
REMUNERATION REPORT

OF DEUTZ AG PURSUANT TO SECTION 162 AKTG

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The remuneration report provides details of the remuneration granted and owed to former and current members of the Board of Management and Supervisory Board of DEUTZ AG in 2023. It meets the requirements of section 162 of the German Stock Corporation Act (AktG).


I. Review of 2023 from a remuneration perspective

In accordance with the provisions of the AktG, the remuneration report for 2022 prepared jointly by the Board of Management and the Supervisory Board was submitted for approval to the Annual General Meeting of DEUTZ AG on April 27, 2023, at which it was approved with 73.10 percent of the votes. The resolution did not result in any need to amend the 2022 remuneration report. As part of the vote on the remuneration report, shareholders expressed criticism of individual aspects of the remuneration system. This mainly related to the existing option to grant special remuneration, the inclusion of sustainability targets in variable remuneration, and the lack of an obligation for Management Board members to make personal investments. The Supervisory Board considered the shareholders' comments in detail and revised the existing remuneration system. The adapted system will be presented at the 2024 Annual General Meeting.

The composition of the Board of Management remained unchanged in the 2023 financial year.

Changes occurred to the composition of the Supervisory Board. With effect from April 27, 2023, Mr. Helmut Ernst, Ms. Melanie Freytag, and Mr. Bernd Maierhofer were elected as ordinary members of the Supervisory Board as shareholder representatives. On June 14, 2023, Mr. Ismail-Hilmi Kocer, Mr. Gottfried Laengert, and Mr. Hans-Jörg Schaller were elected as employee representatives, and on July 24, 2023, Ms. Katja Olligschläger was elected as a full member of the Supervisory Board. Supervisory Board members Ms. Sophie Albrecht, Dr.-Ing. Bernd Bohr, Mr. Yavuz Büyükdag, Mr. Hans-Peter Finken, Mr. Alois Ludwig, Ms. Corinna Töpfer-Hartung, and Mr. Ali Yener stepped down from the Supervisory Board in the 2023 financial year.

In addition to the personnel changes, a new remuneration system for the Supervisory Board was submitted to the vote at the 2023 Annual General Meeting. The Annual General Meeting approved the new remuneration system with 99.73 percent of the votes.

The remuneration report was jointly prepared by the Board of Management and the Supervisory Board and was audited in relation to its form and content by the auditor.  See Auditor's report on p. 109.

II. Remuneration for Board of Management members

A. General principles of the remuneration system

The current remuneration system for the members of the Board of Management has applied since 2021. The system incorporates the statutory requirements and the recommendations in the version of the **German Corporate Governance Code (DCGK)** dated April 28, 2022. It comprises non-performance-related and performance-related remuneration components and supports the long-term, sustainable development of DEUTZ AG.

The aim of the remuneration system is to support the achievement of DEUTZ's strategic objectives and ensure that the members of the Board of Management are paid appropriately. In line with the corporate strategy, the remuneration system incentivizes the Board of Management members to achieve profitable growth and sustainable value creation. Long-term variable remuneration is higher than short-term variable remuneration in order to underscore the particular importance of DEUTZ AG's long-term development. To this end, it includes a share-based element.

The Supervisory Board of DEUTZ AG is responsible for the remuneration system and for setting the remuneration of the individual members of the Board of Management. It is supported by the Human Resources Committee, which prepares recommendations on the Board of Management remuneration system and carries out the preparatory work for the decisions of the Supervisory Board and for the review of the appropriateness of the level of remuneration.

The Supervisory Board has further developed the existing remuneration system. The revised system will apply from the 2024 financial year and will be submitted to the 2024 Annual General Meeting for approval. The following information relates to the remuneration systems applied in the 2023 financial year and in previous years.

B. Remuneration system in 2023

In 2023, the remuneration of the members of DEUTZ's Board of Management consisted of non-performance-related and performance-related remuneration components. The individual components of the remuneration system in 2023 are summarized in the following table:

Remuneration components	Support for long-term development	Structure in 2023
Non-performance-related remuneration		
Basic remuneration	Forms the basis for attracting and retaining highly qualified Board of Management members who develop and implement the strategy	■ Fixed remuneration paid in monthly installments
Additional benefits		■ Company car and insurance policies
Retirement pension		■ Annual contribution to a benevolent fund
Performance-related remuneration		
Short-term variable remuneration (bonus/STI)	Rewards the degree to which the corporate strategy has been operationalized, including how forward-looking sustainability targets have been implemented during a year	■ Plan type: target bonus ■ Performance criteria: <ul style="list-style-type: none"> - 30 % revenue - 30 % EBIT - 25 % strategy target - 15 % sustainability target ■ Payment cap: 150 % of target amount ■ Term: one year
Long-term variable remuneration (long-term incentive, LTI)	Incentivization of the sustainable growth of DEUTZ AG and its value appreciation over the long term, bringing the interests of investors and Board of Management members into line	■ Plan type: virtual performance share plan ■ Performance criteria: <ul style="list-style-type: none"> - 50 % relative total shareholder return (TSR) compared to DAXSubsector All Industrial Machinery - 50 % return on capital employed (ROCE) ■ Payment cap: 180 % of target amount ■ Term: four years
Miscellaneous		
Malus/clawback	Safeguards responsible corporate governance for the benefit of DEUTZ AG	■ Option to reduce or claw back some or all of the variable remuneration in the event of a serious compliance violation
Special remuneration	Rewards special achievements in connection with exceptional (structural) events that were not factored into the strategic planning or that have a particularly strong impact on the Group	■ Option to grant special remuneration ■ Limited to half of the annual basic remuneration and also limited by the maximum amount of remuneration
Maximum amount of remuneration	Limits remuneration to an amount that is high enough to motivate the members of the Board of Management but is not inappropriately high	■ Limit on the total remuneration granted for a year in accordance with section 87a (1) sentence 2 no. 1 AktG: <ul style="list-style-type: none"> - Chairman of the Board of Management: €2,800,000 - Ordinary members of the Board of Management: €1,900,000
Cap on severance pay	Avoids excessive severance payments that are not in the interests of DEUTZ AG	■ Severance payments are limited to twice the amount of annual remuneration and may not exceed the remuneration due for the remaining

B.1. Non-performance-related remuneration

Non-performance-related remuneration is granted to the Board of Management members irrespective of their specific performance in relation to their targets and irrespective of the Company's performance. This remuneration comprises basic remuneration, additional benefits, and a retirement pension. The components of non-performance-related remuneration form the basis for attracting and retaining highly qualified Board of Management members who develop and implement the corporate strategy.

Basic remuneration The basic remuneration is a fixed amount that is granted irrespective of the actual performance of DEUTZ AG.

Additional benefits Each Board of Management member receives additional benefits in the form of non-monetary remuneration and other benefits. In 2023, the additional benefits for the members of the Board of Management comprised the provision of a company car that can also be used privately, the option of a driver for the car, and payment of insurance premiums for accident and D&O insurance policies.

Retirement pension The retirement pension for Board of Management members is structured as a defined contribution plan. For the Board of Management members, DEUTZ AG paid an amount into a reinsured benevolent fund in 2023 (pension expense). The amount for Mr. Krutoff's pension was paid into the benevolent fund for the first time in 2023. When they retire, the Board of Management members are entitled to the capital promised to them; this payment is made by the benevolent fund.

Aspect	Details
Pension plan type	Defined contribution pension plan
Start of retirement	Standard retirement age is 65; earliest possible retirement age is 62 (provided that the statutory pension is also drawn)
Return	The return depends on the policyholder dividend arrangements of the insurer. There is no guaranteed return, i.e. there is no return over and above what is agreed in the policyholder dividend arrangements.
Payment options	An amount of capital is promised. In agreement with the Board of Management member, DEUTZ AG can agree a life-long annuity instead of a lump sum. This annuity is paid by the benevolent fund once there has been a pension trigger event.
Invalidity/Death	Death before the start of retirement: the policy value is paid out. Benefits may also be paid in the form of a share of the valuation reserves. Death after the start of retirement (applies only if a life-long annuity has been arranged): payment of ten times the annual annuity guaranteed from the start of retirement. Guaranteed annuities that have already been paid are deducted from this amount.

Pension expense for Board of Management members The pension expenses in 2023 are shown in the following table:

	Pension expense in FY 2023 (€ thousand)
Dr. Sebastian C. Schulte (Chairman of the Board of Management)	150
Dr.-Ing. Petra Mayer	50
Dr.-Ing. Markus Müller	50
Timo Krutoff	50

B.2. Performance-related remuneration

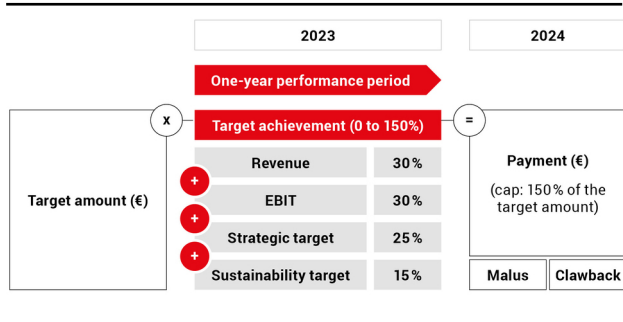
The following chapters describe the structure of the remuneration granted or owed. Remuneration granted is the remuneration for which the related (one-year or multiple-year) work has been performed in full (i.e. the performance period has ended, and the performance criteria have been met). Remuneration owed is when DEUTZ has a legal obligation to the Board of Management member that is due but has not yet been fulfilled.

The structure of the LTI promised in 2023 (2023–2026) is also described. Remuneration promised is the remuneration that is promised to the Board of Management members for 2023, irrespective of the timing of payment (target remuneration).

2.1 Short-term variable remuneration (short-term incentive, STI)

The bonus contributes to the Company's long-term development by specifying how the corporate strategy is to be implemented operationally during a year and rewarding its implementation. Success is assessed on the basis of financial, strategic, and sustainability performance criteria. The financial targets revenue and EBIT underpin the growth strategy of DEUTZ AG and its regional growth initiatives because together they incentivize the Board of Management members to contribute to profitable growth. The strategy target is based on the achievement of specific strategic initiatives. The sustainability target reflects the social and environmental responsibility of DEUTZ AG and is derived from the groupwide »Taking Responsibility« sustainability strategy, which forms part of the overall strategy.

Short term incentive



The target amount is the starting point for the STI. The target amount is multiplied by the total target achievement rate to obtain the amount payable. Total target achievement for the STI is the weighted sum of the rates of target achievement for the four performance criteria revenue, EBIT, strategy target, and sustainability target. For the 2023 financial year, the Supervisory Board has specified strategy target from the »Partnerships« category and a sustainability target from the »Alternative drives« and »HR development« categories.

The target values for the performance criteria are set by the Supervisory Board, and target achievement in respect of these values is determined by the Supervisory Board after the end of the performance period. If performance is below a threshold, target achievement for the relevant share of the STI is 0 percent. This may result in no STI being paid at all. Target achievement is limited to a maximum of 150 percent. Linear interpolation is applied between the aforementioned rates of target achievement.

Revenue Revenue is defined as the consolidated revenue calculated and audited in accordance with the accounting principles that apply to DEUTZ AG by law. Revenue has a weighting of 30 percent.

The minimum threshold, the target value corresponding to 100 percent target achievement, the cap, the actual value achieved in 2023, and the resulting rate of target achievement for the revenue performance criterion are shown in the following table:

STI 2023

	Revenue	Target achievement
Minimum threshold	€ 1,430 million	50 %
Target value	€ 1,825 million	100 %
Cap	€ 2,220 million	150 %
Ist-Wert	€ 2,104.8 million	135.4 %

If a value is achieved between the minimum threshold and the target value, target achievement is interpolated on a linear basis between 50 percent and 100 percent. If a value is achieved between the target value and the cap, target achievement is interpolated on a linear basis between 100 percent and 150 percent.

EBIT EBIT is defined as the consolidated earnings before interest and tax (EBIT) less income generated or expenses incurred that are outside the scope of the Company's ordinary business activities and are unlikely to recur (EBIT before exceptional items). It is calculated and audited in accordance with the accounting principles that apply to DEUTZ AG by law. EBIT has a weighting of 30 percent.

The minimum threshold, the target value corresponding to 100 percent target achievement, the cap, the actual value achieved in 2023, and the resulting rate of target achievement for the EBIT performance criterion are shown in the following table:

STI 2023

	EBIT	Target achievement
Minimum threshold	€ 40 million	50 %
Target value	€ 80 million	100 %
Cap	€ 120 million	150 %
Actual value	€ 120.4 million	150 %

If a value is achieved between the minimum threshold and the target value, target achievement is interpolated on a linear basis between 50 percent and 100 percent. If a value is achieved between the target value and the cap, target achievement is interpolated on a linear basis between 100 percent and 150 percent.

Strategy target and sustainability target The strategy target for 2023 was selected from the »Partnerships« category and given a weighting of 25 percent. The sustainability target for the 2023 financial year was selected from the »Alternative drives« and »HR development« category and is given a weighting of 15 percent.

Ten individual targets were set for the strategy target and ten for the sustainability target. Examples of these individual targets, which are grouped into clusters, are shown in the following table:

Strategy targets for 2023 in the »Partnerships« category, derived from the growth and internationalization strategy

Target cluster	Examples of individual targets
Consolidation	Examination and specification of consolidation opportunities in the combustion engine sector; strategy development for the market launch of selected engine series
»Green« sector	Comprehensive further development of the »Green Expansion Concept«; solution for Torquedo
Service & Sales	Acquisition and start of integration of a location in South America; inorganic expansion of the service network in a selected region
Supply chain	Establishment and expansion of a strategic partnership to enhance resilience

Sustainability targets for 2023 in the »Alternative drives« and »HR development« categories, derived from the sustainability strategy

Target cluster	Examples of individual targets
E-DEUTZ	Transfer of a system from pre-series to series development; acquisition of several new customer orders; conceptual design for the further development of the modular E-DEUTZ construction kit and transfer to series development
Hydrogen	Progress in the development of a hydrogen engine; delivery of several prototypes
Human resources	Introduction of succession planning throughout the Group; introduction of a holistic talent management concept for selected functions throughout the Group; introduction of a Group-wide grading system for selected functions throughout the Group

Target achievement for the strategy target and sustainability target is measured by the number of individual targets that were reached in the relevant category in 2023. The correlation between the number of targets reached and target achievement is shown in the following table along with the actual rate of target achievement in 2023:

STI 2023

	Number of individual targets reached in the categories for the strategy target and sustainability target	Target achievement
Minimum threshold	3	50%
Target value	5	100%
Cap	7	150%
Actual value: strategy target	8	150%
Actual value: sustainability	7	150%

Ex post changes to the performance criteria and target values for the performance criteria are not permitted. In accordance with the recommendation in G.11 DCGK, the Supervisory Board also has the option, in exceptional cases and where it is justifiable to do so, of taking extraordinary developments appropriately into account in the STI if such developments were not explicitly factored into the strategic planning and defined individual targets. As was also the case in 2022, the Supervisory Board did not exercise this option in 2023.

Determination of the STI The determined target achievement rates are multiplied by the relevant weightings for the performance criteria and then added up to give the total target achievement. This is multiplied by the target amount to obtain the amount payable, which is limited to 150 percent of the target amount.

The following table summarizes the target amount, total target achievement, and the resulting amount payable under the STI 2023 for each member of the Board of Management:

STI 2023

	Dr. Sebastian C. Schulte	Timo Krutoff	Dr.-Ing. Petra Mayer	Dr.-Ing. Markus Müller
Target amount (€ thousand)	480	300	300	300
Total target achievement	145.6 %	145.6 %	145.6 %	145.6 %
Amount payable (€ thousand)	699	437	437	437

2.2 Long-term variabel remuneration (long-term incentive, LTI)

Long-term variable remuneration contributes to the Company's long-term development by rewarding implementation of the corporate strategy, its focus on sustainability, and the long-term increase in the value of DEUTZ AG on the basis of the original remuneration system that applied until 2020 and the new remuneration system that has applied to the Board of Management since 2021. Success is assessed using financial and share-based performance criteria derived from the strategy of DEUTZ AG.

2.2.1 LTI (LTI 2020 – 2023)

In 2023, former Board of Management members Dr.-Ing. Hiller, Wellenzohn and Dr. Strecker were granted remuneration in connection with the LTI promised in 2020. The LTI promised in 2020 was promised in the form of virtual performance shares. The target amount is the starting point for the allocation.

At the start of the four-year term, the target amount was divided by the average DEUTZ AG share price (arithmetic mean of the **Xetra** closing price during the last 60 trading days prior to the start of the performance period) in order to determine a number of virtual shares that are promised conditionally (**virtual performance shares, VPSs**). The start of the term was January 1, 2020. The average DEUTZ AG share price to be applied amounted to €5.48. The number of VPSs promised to the Board of Management member for 2020 is shown in the following table:

Number of virtual shares promised conditionally in 2020 to each Board of Management member

Board of Management member	Number of virtual shares promised conditionally in 2020
Dr.-Ing. Frank Hiller (until February 2022)	36,503
Dr. Andreas Strecker (until February 2021)	27,377
Michael Wellenzohn (until September 2022)	30,115

Long-term Incentive (2020 – 2023)



Entitlement to payment after expiry of the four-year performance period depends on whether one of the two performance criteria – share price increase or relative share price increase – has been met.

The LTI payment is limited to 150 percent of the target amount. Target achievement for the performance criteria is calculated as follows:

Share price increase To calculate the increase in the share price during the performance period, the price of DEUTZ shares on the stock exchange (average closing price of DEUTZ AG shares in Xetra trading on the Frankfurt Stock Exchange during the last 60 trading days prior to expiry of the performance period) is compared with the reference price (average closing price of DEUTZ AG shares in Xetra on the Frankfurt Stock Exchange during the 60 trading days prior to the allocation date). In this calculation of the share price increase, any gross dividends distributed up to the end of the vesting period are added to the market value of the DEUTZ shares.

The target value resulting in 100 percent target achievement and the actual value achieved in 2023 for the share price increase performance criterion are as follows:

LTI grant in 2023

	Share price increase in the period 2020 to 2023	Target achievement
Minimum threshold	<30 %	0 %
Target value	≥30 %	100 %
Actual value in 2023	-18.3%	0 %

Relative share price increase To calculate the relative increase in the share price, the increase in the DEUTZ share price (see »Share price increase performance criterion«) is compared with share price performance on the MDAX.

The target value resulting in 100 percent target achievement and the actual value achieved in 2023 for the relative share price increase performance criterion are as follows:

LTI grant in 2023

	Difference between price increase of the DEUTZ share and MDAX index in the period 2020 to 2023	Target achievement
Minimum threshold	< 10 pp	0%
Target value	≥10 pp	100%
Actual value in 2023	-14.1 pp	0%

Ex post changes to the performance criteria and target values for the performance criteria are not permitted.

Determination of the LTI After the end of the performance period, it is determined whether entitlement to payment arose during the performance period. To calculate the amount of the cash payment after the end of the performance period, the final number of VPSs in the event of entitlement to payment is multiplied by the average DEUTZ AG share price (arithmetic mean of the closing price in Xetra trading on the Frankfurt Stock Exchange during the last 60 trading days prior to expiry of the performance period). The amount payable is limited to 150 percent of the target amount.

The following table summarizes various items of information, including the target amount, total target achievement, and the resulting amount payable for the LTI 2020–2023 for each member of the Board of Management to whom the LTI 2020–2023 was granted:

LTI 2020–2023

	Dr.-Ing. Frank Hiller	Michael Wellenzohn	Dr. Andreas Strecker
Target amount	€ 200 thousand	€ 165 thousand	€ 150 thousand
Allocation price	€ 5.48	€ 5.48	€ 5.48
Number of VPSs	36,503	30,115	27,377
Total target achievement	0 %	0 %	0 %
Final number of virtual shares	0	0	0
Closing price (including dividend)	€ 4.48	€ 4.48	€ 4.48
Amount payable	€ 0	€ 0	€ 0

As the LTI 2019–2022 for Dr. Strecker also ended in 2023, the parameters for the LTI 2019–2022 that are relevant to the grant to Dr. Strecker are set out below. The underlying logic for the LTI, as described in this chapter 2.2.1, also applies to the LTI 2019–2022 with regard to all parameters (i.e. plan type, performance period, performance criteria, and determination of amount payable). Furthermore, the target values for the performance criteria of the LTI 2019–2022 are the same as the target values described in this chapter for the LTI 2020–2023. Between March 1, 2019, and February 28, 2023, the increase in the DEUTZ share price amounted to -15.7 percent and the difference between the increase in the DEUTZ share price and share price performance on the MDAX (relative share price performance) amounted to -34.4 percent. Dr. Strecker's target achievement for the LTI 2019–2022 was therefore 0 percent.

LTI 2019–2022

	Dr. Andreas Strecker
Target amount	€ 125 thousand
Allocation price	€ 5.95
Number of VPSs	21,008
Total target achievement	0 %
Final number of virtual shares	0
Closing price (including dividend)	€ 5.02
Amount payable	€ 0

2.2.3 LTI (ALLOCATION IN 2023)

The LTI promised in 2023 is promised in the form of annual tranches of VPSs. The target amount is the starting point for the promised LTI and totals between 63 percent and 69 percent of the Board of Management members' basic remuneration.

At the start of the four-year term, the target amount is divided by the average DEUTZ AG share price (arithmetic mean of the XETRA closing price during the last 60 trading days prior to the start of the performance period) in order to determine a number of VPSs that are promised conditionally.

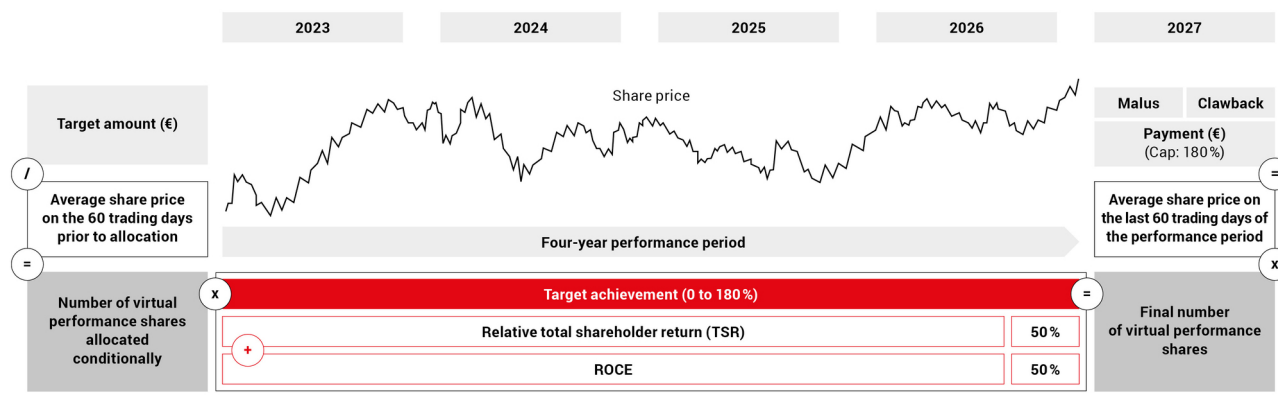
For 2023, the average DEUTZ AG share price amounted to €3.98. The number of VPSs promised to the Board of Management members for 2023 is shown in the following table:

Board of Management member	Promised LTI amount (target)	Number of virtual shares allocated
Dr. Sebastian C. Schulte (Chairman of the Board of Management)	€ 587 thousand	147,413
Timo Krutoff	€ 370 thousand	92,918
Dr.-Ing. Petra Mayer	€ 370 thousand	92,918
Dr.-Ing. Markus Müller	€ 370 thousand	92,918

The final number of VPSs depends on the aggregated rates of target achievement for the performance criteria return on capital employed (ROCE) and relative total shareholder return (relative TSR).

Target achievement for relative TSR is determined after the end of the performance period on the basis of the **percentile ranking** of DEUTZ AG within a TSR peer group. The target value for the ROCE performance criterion is set by the Supervisory Board. Target achievement for ROCE is determined once the relevant consolidated financial statements for the final year of the performance period have been approved by the Supervisory Board.

Long-term Incentive (2023 – 2026)



The LTI payment is limited to 180 percent of the target amount. Target achievement for the performance criteria is calculated as follows:

Relative total shareholder return Relative TSR compares DEUTZ's TSR performance against that of a specific peer group and has a weighting of 50 percent. TSR performance is calculated by comparing the share price (plus the dividend paid) at the end of the performance period with the value at the start of the performance period. The TSR peer group comprises companies in the DAXsubsector All Industrial Machinery.

Some of the companies in this peer group are therefore different from those in the peer group used to check whether the Board of Management's remuneration is typical in comparison with that in similar companies. The composition of the peer group for assessing how remuneration compares with that of other companies is based on stock-corporation law criteria, such as sector, size, and country. The composition of the TSR peer group has been given a greater sectoral focus, which means that companies that are larger or smaller than DEUTZ are also included. Some companies in the TSR peer group would therefore not meet the stock-corporation law criteria regarding size that are applied in the comparison of Board of Management remuneration with that in similar companies. The Supervisory Board believes that a peer group with a greater sectoral focus is better suited to evaluating DEUTZ's performance relative to relevant competitors and the overall sector than the peer group used to compare Board of Management remuneration with that in similar companies.

As at December 2023, the TSR peer group comprised the following companies:

Aumann AG, Datron AG, DMG MORI AG, Dürr AG, Francotyp-Postalia Holding AG, Heidelberger Druckmaschinen AG, Jungheinrich AG, KHD Humboldt Wedag International AG, KHD Humboldt Wedag Vermögensverwaltungs AG, KION GROUP AG, Knorr-Bremse AG, Koenig & Bauer AG, Krones AG, KSB SE & Co. KGaA, Maschinenfabrik Berthold Hermle AG, Masterflex SE, NORMA Group SE, PITTLER Maschinenfabrik AG, Stabilus SE, Wacker Neuson SE, WashTec AG.

TSR performance is determined for each company in the peer group and for DEUTZ after the end of the performance period. The individual values are then ranked and given a percentile ranking in which the 0th percentile ranking represents the lowest TSR performance and the 100th percentile ranking represents the highest TSR performance.

Target achievement for relative TSR is determined after the end of the performance period on the basis of the percentile ranking of DEUTZ AG as follows:

LTI allocation in 2023

	DEUTZ's percentile ranking for TSR	Target achievement
Minimum threshold	25	0 %
Target value	50	100 %
Cap	75	180 %

If a value is achieved between the minimum threshold and the target value, target achievement is interpolated on a linear basis between 50 percent and 100 percent. If a value is achieved between the target value and the cap, target achievement is interpolated on a linear basis between 100 percent and 180 percent.

Return on Capital Employed ROCE is the ratio of EBIT before exceptional items (consolidated earnings before interest and tax less income generated or expenses incurred that are outside the scope of the Company's ordinary business activities and are unlikely to recur, based on the consolidated financial statements) to capital employed and has a weighting of 50 percent. The relevant figure for the assessment of target achievement for the 2023 tranche is the average ROCE value achieved during the performance period.

The threshold for ROCE equates to the weighted average cost of capital (WACC) of DEUTZ AG. If ROCE is below the WACC, target achievement is 0 percent. There is thus no entitlement to the payment of a bonus unless the return on capital employed exceeds the costs.

The minimum threshold, the target value corresponding to 100 percent target achievement, and the cap including the resulting target achievement for the average ROCE during the performance period are as follows:

LTI allocation in 2023

	ROCE	Target achievement
Minimum threshold	7.6%	50 %
Target value	10.0%	100 %
Cap	15.0%	180 %

If a value is achieved between the minimum threshold and the target value, target achievement is interpolated on a linear basis between 50 percent and 100 percent. If a value is achieved between the target value and the cap, target achievement is interpolated on a linear basis between 100 percent and 180 percent.

Ex post changes to the performance criteria and target values for the performance criteria are not permitted. In accordance with the recommendation in G.11 DCGK, however, for the LTI, the Supervisory Board has the option, in exceptional cases and where it is justifiable to do so, of taking extraordinary developments appropriately into account in respect of measurement variables, targets, and the determination of target achievement. The Supervisory Board did not exercise this option in 2023.

Determination of the LTI After the end of the performance period, the final number of VPSs is determined by multiplying the number of VPSs that are promised conditionally by the weighted total target achievement. To calculate the amount of the cash payment after the end of the performance period, the final number of VPSs is multiplied by the average DEUTZ AG share price (arithmetic mean of the closing price in Xetra trading on the Frankfurt Stock Exchange during the last 60 trading days prior to expiry of the performance period). The amount payable is limited to 180 percent of the target amount.

2.3 Overview of the variable remuneration granted and owed in 2023

The following table summarizes the short-term and long-term variable remuneration resulting from the performance criteria that was granted or owed for 2023:

	Dr. Sebastian C. Schulte	Timo Krutoff	Dr.-Ing. Petra Mayer	Dr.-Ing. Markus Müller	Dr.-Ing. Frank Hiller	Dr. Andreas Strecker	Michael Wellenzohn
STI 2023							
Target amount	€ 480 thousand	€ 300 thousand	€ 300 thousand	€ 300 thousand	-	-	-
Total target achievement	145.6 %	145.6 %	145.6 %	145.6 %	-	-	-
Amount payable	€ 699 thousand	€ 437 thousand	€ 437 thousand	€ 437 thousand	-	-	-
LTI 2019–2022							
Target amount	-	-	-	-	-	€ 125 thousand	-
Allocation price	-	-	-	-	-	€5.95	-
Number of virtual shares	-	-	-	-	-	21,008	-
Total target achievement	-	-	-	-	-	0 %	-
Final number of virtual shares	-	-	-	-	-	0	-
Closing price	-	-	-	-	-	€5.02	-
Amount payable	-	-	-	-	-	€ 0 thousand¹¹⁰	-
LTI 2020–2023							
Target amount	-	-	-	-	€ 200 thousand	€ 150 thousand	€ 165 thousand
Allocation price	-	-	-	-	€5.48	€5.48	€5.48
Number of virtual shares	-	-	-	-	36,503	27,377	30,115
Total target achievement	-	-	-	-	0 %	0 %	0 %
Final number of virtual shares	-	-	-	-	0	0	0
Closing price	-	-	-	-	€4.48	€4.48	€4.48
Amount payable	-	-	-	-	€ 0 thousand	€ 0 thousand	€ 0 thousand
Variable remuneration granted and owed (total)	€ 699 thousand	€ 437 thousand	€ 437 thousand	€ 437 thousand	€ 0 thousand	€ 0 thousand	€ 0 thousand

¹¹⁰ For Dr. Andreas Strecker, the term of the LTI 2019–2022 began on March 1, 2019, and ends on February 28, 2023.

2.4 Miscellaneous

Malus and clawback The short-term variable remuneration and the virtual performance shares are subject to malus and clawback conditions. This means that if, as proved by the Company, a Board of Management member is in serious violation of applicable law, his or her statutory obligations, or the obligations in his or her employment contract, the Supervisory Board is entitled to withhold some of the variable remuneration that has not yet been paid (malus) and to claw back variable remuneration that has already been paid. The Supervisory Board decides on this at its professional discretion. The Supervisory Board did not withhold or claw back any variable remuneration components in 2023.

Special remuneration In exceptional cases, the Supervisory Board can, at its professional discretion, grant a special bonus to Board of Management members in accordance with the recommendation in G.11 DCGK. The Supervisory Board must both identify and provide grounds for such exceptions. The special bonus is limited in two ways. Firstly, it is limited in relative terms to half of the Board of Management member's annual basic remuneration. Secondly, it is limited by the maximum remuneration pursuant to section 87 a (1) sentence 2 no. 1 AktG, which represents the absolute upper limit on total remuneration. No such special bonus has been granted in the past ten years, and this was again the case in 2023.

Adherence to the maximum remuneration limit As well as limiting the variable remuneration components, the Supervisory Board has specified a maximum amount of remuneration for each member of the Board of Management pursuant to section 87 a (1) sentence 2 no. 1 AktG that limits the remuneration to be paid that was granted for a particular year. This maximum remuneration encompasses the basic remuneration, additional benefits, retirement pension, payments under the STI and LTI, and any special bonuses. The following maximum remuneration amounts for the members of the DEUTZ Board of Management are lower than the maximum remuneration amounts specified in the 2021 remuneration system and therefore meet the requirements of the 2021 remuneration system:

Maximum remuneration pursuant to section 87 a (1) sentence 2 no. 1 AktG

Board of Management member	
Dr. Sebastian C. Schulte (Chairman of the Board of Management)	€ 2,777 thousand
Timo Krutoff	€ 1,746 thousand
Dr.-Ing. Petra Mayer	€ 1,746 thousand
Dr.-Ing. Markus Müller	€ 1,746 thousand

For 2023, the maximum remuneration limit was adhered to in respect of the basic remuneration, additional benefits, retirement pension, and payments under the STI without having to reduce any component. Because the amount payable for the multi-year variable remuneration will not be known until the third year after the end of the reporting year owing to the four-year performance period, it will not be possible to report conclusively on adherence to the maximum remuneration limit for 2023 until the remuneration report for 2026.

Benefits in the event of early termination of Board of Management membership If the employment contract or the appointment of a Board of Management member is terminated prematurely without good cause pursuant to section 626 of the German Civil Code (BGB), the Board of Management member receives a severance payment equivalent to the total remuneration that the Company is likely to owe him or her for the period until the original termination date of the contract of employment up to a maximum of two years (cap on severance pay).

C. Amount of Board of Management remuneration in 2023

C.1. Remuneration for Board of Management members who were current members in the reporting year

Remuneration promised and remuneration granted and owed in 2023 The remuneration that was promised to the members of the Board of Management and the remuneration that was granted and owed in 2023 pursuant to section 162 (1) sentence 1 AktG is shown in the following tables.

Promised remuneration: Remuneration promised is the remuneration that is promised to the Board of Management members for 2023, irrespective of the timing of payment (target remuneration).

In respect of the remuneration components in 2023, »promised« specifically refers to the following:

Remuneration promised in 2023

Remuneration components

Basic remuneration
Additional benefits
Pension expense
STI 2023 (granted in 2023)
LTI 2023–2026 (to be granted in 2026)

Granted and owed: Remuneration granted is the remuneration for which the related (one-year or multiple-year) work has been performed in full. Remuneration owed is when DEUTZ has a legal obligation to the Board of Management member that is due but has not yet been fulfilled.

In respect of the remuneration components in 2023, »granted and owed« specifically refers to the following:

Remuneration granted and owed in 2023 (section 162 (1) sentence 1 AktG)¹¹¹

Remuneration components

Basic remuneration
Additional benefits
STI 2023 (promised in 2023)
LTI 2020–2023 (promised in 2020)

¹¹¹ Pension expenses for a year are not deemed remuneration granted and owed pursuant to section 162 (1) no. 1 AktG because the work to which the remuneration is related has not yet been performed in full.

The following tables show the remuneration promised to the members of the Board of Management in 2023 (target remuneration):

Target remuneration

	Dr. Sebastian C. Schulte, Chairman of the Board of Management				Timo Krutoff, ordinary member of the Board of Management (since December 1, 2022)			
	2023		2022		2023		2022	
	in € thousand	in % ¹¹²	in € thousand	in %	in € thousand	in %	in € thousand	in %
Basic remuneration	850	40.7	818	41.1	580	44.1	48	44.2
+ Additional benefits	19	0.9	19	1.0	16	1.2	1	0.9
= Total non-performance-related remuneration	869	41.7	837	42.0	596	45.3	49	45.1
+ One-year variable remuneration (total)	480	23.0	459	23.0	300	22.8	25	22.9
STI 2022	-	-	459	23.0	-	-	25	22.9
STI 2023	480	23.0	-	-	300	22.8	-	-
+ Multi-year variable remuneration (total)	587	28.1	561	28.2	370	28.1	31	28.2
LTI 2022–2025	-	-	561	28.2	-	-	31	28.2
LTI 2023–2026	587	28.1	-	-	370	28.1	-	-
= Total performance-related remuneration	1,067	51.2	1,020	51.2	670	50.9	56	51.1
+ Expense for occupational pension scheme	150	7.2	135	6.8	50	3.8	4	3.8
= Total remuneration	2,086	100.0	1,992	100.0	1,316	100.0	109	100.0

Target remuneration

	Dr.-Ing. Petra Mayer, ordinary member of the Board of Management (since November 1, 2022)				Dr.-Ing. Markus Müller, ordinary member of the Board of Management			
	2023		2022		2023		2022	
	in € thousand	in %	in € thousand	in %	in € thousand	in %	in € thousand	in %
Basic remuneration	580	44.0	97	44.2	580	44.0	580	43.9
+ Additional benefits	17	1.3	2	0.9	19	1.4	20	1.5
= Total non-performance-related remuneration	597	45.3	99	45.1	599	45.4	600	45.5
+ One-year variable remuneration (total)	300	22.8	50	22.9	300	22.7	300	22.7
STI 2022	-	-	50	22.9	-	-	300	22.7
STI 2023	300	22.8	-	-	300	22.7	-	-
+ Multi-year variable remuneration (total)	370	28.1	62	28.2	370	28.1	370	28.0
LTI 2022–2025	-	-	62	28.2	-	-	370	28.0
LTI 2023–2026	370	28.1	-	-	370	28.1	-	-
= Total performance-related remuneration	670	50.9	112	51.1	670	50.8	670	50.8
+ Expense for occupational pension scheme	50	3.8	8	3.8	50	3.8	50	3.8
= Total remuneration	1,317	100.0	219	100.0	1,319	100.0	1,320	100.0

¹¹²Rounding differences may mean that the percentages indicated for the remuneration components do not add up to 100 percent for all members of the Board of Management.

The following tables show the remuneration granted and owed to the members of the Board of Management in 2023 pursuant to section 162 (1) sentence 1 AktG:

Remuneration granted and owed

	Dr. Sebastian C. Schulte, Chairman of the Board of Management				Timo Krutloff, ordinary member of the Board of Management (since December 1, 2022)			
	2023		2022		2023		2022	
	in € thousand	in %	in € thousand	in %	in € thousand	in %	in € thousand	in %
Basic remuneration	850	54.2	818	56.2	580	56.2	48	58.2
+ Additional benefits	19	1.2	19	1.3	16	1.5	1	1.2
= Total non-performance-related remuneration	869	55.4	837	57.5	596	57.7	49	59.4
+ One-year variable remuneration (total)	699	44.6	618	42.5	437	42.3	34	40.6
STI 2022	-	-	618	42.5	-	-	34	40.6
STI 2023	699	44.6	-	-	437	42.3	-	-
+ Multi-year variable remuneration (total)	-	-	-	-	-	-	-	-
LTI 2019–2022	-	-	-	-	-	-	-	-
LTI 2020–2023	-	-	-	-	-	-	-	-
= Total performance-related remuneration	699	44.6	618	42.5	437	42.3	34	40.6
+ Miscellaneous ¹¹³	-	-	-	-	-	-	-	-
= Total remuneration	1,568	100.0	1,455	100.0	1,033	100.0	83	100.0

Remuneration granted and owed

	Dr.-Ing. Petra Mayer, ordinary member of the Board of Management (since November 1, 2022)				Dr.-Ing. Markus Müller, ordinary member of the Board of Management			
	2023		2022		2023		2022	
	in € thousand	in %	in € thousand	in %	in € thousand	in %	in € thousand	in %
Basic remuneration	580	56.1	97	58.2	580	56.0	580	57.7
+ Additional benefits	17	1.6	2	1.2	19	1.8	20	2.0
= Total non-performance-related remuneration	597	57.7	99	59.4	599	57.8	600	59.7
+ One-year variable remuneration (total)	437	42.3	67	40.6	437	42.2	405	40.3
STI 2022	-	-	67	40.6	-	-	405	40.3
STI 2023	437	42.3	-	-	437	42.2	-	-
+ Multi-year variable remuneration (total)	-	-	-	-	-	-	-	-
LTI 2019–2022	-	-	-	-	-	-	-	-
LTI 2020–2023	-	-	-	-	-	-	-	-
= Total performance-related remuneration	437	42.3	67	40.6	437	42.2	405	40.3
+ Miscellaneous	-	-	-	-	-	-	-	-
= Total remuneration	1,034	100.0	166	100.0	1,036	100.0	1,005	100.0

¹¹³ Miscellaneous remuneration comprises any remuneration not covered by the other remuneration components, e.g. severance payments or compensation for a non-compete period.

Remuneration of the Board of Management members in 2023 pursuant to section 314 (1) no. 6a HGB

The total remuneration for the Board of Management of DEUTZ AG recognized in expenses for 2023 was €5,583 thousand (2022: €4,214 thousand). This consisted of short-term benefits of €4,958 thousand (2022: €4,359 thousand) and share-based long-term benefits as part of the long-term incentive plans amounting to €625 thousands (2022: €-145 thousands).

Remuneration to former members of the Board of Management and their surviving dependants amounted to €1,021 thousand at DEUTZ AG and within the Group (2022: €6,845 thousand). Provisions of €9,396 thousand have been recognized to cover pension obligations to former members of the Board of Management (December 31, 2022: €9,836 thousand).

Review of whether Management remuneration is typical

The Supervisory Board regularly reviews the level of the Board of Management's remuneration in order to ensure that it is typical for the market and is competitive. This review involves checking and assessing factors such as whether the remuneration is typical in comparison with that of Board of Management members in similar companies and is typical in comparison with remuneration and employment conditions within DEUTZ. Companies are selected that are similar to DEUTZ, particularly in terms of the criteria country, sector, and size. Within DEUTZ, a comparison is made with the current situation and with the situation over time in respect of senior management and the workforce as a whole.

The remuneration of the Board of Management members was last reviewed in 2023. It was found to be typical. Two peer groups were formed in order to assess whether the remuneration is typical in comparison with that in similar companies. The first peer group primarily consisted of German listed companies that were similar to DEUTZ in terms of sector, volume of revenue, and number of employees. The following companies formed part of this peer group: Aumann AG, DMG Mori AG, ElringKlinger AG, Hella GmbH & Co. KGaA, Jost Werke SE, Jungheinrich AG, Kion Group AG, Knorr-Bremse AG, SAF-Holland SE, Schaeffler AG, SGL Carbon SE, STABILUS SE, Sulzer AG, Traton SE, VARTA AG, Vitesco Technologies Group AG, Wacker Neuson SE. The SDAX was chosen as the second peer group because DEUTZ is listed on the SDAX.

C.2. Remuneration of former members of the Board of Management

The remuneration that was granted and owed to the former members of the DEUTZ AG Board of Management pursuant to section 162 (1) no. 1 AktG amounted to € 1,516 thousand in 2023.

Dr.-Ing. Hiller, who stepped down from the Board of Management in the 2022 financial year, is entitled to granted and owed compensation of €700 thousand in the 2023 financial year to settle his remuneration entitlements due to early termination, which were entirely attributable to non-performance-related components. Of the granted and owed compensation, €698 thousand (99,7 percent of total remuneration) is attributable to the STI 2023, for which a target achievement of 145 percent was agreed as part of the compensation payment and €2 thousand (0.3 percent of total remuneration) to fringe benefits. The portion of the compensation for the LTI 2023 depends crucially on the performance of the DEUTZ share price during the relevant performance periods, which means that the financial value of this variable component of the compensation cannot be determined until 2026 after the end of the performance period for the LTI 2023 tranche. Furthermore, an amount of € 165 thousand was paid into the benevolent fund under the occupational pension plan agreed with Dr. Ing. Hiller.

As part of his stepping down early from the Board of Management in the 2022 financial year, Mr. Wellenzohn is entitled to a granted and owed compensation of €446 thousand in the 2023 financial year to settle his contractual entitlements, which were entirely attributable to non-performance-related components. Of the granted and owed compensation, €290 thousand (65,0 percent of total remuneration) is attributable to the pro rata basic remuneration and €150 thousand (33,6 percent of total remuneration) to the pro rata STI 2023, for which a target achievement of 100 percent was agreed as part of the compensation payment, and €6 thousand (1,4 percent of total remuneration) for fringe benefits. The portion of the compensation for the pro rata LTI 2023 depends on the performance of the DEUTZ share price during the relevant performance periods, which means that the financial value of this variable component of the compensation cannot be determined until 2026 after the end of the performance period for the LTI 2023 tranche.

The remuneration granted and owed to Dr. Margarete Haase, who left in 2018, amounted to €56 thousand in 2023 and was entirely attributable to her fixed, non-performance-related retirement pension. Dr.-Ing. Helmut Leube, who left in 2016, received a fixed, non-performance-related retirement pension of €80 thousand in 2023. The remuneration of the other former members, who stepped down from the DEUTZ AG Board of Management more than ten years ago, amounted to €234 thousand in 2023 and was entirely attributable to the granting of fixed, non-performance-related retirement pensions.

C.3. Disclosures on the relative change in the remuneration of the Board of Management, the remuneration of the rest of the workforce, and the Company's earnings performance

The following table shows the year-on-year change in the remuneration granted and owed to the Board of Management members in the reporting year, the earnings performance of DEUTZ AG, and the remuneration of the workforce. The change in the remuneration granted and owed to the Management Board members is based on the remuneration shown above (see section C. »Amount of Management Board remuneration in 2023«, chapters 1 and 2, remuneration granted and owed).

The earnings performance is presented on the basis of EBIT for the Company (DEUTZ AG) and on the basis of EBIT before exceptional items for the Group (DEUTZ Group). Both are among the main financial KPIs. The remuneration of the workforce shows the average remuneration of the salaried and non-salaried employees of the Company (DEUTZ AG) in Germany (excluding trainees, apprentices, and interns). To ensure comparability, the remuneration of part-time workers was extrapolated into remuneration for full-time equivalents.

The pension payments to Dr. Margarete Haase and Dr.-Ing. Helmut Leube, who have already stepped down from the Management Board, will be made by the benevolent fund and not by DEUTZ AG.

	2023	2023 vs. 2022	2022 vs. 2021	2021 vs. 2020	2020 vs. 2019
Board of Management remuneration	Absolute value		Year-on-year change (%)		
Dr. Sebastian C. Schulte	€1.568 thousand	7.8	40.3 ¹¹⁴	-	-
Timo Krutoff	€1.033 thousand	1,144.4 ¹¹⁵	-	-	-
Dr.-Ing. Petra Mayer	€1.034 thousand	522.8 ¹¹⁶	-	-	-
Dr.-Ing. Markus Müller	€1.036 thousand	3.1	22.0 ¹¹⁷	-	-
Dr.-Ing. Frank Hiller (until February 13, 2022)	€700 thousand	-73.3	80.1	88.3	-47.2
Michael Wellenzohn (until September 06, 2022)	€446 thousand	-55.4	-7.7	75.6	-50.6
Dr. Margarete Haase (until April 30, 2018)	€56 thousand	1.0	1.0	1.0	1.0
Dr.-Ing. Helmut Leube (until December 31, 2016)	€80 thousand	1.0	1.0	1.0	1.0
Earnings performance of DEUTZ					
EBIT of DEUTZ AG	€72.7 million	-1.9	104.1	131.7 ¹¹⁸	-226.2
EBIT before exceptional items of the DEUTZ Group	€120.4 million	34.7	140.3	149.8	-194.8
Average remuneration of the DEUTZ AG workforce					
Workforce		12.2	3.5	-0.2	3.5

¹¹⁴ As Dr. Sebastian C. Schulte did not join the Board of Management until 2021, a comparison with his 2020 remuneration is not possible.

¹¹⁵ As Timo Krutoff did not join the Board of Management until 2022, a comparison with his 2021 remuneration is not possible.

¹¹⁶ As Dr.-Ing. Petra Mayer did not join the Board of Management until 2022, a comparison with her 2021 remuneration is not possible.

¹¹⁷ As Dr.-Ing. Markus Müller did not join the Board of Management until 2021, a comparison with his 2020 remuneration is not possible.

¹¹⁸ The difference compared with the 2021 remuneration report is due to an adjustment to the EBIT of DEUTZ AG for 2021.

III. Remuneration for Supervisory Board members

A. Remuneration system in 2023

The remuneration system for the Supervisory Board was adjusted in the 2023 financial year. The remuneration system for the members of the Supervisory Board, which is governed by section 15 of the Company's Statutes, was submitted to the Annual General Meeting on April 27, 2023, and approved by the AGM with 99.73 percent of the votes. The remuneration of the Supervisory Board is structured so as to help to attract highly qualified people to the Supervisory Board and ensure that they remain with the Company. This means that the Supervisory Board can advise the Board of Management on the development of strategy and monitor the work of the Board of Management.

The annual remuneration of the Supervisory Board members consists of fixed basic remuneration, fixed remuneration for committee membership, and attendance fees for participating in meetings of the Supervisory Board and its committees. The basic remuneration and committee remuneration are paid annually after the end of the financial year, before the Annual General Meeting; the attendance fees are paid after each meeting attended.

With the coming into effect of the amendment to the Company's Statutes, each ordinary member of the Supervisory Board is paid fixed basic remuneration of €45,000 per year. The chairperson of the Supervisory Board receives €112,500 and the deputy receives €67,500. In addition, members of the Audit Committee receive €25,000 per year and members of the Human Resources Committee receive €20,000 per year, members of the Nomination Committee receive €10,000 per year and members of the Mediation Committee receive €5,000 per year. The chairpersons of each committee receive double these amounts, and their deputies one-and-a-half times these amounts. In addition, each member is paid an attendance fee of €2,000 for each Supervisory Board meeting and committee meeting attended.

Furthermore, DEUTZ reimburses the members of the Supervisory Board for any VAT they incur in connection with the performance of their mandate and ensures that appropriate liability insurance is taken out (D&O insurance).

B. Remuneration granted and owed in 2023

The remuneration granted and owed to the members of the Supervisory Board in 2023 is shown below. Remuneration granted is the remuneration for which the related (one-year or multiple-year) work has been performed in full. Remuneration owed is when DEUTZ has a legal obligation to the Supervisory Board member that is due but has not yet been fulfilled.

In respect of the remuneration components in 2023, »granted and owed« specifically refers to the following:

Remuneration granted and owed in 2023 (section 162 (1) sentence 2 no. 1 AktG)

Remuneration components

Fixed basic remuneration
(promised for membership of the Supervisory Board in 2023)

Remuneration for committee membership
(promised for membership of a committee in 2023)

Attendance fee
(promised for attendance of meetings in 2023)

The remuneration granted and owed for the 2023 financial year amounts to a total of €1,112.7 thousand for all members of the Supervisory Board in the 2023 financial year, including pro rata temporis where applicable. The breakdown of the total remuneration by individual Supervisory Board member is shown in the following table:

	Fixed basic remuneration		Remuneration for committee membership		Attendance fee		Total remuneration
	in € thousand	in %	in € thousand	in %	in € thousand	in %	in € thousand
Dr. Dietmar Voggenreiter (chairman since February 12, 2022)	100.5	45.5	85.0	38.5	35.5	16.1	221.0
Sabine Beutert (deputy chairwoman since September 22, 2022) ^{ER119}	64.7	40.7	62.0	38.9	32.5	20.4	159.2
Sophie Albrecht (until April 27, 2023)	12.8	57.1	5.1	22.8	4.5	20.0	22.5
Dr.-Ing. Bernd Bohr (until April 27, 2023)	12.8	74.0	0.0	0.0	4.5	26.0	17.3
Yavuz Büyükdag (until Month Date, 2023) ^{ER}	18.5	75.5	0.0	0.0	6.0	24.5	24.5
Dr. Fabian Dietrich ^{ER}	43.2	55.5	12.6	16.2	22.0	28.3	77.8
Helmut Ernst (since April 27, 2023)	30.3	69.2	0.0	0.0	13.5	30.8	43.8
Hans-Peter Finken (until March 31, 2023)	16.8	73.6	0.0	0.0	6.0	26.4	22.8
Melanie Freytag (since April 27, 2023)	30.3	64.0	3.5	7.5	13.5	28.5	47.4
Patricia Geibel-Conrad	43.2	37.4	47.1	40.9	25.0	21.7	115.2
Ismail-Hilmi Kocer (since June 14, 2023) ^{ER}	24.7	67.3	0.0	0.0	12.0	32.7	36.7
Gottfried Laengert (since June 14, 2023) ^{ER}	24.7	62.9	2.5	6.4	12.0	30.6	39.2
Alois Ludwig (until April 27, 2023)	12.8	45.4	6.4	22.7	9.0	31.9	28.2
Dr.-Ing. Rudolf Maier	43.2	49.6	19.9	22.9	24.0	27.6	87.0
Bernd Maierhofer (since April 27, 2023)	30.3	69.2	0.0	0.0	13.5	30.8	43.8
Katja Olligschläger (since July 24, 2023) ^{ER}	19.8	71.3	0.0	0.0	8.0	28.7	27.8
Hans-Jörg Schaller (since June 14, 2023) ^{ER}	24.7	67.3	0.0	0.0	12.0	32.7	36.7
Corinna Töpfer-Hartung (until April 27, 2023) ^{ER}	18.5	54.4	6.5	19.1	9.0	26.5	34.0
Ali Yener (until Month Date, 2023) ^{ER}	18.5	66.4	3.4	12.1	6.0	21.5	27.9
Total	590.2		254.0		268.5		1,112.7

¹¹⁹ ER = Employee representative.

C. Disclosures on the relative change in the remuneration of the Supervisory Board, the remuneration of the rest of the workforce, and the Company's earnings performance

The following table shows the year-on-year change in the remuneration granted and owed to the Supervisory Board members in the reporting year, the earnings performance of DEUTZ AG, and the remuneration of the workforce. The earnings performance of DEUTZ AG and the remuneration of its workforce are calculated in the same way as in the section on Board of Management remuneration.

	2023	2023 vs. 2022	2022 vs. 2021	2021 vs. 2020	2020 vs. 2019
Supervisory Board remuneration	Absolute value (€ thousand)	Year-on-year change (%)			
Dr. Dietmar Voggenreiter (chairman since February 12, 2022)	221.0	29.9	236.8	9.8	40.0
Sabine Beutert (deputy chairwoman since September 22, 2022) ^{ER120}	159.2	70.7	25.1	6.4	-4.1
Sophie Albrecht (until April 27, 2023)	22.5	-69.0	9.0	4.7	10.2
Dr.-Ing. Bernd Bohr (until April 27, 2023)	17.3	-73.7	-61.3	4.6	-2.7
Yavuz Büyükdag (until June 14, 2023) ^{ER}	24.5	-55.5	8.9	9.8	-6.1
Dr. Fabian Dietrich ^{ER}	77.8	41.4	8.9	9.8	-6.1
Helmut Ernst (since April 27, 2023)	43.8	–	–	–	–
Hans-Peter Finken (until May 31, 2023) ^{ER}	22.8	-58.6	8.9	9.8	-6.1
Melanie Freytag (since April 27, 2023)	47.4	–	–	–	–
Patricia Geibel-Conrad	115.2	35.6	5.6	5.9	-3.8
Ismail-Hilmi Kocer (since June 14, 2023) ^{ER}	36.7	–	–	–	–
Gottfried Laengert (since June 14, 2023) ^{ER}	39.2	–	–	–	–
Alois Ludwig (until April 27, 2023)	28.2	-68.1	22.9	-4.0	2.0
Dr.-Ing. Rudolf Maier	87.0	58.3	8.9	368.0	0.0
Bernd Maierhofer (since April 27, 2023)	43.8	–	–	–	–
Katja Olligschläger (since July 24, 2023) ^{ER}	27.8	–	–	–	–
Hans-Jörg Schaller (since June 14, 2023) ^{AN}	36.7	–	–	–	–
Corinna Töpfer-Hartung (until April 27, 2023) ^{ER}	34.0	-70.1	-5.6	5.2	-1.3
Ali Yener (until June 14, 2023) ^{ER}	27.9	-55.8	5.0	14.3	-7.9
Earnings performance of DEUTZ					
EBIT of DEUTZ AG	€72.7 million	-1.9	104.1	131.7 ¹²¹	-226.2
EBIT before exceptional items of the DEUTZ Group	€120.4 million	34.7	140.3	149.8	-194.8
Average remuneration of the DEUTZ AG workforce					
Workforce		12.2	3.5	-0.2	3.5

¹²⁰ ER = Employee representative

¹²¹ The difference compared with the 2021 remuneration report is due to an adjustment to the EBIT of DEUTZ AG for 2021.

Auditors' report

To DEUTZ AG, Köln

We have audited the remuneration report of DEUTZ AG, Köln, for the financial year from January 1 to December 31, 2023, including the related disclosures, which was prepared to comply with § [Article] 162 AktG [Aktengesetz: German Stock Corporation Act].

RESPONSIBILITIES OF THE EXECUTIVE DIRECTORS AND THE SUPERVISORY BOARD

The executive directors and the supervisory board of DEUTZ AG are responsible for the preparation of the remuneration report, including the related disclosures, that complies with the requirements of § 162 AktG. The executive directors and the supervisory board are also responsible for such internal control as they determine is necessary to enable the preparation of a remuneration report, including the related disclosures, that is free from material misstatement, whether due to fraud or error.

AUDITOR'S RESPONSIBILITIES

Our responsibility is to express an opinion on this remuneration report, including the related disclosures, based on our audit. We conducted our audit in accordance with German generally accepted standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer (Institute of Public Auditors in Germany) (IDW). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the remuneration report, including the related disclosures, is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts including the related disclosures stated in the remuneration report. The procedures selected depend on the auditor's judgment. This includes the assessment of the risks of material misstatement of the remuneration report including the related disclosures, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the preparation of the remuneration report including the related disclosures. The objective of this is to plan and perform audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the executive directors and the supervisory board, as well as evaluating the overall presentation of remuneration report including the related disclosures.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

AUDIT OPINION

In our opinion, based on the findings of our audit, the remuneration report for the financial year from January 1 to December 31, 2023, including the related disclosures, complies in all material respects with the accounting provisions of § 162 AktG.

REFERENCE TO AN OTHER MATTER – FORMAL AUDIT OF THE REMUNERATION REPORT ACCORDING TO § 162 AKTG

The audit of the content of the remuneration report described in this auditor's report includes the formal audit of the remuneration report required by § 162 Abs. [paragraph] 3 AktG, including the issuance of a report on this audit. As we express an unqualified audit opinion on the content of the remuneration report, this audit opinion includes that the information required by § 162 Abs. 1 and 2 AktG has been disclosed in all material respects in the remuneration report.

RESTRICTION ON USE

We issue this auditor's report on the basis of the engagement agreed with DEUTZ AG. The audit has been performed only for purposes of the company and the auditor's report is solely intended to inform the company as to the results of the audit. Our responsibility for the audit and for our auditor's report is only towards the company in accordance with this engagement. The auditor's report is not intended for any third parties to base any (financial) decisions thereon. We do not assume any responsibility, duty of care or liability towards third parties; no third parties are included in the scope of protection of the underlying engagement. § 334 BGB [Bürgerliches Gesetzbuch: German Civil Code], according to which objections arising from a contract may also be raised against third parties, is not waived.

Cologne, March 13, 2024

PricewaterhouseCoopers GmbH
Wirtschaftsprüfungsgesellschaft

Harald Wimmer	Clivia Döll
(German Public Auditor)	(German Public Auditor)