Loans in EUR	0.9	–	fix	> 1 Year
Loans in EUR	0.6	3.34	fix	> 1 Year
Loans in EUR	2.1	1.23 – 8.75	fix	> 1 Year
Total	**127.6**			

	Dec. 31, 2023 IN € MILLION	Interest rate as a percentage	Interest rate type	Due dates
Money market loans in EUR	45.2	4.71	fix	< 1 Year
Money market loans in EUR	25.1	4.73	fix	< 1 Year
Money market loans in EUR	20.1	4.62	fix	< 1 Year
Money market loans in EUR	20.0	4.61	fix	< 1 Year
Money market loans in EUR	15.0	4.31	fix	< 1 Year
Overdrafts in EUR	58.5	4.63	variable	< 1 Year
Overdrafts in USD	14.4	6.13	variable	< 1 Year
Overdrafts in GBP	5.4	5.94	variable	< 1 Year
Loans in EUR	0.9	1.50	fix	< 1 Year
Loans in EUR	0.2	–	fix	< 1 Year
Loans in EUR	1.3	1.50	fix	> 1 Year
Loans in EUR	0.7	3.34	fix	> 1 Year
Loans in EUR	0.6	–	fix	> 1 Year
Total	**207.4**			

For the sensitivity of interest rate risks associated with the variable-interest borrowings, please refer to Note 32 "Risk management".

The credit lines not utilized by Wacker Neuson SE can be seen in the following table. Of these, EUR 75.0 million are non-binding and can be terminated at any time.

IN € MILLION

	2024
First credit line EUR	50.0
Second credit line EUR	20.0
Third credit line EUR	55.0
Fourth credit line EUR	49.9
Fifth credit line EUR	63.4
Sixth credit line EUR	56.1
Seventh credit line EUR	64.2
Eighth credit line EUR	40.0
Ninth credit line USD	14.4
Tenth credit line EUR	0.7
Eleventh credit line EUR	0.4
Twelfth credit line BRL	2.2
Total	**416.3**

	2023
First credit line EUR	40.0
Second credit line EUR	20.0
Third credit line EUR	35.0
Fourth credit line EUR	40.0
Fifth credit line EUR	61.0
Sixth credit line EUR	43.7
Seventh credit line EUR	42.4
Eighth credit line EUR	35.0
Ninth credit line EUR	0.7
Tenth credit line EUR	0.6
Eleventh credit line BRL	2.8
Total	**321.2**

Promissory note

On May 6, 2019, Wacker Neuson SE placed a promissory note amounting to EUR 150.0 million. The promissory note was issued into two maturity tranches over five and seven years, each with a fixed interest rate and favorable conditions. This secured the financing of the group’s growth plans set out in its Strategy 2022 in the long term. In May 2024, the first tranche amounting to EUR 70.0 million was repaid.

Wacker Neuson SE placed another promissory note amounting to EUR 100.0 million on June 10, 2024.

The fair value for the promissory notes in EUR and USD as of December 31, 2024 amounts to EUR 189.7 million (2023: EUR 153.0 million); fair value measurement – Level 3 hierarchy. All other fair values of the financial liabilities essentially correspond to the carrying amounts.

For the second tranche from the promissory note placed in 2019, annual interest of EUR 0.8 million will be paid until the year 2026, and a repayment of EUR 80.0 million is due on May 8, 2026. For the promissory note amounting to EUR 100.0 million, annual interest of EUR 4,0 million will be paid. The repayment is due on June 18, 2027.

The cash outflows from the promissory note in USD include USD 0.2 million in interest in the year 2025. A repayment amounting to USD 7.5 million is due on March 3, 2025.

Financial Covenants

There are no covenants and collateral regarding the existing financing.

	Dec. 31, 2024 Repayment amount	Dec. 31, 2024 Transaction fees	Dec. 31, 2024 Total nominal value	Dec. 31, 2024 Interest rate as a %	Due date
Promissory note (Schuldschein) in €	81.6	1.6	80.0	0.99	May 2026
Promissory note (Schuldschein) in €	112.0	12.0	100.0	3.99	June 2027
Total, € MILLION	**193.6**	**13.6**	**180.0**		
Promissory note (Schuldschein) in USD	7.7	0.2	7.5	4.24	March 2025
Total, USD MILLION	**7.7**	**0.2**	**7.5**		

21 – Trade payables

As of December 31, 2024, the following breakdown of trade payables at carrying amount is as follows:

IN € MILLION

	Dec. 31, 2024	Dec. 31, 2023
Trade payables	**166.6**	**251.5**
Carrying amount due < 30 days	122.1	187.4
Carrying amount due 30 – 90 days	40.2	59.9
Carrying amount due > 90 days	4.3	4.2

Trade payables are non-interest bearing and amounted to EUR 166.6 million in the year 2024, which is below the previous year's figure (December 31, 2023: EUR 251.5 million). Due to the short-term nature, the carrying amount also corresponds to its fair value.

In the fiscal year 2023, Wacker Neuson SE entered into an Invoice Processing Services Agreement. The objective of the agreement was to conduct reverse factoring transactions. The structure of these transactions was as follows:

- suppliers of certain subsidiaries of the Wacker Neuson Group sell their trade receivables, after prior confirmation by the Wacker Neuson Group, on a designated portal to the core banks affiliated with the Wacker Neuson Group.
- Wacker Neuson SE provides a payment promise for the subsidiaries.
- The sale of these receivables is based on unchanging parameters (such as currency, amount or invoice due date), so there is no change in the recognition of the sale as a trade payable. Therefore, there was no modification of the presentation as trade payables.

The Group does not believe that supplier financing leads to an excessive concentration of liquidity risk. The agreement was made, among other things, to enable the corresponding suppliers to receive early payments.

The carrying amount of trade payables attributable to the reverse factoring transactions amounts to EUR 10.1 million as of December 31, 2024 (December 31, 2023: 15.0 million). Of this, EUR 10.0 million has already been paid out to the respective suppliers. In the fiscal year 2024, there were no material non-cash amendments to the carrying amount of trade payables that are part of the reverse factoring transactions.

22 – Other current liabilities

IN € MILLION

	Dec. 31, 2024	Dec. 31, 2023
Other accruals/deferrals	35.6	48.1
Servicing for the ABS-program	34.6	39.6
Debtors with credit balances	6.0	6.2
Derivatives	3.9	4.5
Misc. other current financial liabilities	6.0	8.5
Other current financial liabilities	**86.1**	**106.9**
Other tax accruals/deferrals and tax liabilities	4.2	5.4
Personnel accruals/deferrals	33.6	51.1
Sales tax liabilities	16.8	15.1
Other current non-financial liabilities	**54.6**	**71.7**
Total	**140.6**	**178.6**

The other accruals mainly include outstanding invoices. The fair values of the other current financial liabilities approximately correspond to the carrying amounts.

The Wacker Neuson Group continues to manage receivables (servicing) for the sold receivables under the ABS program (please refer to Note 28 “Additional information on financial instruments”). As of the reporting date of the current fiscal year, payment receipts amounting to EUR 34.6 million (December 31, 2023: EUR 39.6 million) had not yet been forwarded to the partner bank of the ABS program due to the turn of the year.

23 – Contract liabilities

IN € MILLION	Dec. 31, 2024	Dec. 31, 2023
Extended warranties	20.0	14.4
Down-payments received	3.1	2.6
Prepaid services	9.6	9.1
Total	**32.7**	**26.2**

IN € MILLION	Current (< 1 year)	Non-current (> 1 year)	Total Dec. 31, 2024
Contract liabilities			
Extended warranties	4.8	15.2	20.0
Down-payments received	3.1	–	3.1
Prepaid services	3.3	6.3	9.6
Total	**11.2**	**21.5**	**32.7**

	Current (< 1 year)	Non-current (> 1 year)	Total Dec. 31, 2023
Contract liabilities			
Extended warranties	5.5	8.9	14.4
Down-payments received	2.6	–	2.6
Prepaid services	1.9	7.3	9.1
Total	**10.0**	**16.1**	**26.2**

Of the contract liabilities recognized in the previous fiscal year, EUR 10.0 million (2023: EUR 7.5 million) have been recognized as revenue in the fiscal year 2024.

24 – Derivative financial instruments

The Group utilizes FX-forwards and currency swaps (foreign exchange derivatives). For accounting treatment, please refer to Note 28 "Additional information on financial instruments". The nominal terms and fair values of the derivative financial instruments are as follows:

IN € MILLION	Dec. 31, 2024 Nominal value	Dec. 31, 2024 Market value	Dec. 31, 2023 Nominal value	Dec. 31, 2023 Market value
Assets				
Currency hedges	58.4	1.2	108.9	2.0
Total	**58.4**	**1.2**	**108.9**	**2.0**
Liabilities				
Currency hedges	113.5	3.9	107.5	4.5
Total	**113.5**	**3.9**	**107.5**	**4.5**

We refer to the net gains and net losses from these financial instruments in Note 28 "Additional information on financial instruments".

IN € MILLION	Up to 1 year Nominal value	1 to 5 years Nominal value	Over 5 years Nominal value
Assets			
Currency hedges	58.4	–	–
Total	**58.4**	**–**	**–**
Liabilities			
Currency hedges	113.5	–	–
Total	**113.5**	**–**	**–**

25 – Lease liabilities

The Group rents various buildings for branch offices and warehouses as well as office buildings, facilities and vehicles. Lease contracts are generally concluded for fixed periods of 3 to 10 years, however, some contracts may contain lease extension options as discussed under the section "Significant judgements, estimates and assumptions" below. The lease conditions are negotiated case-by-case and include a variety of different terms. The lease agreements do not contain any credit conditions, however, leased assets may not be used as security for borrowings.

The Group has also entered into lease agreements for leased assets with a term of twelve months or less, as well as for low-value office equipment items. For these lease agreements, the Group applies the practical expedients applicable to short-term leases and leases of low-value assets.

The development of right-of-use assets for the fiscal year 2024 has been explained in detail in Note 8 "Property, plant and equipment". We refer at this point to this section to avoid duplications.

The following table shows the carrying amounts of lease liabilities and the changes during the reporting period:

IN € MILLION

	Dec. 31, 2024	Dec. 31, 2023
As at Jan. 1	**118.1**	**77.2**
Exchange rate differences	-0.6	0.1
Change in consolidation structure	0.9	–
Additions	45.5	65.8
Disposals	-4.7	-1.6
Interest expense	4.8	3.1
Payments	-32.7	-26.5
As at Dec. 31	**131.3**	**118.1**
Of which current	28.1	29.7
Of which non-current	103.2	88.4

The carrying amounts of the lease liabilities are presented by their maturities as follows:

IN € MILLION

	Dec. 31, 2024	Up to 1 year	1 to 5 years	Over 5 years
Lease liabilities (incl. sale-and-leaseback before 2019)	131.3	28.1	60.9	42.3

	Dec. 31, 2023	Up to 1 year	1 to 5 years	Over 5 years
Lease liabilities (incl. sale-and-leaseback before 2019)	118.1	29.7	51.9	36.5

The lease liabilities of the Group have the maturities presented below. The disclosures are made on the basis of contractual, undiscounted payments.

IN € MILLION

	Dec. 31, 2024	Dec. 31, 2023
Up to 3 months	7.0	7.4
3 to 12 months	21.1	22.3
1 to 5 years	76.9	64.3
Over 5 years	46.9	41.0
Total	**151.9**	**135.0**

The following amounts were recognized in the Statement of Profit or Loss in the reporting period:

IN € MILLION

	Dec. 31, 2024	Dec. 31, 2023
Depreciation expense on right-of-use assets	28.0	23.8
Interest expense on lease liabilities	4.8	3.1
Income from subleasing right-of-use-assets, reported under other operating income	–	–
Expense for current leases (included in cost of sales)	–	–
Expense for current leases (included in sales and service expenses)	–	0.1
Expense for leases on low-value assets (included in cost of sales)	0.2	0.2
Expense for leases on low-value assets (included in sales and service expenses)	–	0.1
Expense for leases on low-value assets (included in general and administrative expenses)	–	0.1
Variable lease payments	–	0.3
Total recognized in the Statement of Profit or Loss	**33.0**	**27.7**

The group's cash outflows for leases amounted to EUR 32.7 million in 2024 (2023: EUR 26.2 million). Additionally, the Group reported non-cash additions to the right-of-use assets and lease liabilities amounting to EUR 46.4 million in 2024 (2023: EUR 65.8 million). The major addition was the lease associated with the spare parts warehouse in Mühlheim-Kärlich, which commenced operations in June.

The following table shows the undiscounted potential future lease payments for periods after the exercise date of the lease extension options which are not included in the lease term.

IN € MILLION

	Within five years	Over five years	Total Dec. 31, 2024
Extension options where exercise is not expected	12.0	47.3	59.3

	Within five years	Over five years	Total Dec. 31, 2023
Extension options where exercise is not expected	12.9	46.2	59.1

The Group has entered into various lease contracts that have not yet commenced as of December 31, 2024. The future lease payments for these non-cancellable lease contracts amount to EUR 0.1 million for the next year (December 31, 2023: EUR 1.6 million), EUR 0.2 million for the years two to five (December 31, 2023: EUR 11.9 million) and EUR 0.0 million for the period thereafter (December 31, 2023: EUR 9.7 million).

Other disclosures

26 – Contingent Liabilities

Contingent liabilities represent, on the one hand, possible obligations that depend on the occurrence of one or more uncertain future events, which cannot be fully controlled by the Group. On the other hand, they include existing obligations for which an outflow of resources to settle the obligation is not probable or for which the amount of the obligation cannot be reliably estimated.

In the Group, the following guarantees exist:

IN € MILLION	Dec. 31, 2024	Dec. 31, 2023
Guarantees	1.7	2.1

27 – Other financial commitments

a) Commitments

The maturities of the commitments from service and maintenance contracts are as follows:

IN € MILLION	Dec. 31, 2024	Dec. 31, 2023
Commitments due within 1 year	29.4	35.5
Commitments due in 1 to 5 years	50.4	42.0
Commitments due in more than 5 years	19.7	21.4
Total	**99.5**	**99.0**

The increase in commitments is primarily due to a contract for logistics services.

b) Commitments arising from investment decisions/purchase and supply commitments

There are financial commitments from construction and investment projects amounting to EUR 1.0 million (December 31, 2023: EUR 7.3 million) as well as from return obligations amounting to EUR 9.4 million (December 31, 2023: EUR 6.1 million). The Group estimates the probability of its return obligations as immaterial based on historical experience and the current market situation. Therefore, no refund liability and assets from return rights are recognized.

There are also unconditional purchase commitments for deliveries and services from order commitments amounting to EUR 288.6 million (2023: EUR 257.1 million).

c) Legal proceedings and processes

The Group is repeatedly subject to legal and extrajudicial procedures as part of its business activities, the outcome of which regularly depends on an uncertain future event and therefore cannot be predicted with safety. There are a number of individual cases that only have immaterial impacts.

28 – Additional information on financial instruments

The carrying amounts and the fair values of the financial assets and liabilities as well as the categorization of the individual carrying amounts are derived from the following table

IN € MILLION

	2024 Fair value	2024 carrying amount	At fair value through profit or loss	At fair value through other comprehensive income	At amortized cost	Leases and others (carrying amount)
Assets						
Investments accounted for using the equity method	4.2	4.2	–	–	–	4.2
Other Investments	3.8	3.8	3.8	–	–	–
Non-current financial assets	29.5	29.5	–	1.5	19.9	8.1
Trade receivables	254.0	254.0	–	–	254.0	–
Other current financial assets	39.1	39.1	0.7	0.5	37.1	0.8
Cash and cash equivalents	35.3	35.3	–	–	35.3	–

	2024 Fair value	2024 carrying amount	At fair value through profit or loss	At fair value through other comprehensive income	At amortized cost	Leases and others (carrying amount)
Liabilities						
Non-current financial liabilities	187.5	193.8	–	–	193.8	–
Trade payables	166.6	166.6	–	–	166.6	–
Current liabilities to financial institutions	150.3	150.6	–	–	150.6	–
Current portion of non-current liabilities	1.5	1.5	–	–	1.5	–
Other current financial liabilities	86.1	86.1	2.7	1.2	82.2	–

IN € MILLION

	2023 Fair value	2023 carrying amount	At fair value through profit or loss	At fair value through other comprehensive income	At amortized cost	Leases and others (carrying amount)
Assets						
Investments accounted for using the equity method	–	–	–	–	–	–
Other Investments	4.0	4.0	4.0	–	–	–
Non-current financial assets	24.3	24.3	–	1.4	22.4	0.5
Trade receivables	346.6	346.6	–	–	346.6	–
Other current financial assets	44.2	44.2	1.0	1.0	41.7	0.5
Cash and cash equivalents	27.8	27.8	–	–	27.8	–

	2023 Fair value	2023 carrying amount	At fair value through profit or loss	At fair value through other comprehensive income	At amortized cost	Leases and others (carrying amount)
Liabilities						
Non-current financial liabilities	91.1	97.3	–	–	97.3	–
Trade payables	251.5	251.5	–	–	251.5	–
Current liabilities to financial institutions	295.4	296.1	–	–	296.1	–
Current portion of non-current liabilities	0.2	0.2	–	–	0.2	–
Other current financial liabilities	106.9	106.9	3.5	1.0	102.4	–

The following table presents the net gains and net losses from financial instruments by valuation category. It does not include any effects on results from finance leases, as these do not belong to any valuation category of IFRS 9. Furthermore, interest and dividends were not considered in the net gains and net losses from financial instruments.

IN € MILLION

	Dec. 31, 2024	Dec. 31, 2023
Financial assets - measured at amortized cost	-2.3	-0.1
Financial assets - measured at fair value through profit or loss	3.6	2.7
Financial liabilities - measured at fair value through profit or loss	-4.2	-3.2
Financial liabilities - measured at amortized cost	-0.3	-2.6

The net profit or loss from the category "measured at amortized cost" results from impairments on trade receivables.

The gains and losses from changes in the fair value of derivatives without hedging relationships are included in the category "fair value through profit or loss" measured assets.

Total interest income amounting to EUR 3.0 million (2023: EUR 2.1 million) and total interest expenses amounting to EUR 17.6 million (2023: EUR 9.5 million) for financial assets and liabilities (calculated using the effective interest method) that are not measured as fair value through profit or loss were recognized.

Financial instruments in the form of foreign currency receivables and foreign currency payables from goods and services are measured at the reporting dates at the respective relevant closing rate. This results in income amounting to EUR 1.6 million (2023: income EUR 0.4 million), which is recognized in the financial result.

The Group uses derivative financial instruments such as foreign exchange forward contracts, foreign exchange swaps, and interest rate swaps to hedge against exchange rate and interest rate risks. These derivative financial instruments are recognized at fair value at the time the contract is concluded and are remeasured at fair value in subsequent periods. To hedge currency risks from internally provided loans by the holding company to the subsidiaries, the Group uses foreign exchange swaps. For this area, the Group does not apply hedge accounting within the meaning of IFRS 9, as the effects from the hedge relationship are recognized in profit or loss in the financial result. In the fiscal year, financial assets amounting to EUR 0.7 million (2023: EUR 1.0 million) were recognized from positive market values. For the negative market values, the Group recognized a financial liability amounting to EUR 2.7 million (2023: EUR 3.5 million).

Furthermore, the Group uses foreign exchange forwards (FX forwards with a nominal volume of EUR 61.4 million; 2023: EUR 113.1 million) to hedge the currency risk from future purchase transactions in foreign currency. The carrying amounts are recognized under the Statement of Financial Position lines “Other current financial assets” and “Other current financial liabilities.” For this purpose, the Group applies cash flow hedge accounting in accordance with IFRS 9. As a result, EUR -0.4 million (2023: EUR -0.1 million) has been recognized in equity as a cash flow hedge reserve (2024: EUR 0.5 million; 2023: EUR 4.1 million). EUR -0.9 million (2023: EUR 4.0 million) has been reclassified from the cash flow hedge reserve to the Statement of Profit or Loss for the fiscal year.

The following table presents the financial instruments, which are subsequently measured at fair value. For the classification (hierarchy levels) of the fair value according to IFRS 13, we refer to the section on accounting policies, assumptions, judgements and estimations.

The methodologies and assumptions applied to determine the fair values are as follows:

IN € MILLION

	Level 1	Level 2	Level 3	Dec. 31, 2024
Financial assets categorized “at fair value through profit or loss”				
Non-hedged derivatives	–	0.5	–	0.5
Hedged derivatives	–	0.7	–	0.7
Other Investments	–	–	3.8	3.8
Financial assets categorized “at fair value through other comprehensive income”				
Securities	1.5	–	–	1.5
Financial liabilities categorized “at fair value through profit or loss”				
Non-hedged derivatives	–	2.7	–	2.7
Hedged derivatives	–	1.2	–	1.2

	Level 1	Level 2	Level 3	Dec. 31, 2023
Financial assets categorized “at fair value through profit or loss”				
Non-hedged derivatives	–	1.0	–	1.0
Hedged derivatives	–	1.0	–	1.0
Other Investments	–	–	4.0	4.0
Financial assets categorized “at fair value through other comprehensive income”				
Securities	1.4	–	–	1.4
Financial liabilities categorized “at fair value through profit or loss”				
Non-hedged derivatives	–	3.5	–	3.5
Hedged derivatives	–	1.0	–	1.0

Long-term fixed-interest and variable-interest receivables/loans are measured by the Group using the net present value method based on parameters such as interest rates, certain country-specific risk factors, the creditworthiness of individual customers, and the risk characteristics of the financed project. Based on this assessment, loss allowances are made to account for expected defaults of these receivables. As of December 31, 2024, the carrying amounts of these receivables, net of loss allowances, do not differ materially from their calculated fair values.

The fair value of the “fair value through profit or loss” evaluated pension funds is determined based on stock market prices in active markets.

The minority interest in Austria, in the form of unlisted shares, is assigned to Level 3 – fair value hierarchy amounting to EUR 3.8 million (2023: EUR 4.0 million). In the current fiscal year, an expense of EUR 0.2 million (2023: expense of EUR 0.4 million) was recognized in profit or loss. The fair values of the unlisted shares were determined using the Discounted Cash Flow method (Net Present Value). The valuation requires certain assumptions from external portfolio management regarding the model's input factors, including forecasted cash flows from the held shares within the portfolio, the discount rate, credit risk, and volatility. The probability of occurrence of the various estimates within a range is used by external portfolio management in estimating the fair value of these unlisted equity instruments. The Total Value Paid In (TVPI) changed from 1.33 to 1.24 during the reporting year. The investment is assigned to the category of “financial assets at fair value through profit or loss” and is recognized within “investments”.

The Group enters into derivative financial instruments with various parties, particularly with financial institutions with good credit ratings. Derivatives measured using a valuation method with market observable input parameters are primarily foreign currency forward contracts. The most frequently applied valuation methods include forward pricing models using present value calculations. The models take various factors into account, such as credit rating of business partners, spot exchange rate, forward rate, and forward points.

The fair values of the interest-bearing loans of the Group are determined using the discounted cash flow method. A discount rate is applied that reflects the borrowing rate of the issuer at the end of the reporting period. The own non-performance risk was assessed as low as of December 31, 2024.

Asset-Backed Transaction

The Group has entered into an updated agreement for the bundled sale of receivables with a German credit institution for a volume of up to USD 225 million in the fiscal year 2024 (2023: USD 200 million).

The purchase price for this agreement, less a retention by the bank, is paid out immediately upon sale. The risks relevant for the risk assessment of the sold receivables are the credit risk (default risk). The Wacker Neuson Group bears credit risk-related losses of various tranches up to a certain amount; the remaining credit risk-related losses are assumed by the bank. Due to the distribution of material risks between the Wacker Neuson Group and the banks, almost all of the risks and rewards associated with the sold receivables have neither been transferred nor retained (distribution of material rewards and risks between the Wacker Neuson Group and the buyer). The Group's continuing involvement in this transaction as of December 31, 2024, amounts to EUR 24.5 million (2023: EUR 28.0 million). Liabilities to the bank in the same amount were recognized as financial debts from this continuing involvement.

The Wacker Neuson Group continues to perform receivables management (servicing) for the sold receivables. The buyers have the right to transfer the servicing to third parties without specific reasons. Although the Wacker Neuson Group is not entitled to dispose of the sold receivables in any manner other than in its role as servicer, it retains control over the sold receivables due to agreed first loss guarantees, as the acquiring bank does not have the actual ability to resell the acquired receivables.

At the time of the sale of receivables, the fair value of the expected losses is recognized as an expense. Expected future disbursements are recognized as part of the associated liability.

Certain purchase price components are initially withheld and only later paid out to the Wacker Neuson Group depending on the amount of actual bad debt losses. As far as the subsequent collection of such purchase price components is expected, they are recognized at their fair value.

The Wacker Neuson Group continues to recognize the sold trade receivables from the above-mentioned transactions to the extent of the continuing involvement, i.e., to the maximum amount for which they remain liable for the inherent credit risk and late payment risk of the sold receivables. A corresponding liability, recognized as a liability to banks, is recognized accordingly. The receivables and the associated liability are derecognized to the extent that the Group's continuing involvement is reduced (particularly upon payment by the customer). The carrying amount of the receivables is subsequently reduced through profit or loss to the extent that the actual losses borne by the Wacker Neuson Group resulting from the credit risk exceed those initially expected.

Further detailed information on the initial financial transaction for the transfer of assets is included in the table below:

IN € MILLION

	Dec. 31, 2024	Dec. 31, 2023
Transferred assets		
End of contractual terms in year	2025	2024
Contractual maximum volume in USD	225	200
Sold receivables volume on reporting date	137.1	156.6
Range of sold receivables volume in year under review	137.1	156.6
Entitlements/obligations from receivables management	–	–
Continuing involvement		
Maximum credit risk (before credit insurance)	24.5	28.0
Total carrying amount of transferred receivables	137.1	156.6
Carrying amount of assets still carried	24.5	28.0
Carrying amount of associated liability	24.5	28.0
Fair value of the financial guarantee	0.5	0.6
Purchase price discounts, program fees, and pro-rata loss allocations recognized in income		
Recognized gains/losses	–	–
Income/expenses in the current fiscal year	9.8	9.0
Income/expenses accumulated since start of contract	23.3	13.6

29 – Events after the reporting date

There have been no events after the reporting date that could have material impacts on the future business development of Wacker Neuson SE.

30 – Segment reporting

Identification and determination of the operating segments

The internal organizational and management structure as well as the internal reporting to the Executive Board and Supervisory Board, which are based on geographical segments, form the basis for determining the operating segments of the Group's. The allocation of subsidiaries to geographical segments refer to the section on bases of consolidation (see general disclosures on accounting principles/bases of consolidation). Thereafter, the subsidiaries are grouped by geographical regions (Europe, Americas, Asia-Pacific). In Europe, Turkey, Africa, and the Middle East are included. Beyond geographical segments, reporting by business areas, which only contains revenue, is also prepared; therefore, groups management continues to be based on geographical segments. During the reporting year, there was no modification in the segment definition.

Products and services of operating segments

The geographical operating segments can be divided into light equipment, compact equipment and services.

The business area light equipment includes the manufacturing and sale of light equipment in the three business areas of concrete technology, compaction and worksite technology.

The business area compact equipment includes the manufacturing and sale of compact equipment.

The business area services include the activities of the Group, including spare parts, maintenance, used equipment, income from customer financing, rental solutions, distribution of third-party machines, and extended warranties.

Segment measurement methods

The intra-segment transactions, which were considered under EBIT of the individual segments, are recognized in the consolidation column. Non-current assets are recognized by material countries.

The segment measurement methods are based on the measurement methods applied in internal reporting. Internal reporting is conducted exclusively in accordance with the applicable IFRS.

The business relationships between the segments of the Group are based on prices that were also agreed upon with third parties.

Reporting format

The segment reporting is presented as part of the Notes to the Consolidated Financial Statements after the Statement of Cash Flows.

Derived from the internal financial reporting, the segment revenues and the segment results are indicated as EBIT. The EBIT is calculated as the sum of the individual companies. Wacker Neuson SE, as the holding company, is allocated to the Europe segment. Its central service costs are completely allocated to the individual reportable regional segments.

The consolidation column includes the elimination of profit-affecting transactions conducted between the operating segments. This primarily concerns the consolidation of interim results from the sale of goods.

Entity-wide disclosures report the revenue from external customers, broken down by products and services. Additionally, the revenue as well as the non-current assets are presented by material countries. No more than 10 percent of the consolidated revenue was generated with any single customer.

31 – Statement of Cash Flows

The Statement of Cash Flows is prepared in accordance with IAS 7. The cash flows in the statement of cash flows are divided into the segments cash flow from operating activities, cash flow from investment activities, and cash flow from financing activity. If changes in cash and cash equivalents result from changes in foreign exchange rates, they are recognized separately.

The liquid fund includes the liquid resources recognized in the Statement of Financial Position. Current bank liabilities from the notional group cash pool were offset against the liquid resources.

Refer to Note 16 "Cash and cash equivalents" for the breakdown of the liquid funds.

IAS 7.18 permits entities to determine cash flows from operating activities using either the direct or the indirect method. The Group applies the indirect method.

The cash flow from investment activities includes the monetary investments in intangible assets and in property, plant and equipment, less disinvestments.

The cash flow from financing activity includes payments received from shareholders, including interest paid, as well as payments made to them. Also included are payments resulting from the borrowing and repayment of financial liabilities.

IN € MILLION

	Jan. 1, 2024	Reclassifi-cations	Cash flows	Continu-ing invol-vement	Foreign exchange movement	New leases (incl. sale-and-lease-back)	Change in consolida-tion structure	Other	Dec. 31, 2024
Current liabilities to financial institutions (Note 20)	296.1	8.0	-150.7	-2.5	-0.5	–	–	0.3	**150.6**
Current portion of non-current liabilities (Note 20)	0.2	–	-0.2	–	–	–	1.5	–	**1.5**
Current lease liabilities (Note 25)	29.7	31.7	-32.8	–	–	–	0.2	-0.7	**28.1**
Non-current finanical liabilities (Note 20)	97.3	-8.0	99.0	-1.0	0.3	–	2.7	3.5	**193.8**
Non-current financial liabilities (Note 25)	88.4	-31.7	–	–	-0.6	46.4	0.7	–	**103.2**
Total liabilities from financing activities	**511.7**	**–**	**-84.7**	**-3.5**	**-0.8**	**46.4**	**5.1**	**3.0**	**477.3**

	Jan. 1, 2023	Reclassi-fications	Cash flows	Continu-ing invol-vement	Foreign exchange move-ment	New leases (incl. sale-and-lease-back)	Change in consolida-tion structure	Other	Dec. 31, 2023
Current liabilities to financial institutions (Note 20)	117.9	70.6	101.6	4.9	1.2	–	–	-0.1	**296.1**
Current portion of non-current liabilities (Note 20)	0.8	0.2	-0.8	–	0.0	–	–	–	**0.2**
Current lease liabilities (Note 25)	22.6	32.0	-26.5	–	–	–	–	1.6	**29.7**
Non-current finanical liabilities (Note 20)	169.5	-74.2	0.1	2.3	-0.4	–	–	–	**97.3**
Non-current financial liabilities (Note 25)	54.6	-32.0	–	–	0.2	65.8	–	-0.2	**88.4**
Total liabilities from financing activities	**365.4**	**-3.4**	**74.4**	**7.2**	**1.0**	**65.8**	**–**	**1.3**	**511.7**

32 – Risk Management

Capital management

A material objective of Group capital management is to maintain a high equity ratio to support its business activities.

The Group actively manages its capital structure and makes adjustments in consideration of changes in economic conditions. The objective of capital management is to ensure the sustainable business and investing activities of the Group. To maintain an appropriate capital structure, the Group may propose adjustments to the dividend payments to the shareholders or issue new shares. As of December 31, 2024 and December 31, 2023, no amendments of the targets, policies, and procedures regarding the management of the capital structure were made. The Group monitors its capital using the measure of net financial debt, resulting from current net financial liabilities and non-current financial liabilities.

IN € MILLION

	Dec. 31, 2024	Dec. 31, 2023
Current financial liabilities	152.1	296.3
Current financial liabilities	150.6	296.1
Current portion of non-current financial liabilities	1.5	0.2
Non-current financial liabilities	193.8	97.3
Total equity before minority interests	1,499.6	1,499.7
Total capitalization	**1,845.6**	**1,893.3**

IN € MILLION

	Dec. 31, 2024	Dec. 31, 2023
Current net financial liabilities	**116.8**	**268.5**
Current liabilities	152.1	296.3
plus liquid funds	-35.3	-27.8
Net financial debt	**310.6**	**365.7**
Current net financial liabilities	116.8	268.5
plus non-current financial liabilities	193.8	97.3

Financial Risk Factors

Due to its global operational activities, the Group is exposed to various financial risks: currency risks, credit risks, liquidity risks, and interest rate risks. The overarching risk management of the group focuses on the unpredictability of developments in the financial markets and aims to minimize the potentially negative impacts on the financial performance of the Group. The corporate policy aims to limit these risks through systematic financial management. The Group particularly uses targeted derivative financial instruments to hedge against certain risks.

The central corporate finance department is responsible for risk management in accordance with the policies approved by the Executive Board. It identifies, assesses, and hedges financial risks in close collaboration with the operational units of the Group. The Executive Board sets both policies for risk management and fixed principles for certain risk areas. These risk areas include, for example, the management of foreign currency risks, interest rate risks, and credit risks.

Furthermore, the use of derivative and non-derivative financial instruments as well as the utilization of liquidity surpluses is prescribed.

Currency risk

The currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in exchange rates. The Group is primarily exposed to exchange rate risks in the context of its operating activities (when revenue and/or expenses are denominated in a foreign currency).

To manage its currency risk, the Group hedges at least 50 percent of all anticipated transactions related to purchases that are expected to occur within the next twelve months.

If a derivative transaction is concluded for the purpose of hedging, the Group negotiates the contractual terms in such a way that the derivative financial instrument corresponds to the risk being hedged. In the case of hedging expected transactions, the derivative financial instrument covers the exposure period from the time the cash flows from the transactions are forecasted until the time of settlement of the corresponding foreign currency-denominated liability or receivable.

The Group hedges against fluctuations in the translation of its foreign business units into euro by taking out loans denominated in foreign currencies and entering into foreign currency swaps and foreign exchange forward contracts.

In the event of an increase or decrease in the USD/EUR exchange rate by 5 percent, the financial assets and liabilities recorded in US dollars would have the following impact on profit before tax and equity:

IN € MILLION

	2024	2023
USD currency trends as a %	+5.00/-5.00	+5.00/-5.00
Impact on profit before tax (EBT)	-2.2/2.6	-3/3.2
Impact on equity	-2.2/2.6	-3/3.2

The average exchange rate of the Euro to the US dollar was EUR 1 to USD 1.08 in the year 2024 (2023: EUR 1 to USD 1.08).

In addition, the Group is subject to currency risks from individual transactions resulting from purchases and sales by a company in a currency other than the functional currency.

Credit risk

In the Group, there are no material credit risks. Contracts for derivative financial instruments and financial transactions are only concluded with financial institutions of high creditworthiness to keep counterparty credit risk as low as possible. The carrying amount of financial assets recognized in the Consolidated Financial Statements represents the maximum credit risk. For the carrying amount of financial assets, reference is made to Note 28 "Additional information on financial instruments".

With the continued weakness in the construction and financial sectors of certain countries, some customers of the Group may encounter payment difficulties or may have to declare bankruptcy. An increase in trade receivables and a resulting high probability of bad debts would be the consequence. The Group addresses this exposure, where individual customers may change their payment behavior, with active receivables management and credit assessment of business partners, along with hedging instruments such as credit insurance. These existed in the fiscal year 2024 for a volume of EUR 1.204.2 million and reimburse approximately EUR 27.2 million of the nominal volume in the event of a default.

Interest rate risks

Interest rate risks arise from market-driven fluctuations in interest rates. They affect, on one hand, the amount of the interest expense of the Group. On the other hand, they influence the fair value of financial instruments.

The following Statement of Financial Position items include variable interest-bearing assets and liabilities that are subject to interest rate risk.

IN € MILLION

	Dec. 31, 2024	Dec. 31, 2023
Cash and cash equivalents	35.3	27.8
Non-current financial liabilities	193.8	97.3
Current liabilities to financial institutions	150.6	296.1
Current portion of non-current liabilities	1.5	0.2
	381.2	**421.4**

The following table shows the sensitivity of the group's earnings before tax to a reasonably possible change in interest rates due to the impacts on variable rate loans and deposits.

The fixed-interest promissory note was not considered in the sensitivity calculation. See also Note 20 "Current and non-current financial liabilities."

The impact on the consolidated profit before tax simultaneously reflects the impact on equity.

IN € MILLION

	2024	2023
Increase in interest rates of 0.2%	-0.7	-0.7
Decrease in interest rates of 0.2%	0.7	0.7

Liquidity risks

Liquidity risks refer to the inability to procure the necessary financial resources in a timely manner to meet payment obligations. Within the company, available and unused credit and guarantee lines ensure liquidity at all times. Liquidity management is carried out through a group-wide cash pool system by the central Treasury Department. For the existing credit lines and financial covenants, as well as further disclosures, refer to Note 20 "Current and non-current financial liabilities".

33 – Executive Bodies

Executive Board

The Executive Board consisted of the following members during the reporting year:

- Dr. Karl Tragl, CEO, Chairman of the Executive Board, responsible for strategy, M&A, legal & compliance, HR, investor relations, corporate communications, real estate, sustainability, and business process management
- Felix Bietenbeck, CTO & COO, responsible for production, quality, supply chain management, procurement, and research and development
- Christoph Burkhard, CFO, responsible for finance, controlling & risk management, internal audit, IT, sales financing and integrated business planning
- Alexander Greschner, CSO, responsible for sales, service, marketing and aftermarket

The following members of the Executive Board of the Group hold Supervisory Board mandates or mandates in comparable domestic and foreign control bodies:

- Felix Bietenbeck: Wilh. Wülfing GmbH & Co KG, Borken, Chairman of the Advisory Board
- Christoph Burkhard: Advyce & Company GmbH, Munich, Member of the Supervisory Board

Supervisory Board

As Supervisory Board members of Wacker Neuson SE, they are or were appointed during the reporting year:

- Johann Neunteufel, Chairman of the Executive Board of the PIN Private Trust (PIN Privatstiftung), Linz, Austria, Chairman of the Supervisory Board
- Mag. Kurt Helletzgruber, Member of the Executive Board of PIN Private Trust (PIN Privatstiftung), Linz, Austria
- Christian Kekelj, designer, Chairman of the Central Works Council, Chairman of the Munich Works Council, Maisach
- Prof. Dr. Matthias Schüppen, lawyer, auditor, tax advisor, and partner at the law firm Graf Kanitz, Schüppen & Partner, Stuttgart
- Elvis Schwarzmair, industrial electronics technician, Chairman of the Reichertshofen Works Council, Chairman of the Group Works Council and the SE Works Council, Rohrbach
- Ralph Wacker, civil engineer and Managing Partner of Wacker+Mattner GmbH, Munich, Deputy Chairman of the Supervisory Board

The aforementioned members of the Supervisory Board have been appointed, pursuant to the articles of association, until the conclusion of the Annual General Meeting that resolves the discharge for the fiscal year 2024 of Wacker Neuson SE, but for no longer than six years.

The following Supervisory Board members of the Group hold additional Supervisory Board mandates or mandates at comparable domestic and foreign control bodies:

- Prof. Dr. Matthias Schüppen: Tengelmann Warenhandelsgesellschaft KG, Munich, Member of the Advisory Board

For the disclosures about the remuneration of the Executive Board and Supervisory Board as well as the remuneration of former board members, we refer to Note 34 "Related party disclosures".

34 – Related party disclosures

As related parties within the meaning of IAS 24 (disclosures on relationships with related parties), the shareholders and groups controlled or significantly influenced by shareholders (sister companies as well as the members of the Executive Board and the Supervisory Board) are generally considered for the Group.

The material relationships of the Group with related parties were as follows:

IN € MILLION

	Current receivables Dec. 31, 2024	Current payables Dec. 31, 2024	Expenses for business transactions 2024	Income for business transactions 2024
Relations with shareholders	–	–	0.9	–
Relations with sister companies	–	–	–	–
Total	**–**	**–**	**0.9**	**–**

	Current receivables Dec. 31, 2023	Current payables Dec. 31, 2023	Expenses for business transactions 2023	Income for business transactions 2023
Relations with shareholders	–	0.1	1.0	–
Relations with sister companies	–	–	0.1	0.1
Total	**–**	**0.1**	**1.1**	**0.1**

The relationships with shareholders essentially result from supply and service relationships with a shareholder, Wacker Werke GmbH, a competence center for concrete compaction. The volume of deliveries and services provided to the shareholder amounted to EUR 0.0 million (2023: EUR 0.0 million). This was offset by the deliveries and services received from the shareholder amounting to EUR 0.9 million (2023: EUR 1.0 million). The deliveries and services made were at market conditions as agreed with third parties.

Relationships with sister companies and such entities that are controlled or significantly influenced by shareholders mainly arise from supply and service relationships as well as rental agreements between subsidiaries and entities that are controlled or significantly influenced by shareholders. The deliveries and services provided were conducted under market conditions, as also agreed upon with third parties.

The expenses recognized in the fiscal year 2024 under IFRS for the remuneration of the active members of the Executive Board are structured as follows:

IN € MILLION

	2024	2023
short-term employee benefits	2.8	3.4
post-employment benefits	0.6	0.5
other long-term employee benefits	–	–
termination benefits	–	–
share-based payments	0.2	1.6
	3.6	**5.5**

In the fiscal year 2024, share-based remuneration in the form of virtual performance shares was granted. The fair value of the share-based remuneration granted in the fiscal year amounted to EUR 1.1 million (2023: EUR 1.4 million) for 113,732 (2023: 118,293) granted share commitments. The decrease in the fiscal year essentially results from the share price development compared to the initial share price.

Regarding the Executive Board, there are current liabilities amounting to EUR 1.2 million (2023: EUR 1.4 million) and other non-current liabilities amounting to EUR 2.7 million (2023: EUR 3.2 million).

For the members of the Executive Board, pension agreements were concluded. At the end of the fiscal year, the present value of pension obligations amounts to EUR 0.9 million (2023: EUR 0.9 million).

The total remuneration of the Executive Board of the Group within the meaning of Section 314 (1) No. 6 a HGB amounts to EUR 4.8 million (2023: EUR 5.3 million).

Former board members and their surviving dependents received total compensation within the meaning of § 314 para. 1 no. 6 b HGB amounting to EUR 1.6 million (2023: EUR 1.6 million).

For former board members, there are also pension agreements. At the end of the fiscal year, the present value of these pension obligations amounts to EUR 36.1 million (2023: EUR 37.9 million).

The total remuneration of the Supervisory Board of the Group amounted to EUR 0.5 million (2023: EUR 0.5 million).

Further details on the remuneration of the active members of Executive Board and the Supervisory Board can be found in the Remuneration Report.

35 – Share-based remuneration

In 2021, the Supervisory Board adopted a new remuneration system for the Executive Board, which includes a performance share plan. In this plan, Executive Board members are conditionally allocated virtual shares of Wacker Neuson SE at the start of each four-year performance period in annual tranches. At the end of the four-year performance period, the payout amounts are determined based on the number of virtual shares allocated, the current share price of Wacker Neuson SE, and the target achievement of the predefined targets. The first tranche, which the Supervisory Board resolved for the members of the Executive Board on March 18, 2021, begins retroactively on January 1, 2021.

The remuneration system with detailed descriptions of the performance share plan is publicly accessible on the Group's website in accordance with legal requirements: https://wackerneusongroup.com/en/investor-relations/corporate-governance/remuneration-system-for-the-members-of-the-executive-board. Furthermore, we refer to our statements in the Remuneration Report.

In the fiscal year 2024, the variable remuneration system for top management was additionally supplemented with an LTI (Long Term Incentive) component. After the measurement year, an annual target amount is converted into a claim to a payout amount. The actual payout amount depends on the share price development of Wacker Neuson SE during the three-year performance period following the conversion. The first tranche will be paid out in the fiscal year 2028.

The performance share plan of the Executive Board and the LTI component of the top management are to be classified as cash-settled share-based payment. Accounting is therefore carried out in accordance with IFRS 2 "share-based payment" at fair value. The fair value of the cash compensation payable to the Executive Board is to be remeasured at each reporting date and settlement date and recognized as personnel expenses through a corresponding increase or decrease in the provision.

As of the reporting date December 31, 2024, the total carrying amount (fair value) of the provision for the share-based remuneration component amounts to EUR 3.3 million (previous year: EUR 3.0 million). This includes the Executive Board remuneration component amounting to EUR 3.2 million (previous year: EUR 3.0 million), which is distributed over 348,586.23 (previous year: 234,854.50) conditionally allocated virtual shares. The remaining EUR 0.1 million (previous year: EUR 0.0 million) results from the remuneration system for the top management.

The simulation of the required capital market or share-price-oriented sizes total shareholder return of the SDAX, total shareholder return of Wacker Neuson SE share, as well as the future share price required for the calculation of the final payout amount, is performed according to the methods that also underlie the Black-Scholes model for pricing (European) stock options. The extension to consider dividend payments during the forecast horizon was used.

At the reporting date December 31, 2024, the following parameters were used to determine capital market- and stock price-oriented figures:

Interest rate	Based on yield curves of equivalent maturities.
Dividend yield	As the arithmetic average of the expected dividends per share for the remaining years of the performance period (based on analyst estimates) in relation to the stock closing price of Wacker Neuson SE shares as of 12/29/2024.
Volatility	Historical volatilities of market values based on XETRA prices referring to the respective remaining term.
Duration	Corresponds to the remaining term of the respective performance period. This is generally 4 years from allocation. The remaining terms cover the periods from January 1, 2025 to December 31, 2025, or December 31, 2026, December 31, 2027.

36 – Auditors' fee

The fees for the auditor and associated companies recognized as an expense during the fiscal year 2024 are broken down as follows:

IN € MILLION

	2024 Auditor and associated companies	2024 Of which auditor	2023 Auditor and associated companies	2023 Of which auditor
Auditing services	1.6	1.3	1.5	1.4
Other approval and assessment services	–	–	0.1	0.1
Tax consultation services	–	–	-	-
Other services	–	–	-	-

37 – Declaration on the German Corporate Governance Code

The Executive Board and Supervisory Board have issued a declaration regarding which recommendations of the "Government Commission German Corporate Governance Code" have been and will be complied with. The declaration has been made permanently accessible to the shareholders on the Group's homepage at www.wackerneusongroup.com.

38 – Availing of exemption provision according to § 264 (3) and/or § 264b HGB

The following fully consolidated domestic subsidiaries make use of the exemption options of § 264 (3) HGB and § 264b HGB for the fiscal year 2024:

Company name	City
Kramer-Werke GmbH	Pfullendorf
Kramer-Areal Verwaltungs GmbH	Pfullendorf
Wacker Neuson Produktion GmbH & Co. KG	Reichertshofen
Wacker Neuson Vertrieb Deutschland GmbH & Co. KG	Munich
Wacker Neuson Aftermarket & Services GmbH	Munich
Weidemann GmbH	Korbach
Wacker Neuson Immobilien GmbH	Überlingen
Wacker Neuson Rail GmbH	Monheim

Munich, March 20, 2025

Wacker Neuson SE, Munich

The Executive Board

Dr. Karl Tragl
Chairman of the Executive Board
Chief Executive Officer (CEO)

Felix Bietenbeck
Chief Operations Officer (COO)
Chief Technology Officer (CTO)

Christoph Burkhard
Chief Financial Officer (CFO)

Alexander Greschner
Chief Sales Officer (CSO)

Responsibility statement by the management

"We confirm to the best of our knowledge that in accordance with the applicable reporting principles, the Consolidated Financial Statements present a true and fair view of the net assets, financial position and results of operations of the Group, and the Combined Management Report includes a fair review of the development and performance of the business and the position of the Wacker Neuson Group and of the parent company Wacker Neuson SE is presented in such a way that a true and fair view is conveyed and the material opportunities and risks of the anticipated development are described."

Munich, March 20, 2025

Wacker Neuson SE, Munich

The Executive Board

Dr. Karl Tragl
Chairman of the Executive Board
Chief Executive Officer (CEO)

Felix Bietenbeck
Chief Operations Officer (COO)
Chief Technology Officer (CTO)

Christoph Burkhard
Chief Financial Officer (CFO)

Alexander Greschner
Chief Sales Officer (CSO)

Independent Auditor’s Report

Translation of the German independent auditor’s report concerning the audit of the Consolidated Financial Statements and Group Management Report prepared in German. The auditor’s report reproduced below also includes a “Report on the assurance in accordance with Section 317 (3b) HGB on the electronic reproduction of the Consolidated Financial Statements and the Group Management Report prepared for publication purposes” (“ESEF Report”). The subject matter underlying the ESEF Report (ESEF documents to be audited) is not attached. The audited ESEF documents can be viewed in or retrieved from the Federal Gazette.

To Wacker Neuson SE

Report on the audit of the Consolidated Financial Statements and of the Group Management Report

Audit opinions
We have audited the Consolidated Financial Statements of Wacker Neuson SE, Munich, and its subsidiaries (the Group), which comprise the Consolidated Balance Sheet as of December 31, 2024, the Consolidated Income Statement, the Consolidated Statement of Comprehensive Income, the Consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement for the fiscal year from January 1, 2024 to December 31, 2024, and the Notes to the Consolidated Financial Statements, including a summary of significant accounting policies. In addition, we have audited the Group Management Report of Wacker Neuson SE, which has been combined with the management report of Wacker Neuson SE, for the fiscal year from January 1, 2024 to December 31, 2024. In accordance with German legal requirements, we have not audited the content of the components of the Group Management Report mentioned in the "Other information" section of our audit opinion. In our opinion, on the basis of the knowledge obtained in the audit

- the accompanying consolidated financial statements comply in all material respects with the IFRS Accounting Standards issued by the International Accounting Standards Board (IASB) (hereinafter referred to as ‘IFRS Accounting Standards’) as adopted by the EU and the additional requirements of German commercial law pursuant to Section 315e (1) HGB and give a true and fair view of the net assets and financial position of the Group as at 31 December 2024 and of its results of operations for the fiscal year from 1 January to 31 December 2024 in accordance with these requirements, and the accompanying Group Management Report as a whole provides an appropriate view of the Group’s position. In all material respects, this Group Management Report is consistent with the Consolidated Financial Statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development. Our opinion on the Group Management Report does not cover the content of the parts of the Group Management Report specified in the appendix to the auditor’s report.

Pursuant to Section 322 (3) Sentence 1 HGB, we declare that our audit has not led to any reservations relating to the legal compliance of the Consolidated Financial Statements and of the Group Management Report.

Basis for the audit opinions
We conducted our audit of the Consolidated Financial Statements and of the Group Management Report in accordance with Section 317 HGB and the EU Audit Regulation (No. 537/2014, referred to subsequently as “EU Audit Regulation”) and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (Institute of Public Auditors in Germany: IDW). Our responsibilities under those requirements and principles are further described in the “Auditor’s responsibilities for the audit of the Consolidated Financial Statements and of the Group Management Report” section of our auditor’s report. We are independent of the Group entities in accordance with the requirements of European law and German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. In addition, in accordance with Art. 10 (2) f) of the EU Audit Regulation, we declare that we have not provided non-audit services prohibited under Art. 5 (1) of the EU Audit Regulation. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions on the Consolidated Financial Statements and on the Group Management Report.

Key audit matters in the audit of the Consolidated Financial Statements
Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Consolidated Financial Statements for the fiscal year from January 1, 2024 to December 31, 2024. These matters were addressed in the context of our audit of the Consolidated Financial Statements as a whole, and in forming our opinion thereon; we do not provide a separate opinion on these matters.

1) Recoverability of inventory

Related disclosures in the annual financial statements
For the applied accounting and valuation principles for inventories, please refer to the information in the notes in chapter, Accounting and valuation methods – Inventories and to Note 13 - Inventories.

Description of the Audit matter and risks for the audit
Inventories represent a significant part of Wacker Neuson’s group. The valuation of inventories, in particular of semi-finished and finished goods, is complex. Due to the general economic uncertainties, price risks can arise on the procurement and sales markets. Within the framework of the valuation routines, there is scope for discretion in estimating the marketability of certain inventories. Against this background and due to the complexity of the measurement principles for inventories, the valuation of the inventories was a Key audit matter within the scope of our audit.

Audit approach and results
Within the scope of our audit, we analyzed the processes implemented by the legal representatives as well as the accounting and valuation guidelines for the valuation of inventories for possible risks of error and obtained an understanding of the stages of the process. In addition, we assessed the design of the controls implemented by the legal representatives for the valuation of inventories for their basic effectiveness, and we additionally tested certain particularly important controls for their operational implementation. As part of the audit of the ERP system, we performed a system audit of the automated inventory valuation routines. We also questioned the management of Wacker Neuson SE and other employees regarding the scope for discretion in determining the marketability discounts. In order to identify anomalies, we analyzed the write-downs over the course of the year and in comparison, to the previous year. We also tested the valuation of inventories on a test basis.

We were able to satisfy ourselves that the systems and processes put in place and the accounting policies applied are appropriate and that the estimates and assumptions made by the legal representatives are sufficiently justified and reasonable to ensure the proper valuation of inventories.

2) Revenue recognition and cut-off

Related disclosures in the annual financial statements
With regard to the accounting policies applied for revenue recognition and cut-off , we refer to the disclosures in the “Intangible assets” and “Revenue and earnings recognition” sections under “Accounting and valuation methods”, as well as to Note 1 “Revenue” in the Notes to the Consolidated Financial Statements

Description of the Audit matter and risks for the audit
Group revenue consists of revenue from the sale of light and compact construction equipment including used machines, the rental of machines within Europe as well as the sale of replacement parts and repair services. Distribution is also performed by sales partners; particularly dealers, rental companies and strategic partners with whom cooperation agreements are in place. Due to the wide range of products, various sales channels and service offerings as well as warranty terms, there is a risk of incorrect recognition of revenue both in terms of the amount recognized and the timing. In addition, revenue is a key performance indicator. In light of this, revenue recognition and deferred revenue was considered to be a key audit matter.

Audit approach and results
As part of our audit procedures, we analyzed the accounting policies applied in the Consolidated Financial Statements in accordance with Group accounting guidance for revenue recognition based on the criteria defined in IFRS 15.

We gained an understanding of the processes implemented by the executive directors for the recognition of revenue, the extended warranties and volume bonuses by examining individual business transactions from the order through to recognition in the Consolidated Financial Statements. Within the audit of the ERP-systems we have audited automatically applied controls to the revenue recognition.

Based on our understanding of the business and process, we examined the contractually agreed terms and conditions on a sample basis. Our analytical audit procedures comprised the analysis of revenue over the course of the year in comparison with the prior year with regard to any anomalies in the amounts recognized. In order to detect irregularities in the margin development over the course of the year and in comparison with the prior year, we performed analyses of the gross margin on a monthly basis.

We have audited the existence of revenues of the fiscal year on a sample basis. Furthermore, in order to assess whether revenue was matched to the correct period, we reconciled and recalculated the revenue recognized at the end of the year as well as the deferred revenue based on the agreed terms and conditions on a sample basis.

Further, we reviewed the completeness of the disclosures pursuant to IFRS 15 in the Notes to the Consolidated Financial Statements.

We were able to satisfy ourselves that the systems and processes set up and the accounting and valuation principles applied are appropriate and that the estimates and assumptions made by the legal representatives are sufficiently well-founded and understandable to ensure proper accounting for the revenue recognition and cut-off.

3) Recognition and measurement of current income taxes

Related disclosures in the annual financial statements
For information on the accounting policies applied to the recognition and measurement of current income taxes, we refer to the disclosures in the notes to the consolidated financial statements in the section Accounting policies - Income taxes and to the information on income taxes in the section Significant accounting judgements, estimates and assumptions and Note 6 - Income taxes.

Description of the Audit matter and risks for the audit
The recognition and measurement of current income taxes was one of the most significant matters in the context of our audit, as there was an adjustment to the transfer pricing system in the fiscal year.

Audit approach and results
With the involvement of internal tax specialists, we analysed the processes for the recognition and measurement of current income taxes, taking into account the changes of the Group's transfer pricing system. We analysed the changes of the basic principles of the transfer pricing methodology and assessed it against the tax requirements. In addition, we assessed the implementation of the new transfer pricing system in the 2024 fiscal year. As part of our audit procedures relating to current income taxes, we determined whether the methodology regarding the executive directors' assessment of the transfer prices and the resulting effects on the balance sheet and income statement are in accordance with tax law and IFRS regulations. In order to assess the recognition and measurement of current income taxes, we also interviewed the Group's tax advisors and analysed their confirmations.

On the basis of our audit procedures, we verified the adjusted transfer pricing methodology and the estimates made by the legal representatives and were able to satisfy ourselves that the system used with regard to the recognition and measurement of current income taxes is justified and adequately documented.

Other information
The legal representatives or the Supervisory Board are responsible for the other information. The other information comprises the following parts of the Group management report that have not been audited:

- The corporate governance statement pursuant to sections 289f and 315d of the German Commercial Code (HGB), to which reference is made in the group management report
- the non-financial Group statement in accordance with Section 315b HGB,the compensation report pursuant to section 162 of the German Stock Corporation Act (AktG), to which reference is made in the group management report as well as
- the non-audited disclosures in the ‘Business development’ section of the management report relating to the ‘Product innovations’ and ‘Awards’ sections.

The other information also includes:

- the assurances pursuant to Section 297 (2) sentence 4 and Section 315 (1) sentence 5 of the German Commercial Code (HGB) on the consolidated financial statements and the Group management report,
- the report of the Supervisory Board, and

- the other parts of the Annual Report - without further cross-references to external information - with the exception of the audited consolidated financial statements and Group management report and our auditors' report.

The Supervisory Board is responsible for the Report of the Supervisory Board. Otherwise, the legal representatives are responsible for the other information.

Our audit opinions on the consolidated financial statements and the group management report do not cover the other information, and accordingly we do not express an audit opinion or any other form of conclusion on it.

In connection with our audit, our responsibility is to read the other information and to consider whether the other information

- is materially inconsistent with the consolidated financial statements, with the group management report or our knowledge obtained in the audit, or

- otherwise appears to be materially misstated.

Responsibilities of the executive directors and the Supervisory Board for the consolidated financial statements and the group management report

The executive directors are responsible for the preparation of the consolidated financial statements that comply, in all material respects, with IFRSs as adopted by the EU and the additional requirements of German commercial law pursuant to Sec. 315e (1) HGB, and that the consolidated financial statements, in compliance with these requirements, give a true and fair view of the assets, liabilities, financial position and financial performance of the Group. In addition, the executive directors are responsible for such internal control as they have determined necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the executive directors are responsible for assessing the Group's ability to continue as a going concern. They also have the responsibility for disclosing, as applicable, matters related to going concern. In addition, they are responsible for financial reporting based on the going concern basis of accounting, unless there is an intention to liquidate the Group or to cease operations, or there is no realistic alternative but to do so.

Furthermore, the executive directors are responsible for the preparation of the group management report that, as a whole, provides an appropriate view of the Group's position and is, in all material respects, consistent with the consolidated financial statements, complies with German legal requirements, and appropriately presents the opportunities and risks of future development. In addition, the executive directors are responsible for such arrangements and measures (systems) as they have considered necessary to enable the preparation of a group management report that is in accordance with the applicable German legal requirements, and to be able to provide sufficient appropriate evidence for the assertions in the group management report.

The Supervisory Board is responsible for overseeing the Group's financial reporting process for the preparation of the consolidated financial statements and of the group management report.

Auditor's responsibilities for the audit of the consolidated financial statements and of the group management report

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and whether the group management report as a whole provides an appropriate view of the Group's position and, in all material respects, is consistent with the consolidated financial statements and the knowledge obtained in the audit, complies with the German legal requirements and appropriately presents the opportunities and risks of future development, as well as to issue an auditor's report that includes our opinions on the consolidated financial statements and on the group management report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Sec. 317 HGB and the EU Audit Regulation and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW) will always detect a material misstatement. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements and this group management report.

We exercise professional judgment and maintain professional skepticism throughout the audit. We also

- identify and assess the risks of material misstatement of the consolidated financial statements and of the group management report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- obtain an understanding of internal control relevant to the audit of the consolidated financial statements and of arrangements and measures (systems) relevant to the audit of the group management report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control or on the effectiveness of these arrangements and measures.

- evaluate the appropriateness of accounting policies used by the executive directors and the reasonableness of estimates made by the executive directors and related disclosures.

- conclude on the appropriateness of the executive directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the consolidated financial statements and in the group management report or, if such disclosures are inadequate, to modify our respective opinions. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to be able to continue as a going concern.

- evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements present the underlying transactions and events in a manner that the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Group in compliance with IFRS Accounting Standards as adopted by the EU and the additional requirements of German commercial law pursuant to Sec. 315e (1) HGB.

- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express opinions on the consolidated financial statements and on the group management report. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our opinions.

- evaluate the consistency of the group management report with the consolidated financial statements, its conformity with [German] law, and the view of the Group's position it provides.

- perform audit procedures on the prospective information presented by the executive directors in the group management report. On the basis of sufficient appropriate audit evidence we evaluate, in particular, the significant assumptions used by the executive directors as a basis for the prospective information and evaluate the proper derivation of the prospective information from these assumptions. We do not express a separate opinion on the prospective information and on the assumptions used as a basis. There is a substantial unavoidable risk that future events will differ materially from the prospective information.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with the relevant independence requirements and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter.

OTHER LEGAL AND REGULATORY REQUIREMENTS

Report on the assurance in accordance with Sec. 317 (3a) HGB on the electronic reproduction of the consolidated financial statements and the group management report prepared for publication purposes

Opinion

We have performed assurance work in accordance with Sec. 317 (3a) HGB to obtain reasonable assurance about whether the reproduction of the consolidated financial statements and the group management report (hereinafter the "ESEF documents") contained in the electronic file 529900RJL86244E1I652-2024-12-31-de.zip (MD5-hash value: 5ad1a9c31b5cab42c56f2a7ac4d86069) and prepared for publication purposes complies in all material respects with the requirements of Sec. 328 (1) HGB for the electronic reporting format ("ESEF format"). In accordance with German legal requirements, this assurance only extends to the conversion of the information contained in the consolidated financial statements and the group management report into the ESEF format and therefore relates neither to the information contained in this reproduction nor to any other information contained in the abovementioned electronic file.

In our opinion, the reproduction of the consolidated financial statements and the group management report contained in the abovementioned electronic file and prepared for publication purposes complies in all material respects with the requirements of Sec. 328 (1) HGB for the electronic reporting format. We do not express any opinion on the information contained in this reproduction nor on any other information contained in the abovementioned file beyond this reasonable assurance opinion and our audit opinion on the accompanying consolidated financial statements and the accompanying group management report for the fiscal year from 1 January 2024 to 31 December 2024 contained in the "Auditor's report on the consolidated financial statements and on the group management report" above.

Basis for the opinion

We conducted our assurance work on the reproduction of the consolidated financial statements and the group management report contained in the abovementioned electronic file in accordance with Sec. 317 (3a) HGB, IDW Assurance Standard: Assurance in Accordance with Sec. 317 (3a) HGB on the Electronic Reproduction of Financial Statements and Management Reports Prepared for Publication Purposes (IDW AsS 410 (06.2022)) and International Standard on Assurance Engagements 3000 (Revised). Our responsibility in accordance therewith is further described in the "Group auditor's responsibilities for the assurance work on the ESEF documents" section. Our audit firm has applied the quality management system requirements of the International Standard on Quality Management (ISQM 1).

Responsibilities of the executive directors and the Supervisory Board for the ESEF documents

The executive directors of the Company are responsible for the preparation of the ESEF documents including the electronic reproduction of the consolidated financial statements and the group management report in accordance with Sec. 328 (1) Sentence 4 No. 1 HGB and for the tagging of the consolidated financial statements in accordance with Sec. 328 (1) Sentence 4 No. 2 HGB.

In addition, the executive directors of the Company are responsible for such internal control as they have considered necessary to enable the preparation of ESEF documents that are free from material intentional or unintentional non-compliance with the requirements of Sec. 328 (1) HGB for the electronic reporting format.

The Supervisory Board is responsible for overseeing the preparation of the ESEF documents as part of the financial reporting process.

Group auditor's responsibilities for the assurance work on the ESEF documents

Our objective is to obtain reasonable assurance about whether the ESEF documents are free from material intentional or unintentional non-compliance with the requirements of Sec. 328 (1) HGB. We exercise professional judgment and maintain professional skepticism throughout the assurance work. We also

- identify and assess the risks of material intentional or unintentional non-compliance with the requirements of Sec. 328 (1) HGB, design and perform assurance procedures responsive to those risks, and obtain assurance evidence that is sufficient and appropriate to provide a basis for our assurance opinion.

- obtain an understanding of internal control relevant to the assurance on the ESEF documents in order to design assurance procedures that are appropriate in the circumstances, but not for the purpose of expressing an assurance opinion on the effectiveness of these controls.

- evaluate the technical validity of the ESEF documents, i.e., whether the electronic file containing the ESEF documents meets the requirements of the Delegated Regulation (EU) 2019/815, in the version valid as of the reporting date, on the technical specification for this electronic file.

- evaluate whether the ESEF documents enable an XHTML reproduction with content equivalent to the audited consolidated financial statements and to the audited group management report.

- evaluate whether the tagging of the ESEF documents with Inline XBRL technology (iXBRL) provides an adequate and complete machine-readable XBRL copy of the XHTML rendering in accordance with Articles 4 and 6 of the Delegated Regulation (EU) 2019/815 in the version applicable on the balance sheet date.

Further information pursuant to Art. 10 of the EU Audit Regulation
We were elected as group auditor by the Annual General Meeting on 15 May 2024. We were engaged by the Supervisory Board on 1 August 2024. We have been the group auditor of Wacker Neuson SE without interruption since fiscal year 2022.

We declare that the opinions expressed in this auditor's report are consistent with the additional report to the Supervisory Board pursuant to Art. 11 of the EU Audit Regulation (long-form audit report).

OTHER MATTERS - USE OF THE AUDIT OPINION

Our audit opinion should always be read in conjunction with the audited consolidated financial statements and the audited group management report as well as the audited ESEF documents The consolidated financial statements and the group management report converted to the ESEF format - including the versions to be published in the Federal Gazette - are merely electronic reproductions of the audited consolidated financial statements and the audited group management report and do not replace them. In particular, the ESEF opinion and our audit opinion contained therein can only be used in conjunction with the audited ESEF documents provided in electronic form.

GERMAN PUBLIC AUDITOR RESPONSIBLE FOR THE ENGAGEMENT

The German Public Auditor responsible for the engagement is Christian Schönhofer.

Munich, March 20, 2025

Forvis Mazars GmbH & Co. KG
Wirtschaftsprüfungsgesellschaft
Steuerberatungsgesellschaft

In the original German version signed by:

Christian Schönhofer Wirtschaftsprüfer (German Public Auditor)	Isabel Hohenegg Wirtschaftsprüfer (German Public Auditor)

Financial Glossary

A

Amortization
Scheduled or unscheduled impairment of assets.

C

Capital Employed
The capital employed reflects the capital tied up and interest-bearing in the Group.

Cash flows
The internal financing potential of the entity is determined as the inflow of financial resources, adjusted for non-cash expenses and income.

Cash flow from financing activity
Cash balance resulting from the change in financial liabilities, from the issuance of equity, inflows from disposals/outflows for the acquisition of treasury shares, and dividend payments.

Cash flow from investment activities
Balance of cash that the entity has invested in the acquisition of financial assets and property, plant and equipment as well as intangible assets or received from the disposal of financial assets and property, plant and equipment as well as intangible assets.

Cash flow from operating activities
Excess cash generated from operating activities.

D

Discounted Cash Flow (DCF) Method
Measurement method: the estimated future cash surpluses of an economic unit are discounted to the present value.

Deferred taxes
Differences between tax accounting principles and IFRS principles with the aim of presenting the tax expense and tax claim (actual and deferred) in accordance with the IFRS result.

E

EBIT (margin)
Earnings Before Interest and Taxes

EBT
Earnings Before Taxes

Equity ratio
Ratio of equity to total capital; a metric that reflects the financial stability of an entity.

Earnings per share
Consolidated net income divided by the number of shares.

F

Free cash flow
The free resources available to the entity. The Free Cash Flow results from operational cash flows minus cash flow from investment activities.

G

Gearing
Debt ratio (net financial debt to equity).

Goodwill
Difference amount that becomes visible when acquiring a company as the difference between the actual purchase price of the company and the fair values (carrying amounts) of all assets and liabilities.

Gross profit margin
Ratio of the gross profit to the revenue according to the Statement of Profit or Loss; Key figure for assessing how cost-efficiently an entity produces.

H

Hedge
A hedge transaction mitigates risks that may arise from unfavorable price, commodity, or price developments.

I

Impairment Test
Annually conducted impairment test of intangible assets. The carrying amount is compared with the "fair value less costs of disposal". The "fair value less costs of disposal" is determined using the discounted cash flow method. Future cash flows are discounted to the current reporting date. An impairment exists if the "fair value less costs of disposal" is less than the carrying amount.

IFRS (IAS)
International Financial Reporting Standards – internationally recognized and applied financial reporting standards developed by the International Accounting Standards Board (IASB) with the aim of achieving worldwide harmonization of financial reporting.

K

Key Performance Indicator (KPI)
Key performance indicators, whose monitoring is particularly important for measuring and controlling the degree of target achievement.

N

Net return on sales (ROS)
The net profit margin is determined as the ratio between the annual result and revenue.

Net financial debt
The net financial position represents the net debt level of the entity. It is calculated as the sum of non-current financial liabilities, current liabilities from banks, the current portion of non-current liabilities minus cash and cash equivalents.

Net Working Capital
Net Working Capital = Sum of inventories and trade receivables less trade payables

NOPLAT
Net Operating Profit Less Adjusted Taxes – Earnings before interest and tax (EBIT) less adjusted taxes. The NOPLAT describes which annual result the entity would achieve in the case of pure equity financing.

NOPLAT = EBIT minus (EBIT x group tax rate)

P

Peer group
Entities operating in the same or comparable industry.

R

ROCE I (Return on Capital Employed)
The ROCE I is a return on capital employed before taxes. It measures the sustained success (profitability) from operational business against the (average) total capital employed. The ROCE indicator shows how the (average) invested capital in the entity yields a return.

ROCE I = EBIT in relation to (average) capital employed in %

The average is calculated by adding the starting and ending balance, divided by 2.

ROCE II (Return on Capital Employed)
The ROCE II is a return on capital employed after taxes.

ROCE II = NOPLAT in relation to (average) capital employed in %

The average is calculated by adding the opening and closing balance, divided by 2.

10-Year Overview

IN € MILLION

	2024	2023	2022	2021	2020	2019
Revenue[1]	2,234.9	2,654.9	2,252.4	1,866.2	1,615.5	1,901.1
Revenue Europe	1,731.7	2,022.4	1,709.9	1,477.5	1,289.7	1,379.0
Revenue Americas	450.7	556.5	459.1	328.6	270.4	459.5
Revenue Asia-Pacific	52.5	76.0	83.4	60.1	55.4	62.6
EBITDA	286.5	415.9	322.0	313.5	204.6	257.4
Depreciation and amortization	99.4	87.1	72.2	77.4	88.3	63.3
EBIT[1,2]	122.5	273.2	201.8	193.0	75.5	153.1
EBT[3]	101.5	254.7	192.3	187.4	53.8	137.5
Profit for the period[3]	70.2	185.9	142.6	137.9	14.1	88.5
Number of employees[4]	6,147	6,925	6,800	5,992	5,554	6,056
R&D ratio (incl. capitalized expenses) as a %	4.2	3.5	3.5	4.0	4.0	3.3
Share						
Earnings per share in €[3]	1.03	2.73	2.10	1.99	0.20	1.26
Dividend per share in €[5]	0.60	1.15	1.00	0.90	0.60	–
Carrying amount at Dec. 31 in €[8]	21.38	21.38	19.85	18.91	17.37	17.47
Closing price at Dec. 31 in €	14.64	18.26	16.34	25.24	17.51	17.05
Market capitalization at Dec. 31	1,026.8	1,280.8	1,146.1	1,770.3	1,228.2	1,195.9
Key profit figures						
Gross profit margin as a %	23.2	24.4	23.7	25.9	24.8	25.0
EBITDA margin as a %	12.8	15.7	14.3	16.8	12.7	13.5
EBIT margin as a %	5.5	10.3	9.0	10.3	4.7	8.1
EBT margin as a %	4.5	9.6	8.5	10.0	3.3	7.2
Net return on sales (ROS) as a %[3]	3.1	7.0	6.3	7.4	0.9	4.7
Key figures from the Statement of Financial Position						
Total euquity and liabilities	2,488.6	2,644.9	2,323.9	2,320.8	2,126.8	2,196.6
Equity[8]	1,499.6	1,499.7	1,392.6	1,286.2	1,218.1	1,225.0
Equity ratio as a %[8]	60.3	56.7	59.9	55.4	57.3	55.8
Net financial debt	310.6	365.8	234.5	-0.8	137.9	439.0
Net financial debt/EBITDA	1.1	0.9	0.7	–	0.7	1.7
Gearing as a %	20.7	24.4	16.8	1.1	10.1	35.8
Net working capital	709.3	869.5	718.9	497.6	497.5	761.9
Net working capital as a % of revenue	31.7	32.8	31.9	26.7	30.8	40.1
Capital Employed[6,8]	2,008.2	2,076.0	1,781.1	1,449.8	1,396.7	1,699.2
ROCE I as a % (EBIT/Capital Employed)[6]	6.1	13.2	11.3	13.3	5.4	9.0
ROCE II as a % (NOPLAT/Capital Employed)[6]	4.2	9.6	8.4	9.8	1.4	5.8
Cash flow						
Cash flow from operating activities	305.3	113.2	-6.4	331.7	420.0	-20.9
Cash flow from investment activities	-120.7	-138.1	5.6	-182.6	-91.0	-94.8
Investments	102.6	163.5	103.8	82.2	86.9	89.2
Free cash flow[7]	184.6	-24.9	-130.8	264.1	344.0	-115.7

1 In 2019, there has been a change in the way income from customer financing is reported. Interest income has been moved from the financial result and other income to the revenue line. FY 2018 was adjusted accordingly.
Currency effects resulting from the evaluation of receivables and payables in foreign currencies and from the evaluation of cash and cash equivalents are recognized in the financial result as of 2017. Values since 2015 have been adjusted
2018: includes a one-off profit of EUR 45.8 million after tax (EUR 54.8 million before tax) from the sale of a real-estate company belonging to the Group.
Incl. temporary workers.
At the AGM on May 25, 2025, the Executive Board and the Supervisory Board will propose a dividend of EUR 0.60 per share for fiscal 2024.
The definition of capital employed was changed as of FY 2017. Values since 2015 have been adjusted accordingly.
Before fixed-term investments in the amount of EUR 15.0 million in fiscal 2020 and EUR 115.0 million in fiscal 2021, as well as inflows in the amount of EUR 130.0 million in fiscal 2022.
Due to an error correction in connection with the revenue recognition of extended warranty obligations, net profit/loss and contract liabilities were adjusted as of January 1, 2022.

2018	2017	2016	2015
1,710.0	1,533.9	1,361.4	1,375.3
1,248.9	1,129.8	1,020.7	979.3
401.3	357.5	291.9	348.5
59.8	46.6	48.9	47.5
239.4	207.2	158.1	170.1
40.5	43.2	40.7	38.8
162.3	131.4	88.8	102.4
203.0	125.4	81.4	97.5
144.6	87.5	57.2	66.7
6,190	5,546	5,181	5,005
3.2	3.2	3.5	3.2
2.06	1.25	0.81	0.94
1.10	0.60	0.50	0.50
17.41	15.88	15.50	15.17
16.52	30.08	15.42	14.23
1,158.7	2,109.5	1,081.6	998.1
26.8	28.5	27.6	28.0
14.0	13.5	11.6	12.4
9.5	8.6	6.5	7.4
11.9	8.2	6.0	7.1
8.5	5.7	4.2	4.8
1,914.2	1,621.7	1,580.8	1,552.2
1,221.4	1,113.7	1,092.5	1,069.1
63.8	68.7	69.1	68.9
204.7	149.7	205.8	199.1
0.9	0.7	1.3	1.2
16.8	13.4	18.8	18.6
643.9	535.8	569.3	574.5
37.7	34.9	41.8	41.8
1,416.2	1,302.5	1,355.6	1,330.5
11.5	10.1	6.6	7.7
8.2	7.0	4.6	5.3
-15.5	138.0	79.4	78.5
15.2	-39.0	-44.0	-54.8
73.3	47.4	48.5	60.0
-0.3	99.0	35.4	23.7

Publishing Details/Financial Calender

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Financial Calender

March 26, 2025	Publication of Annual Report 2024
May 08, 2025	Publication of the quarterly statement Q1/2025
May 23, 2025	Annual General Meeting, Munich
August 14, 2025	Publication of the half-year report 2025
November 14, 2025	Publication of the quarterly statement Q3/2025

Disclaimer

This report contains forward-looking statements which are based on current estimates and assumptions made by corporate management at Wacker Neuson SE. With the use of words such as expect, intend, plan, anticipate, assume, believe, estimate, and similar expressions, forward-looking statements are identified. Future performance as well as the actual results achieved by Wacker Neuson SE and its affiliated companies are dependent on a number of risks and uncertainties and may therefore materially differ from the forward-looking statements. Various of these factors are outside the control of the Group and cannot be accurately assessed, such as the future economic environment and the behavior of competitors and other market participants. An update of the forward-looking statements is neither planned, nor does the Group assume any particular obligation in this regard.

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