

SUPERVISORY BOARD REPORT

Dear Sir or Madam,

For LEONI AG – and for many other companies around the globe – the past 2020 financial year was an exceptionally challenging year. In addition to the effects of the Covid-19 pandemic on the already tough market environment, for LEONI AG, the 2020 financial year was characterised by the far-reaching transformation of the Company in the aim of securing the future viability of LEONI in a sustainable manner.

In the past financial year, the Supervisory Board of LEONI AG diligently and dutifully fulfilled its tasks in accordance with statutory requirements, the Company's Articles of Association, the German Corporate Governance Code and the rules of procedure, continuously advised the Board of Directors on its management of the Company and oversaw its work. The collaboration between the Supervisory Board and the Board of Directors was at all times constructive, open and defined by mutual trust. The Board of Directors informed us regularly in a timely and comprehensive manner, both in writing and verbally, about all matters pertinent to LEONI. In particular, this included the strategy, planning and operating performance as well as the Group's current situation including its risk, equity and liquidity situation. Furthermore, the financing situation of LEONI was also regularly discussed. The Board of Directors explained in detail any deviation in business performance from the plans established as well as the current business performance, the situation concerning the effects of the pandemic on LEONI and its employees worldwide, and involved the Supervisory Board in decisions of material importance. To the extent that Supervisory Board approval was required under the rules of procedure, the approval was granted following extensive discussion based on the reports and documents prepared by the Board of Directors. Resolutions regarding facts that required a decision to be taken between scheduled meetings were passed at extraordinary meetings or, in exceptional cases, by circulation procedure.

The Board of Directors and the Supervisory Board also kept in close touch at all times outside their meetings. In this context, in my capacity as Chairman of the Supervisory Board, I was in close contact with, in particular, the Chairman of the Board of Directors, and the Chairman of the Audit Committee with the Chief Financial Officer, and the Chairman of the Special Committee with our Chief Restructuring Officer. We consulted regularly on fixed dates also at short notice and as required by specific circumstances. In particular in light of the exceptional entrepreneurial challenges management faced, in addition to the high number of meetings of the Supervisory Board and its committees, we maintained the high number of discussions at the previous year's level. The entire Supervisory Board was informed in detail of the content of these discussions during its next meeting at the latest.

Supervisory Board procedures

The Supervisory Board held a total of sixteen meetings during the 2020 financial year, seven of which were regular Supervisory Board meetings, one was another regular Supervisory Board meeting to discuss matters without the members of the Board of Directors ("executive session"), and eight were extraordinary Supervisory Board meetings required by specific circumstances. In this financial year, there was also ample time to regularly discuss matters also without the members of the Board of Directors, as is recommended by the German Corporate Governance Code, in the

context of individual agenda items during the ordinary meetings. Furthermore, both the employee representatives and the shareholder representatives of the Supervisory Board regularly held preliminary discussions before the scheduled meetings. In the past financial year, due to the restrictions placed on contacts as from mid-March 2020, the Supervisory Board performed its duties primarily by way of video or telephone conferences. However, due to the favourable development of the pandemic at that time, we were able to realise our plan to hold at least one regular Supervisory Board meeting at a site of LEONI AG, which is why the September 2020 meeting was held as scheduled as a meeting by personal attendance in Roth at the site of LEONI Kabel GmbH on the premises of the "Factory of the Future".

The average participation rate at the meetings of the Supervisory Board and its committees was 96 percent and the Supervisory Board or relevant committee was quorate on each occasion. For the Supervisory Board meetings, the average rate was 96 percent and for the meetings of the committees, it was also 96 percent. Therefore, the overall participation rate was at a high level. A detailed overview of the Supervisory Board members' participation in the meetings of the Supervisory Board and its committees is presented below:

Participation rates ¹	Entire Supervisory Board	Nomination Committee	Personnel Committee	Audit Committee	Special Committee	Strategy Committee	TOTAL In person
Dr Klaus Probst	94%	100 %	100%	100%	90%	100%	95%
Franz Spieß ²	94%		83%	80%	60%		81%
Dr Werner Lang ³	100%	*3					100%
Dr Elisabetta Castiglioni	94%	100 %				100%	95%
Wolfgang Dehen	94%		100%		100%	100%	97%
Mark Dischner ²	100%		100%		90%		97%
Janine Heide ²	100%						100%
Dirk Kaliebe ⁴	100%						100%
Karl-Heinz Lach ²	94%					100%	94%
Richard Paglia ²	100%			100%	90%	100%	97%
Prof. Dr Christian Rödl	94%			100%	90%		94%
Regine Stachelhaus	81%						81%
Inge Zellermaier ²	100%					100%	100%
Total	96 %	100 %	96 %	95%	87%	100%	

¹ All members of the Supervisory Board who participated in the meeting for most of the time are deemed to have been present. Members who participate in a meeting via telephone or video conference are deemed present in accordance with the rules of procedure for the Supervisory Board. This provision is in line with the recommendation in D.8 sentence 2 1st half sentence of the German Corporate Governance Code.

² Employee representative

³ Left the Supervisory Board with effect as of 24 July 2020. Due to a potential lack of independence, Dr Lang waived participation in the meetings of the Nomination Committee the subject of which was the election of his successor to the Supervisory Board.

⁴ Court-appointed by resolution of 15 August 2020 with immediate effect.

Moreover, all Supervisory Board members had the possibility to attend the meetings of the committees – with the exception of the highly confidential meetings of the Personnel Committee and the Nomination Committee – at any time as guests and to inspect the documents and minutes of the committee meetings. Guest participation is not included in the above table; this opportunity was, however, utilised on a regular basis, in particular on the Special Committee and the Strategy Committee. On a case-by-case basis, the Board of Directors asked senior employees to report in order to provide as complete a picture of the developments as possible to the Supervisory Board.

The members of the Supervisory Board take responsibility for undertaking any training or professional development measures necessary to fulfil their duties and are supported by the Company in this regard. For the purpose of providing targeted further training, a training session on the subject of capital market law took place in the executive session. There is a structured onboarding process for new members of the Supervisory Board that aims to provide an overview of, among other things, the operating activities of LEONI AG and the procedures of the Supervisory Board. In the course of the Supervisory Board's executive session, the members of the Supervisory Board classified this onboarding process as being overall very helpful and valuable.

During the reporting period, no conflicts of interest of members of the Board of Directors or the Supervisory Board arose.

Further information on the procedures of the Supervisory Board can also be found in the Corporate Governance Declaration.

Main topics of discussion by the Supervisory Board

In the past financial year, our work focused on two main topics: The effects of the Covid-19 pandemic on LEONI AG, its operating activities and the health of its employees on the one side and the continued efforts of LEONI AG to improve its earnings, asset and liquidity position and regarding the future strategic direction of LEONI AG and its Group on the other side.

We reported on major entrepreneurial challenges already in the previous year. Against this background, at each regular meeting we had the Board of Directors provide us with a detailed report on the current business situation, including the status of the VALUE 21 performance and strategy programme as reported already in the previous year. Furthermore, the Board of Directors informed us at each regular meeting about the current liquidity planning as well as the current business performance, earnings and equity situation of LEONI AG and its Group. We discussed in detail the figures presented in each case with the management team. In this context, we had the Board of Directors provide us with background information about the relevant current develop-

ments. The Supervisory Board also dealt on a regular basis with significant measures for improving the operating profitability for the Group and with particularly relevant customer projects. The Board of Directors in each case reported on the development of the measures taken in order to improve their profitability and to minimise risks.

Due to the joint efforts of the Board of Directors and the employees of LEONI AG, LEONI AG's ability to restructure and that it is fully financed was confirmed on 13 March 2020 by an expert opinion in accordance with the IDW S6 standard of the Institute of Public Auditors in Germany (Institut der Wirtschaftsprüfer). Only shortly thereafter, this success was significantly clouded by the effects of the Covid-19 pandemic, which, as from mid-March, also impacted LEONI AG and the automotive industry as a whole. In late March 2020, the Company faced material additional effects on sales, earnings and liquidity. However, to mitigate the effects of the pandemic, on 20 April 2020, LEONI AG received a commitment for a joint guarantee of the German Federal Government and the State Governments of Bavaria, Lower Saxony and North Rhine-Westphalia for an operating loan in the amount of € 330 million. In connection with the application for this joint guarantee of German Federal and State Governments, the expert opinion in accordance with the IDW S6 standard of the Institute of Public Auditors in Germany was updated taking into consideration possible effects of the Covid-19 pandemic on the Company.

The Supervisory Board closely followed the activities of the Board of Directors in connection with the financing situation as well as the measures taken as a reaction to the Covid-19 pandemic. In particular at the regular meetings on 28 January and 23 March 2020, we dealt in detail – and to an extent exceeding that of the reporting at each meeting – with issues relating to strategy and planning but also with the progress of the negotiations with financing partners and individual measures taken by the Board of Directors with regard to the financing situation. Such negotiations and measures were also the subject matter of the extraordinary meetings on 13 February, 4 March and 13 March 2020, at each of which we also granted the Supervisory Board’s consent to individual measures proposed by the Board of Directors to ensure the Company’s full financing. In the extraordinary meeting on 13 March 2020, we appointed Hans-Joachim Ziems, a restructuring expert, in the capacity of Chief Restructuring Officer as a member of the Board of Directors with effect as of 1 April 2020. With regard to the effects of the Covid-19 pandemic on the business activities and financing situation of LEONI AG, in particular, we had ourselves informed by the Board of Directors in a telephone conference on 20 March 2020. In the extraordinary meeting of 15 April 2020, the Board of Directors explained the current developments regarding the Covid-19 pandemic and the measures taken, which included an additional operating loan.

In solidarity with the employees of LEONI AG, the Supervisory Board declared a salary cut in the amount of 40 percent of the basic compensation for the period between April and September.

In the course of the strategic realignment of LEONI AG, we also dealt with the progress made regarding the works for the separation of the Wire & Cable Solutions Division (“WCS”) and the preparation of a divestment of the Division, in particular at the meetings on 23 March, 7 May, 28 May, 23 July, 17/18 September, 13 November and 10 December 2020. In this context, we evaluated, among other things, the status of the divestment process and the strategic approach.

We dealt with the Covid-19 pandemic for the first time at our meeting on 28 January 2020. At each of the meetings on 23 March, 7 May and 28 May 2020, we had ourselves informed by the Board of Directors about the effects of the pandemic on the work of the LEONI Group, for instance on the production or the infection situation among our employees. We constantly dealt with this topic throughout the entire year under report and had ourselves informed by the Board of Directors in regular Covid-19 reports. On 28 May 2020, we then also gave our approval to hold the 2020 Annual General Meeting as a virtual meeting owing to the circumstances. On 17/18 September 2020, we also discussed the effects of the pandemic on the Wiring Systems Division (“WSD”).

The additional financial burdens that are to be expected due to the ongoing pandemic were taken into account in the context of our deliberations regarding strategy and planning issues at our meeting on 10 December 2020.

Furthermore, in the 2020 financial year, in several meetings we dealt with the corporate governance and the organisational structure of LEONI AG and its Group:

Even if it will become mandatory only in 2021, we submitted a new compensation system for the Board of Directors already to the 2020 Annual General Meeting for approval. With the assistance of an independent compensation expert, we developed this new compensation system that – in the Supervisory Board’s opinion – supports the long-term strategic direction of LEONI AG and creates the right incentives for the Board of Directors. This compensation system was the subject matter of our meetings on 28 January and 23 March 2020 and also of comprehensive preparatory work in the Personnel Committee of the Supervisory Board.

Moreover, at our meetings on 7 May and 28 May 2020, we dealt with the adjustment of the composition of the Board of Directors to the leaner organisational structure as part of the comprehensive transformation of LEONI AG. In the process, the number of members of LEONI AG’s Board of Directors was reduced from five

to three members and the Board of Director's allocation of responsibilities was adjusted accordingly with effect as of 1 June 2020. More detailed information can be found in the description of the Board of Directors' areas of responsibility contained in the Corporate Governance Declaration. At the meeting on 10 December 2020, we also resolved on a revised version of the rules of procedure of the Supervisory Board and the rules of procedure of the Board of Directors. The organisation of the Divisions, in particular of the WSD, was the subject matter of our deliberations on several occasions, in particular on 23 March, 7 May, 28 May, 23 July and 17/18 September 2020. On 10 December 2020, we approved the adjustment of the internal organisation of the WCS Division.

Besides our advice on the processes regarding the adjustment of the internal organisation, several meetings of the Supervisory Board covered in detail the consequences and the further assessment of both the ramp-up difficulties at the Mérida plant and the fraud case uncovered in 2016.

Apart from these key issues, at our meetings we primarily dealt with the following matters:

At the meeting on 28 January 2020, the Supervisory Board approved the planning for 2020 and the medium-term planning for the years from 2021 onwards. Due to the work on the

above-mentioned expert opinion in accordance with the IDW S6 standard of the Institute of Public Auditors in Germany that was being performed during this period, such approval was given subject to possible adjustments, in particular regarding the 2020 planning. Furthermore, we dealt with the 2020 investment planning and approved an investment volume in the total amount of € 307.6 million. Further issues we dealt with were the approval of the agenda for the Annual General Meeting and the reports that must be prepared by the Supervisory Board as part of the Annual Report.

At the balance sheet meeting on 23 March 2020, we discussed and reviewed the annual and consolidated financial statements for 2019 and the combined management report of LEONI AG and its Group, including the non-financial Group statement. The auditor participated in this meeting and answered our questions. The passing of the final resolution was adjourned for a couple of days due to the major effects of the Covid-19 pandemic. Upon recommendation of the Audit Committee, on 23 March 2020 we also resolved to propose the auditing company Deloitte GmbH Wirtschaftsprüfungsgesellschaft of Munich to the Annual General Meeting as auditor for the audit of the annual and consolidated financial statements for the 2020 financial year. Furthermore, we approved, among other things, the Corporate Governance report and the Supervisory Board report for the 2019 financial year. In addition to these annually recurring tasks, the management audit in the

division WSD was addressed at this meeting. We also adopted the final new compensation system for the members of the Board of Directors, which was adjusted to comply with the requirements of the German Act Implementing the Shareholders' Rights Directive (ARUG II) and the new recommendations of the German Corporate Governance Code. Thus, the annual financial statement of LEONI AG for 2019 was adopted.

On 30 March 2020, we held a combined meeting of the Audit Committee and an extraordinary meeting of the Supervisory Board. At this meeting, after having conducted another review, we approved the annual and the consolidated financial statements for 2019 and the combined management report of LEONI AG and its Group, including the non-financial Group information statement.

At the meeting on 7 May 2020, we dealt with the risk management system of LEONI AG and the areas of ethics, risk & compliance, data protection and information security. Again, the organisation of the 2020 Annual General Meeting was an item on the agenda.

At the meeting on 28 May 2020, in addition to the above-mentioned key issues, the matters discussed included the increased demands of different stakeholders on the subject of sustainability within the Group. We also resolved on the draft resolutions to be proposed to the Annual General Meeting.

At our extraordinary meeting on 9 July 2020, the Supervisory Board dealt with, among other matters, the succession of Dr Lang and the election of a second deputy chairman of the Supervisory Board; in the year under report, no second deputy chairman was elected. Furthermore, the Supervisory Board discussed initial experiences made with holding virtual general meetings.

On 23 July 2020, we again discussed questions relating to the succession on the Supervisory Board and elected Ms Stachelhaus as a member of the Nomination Committee.

At an extraordinary meeting on 6 August 2020, after having successfully completed the search for candidates, we recommended Dirk Kaliebe to be appointed by a court as the successor of Dr Lang on the Supervisory Board for the period until the 2021 Annual General Meeting.

At the meeting on 17/18 September 2020, due to the continuing pandemic, we again dealt with the expert opinion in accordance with the IDW S6 standard of the Institute of Public Auditors in Germany after it had been amended to include a Covid-19 scenario. We appointed Ms Stachelhaus as a member of the Mediation Committee and Mr Kaliebe as a member of the Audit Committee and the Special Committee with effect as from 1 January 2021. The topics of this meeting also included the subject areas of com-

pliance – in particular the Compliance Management System –, sustainability reporting and the future IT infrastructure of the LEONI Group.

At our executive session on 12 November 2020, we initially discussed our understanding of our role as the Supervisory Board and assessed our communication with the Board of Directors. We discussed the results of our annual self-assessment and adopted an updated competence profile for the Supervisory Board. In preparation of the resolution on the compensation of the Supervisory Board members that has to be passed at the 2021 Annual General Meeting, we discussed the compensation structure in the Supervisory Board taking into consideration a market comparison. The planned adjustment of the rules of procedure of the Supervisory Board and the Board of Directors was another subject matter discussed at the executive session.

At another extraordinary meeting on 13 November 2020, we obtained information about the initial status of the planning for 2021 and the medium-term planning for the years as from 2022 onwards and also the long-term refinancing of the Group. In addition, we obtained reports about the development of business and liquidity and the status of the implementation of VALUE 21. At this meeting, we further dealt with the market position and the competitive environment of LEONI AG.

At our last meeting on 10 December 2020, we again examined the status of the planning for 2021 and the medium-term planning for the years as from 2022 onwards, including capital expenditure and personnel planning. We also dealt with the status of the early risk warning system of LEONI AG and the Group.

Work of the committees

For the purpose of promoting the effectiveness and efficiency of its work, the Supervisory Board of LEONI AG establishes committees of the Supervisory Board. Therefore, the Supervisory Board has established an Audit Committee, a Personnel Committee, a Nomination Committee, a Strategy Committee and a Special Committee. In addition, there is the Mediation Committee pursuant to Section 27 (3) of the German Co-Determination Act (MitbestG).

These six committees of the Supervisory Board prepare the topics to be dealt with and the resolutions to be adopted in the plenary sessions of the Supervisory Board.. Decision-making powers of the Supervisory Board are transferred to the committees to the extent permitted by law. The committee chairmen reported regularly on their work during the Supervisory Board meetings. Information regarding the composition and work of the committees can be found in the Corporate Governance Declaration. The committees also met – due to the Covid-19 pandemic – on some occasions by way of telephone and video conferences.

The **AUDIT COMMITTEE** convened for four regular meetings and one extraordinary meeting during the year under report. The Audit Committee discussed the annual and consolidated financial statements for the 2019 financial year, the combined management report for LEONI AG and the Group for the 2019 financial year and the half-year financial report as of 30 June 2020 and the quarterly releases as of 31 March and 30 September 2020. The corresponding documents for the 2019 annual and consolidated financial statements and for the half-year financial report were also discussed with the auditor. The Audit Committee furthermore prepared the passing of the resolution by the Supervisory Board on the annual and consolidated financial statements, on the 2019 Combined management report and on the reporting of non-financial information. In line with the recommendation in D11 of the German Corporate Governance Code, the committee also evaluated the quality of the auditor's work and the auditor's independence during the year under report. The Audit Committee approved to a limited extent non-auditing services provided by the auditor. Moreover, the Audit Committee instructed the auditor elected by the Annual General Meeting to perform the audit for the 2020 financial year. The Audit Committee regularly, and also with the assistance of the relevant managers, dealt with compliance, the internal control system and risk management, taxes, the findings of the Internal Audit department and sustainability. In addition, the agenda regularly included subjects from the areas

of information security and data protection. The Audit Committee also comprehensively addressed the effects of the pandemic on the business activities and material processes, in particular, in connection with the initial effects of the Covid-19 pandemic as of the end of the first quarter of 2020 and the corresponding implications for the process of the audit and the preparation of the financial statements. Moreover, in the meeting in November 2020, the focal areas of the audit were discussed with the auditor.

In a total of twelve meetings, the **SPECIAL COMMITTEE** dealt intensively with the financial restructuring process of LEONI AG. The Special Committee focussed, on the one side, on monitoring the liquidity and debt situation of LEONI AG and providing advice to the Board of Directors with regard to different financing options. On the other side, it also dealt with the equity development of LEONI AG. The committee discussed in detail the effects of the Covid-19 pandemic on, in particular, the liquidity planning of LEONI AG. It advised the Board of Directors on the measures that were initiated and that are still to be initiated, it monitored the implementation of the adopted measures and was always in close contact with the Board of Directors and the entire Supervisory Board.

The **PERSONNEL COMMITTEE** met six times during the 2020 year under review. The committee primarily dealt with the restructuring of the compensation system for the members of the Board of

Directors taking into account the German Act Implementing the Shareholders' Rights Directive, the German Corporate Governance Code and strategic personnel adjustments regarding the Board of Directors. In this respect, in particular the reduction of the size of the Board of Directors and the appointment of Mr Ziems as the Chief Restructuring Officer ("CRO") with effect as of 1 April 2020 were discussed and resolved on. Other topics were the adjustment of the allocation of responsibilities to the new functions and dealing with key positions in the new organisation. Furthermore, the Personnel Committee discussed in detail potential corporate social responsibility (CSR) components under the new compensation system with the Board of Directors in order to be able to measure these key factors and any progress made in this respect. The parameters discussed included environmental protection, customer and employee satisfaction.

The **STRATEGY COMMITTEE** held two meetings during the past financial year. One of the main topics was the current market development and the relative position of LEONI AG in the competitive environment. Another main topic was the technological advancement of the Wiring Systems Division in the context of the increasing electrification in the automotive sector and its consequences for LEONI AG were discussed. Furthermore, strategic considerations regarding the Covid-19 pandemic and its effects on market recovery and growth, the development of pro-

duction facilities with regard to the technological development, efficiency improvement and cost optimisation and regarding the reorganisation of the Group in connection with the separation of the Wire & Cable Solutions Division and the preparation of a divestment of the Division were made.

The **NOMINATION COMMITTEE** met three times in order to find a successor for Dr Lang, who had resigned from his office with effect as at the end of 24 July 2020.

There was no cause for convening the **MEDIATION COMMITTEE** pursuant to Section 27 (3) MitbestG during the reporting period.

Declaration of conformity and audit of the annual financial statements

The Board of Directors and the Supervisory Board resolved in March 2020 to update the declaration of conformity pursuant to Section 161 of the German Stock Corporation Act (Aktiengesetz, "AktG") during the year. In December 2020, the next regular declaration of conformity was issued. Both declarations are permanently accessible to the shareholders on the Company's website.

Upon the proposal by the Supervisory Board and in line with the recommendation of the Audit Committee, the ordinary Annual General Meeting of LEONI AG's shareholders on 23 July 2020

appointed the auditing company Deloitte GmbH Wirtschaftsprüfungsgesellschaft of Munich ("Deloitte") as the auditor for the 2020 financial year. The auditors responsible pursuant to Section 319a (1) sentence 4 of the German Commercial Code (HGB) was Sebastian Kieseewetter (starting with the 2019 financial statements). Deloitte audited and in each case granted an unqualified certificate for the annual financial statements of LEONI AG, the consolidated financial statements and the Combined management report for the 2020 financial year. Before the Supervisory Board proposed to appoint Deloitte as the auditor at the Annual General Meeting, Deloitte had confirmed to the Chairman of the Supervisory Board and to the Audit Committee that there were no circumstances that might compromise, or raise doubts about, their independence as auditors. Deloitte also explained the extent to which services for the Company other than the audit were either performed in the preceding financial year or contractually agreed for the subsequent year.

The provisions of the German Commercial Code (Handelsgesetzbuch, "HGB") were applied to prepare the annual financial statements and the Combined management report of LEONI AG. The International Financial Reporting Standards (IFRS) as adopted in the European Union and, additionally, the commercial law provisions under Section 315e (1) HGB were applied to prepare the consolidated financial statements. The audit was conducted

in accordance with Section 317 HGB while observing the generally accepted German auditing standards for the audit of financial statements established by the Institute of Public Auditors in Germany. The auditors confirmed that the Combined management report appropriately describes the situation of LEONI AG and of the Group as well as the opportunities and risks of its future development. The review of the early risk warning system as part of the audit found that the Board of Directors has taken suitable measures as required under Section 91 (2) AktG, in particular to set up a monitoring system, and that this monitoring system is suitable for the early detection of developments that might threaten the Company's continued existence.

The annual and consolidated financial statements of LEONI AG and the Combined management report (including the non-financial Group information statement) and the audit reports were made available to all members of the Supervisory Board in good time. The Audit Committee pre-examined these documents during its meeting on 11 March 2021 and reported its findings to the Supervisory Board during the latter's regular meeting on 15 March 2021. We subsequently discussed the financial statements and reports in depth. The auditing firm's representatives took part in both meetings, provided information on the findings of their audits and were ready to provide additional information. In particular, the findings regarding the key audit matters for LEONI AG and the Group

for the 2020 financial year were presented. The key audit matters for the audit of the consolidated financial statements were i) the valuation of goodwill, other intangible assets and property, plant and equipment and ii) the recognition and valuation of provisions for losses from onerous contracts, and for the audit of the annual financial statements they were the valuation of shares in affiliated companies, loans to affiliated companies as well as receivables from affiliated companies. In addition, the risks to continued existence and the assessment made by the Board of Directors regarding the Group's ability to continue its business activities were explained. The audit did not give rise to any objections.

The Supervisory Board approved the findings of the audit of the financial statements. The final result of the audit of the annual and consolidated financial statements and of the Combined management report of LEONI AG by the Audit Committee and the Supervisory Board did not give rise to any objections. The Supervisory Board approved the annual financial statements of LEONI AG and the consolidated financial statements for the 2020 financial year as prepared by the Board of Directors. The annual financial statements of LEONI AG have thus been duly adopted.

As part of its audit, the Supervisory Board has also examined the non-financial Group information statement, which had to be prepared pursuant to Section 315b HGB, and found that it met the applicable requirements and did not give rise to any objections.

Previously, an external review had confirmed that no matters have come to the auditors' attention that would cause them to believe that the non-financial Group information statement had not been prepared in all material aspects in accordance with Section 315c HGB.

Changes in personnel

With effect as from 1 April 2020, Hans-Joachim Ziems was appointed as a member of the Board of Directors of LEONI AG. The appointment is for a limited term, ending on 31 March 2021. In his capacity as Chief Restructuring Officer, of the responsibility for the Company's ongoing financial and operational restructuring was allocated to Mr Ziems.

In addition, with effect as from 1 June 2020, Bruno Fankhauser and Martin Stüttem left the Board of Directors by mutual agreement with the Company. We once again thank them for their work and their great commitment to the Company.

As already stated in last year's report, Regine Stachelhaus was appointed by court to replace Dr Ulrike Friese-Dormann on the Supervisory Board with effect as of 12 November 2019 and initially for a limited time period until the 2020 Annual General Meeting. The 2020 Annual General Meeting confirmed the appointment of Ms Stachelhaus for the remainder of Dr Friese-Dormann's term of office.

Another change in the composition of the Supervisory Board also occurred in the preceding financial year. Dr Werner Lang left the Supervisory Board with effect as of 24 July 2020. Based on the proposal of the Nomination Committee and by court resolution of 15 August 2020 with immediate effect, Dirk Kaliebe was appointed as a member of the Supervisory Board; in accordance with the requirements of the German Corporate Governance Code, his appointment is initially on a temporary basis until the close of the 2021 Annual General Meeting. The Supervisory Board thanks Dr Werner Lang for his commitment and his personal dedication as a member of the Supervisory Board.

Thanks to the Board of Directors and staff

The Supervisory Board thanks all members of the Board of Directors as well as all staff for their commitment in the 2020 financial year. In 2021, our Company will once again be operating in a demanding setting and will continue to face challenges both due to the continuing Covid-19 pandemic and the initiated transformation of LEONI AG and the Group. The Supervisory Board wishes the Board of Directors and all members of staff every success with the tasks ahead.

Nuremberg, 15 March 2021



Dr Klaus Probst

Chairman of the Supervisory Board