

## REPORT OF THE SUPERVISORY BOARD

DEAR SIR OR MADAM,

The year 2023 was marked by a very tense macroeconomic situation around the globe, resulting in a high degree of uncertainty. However, with regard to Bechtle AG, we are pleased to confirm that we successfully mastered this difficult year. In 2023, the business volume, revenue and EBT each experienced growth of about 7 per cent. Bechtle AG therefore continued on its growth path despite the more challenging conditions. Once again, we saw evidence of the resilience of our business model and the strength of networked decentralisation, coupled with an ever more important level of internationalism. Moreover, we have benefited from the steady expansion of our range of target customer groups over the years. IT is a future-oriented market. Although our medium-sized customers, in particular, were somewhat more hesitant to invest in 2023, these investments were merely postponed – they are sure to come. After all, every enterprise and every public institution needs to invest in IT in order to be ready for the future. As an IT partner for tomorrow, Bechtle is well prepared for successful further development. Within the scope of its duties, the Supervisory Board will continue to help shape the company's successful development responsibly and systematically.

In 2023, the Supervisory Board again meticulously performed all its audit and controlling duties pursuant to law and the Articles of Incorporation. The Supervisory Board regularly provided the Executive Board with advice concerning the administration of the group and closely monitored and supported the company's management and development. In this context, the two boards always cooperated in an open and constructive manner.

The Executive Board regularly informed the Supervisory Board about all aspects significant to the company in a prompt and comprehensive manner. This included the status of the roll-out of the Vision 2030, the Sustainability Strategy, the further development of the Executive Board and management organisation, the group's business performance, possible acquisitions (especially also in relation to the expanded acquisition strategy), the financing of acquisitions and of the daily business, the tense macroeconomic situation and its effects on the realisation of business volume and revenue, future investments, location-related issues, opportunity and risk management, the risk situation as well as basic issues related to the corporate planning and management.

The Chairman of the Executive Board, in particular, maintained close contact with individual Supervisory Board members, primarily with the Chairman of the Supervisory Board, even outside the regular meetings. Additionally, the Executive Board informed the Supervisory Board as a whole about key operational indicators, the implementation of business plans and the employment situation of the group, segments and all major subsidiaries on a monthly basis. At quarterly meetings, we also intensively elaborated on the respective past quarter and the short and medium-term perspectives.

At its meetings, the Supervisory Board regularly looked into the business performance of the group as well as the assets and financial position and the implementation of the corporate strategy. Moreover, we continually dealt with the risk situation – especially also in connection with the global hotspots and the related, tense macroeconomic situation – and actively participated in the further development of the control and risk management system of Bechtle AG.

Thanks to the timely and detailed information received from the Executive Board and its own audits, the Supervisory Board was able to comply fully with its monitoring and consulting duties. We confirm that the Executive Board has acted lawfully, correctly and economically in every respect. The Executive Board regularly consulted the legal and compliance department as well as group controlling and actively used the risk management system.

Bechtle AG supports the members of the Supervisory Board that have been elected by the shareholders or employees in fulfilling their duties and with respect to training measures. In the reporting period, the Supervisory Board received training on sustainability, on Executive Board compensation and on the reporting obligations in these areas. In the reporting period, some members of the Supervisory Board also took part in various training measures in the fields of corporate governance, ESG (environmental, social, governance), AI (artificial intelligence), risk management and employee share ownership plans.

## **MEETINGS AND CENTRAL ISSUES**

In the reporting period, the Supervisory Board held eight plenary sessions in person: on 2 February, 15 March (balance sheet meeting for the annual and consolidated financial statements for 2022), 20 April, 25 May, 26 July, 27 July, 27 October and 21 December 2023. Meeting attendance was as follows:

	02.02	15.03	20.04	25.05	26.07	27.07	27.10	21.12	Meeting attendance
<b>Shareholder representatives</b>									
Kurt Dobitsch	●	●	●	●	●	●	●	●	100%
Dr. Lars Grünert	●	●		●	●	●	●	●	87.5%
Prof. Dr. Thomas Hess	●	●	●	●	●	●	●	●	100%
Elke Reichart	●	●	●	●	●	●	●	●	100%
Sandra Stegmann	●	●	●	●	●	●	●	●	100%
Klaus Straub (since 25 May 2023)				●	●	●	●	●	100%
Elmar König (since 25 May 2023)				●	●	●	●	●	100%
Klaus Winkler	●	●	●	●	●	●	●	●	100%
<b>Employee representatives</b>									
Julia Böttcher (since 25 May 2023)				●	●	●	●	●	100%
Christian Deppisch (since 25 May 2023)				●	●	●	●	●	100%
Uli Drautz	●	●	●	●	●	●	●	●	100%
Daniela Eberle	●	●	●	●	●	●	●	●	100%
Christine Muhr (since 25 May 2023)				●		●	●	●	100%
Anastasia Polidoros (until 25 May 2023)	●		●	●					75%
Julia Randelshofer (since 25 May 2023)				●	●	●	●	●	100%
Anton Samija	●	●	●	●	●	●	●	●	100%
Volker Strohfeld (until 25 May 2023)	●	●	●	●					100%
Michael Unser	●	●			●	●	●	●	75%

Apart from the resolutions adopted at the meetings, the Supervisory Board or its committees also adopted resolutions via circular procedure where relevant, in particular in urgent cases. We discussed all measures and transactions that required the approval of the Supervisory Board or its committees in detail at Supervisory Board and committee meetings. At its balance sheet meeting on 15 March 2023, the Supervisory Board approved the annual financial statements and the consolidated financial statements of the prior year (thereby adopting the annual financial statements) and accepted the Executive Board's proposal concerning the appropriation of profits and the business planning for 2023.

In the past fiscal year, the most important subjects discussed included the following:

- The group's short-term strategy against the backdrop of the tense macroeconomic situation, its medium-to long-term strategy especially with a view to the clouds and managed services business, new business opportunities and the expansion of the M&A strategy in the course of consistent internationalisation as well as the targets achieved in relation to the strategy roll-out
- The economic development of the group, especially in the face of the challenging framework conditions
- The further development of the Executive Board organisation, the governance structure and the succession planning
- The Executive Board compensation system and the Executive Board compensation
- Progress in the reduction of the capital commitment
- Plans for specific acquisitions
- Financing matters in the group, especially the issuance of a convertible bond

- The organisation of the Supervisory Board work, especially in relation to the recommendations of the German Corporate Governance Code (DCGK)
- The implementation of the Sustainability and Climate Protection Strategy and of the non-financial group statement
- The internal audit and risk management system

Suggestions of shareholder representatives and proxy advisors were actively made use of, and extensive work was done to implement them in the compensation system. This included the introduction of a fully share-based long-term compensation component as a new feature from 2024 and increased transparency of the reporting on the variable income components of the Executive Board. Furthermore, the Supervisory Board formed a nomination committee for the first time. The Supervisory Board is planning further development steps in the future.

#### **STAFFING OF THE SUPERVISORY BOARD AND EXECUTIVE BOARD**

At the end of 2023 there was a staff change in the Executive Board of Bechtle AG. On 27 December 2023, Jürgen Schäfer stepped down from the Executive Board after more than 30 years of successful work for Bechtle. We are greatly indebted to Jürgen Schäfer for his outstanding performance and successful work. His responsibilities will be taken over by Konstantin Ebert, who previously served as Executive Vice President in the IT E-Commerce segment for France, Benelux and the United Kingdom.

As of 1 February 2024, the Supervisory Board appointed Antje Leminsky to the Executive Board. She will take over responsibility for logistics, procurement and partner management as well as financial services and sustainability management, which were previously taken care of by Dr. Thomas Olemotz. The Executive Board of Bechtle AG therefore now comprises four persons. Antje Leminsky most recently served as Vice Chairwoman of the Executive Board of the measuring technology manufacturer, Testo and previously for eight years as member of the Executive Board of the listed financial service provider, Grenke AG, first as CIO and then as Chairwoman of the Executive Board.

In 2023, Supervisory Board elections were due. As Bechtle had exceeded the threshold of 10,000 employees in Germany, the law required the Supervisory Board to be expanded from 12 to 16 members. On the shareholder side, the Annual General Meeting re-elected all six previous members. Klaus Straub, businessman and former CIO of BMW AG, and Elmar König, former Executive Vice President of Bechtle AG, were newly elected. Julia Böttcher, Christian Deppisch, Christine Muhr and Julia Randelshofer were newly elected on the employee side. Anastasia Polidoros and Volker Strohfeld departed from the Supervisory Board. The Supervisory Board thanks both of them for the good cooperation over the years.

#### **COMMITTEE WORK**

To fulfil its duties, the Supervisory Board has formed three committees: the audit committee, the personnel committee and the arbitration committee. In its meeting on 21 December 2023, the Supervisory Board also decided to set up a nomination committee.

The audit committee came together on 1 February, 14 March, 25 July, 26 October, 30 November and 1 December 2023. Additionally, it held telephone conferences prior to the interim reports of Bechtle AG on 10 May, 10 August and 9 November 2023. Meeting attendance was as follows:

	01.02	14.03	10.05	25.07	10.08	26.10	09.11	30.11	01.12	Meeting attendance
Kurt Dobitsch	●	●		●	●	●	●	●	●	88.9%
Sandra Stegmann	●	●	●	●	●	●	●	●	●	100%
Klaus Winkler	●	●	●	●	●	●	●	●	●	100%
Uli Drautz	●	●	●	●	●	●	●	●	●	100%
Daniela Eberle	●	●	●	●	●	●	●	●	●	100%

In 2023, the audit committee dealt with transactions that require approval, especially acquisition plans, location-related issues, long-term contracts and the issuance of a convertible bond for the first time. Other subjects discussed included the interim financial reports, the revenue and earnings performance under the difficult framework conditions, the development of the cash flow and of the working capital as well as their further optimisation, the preliminary audits of the annual and consolidated financial statements, the non-financial group statement and the proposal for the appropriation of profits, the review of the internal control and risk management system and the expansion with the identification and assessment of the sustainability risks according to the requirements of the German Corporate Governance Code (DCGK) within the scope of the sustainability risk management. The meetings also focused on the monitoring of the auditor's independence, the definition of the main issues to be audited, the agreement of the audit fee, the corporate governance and the selection of the auditor for the annual and consolidated financial statements for 2023 and subsequent years.

In 2023, the personnel committee came together twelve times in person: on 30 January, 9 March, 13 March, 30 March, 23 May, 13 July, 18 September, 19 October, 9 November, 15 November, 13 December and 19 December. Meeting attendance was as follows:

	30.01	09.03	13.03	30.03	23.05	13.07	18.09	19.10	09.11	15.11	13.12	19.12	Meeting attendance
Prof. Dr. Thomas Hess	●	●	●	●	●	●	●	●	●	●	●	●	100%
Klaus Winkler	●	●	●	●	●	●	●	●	●	●	●	●	100%
Uli Drautz	●	●	●	●	●	●	●	●	●	●	●	●	100%

The meetings of the personnel committee primarily focused on proposals to the Supervisory Board regarding the revision of the compensation system of the Executive Board, the compensation report, the recommendations of the German Corporate Governance Code (DCGK), the restaffing of the Executive Board, the restaffing of some Executive Vice President and Vice President positions, the further development of the management organisation and the employment contracts with Executive Board members and Executive Vice Presidents.

The arbitration committee pursuant to Section 27 (3) of the German Co-determination Act (MitbestG) was not convened in 2023.

The Supervisory Board regularly and meticulously conducts a self-assessment of its activity with the support of Deutsche Schutzvereinigung für Wertpapierbesitz e.V. The self-assessment was last conducted in 2022. Based on recommendations from the Supervisory Board, action recommendations are developed, presented at the plenary meeting and, after intensive review, included in the work of the Supervisory Board. We consistently monitor the implementation of these recommendations in our Supervisory Board. The basic results of past self-assessments revealed that the workflows and processes in the Supervisory Board are efficient and target-oriented.

### **CORPORATE GOVERNANCE AND DECLARATION OF CONFORMITY**

In the reporting period, we intensively examined the set of rules of the German Corporate Governance Code (DCGK) and, in doing so, identified optimisation potential. To ensure compliance with DCGK, we checked the implementation of the recommendations. Together with the Executive Board, we issued the Declaration of Conformity pursuant to Section 161 of the German Stock Corporation Act (AktG) in January 2023 and again on 2 February 2024. Deviations from the recommendations of the Government Commission are explained in detail in the Declaration of Conformity. All Declarations of Conformity of the last five years and other documents concerning the corporate governance have been, and continue to be, made permanently available to the shareholders on the company's website. Bechtle's Corporate Governance Statement is the central document concerning the corporate governance. In the fiscal year ended, no conflicts of interest of Executive Board or Supervisory Board members arose that, according to the code, would have had to be disclosed to the plenum without delay and about which the Annual General Meeting would have had to be informed.



See Declaration of Conformity,  
[bechtle.com/  
corporate-governance](https://bechtle.com/corporate-governance)

### **AUDIT OF THE ANNUAL AND CONSOLIDATED FINANCIAL STATEMENTS 2023**

The Annual General Meeting appointed Deloitte GmbH Wirtschaftsprüfungsgesellschaft, Stuttgart, as auditor of the annual and consolidated financial statements for the 2023 fiscal year. Following the commissioning by the Supervisory Board, the auditor audited the annual financial statements of Bechtle AG, the consolidated financial statements and the consolidated management reports of Bechtle AG and of the Bechtle Group for the 2023 fiscal year, including the accounts as well as the risk management and early risk detection system, with unqualified auditor's opinions. The audit also included the implemented monitoring system for early identification of risks and the internal audit and risk management system with respect to the accounting process. The auditor has confirmed that the installed systems are suitable for identifying developments endangering the company's going concern at an early stage.

The documents related to the financial statements, the proposal of the Executive Board for the appropriation of profits and the auditor's audit reports (including the opinion on the compensation report) were duly sent to the members of the Supervisory Board and discussed in detail in the audit committee and in the board as a whole. The auditor of the annual and consolidated financial statements also participated in the meeting of the audit committee on 12 March 2024 and in the balance sheet meeting on 13 March 2024. The auditor reported in detail on the material results of the audit and answered all questions of the Supervisory Board comprehensively.

Following its own review of the annual financial statements, the consolidated financial statements and the consolidated management report, the Supervisory Board approved the results of the audit conducted by the auditor. According to the final result of its audit, there were no objections. At the balance sheet meeting on 13 March 2024, the Supervisory Board thus approved the annual financial statements and the Consolidated Financial Statements in accordance with the recommendation of the audit committee, thereby adopting the annual financial statements pursuant to Section 172 (1) of the German Stock Corporation Act (AktG). The Supervisory Board agreed to the Executive Board's proposal for the appropriation of the net profit and payment of a dividend of €0.70 per share. We approve the consolidated management report of the Executive Board and consider the proposal for the appropriation of profits to be appropriate.

The Executive Board and the Supervisory Board have prepared the compensation report in accordance with Section 162 of the German Stock Corporation Act (AktG). The auditor has audited the compensation report pursuant to Section 162 (3) sentence 2 of the German Stock Corporation Act (AktG) as to whether it contains the disclosures pursuant to Section 162 (1) and (2) of the German Stock Corporation Act (AktG).

The Supervisory Board also audited and comprehensively discussed the non-financial group statement of Bechtle AG, which was prepared by the Executive Board, at the balance sheet meeting on 13 March 2024. The non-financial group statement was included in the management report as part of the Annual Report within the scope of the integrated reporting. The Executive Board explained the non-financial group report and answered the questions of the members of the Supervisory Board. The review conducted by the Supervisory Board did not give rise to any objections to the non-financial group report. The Supervisory Board agrees with the non-financial group report.

At the start of 2024, the basic economic conditions are still challenging. Nevertheless, we are optimistic with regard to the future, and we believe that the Bechtle Group will continue to develop well. This success is supported by our business model and, above all, by the people at Bechtle. The Supervisory Board would therefore like to express its sincere gratitude to all employees of the Bechtle Group in all 14 countries. The Supervisory Board will continue to accompany the development of Bechtle with great commitment in an advisory and controlling capacity.

On behalf of the Supervisory Board



Klaus Winkler  
Chairman

Neckarsulm, 13 March 2024