



Supervisory Board Report for Fiscal Year 2024



THE SUPERVISORY BOARD OF THE PFISTERER HOLDING SE
(from left) Matthias Benz • Prof. Dr. Petra Denk • Prof. Dr. Wolfgang Blättchen, *Chairman* •
Dr. Stefan Seipl • Erich Schefold, *Deputy Chairman*

After a successful year in 2023, operational revenue, earnings, and financial performance continued their positive development in 2024, with the Group reporting highly profitable EBITDA results for the year. This positive trend is primarily due to a consistent focus on being a technology provider specializing in insulation and connection solutions within our core business area of highly efficient power grid connections. For 2025, the Executive Board has defined measures for increased revenue growth and efficiency improvements – both geographically in the North American market and technologically through an expansion into direct current (DC) technology.

The continuously increasing demand for electrical energy, grid expansion efforts, and the global energy transition are driving our business forward. Additionally, we are on track to be ready for the capital markets and are preparing the required steps. The Supervisory Board supports implementing the corporate and financial strategy jointly developed by the Executive Board.

Collaboration Between the Supervisory Board & the Executive Board

During fiscal year 2024, the Supervisory Board monitored and advised the Executive Board in the fulfillment of their responsibilities. All transactions requiring approval under the Articles of Association or internal regulations were discussed thoroughly before approval was granted. The Executive Board regularly informed the Supervisory Board through oral and written reports about PFISTERER Group's business performance as well as fundamental issues concerning business policy, financing strategies, risk management developments (including compliance), technological direction, order intake, revenue, earnings, and liquidity across Group companies. The Internal Audit function ensured the implementation of corporate governance requirements while enhancing governance structures like internal control systems (ICS). Audit reports were discussed in detail amongst the Executive Board and the Audit Committee of the Supervisory Board. Since 2021 PFISTERER Holding SE has published sustainability reports – most recently in July 2024.

Environmental, social, and governance issues (ESG), as well as responsible corporate management, remain in focus in our company. This includes compliance with applicable regulatory requirements and continuously improving all aspects of sustainability.

As Chairman of the Supervisory Board, I was in regular contact with the Executive Board in addition to our scheduled meetings.

Supervisory Board Meetings

In 2024, five regular meetings of the Supervisory Board took place, with the participation of the Executive Board. The Annual General Meeting was held on June 14, 2024. The impact of focusing on being a technology-oriented company (17 operational locations with five factories and five product segments) was clearly felt in 2024 and is reflected in our earnings performance. The business plan for our North America operations as well as the strategic technology roadmap for medium- and high-voltage cable accessories (including direct current) are among the strategic topics that were discussed. In the context of the „IFRS Conversion“ project, business activities are now clearly structured by region and product group. The strategic business plan through 2030 within the context of the energy transition, since concluded, will help us structure investments in manufacturing and product innovation.

Report on Committee Work

On September 30, 2024, the Supervisory Board adopted new Rules of Procedure governing the roles and responsibilities of the various committees.

The **Audit Committee** primarily monitors accounting processes, corporate governance & compliance practices, the adequacy and effectiveness of internal control systems (ICS), risk management systems (RMS), internal audit systems, financial statement audits, audit quality assessments, and prepares decisions on accounting-related matters. The Audit Committee Chairman, Mr. Erich Schefold, has extensive expertise and knowledge in accounting and auditing (§107 para. 4; §100 para. 5 AktG).



In 2024, four Audit Committee meetings were held. In addition to the Executive Board and relevant members of the Finance and Controlling departments, the external auditors also participated in the meeting reviewing the consolidated annual financial statements. The committee's work focused on reviewing the consolidated annual financial statements as well as the audit planning for the 2024 financial statements, in particular materiality and determining the audit priorities for the first IFRS financial statements (including comparative figures), in the context of the desired preparations to achieve our capital market goals. The committee also addressed issues relating to the corporate governance structure, including the further development of the early risk detection system and the internal control system, cybersecurity risks, and currency management. Future reporting on non-financial indicators was also discussed.

The **Technology Committee**, which is responsible for all important questions regarding Technology, had two meetings during fiscal year 2024 focused on questions regarding strategy development for key markets, market trends in manufacturing and technology, as well as the on-going initiatives regarding new product development and existing product enhancement in the various business segments. Their work included a new structure for our laboratories, material development for DC cable accessories, and new patent applications. In addition to patent strategy and digitalization, cooperation agreements with cable manufacturers in the HVDC sector were also a priority. The committee is led by Mrs. Prof. Dr. Denk.

Three meetings of the **Financing Committee** took place during 2024. The main focus was to ensure adequate preparations for the approach to the capital markets. In October 2024, the committee was renamed the **Capital Market Committee** (CMC) in the context of the on-going preparations to access the capital markets. The Capital Market Committee evaluates activities with potential capital market relevance. It consists of two members and with myself as Chairman. Three meetings were held in 2024, focused primarily on the internal requirements for an IPO.

The **Nomination and Personnel Committee** prepares personnel decisions for the Supervisory Board. The Nomination and Personnel Committee held two meetings in 2024. The main topic was the remuneration of the Executive Board, in particular to adjust the existing system of fixed remuneration, short-term incentive (STI) and long-term incentive (LTI) compensation components to the requirements of the capital markets. In this context, the percentages of these three compensation components were adjusted as part of the new appointment of the Executive Board members which took place on February 14, 2025 and runs through 2028. The new LTI is already based on actual stock options. Following the purchase of shares by the Executive Board during difficult times, a share ownership guideline has now been introduced.

CONSOLIDATED FINANCIAL STATEMENTS FOR FISCAL YEAR 2024

At the Audit Committee meeting on April 10, 2025 and the Supervisory Board meeting on April 11, 2025, the audited consolidated annual financial statements of PFISTERER Holding SE as well as the Group management report were reviewed with our auditor, who attended both meetings.

The consolidated annual financial statements of PFISTERER Holding SE as of December 31, 2025, in accordance with IFRS, and the Group management report for the financial year 2024 were audited by BDO AG Wirtschaftsprüfungsgesellschaft, Frankfurt am Main, who issued an unqualified audit opinion dated March 28, 2025. The Supervisory Board has examined the documents submitted to it in detail and, based on the final results of its own examination, agrees with the results of the audit, the management reports and the statements regarding the future development of the company. It approves the proposal for the distribution of profits. At its meeting on April 11, 2025, the Supervisory Board approved the consolidated annual financial statements of PFISTERER Holding SE together with the management reports on the recommendation of the Audit Committee; therefore, the annual financial statements are hereby accepted.

Events After Fiscal Year-End

Despite the ongoing war in Ukraine and other geopolitical crises, the new financial year 2025 got off to a positive start. PFISTERER continues to see a significant positive impact from the transformation of electrical energy systems and the expansion of the grid, and has been able to significantly increase its sales to customers in the business areas of renewable energy generation and distribution. Roland Berger estimates general growth rates for our product areas to be around 12% per year until the end of the decade. The transfer of operations from the former Wunsiedel plant in Germany to Kadan in the Czech Republic was successfully completed. At the beginning of April, a purchase agreement was signed for a UK-based company specializing in the development of submarine cable links and related services. In particular, the aim is to maintain our high margin compared to competitors by further exploiting the scalability of our products.

Acknowledgment from Supervisory Board

The Supervisory Board would like to express its gratitude to the Executive Board and all employees of the PFISTERER Group companies for their performance and exceptional contributions, to continue the success in the current year.

Winterbach, April 2025

A handwritten signature in blue ink, appearing to read 'W. Blättchen'.

Prof Dr Wolfgang Blättchen
Chairman of the Supervisory Board