

# Report of the Supervisory Board

*Dear shareholders,*

As the Chairman of the Supervisory Board, I wish to report to you on the Supervisory Board's work during the 2024 fiscal year which recently ended. In an economic environment that has been challenging for the commercial vehicle sector in particular, Knorr-Bremse successfully made a strong demonstration of its resilience and power and again increased its free cash flow year over year. With the global BOOST 2026 strategy program, the Executive Board and leadership team took on the major challenges at great speed and have already implemented strategically and operationally important initiatives to keep Knorr-Bremse developing successfully as a global market and technology leader and to boost its profitability. That includes the rigorous implementation of portfolio adjustment measures, too, which the Supervisory Board is overseeing closely. Despite a tense economic situation globally, our company is performing impressively with its operational strength.

We are making sure that you, our shareholders, are also included in this success. The preliminary business figures published on February 20, 2025, and the continued strong operational performance, despite the impact of restructuring, put the company in a position to propose a dividend of € 1.75 per share at the Annual General Meeting, a dividend higher than the previous year. The proposal for appropriating the net profit is therefore significantly higher than the distribution range seen in recent years, however, we have decided to offset the impact of measures such as restructuring in view of the strong operational performance.

The focuses of the Supervisory Board's work in the previous fiscal year, which are explained in detail below in the section Significant Topics of Supervisory Board Work (starting on page 15), included the acquisition of Alstom's signaling technology business and, with it, Knorr-Bremse's successful entry into the new control, command, and signaling (CCS) field of business, as well as advice on strategic measures for adjusting the portfolio and increasing profitability (brownfield) and growth initiatives (greenfield) on the part of the Executive Board as part of the BOOST project and the implementation of the modified remuneration system for the Executive Board that was approved at the Annual General Meeting.

## **Collaboration of the Supervisory Board and Executive Board**

In the reporting period, the Supervisory Board continued to fulfill its duties pursuant to the law, the Articles of Association, and the rules of procedure with great care. The Supervisory Board was directly involved in all decisions that were of fundamental significance to the Group and complied with the relevant recommendations of the German Corporate Governance Code (GCGC). It advised the Executive Board on the leadership of the company, ongoing acquisition projects, and the realization of divestments in the Commercial Vehicle Systems division, specifically the sale of R.H. Sheppard Co. as well as the GT Group in the UK. The Supervisory Board also maintained ongoing dialog with the Executive Board on strategic initiatives such as the BOOST project in particular. At the same time, the Supervisory Board monitored the senior management of the Executive Board on the basis of regular



**Dr. Reinhard Ploss,**  
Chairman of the Supervisory Board

reports with which it remained informed in relation to business development, planning, and risks. I particularly wish to emphasize the candid, cooperative and trusting collaboration between the Executive Board, managers, and the Supervisory Board, which is a key factor for success in these enormously dynamic times.

The principles of responsible and good corporate governance are the foundation of the Supervisory Board's work. They include a regular examination of the Supervisory Board's understanding of corporate governance, of the legal framework for the Supervisory Board's work, and of relevant developments (including the Corporate Sustainability Reporting Directive [CSRD], the German Supply Chain Due Diligence Act, and German Financing for the Future Act). The focus of its monitoring and advisory activities is on the legality, propriety, expediency, and efficiency of senior management and Group management. The subject matter and performance of the Supervisory Board's work are governed in more detail in the rules of procedure for the Supervisory Board, Audit Committee, and Executive Board, which are available on the website. The Supervisory Board is closely involved in the corporate planning and discussions of strategic projects and topics. Besides the rules of procedure, there is a list of reserved matters governing contractual arrangements and measures that require the approval of the Supervisory Board before the Executive Board can implement them. The comprehensive preliminary review and preliminary consideration partly required as a result is conducted in the committees, specifically in the Strategy Committee, the Audit Committee, or the Executive Committee – depending on the subject matter. The Supervisory Board and its committees take care to always have an appropriate information base and make decisions at their own discretion for the interests of the company. The members of the Supervisory Board are personally responsible for pursuing the training and professional development that they need for their duties. They are given the company's full support for this. On March 19, 2024, the Supervisory Board completed external ESG training focused

on its specific responsibilities; on January 29, 2025, the Audit and Strategy Committees examined the CSRD reporting requirements and the strategically relevant KPIs, taking into consideration the respective investors' perspectives.

During the past fiscal year, the Executive Board regularly, immediately, and comprehensively reported to the Supervisory Board by means of written and oral reports, both inside and outside of meetings. The reports contained all relevant information on the strategic development, planning, business development within the year, position of the company, risk situation, risk management, compliance, competitors of the Commercial Vehicle Systems and Rail Vehicle Systems divisions (peers), situation in the capital market, including expectations of analysts and investors; and current events. The Supervisory Board jointly discussed with the Executive Board the business transactions important for the company and the company's further development. It was included in a timely manner in all decisions of fundamental importance for the Company. The Executive Board also informed the Supervisory Board about urgent matters between the regular meetings. As the Chairman of the Supervisory Board, I also maintained a dialog with the Executive Board between Supervisory Board meetings on the business situation and on significant business transactions of the company as part of regular business reviews. The same applies to the ongoing development of the organization and corporate culture, which are both essential factors for achieving our business targets. The strength of the leadership and culture can only be seen in the business results after significant time has passed, which makes them key drivers of the company's development. An understanding of this is highly important for the Supervisory Board so that it can judge whether the set targets are realistic at an early stage. I held regular talks with important investors on key topics and issues relating to the Supervisory Board.

### 1.01 MEETING ATTENDANCE OF THE SUPERVISORY BOARD MEMBERS IN FISCAL 2024

Name	Supervisory Board (full board)	Executive Committee	Audit Committee	Nomination Committee	Strategy Committee
<b>Dr. Reinhard Ploss</b>	7 (7)	4 (4)	(6)	2/2	4 (4)
<b>Franz-Josef Birkeneder (Deputy Chairman)</b>	7 (7)	4 (4)	6 (6)		<b>4 (4)</b>
<b>Dr. Theodor Weimer (Deputy Chairman)</b>	7 (7)	4 (4)			
<b>Kathrin Dahnke</b>	7 (7)		<b>6 (6)</b>	<b>2/2</b>	
<b>Thomas Mittmann (since July 1, 2024)</b>	3 (3)				
<b>Dr. Sigrid Evelyn Nikutta</b>	6 (7)				<b>3 (4)</b>
<b>Wolfgang Nirschl</b>	7 (7)		<b>3 (3)</b>		
<b>Werner Ratzisberger</b>	6 (7)	<b>2 (2)</b>	<b>3 (3)</b>		<b>2 (2)</b>
<b>Annemarie Sedlmair</b>	7 (7)				
<b>Dr. Stefan Sommer</b>	7 (7)				4 (4)
<b>Julia Thiele-Schürhoff</b>	7 (7)			1/2	<b>4 (4)</b>
<b>Sylvia Walter</b>	7 (7)				
<b>Michael Jell (until June 30, 2024)</b>	<b>4 (4)</b>	<b>2 (2)</b>			<b>1 (2)</b>
<b>Meeting attendance in %</b>	<b>97.80%</b>	<b>100%</b>	<b>100%</b>	<b>83.33%</b>	<b>89.29%</b>

(in parentheses: number of meetings held during the term of the respective Supervisory Board or committee member)

In the 2024 fiscal year, we maintained a consistently high attendance rate in our meetings, as we had in previous years. The average attendance at full-board meetings was nearly 98%. The full-board meetings during the reporting period were all held in person with an option for virtual attendance if good reason was given. Only two, extraordinary meetings were held purely by videoconference out of respect for the availability of all Supervisory Board members. The Executive, Nomination, and Audit Committees met solely in person though always with the possibility of virtual attendance if needed. One of the Strategy Committee's four meetings was virtual. The personal attendance records presented below are evidence of the high degree of commitment that the members of the Supervisory Board have. Supervisory Board and committee members took part in the resolutions by sending voting instructions if they were prevented from attending individual meetings. Documents for meetings were distributed in advance at an early stage for the attendees' preparation; handouts were only used for late-notice developments and changes.

### **Discussions of the Supervisory Board and its committees**

Meetings and resolutions of the full Supervisory Board are normally prepared by the Chairman of the Supervisory Board in consultation with the Chief Executive Officer, and furthermore by the Executive Committee and, depending on the topic concerned, by the Audit and Strategy Committees. The Supervisory Board established a Mediation Committee, whose services were not needed during the reporting period. The Nomination Committee met two times during the reporting period. The committee chairs, Ms. Dahnke (Audit Committee), Dr. Sommer (Strategy Committee), and I myself (Executive Committee, Nomination Committee) provided regular reports to the Supervisory Board on the work done in the committees. The main subjects of the committees' consultations are summarized below.

The shareholder representatives (the owners' panel) and employee representatives regularly held separate advance meetings prior to the Supervisory Board meetings. Members of the Executive Board also took part in these meetings on an ad hoc basis. Internal discussions were held as needed at the end of Supervisory Board meetings without the presence of the Executive Board members.

### **Significant topics of Supervisory Board work**

A total of seven Supervisory Board meetings were held during the reporting period, including the two-day strategy meeting. Apart from two instances, they were held in person at the Knorr-Bremse Group's locations in Munich (3), Aldersbach (1), and Budapest (1). In each of the other two cases, the Supervisory Board made decisions through a written circulation procedure after examining the matter at a prior meeting and on the basis of a pre-formulated decision proposal from the Executive Board. The following presents a chronological overview of the substantive focuses of the meetings of the full Supervisory Board:

1. At its balance sheeting meeting on March 20 and 21, 2024, the Supervisory Board discussed with the auditor the annual and consolidated financial statements for the 2023 fiscal year and the outcomes of the audit, and – based on the preceding deliberations of the Audit Committee – gave the necessary approval. The Supervisory Board seconded the Executive Board's proposal for appropriating the net profit for the 2023 fiscal year (payment of a dividend of € 1.64 per share). The Supervisory Board approved the Report of the Supervisory Board, the Corporate Governance Statement and Compensation Report, the Dependent Company Report, and the Consolidated Nonfinancial Statement. The Supervisory Board also adopted the motions for the Annual General Meeting and approved it being held virtually, the same way as in previous years. Furthermore, the Supervisory Board dealt with selected BOOST initiatives, in particular the status of divestment projects as part of the portfolio adjustment. The agenda for the balance sheet

meeting also included the regular review of recently closed M&A transactions in regard to their business case and strategic foundations. Lastly, the Supervisory Board set the remuneration targets for the Short-Term and Long-Term Incentives for the current fiscal year.

2. At the extraordinary meeting held by videoconference on April 15, 2024, the Supervisory Board gave its approval to the acquisition of the signaling business of Alstom Signaling Inc. in North America. With this acquisition, Knorr-Bremse is successfully making an entry into the highly attractive control, command, and signaling (CCS) segment of the rail market which approaches a size of approximately € 20 billion globally. For the Knorr-Bremse Rail Vehicle Systems division, the acquisition of this highly profitable business creates new prospects for profitable growth, technological competence, and future digital business models. This makes Knorr-Bremse the market leader in the rail CCS segment in the United States.
3. At its meeting on April 29, 2024, the Supervisory Board dealt with the preparation, procedure, and key content and decisions for the Annual General Meeting the next day which in particular included, among other things, the approval of the new remuneration system for the Executive Board, the extension of the authorized and conditional capital, and the authorization to acquire treasury shares which the Executive Board has not yet utilized. The proposed changes to the remuneration system, which we had already canvassed beforehand with our key investors as well as the proxies that are important for us, were approved by a 94.69% vote at the Annual General Meeting on April 30, 2024. Furthermore, the Supervisory Board examined the realization of the acquisition of Alstom's signaling technology business again (discussed above already).
4. The focuses for the two-day strategy meeting on July 4 and 5, 2024, were the strategic alignment of both divisions and of the Group as well as the strategic financial planning and core innovation projects in CVS and RVS. The framework for it was again formed by the Executive Board's BOOST 2026 program, which brings together an array of strategic initiatives as well as operational and organizational measures that are intended to ensure sustainable and profitable growth over the coming years with specific, formulated profitability targets for the 2026 fiscal year. The individual BOOST measures for which the Supervisory Board regularly examines the implementation status and bottom line potential include brownfield measures such as the consistent optimization of the product portfolio, the reduction of structural costs (SG&A), the adjustment of R&D expenditure, and the expansion of the profitable aftermarket business in both divisions as well as greenfield measures such as the examination of M&A opportunities and organic growth possibilities, including outside of core business. For decisions on and the implementation of strategic initiatives, the Supervisory Board simultaneously acts as a sparring partner and adviser for the Executive Board. Alongside a focus on the Group's and divisions' strategies, further focuses for the strategy meeting included the IT and HR strategies as well as the setup of product compliance management (PCM).
5. At its meeting on October 10, 2024, where the Supervisory Board also inspected production at the truck and rail locations in Kecskemét and Budapest, Hungary, the Executive Board reported on matters such as the implementation of the strategic initiatives in the BOOST project as well as the status of divestment projects forming part of the ongoing portfolio adjustment, specifically, the now successfully accomplished sale of the US steering business of R.H. Sheppard Co. and of the GT Emissions Group in the UK. Furthermore, the Supervisory Board had an in-depth examination of the products and innovation of both divisions, as recently also presented at leading trade fairs, and of the customers' and operators' view of them. A particular focus here was on the respective points of difference

in the customers' view when compared with comparable products from competitors. Finally, in October, the Supervisory Board also advised on the integration of the signaling technology business acquired from Alstom.

6. On December 11, 2024 (planning meeting), the Supervisory Board advised on the annual and financial planning for 2025 (the budget) and on the strategic financial planning (2026–2029) for the Group and divisions, which for the first time was put together in an integrated planning process, and approved this planning after a full discussion. For the Executive Board's 2025 Short-Term Incentive (STI), the Supervisory Board adopted the company STI targets and individual STI targets derived from the planning. The ROCE and ESG targets of the LTI tranche for 2025 to 2028, on the other hand, were only adopted at the balance sheet meeting in March 2025 as they are based on the target achievement in 2024.

On the subject of the BOOST project, the Executive Board outlined the impacts of the individual measures in absolute figures. The status of the ongoing and completed divestment projects under BOOST as well as the likely associated one-time impacts on the financial result were also discussed within the Supervisory Board. Furthermore, the Chief Compliance Officer reported to the Supervisory Board about the status of the Compliance Management System which had been audited and certified by PwC for adequacy and effectiveness for corruption prevention in March 2024.

At the meetings, the Supervisory Board and Executive Board regularly gave individuals at the next levels an opportunity to present on topics. Through this, the Supervisory Board receives a good picture of potential young talent as well as the entrenchment of topics relevant to it within the organization.

## Executive Committee

The Executive Committee coordinates the work of the Supervisory Board, prepares the meetings of the full Supervisory Board, and monitors the execution of the resolutions adopted by the Supervisory Board. It is in charge of resolutions regarding transactions with members of the Executive Board, the approval of contracts with Supervisory Board members, and long-term succession planning for the Executive Board. In matters relating to the Supervisory Board, the Executive Committee makes decisions about delaying the public disclosure of insider information in accordance with Article 17 (4) Market Abuse Regulation where necessary.

A total of four meetings of the Executive Committee were held during the reporting period, each of them in person with an option for virtual attendance. The Executive Committee dealt with the preparation of the external efficiency audit of the Supervisory Board which was conducted in the first half of the year and, moreover, with the implementation of the modified Executive Board remuneration system that took effect on January 1, 2024, following approval at the Annual General Meeting; with the determination of the financial and non-financial targets and the individual targets for the Short-Term and Long-Term Incentives, and the external review of the appropriateness of the Executive Board's remuneration in the context of the extension of Mr. Llistosella's appointment as member and Chairman of the Executive Board. Furthermore, the acquisition of Knorr-Bremse shares by members of the Executive Board in accordance with the Share Ownership Guideline, overseen by the Executive Committee, was transferred to a bank acting as an external service provider so that insider risks always associated with these acquisitions are ruled out.

If the Supervisory Board was due to vote on a resolution, the Executive Committee would usually conclude its deliberations by issuing to the Supervisory Board a recommendation for the resolution. As the Chairman of the Executive Committee, I regularly reported to the Supervisory Board about the work done by the Executive Committee.

**Members of the Executive Committee:**

- Dr. Reinhard Ploss (Chairman)
- Franz-Josef Birkeneder
- Dr. Theodor Weimer
- Michael Jell (until June 30, 2024)
- Werner Ratzisberger (since July 5, 2024)

## Audit Committee

The Audit Committee prepares Supervisory Board resolutions regarding the approval of financial statements and proposals for appropriating net profit. It takes the place of the Supervisory Board to engage auditors for specific audits. In relation to the appointment of the auditor at the Annual General Meeting, the Audit Committee proposes a recommendation to the Supervisory Board. The composition, duties, and competencies of the Audit Committee comply with the specifications of the Financial Market Integrity Strengthening Act (FISG). For example, the Chairwoman of the Audit Committee, Kathrin Dahnke, enjoys a direct right to obtain information from the heads of Internal Audit, Controlling, Risk Management, and Compliance, which are the relevant central departments. Moreover, she maintains regular and partly bilateral communication with the auditor. The information provided in the Corporate Governance Statement explains the composition of the Audit Committee (in relation to “financial experts”). Ms. Dahnke regularly reports to the full Supervisory Board about the Audit Committee’s work.

The Audit Committee convened for a total of six meetings in the 2024 fiscal year. It worked on matters such as the preliminary figures for the 2023 fiscal year and the quarterly and half-yearly financial reporting. The Audit Committee examines the risk management system, internal control system, compliance management system, reports from Internal Audit, and the status of significant litigation at regular intervals. A key component of the committee’s work is its involvement in the annual and consolidated financial statements, beginning with the definition of audit focus topics; as well as in approving the proposed fee for the auditor, the relevant audit reports from the auditor KPMG, the dependency report, the combined nonfinancial report (sustainability report), and the Executive Board’s proposal for appropriating net profit.

**Members of the Audit Committee:**

- Kathrin Dahnke (Chairwoman)
- Franz-Josef Birkeneder
- Dr. Reinhard Ploss
- Werner Ratzisberger (until July 5, 2024)
- Wolfgang Nirschl (since July 5, 2024)

## Strategy Committee

The Strategy Committee advises the Supervisory Board and Executive Board on core issues relating to the Group's strategy, including the Group's business policy and commercial direction. One of its focuses is the analysis and ongoing development of the commercial and rail vehicle divisions, new business ideas, and potential development prospects, which also requires alternative evaluation methods and perspectives. The committee's duties further include providing strategy advice for divestments, mergers, and acquisitions, including monitoring performance after transactions have closed. Moreover, it is also responsible for performing strategic evaluations of the Knorr-Bremse Group's global footprint of locations and subsidiaries and discussing potential improvement with the Executive Board. The Strategy Committee also supports the Executive Board with the development and evaluation of proposals for managing the company's innovation. It ultimately has subject matter responsibility for certain sustainability-related topics, alongside the Audit Committee which oversees the sustainability reporting. For instance, the Strategy Committee advises the Executive Board on the systematic identification of the company's risks and opportunities that are associated with social and environmental factors, and on the appropriate consideration of environmental and social objectives in the corporate governance.

The Strategy Committee met for four meetings during the reporting period, three of which were held in person and one purely virtually. Among other items, it dealt with the BOOST project and the implementation of the brownfield measures defined by the Executive Board, including the portfolio adjustments measures passed; it also reviewed the status of the ongoing M&A and divestment projects, the preparation of and focuses for the strategy meeting, the product pipeline of the two divisions, from preliminary development through market launch down to phase-out; and project control mechanisms and decision-making concepts in the R&D sections of the two divisions.

### Members of the Strategy Committee:

- Dr. Stefan Sommer (Chairman)
- Franz-Josef Birkeneder
- Julia Thiele-Schürhoff
- Dr. Reinhard Ploss
- Dr. Sigrid Nikutta
- Michael Jell (until June 30, 2024)
- Werner Ratzisberger (since July 5, 2024)

## Nomination Committee

If necessary, the Nomination Committee proposes appropriate candidates to the Supervisory Board that the latter may propose for election as new Supervisory Board members at Annual General Meetings.

The Nomination Committee met two times in person during the reporting period. Using the Supervisory Board's current skills profile as a basis, the committee covered abstract succession planning as well as the specific replacement for Dr. Weimer, who will depart the Supervisory Board as reported at the conclusion of this year's Annual General Meeting.

### Members of the Nomination Committee:

- Dr. Reinhard Ploss (Chairman)
- Kathrin Dahnke
- Julia Thiele-Schürhoff



## Mediation Committee

The Mediation Committee did not convene during the reporting period.

### Members of the Mediation Committee:

- Dr. Reinhard Ploss
- Franz-Josef Birkeneder
- Kathrin Dahnke
- Michael Jell (until June 30, 2024)
- Werner Ratzisberger (since July 5, 2024)

## Corporate Governance

The Supervisory Board attaches a great level of importance to ensuring satisfactory corporate governance. It examined its own understanding of corporate governance and compliance separately and intensively during the reporting period. The framework for this consists of the corporate governance requirements for listed German companies, in particular the ones under the German Stock Corporation Act (AktG), German Codetermination Act (MitbestG), and German Corporate Governance Code (GCGC), as amended. The Supervisory Board made a declaration of compliance pursuant to section 161 AktG for the reporting period in conjunction with the Executive Board on December 11, 2024. This declaration of compliance was made available on the company's website and is also printed in the Corporate Governance Statement. Knorr-Bremse AG fulfilled all recommendations of the German Corporate Governance Code in fiscal 2024 except for recommendation G.11 of the GCGC (which pertains to clawback and malus provisions in the service agreements of Executive Board members). The modifications of the Executive Board remuneration system required for the implementation of GCGC G.11 will be gradually implemented in contracts when they are renewed or when new ones are signed. Four of the five Executive Board service agreements now already contain a clawback and malus arrangement.

The Supervisory Board regularly assesses how effectively it is fulfilling its duties as a whole as well as through its committees (an "efficiency review" under section D.12 of the German Corporate Governance Code). As detailed above, an external efficiency audit was carried out most recently in the first half of 2024.

### Conflicts of interest

The Supervisory Board conducts continuous monitoring to see if there are potential conflicts of interest in its decision making. The outcome of this monitoring was that there were no conflicts of interest relevant to the Supervisory Board's decision-making during the 2024 fiscal year or the current fiscal year.

### Audit of annual and consolidated financial statements

The Supervisory Board and the Audit Committee in particular performed relevant audit procedures to ensure that the annual and consolidated financial statements and further financial statements for the 2024 fiscal year met the applicable requirements.

The annual financial statements of Knorr-Bremse AG as compiled by the Executive Board in accordance with Germany's generally accepted accounting principles (HGB), the combined management report of Knorr-Bremse AG, and the consolidated financial statements for the 2024 fiscal year based on International Financial Reporting Standards (IFRS) were audited by KPMG AG Wirtschaftsprüfungsgesellschaft, Munich and each awarded an unqualified opinion. KPMG was elected as the auditor of the financial statements for the 2024 fiscal year at the Annual General Meeting on April 30, 2024. KPMG has been the auditor of the Knorr-Bremse Group since its IPO in 2018 and was also appointed as the auditor prior to that. Michael Mokler was the main auditor overseeing the audit for the purposes of section 319a (1) sentence 4 HGB. Angelika Huber-Strasser is a further key audit partner.

Furthermore, the auditor discussed the half-yearly financial report in detail with the Audit Committee prior to its publication and reported on the status of the audit of the annual and consolidated financial statements when the preliminary figures were published. The auditor audited the report on relations with affiliated companies (section 312 AktG) that was compiled by the Executive Board. The auditor issued the following opinion in regard to the report: "Having conducted a due and proper audit and appraisal, we hereby confirm that 1. the actual disclosures contained in the report are correct, 2. the legal transactions disclosed in the report did not involve inappropriately high consideration or compensation for any disadvantages, 3. no circumstances relating to the measures disclosed in the report suggest an assessment other than the one made by the Executive Board."

The aforementioned reports, the Executive Board's proposal for the appropriation of net profit, and the auditor's reports were provided to all members of the Supervisory Board in a timely fashion or were displayed for their perusal at the Supervisory Board meeting on March 20, 2025. The Audit Committee conducted a preliminary audit of all documents at its meetings on February 19, 2025 (preliminary figures), and March 14, 2025, with Audit Committee Chairwoman Kathrin Dahnke reporting to the Supervisory Board about this at the Supervisory Board meeting on March 20, 2025. The financial statements and reports were presented to the Supervisory Board by the Executive Board and discussed in detail. The auditors attending the meetings reported on the results of their audits, for which the Audit Committee had previously specified key focal points of the audit for the reporting period. In this context, the auditors dealt in particular with the especially important audit matters mentioned in the audit opinion, with other key focal areas of the audit, and with the respective procedure during the audit, including the conclusions, and made themselves available for additional queries and requests for information.

The Audit Committee did not find any vulnerabilities in the risk management system, internal control system, internal audit system, or compliance management system. After our own audit of the annual financial statements, consolidated financial statements, and combined management report, we – as the Supervisory Board – do not have any cause to raise objections, for which reason we agreed with the Executive Board's assessment of the position of Knorr-Bremse AG and the Knorr-Bremse Group. The Supervisory Board approved the annual and consolidated financial statements for the 2024 fiscal year in line with the recommendation of the Audit Committee, which means that the annual financial statements of Knorr-Bremse AG are hereby adopted. We held in-depth discussions with the Executive Board about the appropriation of net profit and concur with the Executive Board's proposal to distribute a dividend of €1.75 per no-par-value share with dividend rights for fiscal year 2024. Knorr-Bremse's payout ratio of approximately 59% sees it leaving the distribution range of 40% to 50% of net income – which continues to apply – to reflect the Group's strong operational performance. The Supervisory Board approved the Report of the Supervisory Board, the Corporate Governance Statement and Compensation Report, the Dependent Company Report, and the Consolidated Nonfinancial Statement. A resolution will be made about the proposed appropriation of net profit at the Annual General Meeting on April 30, 2025. The agenda for the Annual General Meeting also includes the new election of a Supervisory Board member, the renewal of the authorization in the Articles of Association to hold the Annual General Meeting virtually, the Compensation Report for the 2024 fiscal year, and the approval of a company control agreement with KB Intellectual Property GmbH & Co. KG as a subsidiary entity for consolidated tax group purposes.

#### **Membership changes to Supervisory Board and Executive Board**

The composition of the Executive Board and Supervisory Board as at December 31, 2024, is illustrated in the overviews on page 26 for the Supervisory Board and page 11 for the Executive Board.

## **Supervisory Board**

The Supervisory Board members representing the shareholders remained stable over the reporting period. On the employee side, Thomas Mittmann succeeded Michael Jell as the replacement member elected by the employees with effect from July 1, 2024; Michael Jell had been on the Supervisory Board since 2014 and stepped down from the board for personal reasons at the end of June. The company supports the newly elected members of the Supervisory Board in familiarizing themselves with their roles via a structured onboarding program to provide them with a comprehensive overview of the company and the global position of the Group, its operations, and the products of the two divisions. Manuela Deseive succeeded Sylvia Walter as an elected replacement member with effect from January 1, 2025, after the latter retired from the Supervisory Board at the end of December.

## Executive Board

The makeup of the Executive Board remained stable in the 2024 reporting period. I particularly wish to highlight that the Supervisory Board passed a unanimous resolution in late January, ahead of schedule, to renew the appointment of Marc Llistosella as member and Chairman of the Executive Board for a further five years with effect from January 1, 2026. I am pleased that Marc Llistosella will continue to shape the future of the company and that we will keep on writing the Knorr-Bremse success story together. By renewing his contract ahead of time, the Supervisory Board honors his contribution to this success. The clear priorities of the Executive and Supervisory Boards are profitability, sustainable growth, and added value.

### Acknowledgment

Knorr-Bremse's closing of the 2024 fiscal year with strong operational performance in spite of a challenging macroeconomic environment and with the achievement – and in some places even surpassing – of its ambitious targets, as the Executive Board announced in late February, is evidence of not only the resilience of its business model, but also the commitment and capabilities of the entire Knorr-Bremse team and its management. The Supervisory Board thanks the Executive Board and all employees who guided and are guiding the company successfully and securely through the fiscal year. The Supervisory Board will continue to oversee the Executive Board constructively in the future. I personally wish to express my continued gratitude for the open and positive demeanor that I encounter in my interactions with the workforce. Based on the culture as well as substantive insight, it reinforces my confidence that Knorr-Bremse can make its journey into the future a successful development.

Munich, March 20, 2025

*best regards and all the best  
yours Reinhard Ploss*

**Dr. Reinhard Ploss**  
Chairman of the Supervisory Board