

Supervisory Board report

Dear Madam or Sir,

Apart from the fallout from the COVID-19 pandemic that is still present, the 2022 financial year was marked by the humanitarian, political and economic consequences of Russia's war against Ukraine. This also affects our local LEONI facilities and colleagues, who have our greatest appreciation for keeping production going under difficult conditions. The persisting disruptions in the global setting due to rising raw material prices, intractable bottlenecks in the affected supply chains and a high rate of inflation are reflected throughout the supply industry. LEONI nevertheless took important steps forward on its transformation journey. Even so, the Group could not implement its refinancing plan as already agreed as part of its turnaround because of the unjustified refusal on the part of STARK Corporation to close the planned sale of Business Group Automotive Cable Solutions (BG AM), thus forcing the Company into commencing renewed negotiations on refinancing. The Supervisory Board, in both its previous and newly elected composition following the Annual General Meeting on 24 May 2022, thoroughly and closely oversaw the Executive Board and will continue to act accordingly.

Our regular work was focused on ongoing monitoring of the current business situation, including the progress made under the ValuePlus performance and strategy programme implemented in the previous year as the successor programme of VALUE 21. Our attention was furthermore on the Company's operating performance despite volatile product call-offs from customers. Further disposals of sub-segments of our Wire & Cable Solutions Division initially took our refocusing on the business involving wiring systems for the automotive industry forward, also enabling us to

step up work on such technologies as zonal architecture. Development and launch of the ReWire sustainability programme, with which we also engaged on the Supervisory Board, represents another significant step forward during the financial year.

Given the challenging tasks and their strategic relevance to LEONI's transformation, the Supervisory Board, still under the chairmanship of Dr Klaus Probst, decided to enlarge the Executive Board team with Dr Ursula Biernert in her function as Chief Human Resources Officer (CHRO) and Labour Director as well as with Ingo Spengler in his function as Chief Operations Officer (COO) on the Executive Board level effective 1 February 2022. Furthermore, Dr Harald Nippel succeeded Ingrid Jägering as LEONI AG's Chief Financial Officer (CFO) on 1 April 2022.

To our great regret, our CEO Aldo Kamper expressed his wish to leave LEONI AG effective 31 March 2023. The Supervisory Board acceded to this wish and immediately began talks to resolve his succession.

We wish the Executive Board, which has furthermore been reinforced by Hans-Joachim Ziems as Chief Restructuring Officer (CRO) since 10 January 2023, every success in meeting the challenges during the new 2023 financial year.

With respect to the effectiveness and efficiency of our work on the Supervisory Board, we looked into the best possible prioritisation in our work as well as organisation of our processes and meetings as part of a self-assessment process. The deduced measures and improvements will be gradually implemented and checked.

Collaboration between the Executive Board and Supervisory Board

In the past financial year, LEONI AG's Supervisory Board diligently and properly carried out the duties required of it by law, the Company's Articles of Association and the German Corporate Governance Code (Deutscher Corporate Governance Kodex, 'DCGK') and its rules of procedure, continually advising the Executive Board on the management of the Company and constantly monitoring its work. The cooperation between the Supervisory Board and the Executive Board was constructive, open and trust-based at all times. The Executive Board kept us regularly, promptly and comprehensively informed, both in writing and verbally, about all issues relevant to LEONI. In particular, these included the strategy, planning, operating business performance and the Group's current situation including its risk, equity and liquidity situation. LEONI AG's financial situation was also regularly discussed, especially at the Special Committee's meetings. The Executive Board explained in depth any unplanned operational deviations, as well as the impact of the war in Ukraine on LEONI and its employees.

Furthermore, the Supervisory Board dealt intensively and regularly with the corporate control system, Group-wide compliance and further development of the control systems. Further topics of discussion included major projects of particular relevance to the LEONI Group, risks and their mitigation, sustainability issues and non-financial reporting. We also focused on issues relating to the environment, society and governance (ESG). Where the rules of procedure required the approval of the Supervisory Board, this was given after in-depth discussion on the basis of reports and

documents prepared by the Executive Board. Resolutions on matters needing settlement between ordinary meetings were passed at extraordinary meetings or via circular resolutions. In the 2022 financial year, the focus was especially on monitoring the Group's ongoing restructuring and refinancing measures.

The Supervisory Board's members had ample opportunity to critically examine the Executive Board's submitted reports and proposed resolutions in its committees or in plenary sessions and to make their own contributions. Particular mention should be made here regarding all significant business transactions for LEONI, which were discussed intensively on the basis of thorough written and oral Executive Board reports. The Executive Board involved the Supervisory Board in decisions of material importance at all times.

The Executive Board and Supervisory Board were also in regular contact outside of meetings. Both the departed Dr Klaus Probst and I, in my role as Chairman of the Supervisory Board, were in close contact particularly with the Chairman of the Executive Board, the respective chairman of the Audit Committee along with the Chief Financial Officer and the Auditor, and the chairman of the Special Committee with the Chief Financial Officer and the Restructuring Monitor. We consulted each other during regular fixed meetings as well as at short notice and on an ad hoc basis when necessary. The large number of business challenges again called for the whole Board and its committees to meet on numerous occasions in the 2022 financial year.

Meetings of the Supervisory Board

Attendance

The Supervisory Board held **a total of 21 meetings** in the 2022 financial year, of which 8 were ordinary Supervisory Board meetings and 13 were extraordinary Supervisory Board meetings for specific occasions. Supervisory Board **committees met a total of 42 times**. The majority of meetings were held as video conferences. Circular resolutions were also passed on a few occasions.

Regular communication, also without the members of the Executive Board, as recommended by the DCGK, took place in our Executive Session for selected agenda items and, as a rule, in the context of the Supervisory Board's internal affairs at the end of meetings. In addition, both the employee and shareholder representatives of the Supervisory Board regularly discussed matters prior to the scheduled meetings.

A detailed presentation of the meetings of the Supervisory Board and its committees is shown in the following table. An attendance rate of **95 percent** was recorded at plenary and committee meetings, thus maintaining its very high level notwithstanding the increased number of meetings in the 2022 financial year (previous year: 96 percent).

A detailed overview of Supervisory Board members' participation in plenary and committee meetings during the 2022 financial year can be found below*:

2022 financial year

	Plenary	Nomination Committee	Personnel Committee	Audit Committee	Special Committee	Strategy Committee	TOTAL
Number of meetings							
Ordinary	8	2	4	4	19	2	39
Extraordinary	13	0	3	1	7	0	24
Total	21	2	7	5	26	2	63
Type of meeting							
In-person	3	0	0	0	1	0	4
Hybrid	2	0	0	0	1	0	3
Virtual	16	2	7	5	24	2	56
Total	21	2	7	5	26	2	63
Participation rate Supervisory Board since 24/05/2022							
Klaus Rinnerberger (Chairman)**	100%		100%	100%	100%	100%	100%
Franz Spieß (Deputy Chairman)**	95%		100%	100%	85%		92%
Günther Apfalter	70%					100%	73%
Mark Dischner**	100%		100%		85%		93%
Carolin Geist	100%					100%	100%
Tom Graf	100%				93%	0%	92%
Martin Hering	100%				100%	100%	100%
Sina Maier	100%					100%	100%
Angela Rappl (until 25/09/2022)	100%			100%			100%
Dr Ulla Reisch	100%				100%		100%
Karin Sonnenmoser	100%			100%			100%
Klaus Wolff (from 26/09/2022)	100%			100%			100%
Dr Lorenz Zwingmann	90%		100%	100%			94%
Participation rate Supervisory Board until 24/05/2022							
Dr Klaus Probst (Chairman)	100%	100%	100%		92%	100%	97%
Dr Elisabetta Castiglioni	91%	100%				100%	93%
Wolfgang Dehen	100%		100%		92%	100%	96%
Janine Heide	82%						82%
Karl-Heinz Lach	100%					100%	100%
Richard Paglia	100%			100%	100%	100%	100%
Prof. Dr Christian Rödl	82%			100%			85%
Regine Stachelhaus	91%	100%					92%
Inge Zellermaier	100%					100%	100%
Total	96%	100%	100%	100%	93%	92%	95%

*The individual participation rate for each member of the Supervisory Board refers to the respective mandate period and the meetings to which the member was actually invited.

**Klaus Rinnerberger, Franz Spieß and Mark Dischner were members of the Supervisory Board throughout the 2022 financial year.

With the exception of confidential Personnel and Nomination Committee meetings, all Supervisory Board members were able to attend committee meetings as guests at any time and to view the documents and minutes of these meetings. This opportunity was taken regularly and extensively, especially in the Special and Strategy Committees. In addition to reports from the Executive Board, other executives also reported to the Supervisory Board, by which means we obtained a comprehensive picture of Company performance at all times and had the opportunity to get to know some of these other senior managers.

Training for the Supervisory Board

The Supervisory Board members are responsible for identifying the training and upskilling required for their tasks, and the Company supported them in this respect. To obtain targeted training, the newly elected Supervisory Board conducted a workshop on equity and capital market law in July. Among other topics, this covered the Supervisory Board's rights and obligations, as well as aspects of the new version of the German Corporate Governance Code. The Corporate Office has established a structured onboarding process, which familiarised all Supervisory Board members newly elected in this financial year with our business activities, among other things, and provided a detailed overview of Group structure, the Company's corporate governance and the procedural methods and guidelines within LEONI AG.

Conflicts of interest

Supervisory Board members are obliged to disclose possible conflicts of interest to the Chairman.

The Supervisory Board's chairman, Klaus Rinnerberger, is simultaneously a member of the Executive Board of Pierer Industrie AG. In a voting rights announcement on 21 February 2022, Pierer Industrie AG disclosed that it holds or is attributed a total of 6,533,812 voting rights relating to the share capital of LEONI AG, which is divided into 32,669,000 shares. This equates to a 20 percent share of the directly or indirectly held voting rights. In a voting rights announcement on 17 June 2022, it was reported that instead of Pierer Industrie AG, L1-Beteiligungs GmbH of Aalen, Germany now holds or is attributed a total of 20 percent of the voting rights in LEONI AG. Pierer Industrie AG was until that time to be regarded as a principal shareholder within the meaning of the recommendation under C.13 DCGK 2022 as well as a controlling shareholder within the meaning of the recommendation under C.9 DCGK 2022. In the Supervisory Board's opinion, this constellation does not entail a conflict of interest within the meaning of Section E of the DCGK 2022. In the Supervisory Board's opinion, Mr Rinnerberger has no other personal or business relationship with the Company or the LEONI Group or the Company's corporate governance bodies.

Details regarding assessment of the independence of Supervisory Board members can be viewed in our Corporate Governance Declaration.

There were no other (potential) conflicts of interest involving Executive Board or Supervisory Board members during the period under report.

Reports at Supervisory Board meetings

As a rule, at each Supervisory Board meeting, the committee chairpersons report on the content of their respective previous committee meetings. Moreover, at each meeting, the Chairman of the Supervisory Board also reports the main content of his discussions with the Executive Board and other key positions at LEONI AG.

Main focus of meetings

At our **extraordinary meeting on 11 January 2022**, the Supervisory Board met to determine the next steps in the process of appointing a successor to Ingrid Jägering (CFO) and the associated adjustment of the schedule of responsibilities. The Supervisory Board was furthermore informed about the Executive Board's decision concerning refilling the position of CFO at BG AM.

In a further **extraordinary meeting on 24 January 2022**, the Supervisory Board thereupon appointed Dr Harald Nippel as CFO of LEONI AG.

During its **ordinary meeting on 1 February 2022**, the Board first formally, and retroactively to 31 December 2021, dissolved the Ad hoc Committee set up for the purpose of dealing with the voluntary public partial purchase offer from Pierer Industrie AG of 30 July 2021. Alongside the current business situation with Value-Plus as the successor to the VALUE 21 strategy and performance programme, the Supervisory Board covered preliminary anti-trust proceedings begun on 18 January 2022, select major projects

in the Wiring Systems Division and the current WCS carve-out and disposal processes. In addition, we approved the Executive Board's decision that the Annual General Meeting on 24 May 2022 be held virtually because of the effects of the COVID-19 pandemic still persisting at that time. Furthermore, the new competence profile for the whole Board was adopted, and the Corporate Governance Declaration was approved. The Supervisory Board's draft report on the 2021 financial year discussed during the meeting was subsequently adopted by circular resolution.

At our **extraordinary meeting on 17 February 2022**, we approved the business planning submitted by the Executive Board, i.e., the planning for fiscal 2022, including personnel planning, the medium-term planning for 2023-2026 and the Executive Board's capital spending budgeted for the 2022 financial year. Based on the Nomination Committee's recommendation, the Supervisory Board also decided to commission an external and independent recruiter with the search for Supervisory Board candidates for the new elections on the shareholder side due at the 2022 Annual General Meeting. Furthermore, the system for compensating Executive Board members was selectively adjusted.

During the **extraordinary meeting on 3 March 2022**, we dealt intensively with the current situation of our facilities and staff in Ukraine and Russia following the outbreak of war. The draft of the updated expert opinion on restructuring as a building block of the refinancing negotiations was also discussed in depth.

In a further **extraordinary meeting on 16 March 2022**, we adopted LEONI AG's compensation report for the 2021 financial year. The

Supervisory Board also accepted the mutually agreed, premature termination of Ingrid Jägering's Executive Board service contract effective 31 March 2022.

In our **financial statements meeting on 21 March 2022**, we discussed the 2021 financial statements and consolidated financial statements as well as the combined management report for LEONI AG and the Group, including the non-financial Group information statement. Upon recommendation of the Audit Committee and after discussion with the auditors, Deloitte GmbH Wirtschaftsprüfungsgesellschaft of Munich ('Deloitte'), we approved the financial statements and consolidated financial statements for the 2021 financial year and thereby adopted the financial statements.

With respect to the compensation for Executive Board members, we deliberated, among other things, on determining the appropriateness and setting of the 2022 target parameters and furthermore on the risk management system and corporate social responsibility. Upon recommendation of the Nomination Committee, the Supervisory Board also decided on the nominees for election on the shareholder side at the 2022 Annual General Meeting.

After the meeting, we decided by circular resolution on the convening and modalities of the Annual General Meeting. With respect to the agenda, we resolved, among other things, on the Audit Committee's recommendation to propose that Deloitte be selected as auditors of the financial reports and consolidated financial reports for the 2022 financial year and for the audit review of the half-year financial report as at 30 June 2022, the

proposed resolutions on share capital and various amendments to the Articles of Association.

The Supervisory Board met for an **extraordinary meeting on 4 April 2022** to discuss the status of negotiations on refinancing and to decide on an adjustment of the agenda for the Annual General Meeting.

In a further **extraordinary meeting on 20 April 2022**, the Supervisory Board consulted on negotiating tactics with respect to refinancing.

On **6 May 2022**, the Supervisory Board met for an extraordinary meeting to decide on the sale of j-fiber GmbH.

In an **extraordinary meeting on 23 May 2022**, the Supervisory Board approved the sale of BG AM to Thailand-based STARK Corporation.

At the **constituent Supervisory Board meeting on 25 May 2022**, we met in person in Nuremberg as newly elected Supervisory Board members on the shareholder and employee sides. Alongside the chair and deputy chair being elected, the committees were formed on that occasion. We furthermore reflected that day on the previously held Annual General Meeting and its resolutions. Thereafter, we discussed the status of refinancing and the current business situation. As new Supervisory Board members, we furthermore obtained an overview of the steps ahead in Ukraine and Russia, the current sale processes and progress with the ValuePlus strategy and performance programme.

At both the **ordinary meeting on 25 July 2022** as well as its **annual strategy meeting on 26 July 2022**, the Supervisory Board met at the facility of LEONI Bordnetz-Systeme GmbH in Kitzingen. On site, we initially gained insight into the newly devised Innovation Industrialization Center (IIC). Alongside the report on the current business situation, we dealt with the status of the refinancing negotiations as well as the preliminary anti-trust proceedings. We furthermore obtained reports on the present situation of the facilities in Ukraine and Russia, on select major projects, the current disposal processes and Company-wide compliance, including sustainability aspects. Within the Supervisory Board, we addressed our competence profile and proposed topics for upskilling, among other things.

The future of the wiring system with select technologies and automation exhibits was presented and discussed during the strategy meeting. The Supervisory Board dealt in depth with the economic viability of LEONI's business model and its positioning on the market. The Wiring Systems Division's senior executives reported comprehensively on the performance of their departments. There were also reports on ValuePlus, which is part of our strategic roadmap. Alongside current work in the areas of products and technology, the topics covered also included priorities and optimisation potential in operations and in terms of footprint.

Our **two-day ordinary meeting on 28 and 29 September 2022** was likewise held in person. We met in rooms of LEONI Wiring Systems RO S.R.L. in Bistrita, Romania, where our meeting was preceded by a factory tour to deepen our operational insight. We also covered such Supervisory Board-internal topics as the process for our

self-assessment. The Supervisory Board chose Klaus Wolff, the member elected to replace Angela Rappl on the Board, as a member of the Audit Committee effective 26 September 2022. We decided to commission Deloitte with the voluntary audit of our non-financial information statement for the 2022 management report. In addition, we received up-to-date status reports on the process of selling BG AM, on one major project and on the situation in Ukraine and Russia. We furthermore looked into the IT strategy and consequently the FLOW project to create an integrated IT system.

On the second day of the meeting, we initially dealt with the current business situation and, in the context of the ValuePlus strategy and performance programme, with the net working capital targets and the medium-term financial planning. The Executive Board reported to us on the footprint-related activity to date with respect to worldwide production. Discussion furthermore covered the development of LEONI's organisational structure, a report on the budgeting assumptions from 2023 and an illumination of the business model in the operational respect. In conclusion, we discussed the sensitivities of the restructuring plan.

In our **annual Executive Session on 8 November 2022**, we focused on the work of the Supervisory Board without the participation of the Executive Board. Among other things, we discussed the findings of our self-assessment, and in so doing we, critically examined our role as a supervisory board, the requirement profile of the Board, the expertise of Supervisory Board members and the measures necessary for the further development of our work. We looked in detail at the planning for upskilling schemes and

enhancing of expertise with respect to the issues of the future, especially concerning ESG, that are of importance to LEONI. We set internal processes, technical expertise, digitalization, geopolitical concerns, knowledge on selecting locations and experience in restructuring and transformation management as further strategic focal areas for the committee work. The overall finding of our self-assessment confirmed a favourable degree of governance maturity for the Supervisory Board's work and its committees as well as its collaboration with the Executive Board. We furthermore discussed the competence profile and the plan for the Supervisory Board's qualification matrix. In this connection, we jointly considered our targets and the focal areas for our work in 2023 for both the Board as a whole and the Audit Committee. We thereafter discussed inside the Supervisory Board the flow and sharing of information with the Executive Board, long-term succession planning and the variable compensation components. Finally, together with the Executive Board, we dealt with the business situation as well as the current status of the refinancing plan.

In our **extraordinary meeting of 16 November 2022**, we followed up within the Supervisory Board on the open points of the Executive Session.

In our **extraordinary meeting on 30 November 2022**, we approved the completion of refinancing as planned at that time. The Executive Board reported on the status of closing the sale of BG AM. Also discussed was the construction of a new plant as part of our 'Footprint Strategy'.

In our **extraordinary meeting on 13 December 2022**, the Executive Board informed us that STARK Corporation was refusing to close the sale of BG AM and that the refinancing plan could, for the time being, not be implemented as planned. Consequent legal steps against STARK were furthermore discussed. An ad-hoc announcement on this matter was released on the same day.

In our ordinary meeting on **14 December 2022**, we began by considering the events of the previous day and the current business situation. The committee chairpersons subsequently provided comprehensive reports in this connection. The need to revise planning as a consequence of the refusal to close the sale of BG AM was also discussed. We furthermore once again looked into Executive Board compensation and passed a resolution to clean up the logic of the variable components. We also again discussed the organisational structure at LEONI and, together with the Executive Board, adopted the Declaration of Conformity for 2022. Finally, we received a report on the status of negotiations concerning the case of CEO fraud to which LEONI fell victim in August 2016.

The focus of the **extraordinary meeting on 22 December 2022** was on the status of refinancing as well as the release of a bridge budget by the Supervisory Board based on the planning documents presented to us.

Work of the Committees

The Supervisory Board of LEONI AG sets up Supervisory Board committees to promote the effectiveness and efficiency of its work. Accordingly, there is an Audit Committee, a Personnel Committee, a Nomination Committee, a Strategy Committee and a Special Committee. In addition, there is also the Mediation Committee in accordance with Section 27 (3) of Germany's Co-Determination Act (Mitbestimmungsgesetz, 'MitBestG').

The six permanent committees of the Supervisory Board prepare topics to be discussed and resolutions to be passed 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. This applies in particular to the approval of personnel issues, which are dealt with by the Personnel Committee. The respective committee chairpersons report regularly on their work at Supervisory Board meetings. Information on the composition and work of the committees can be found in the Corporate Governance Declaration.

The **Audit Committee** met for a total of four ordinary meetings and one extraordinary meeting during the year under report. The Audit Committee discussed the financial statements and consolidated financial statements for the 2021 financial year, the combined management report for LEONI AG and the Group likewise for the 2021 financial year and, among other things, drafted recommendations for resolutions for the Supervisory Board – for example, for the election of the auditor for 2022 and for the non-financial Group information statement. The auditors of the Deloitte

auditing company participated in the committee's financial statements meeting of 17 March 2022, explained the focus of the audit and were available to answer questions from the Audit Committee. The Audit Committee also dealt with the half-year financial report as at 30 June 2022 and the quarterly statements of 31 March and 30 September 2022. The half-year financial statements, which were also reviewed by the auditor in accordance with the IDW PS 900 auditing standard, were likewise discussed together with the auditor. The Audit Committee approved a limited number of non-audit services by the auditor. In addition, it issued the audit mandate for the 2022 financial year to the auditor chosen at the Annual General Meeting.

The Chairman of the Audit Committee also maintained regular contact with the auditor outside of meetings and reported regularly to the committee. Moreover, in compliance with the FISG legislation, there was, as part of the Audit Committee meetings during the year under report, also discussion between the Audit Committee and the auditor without the participation of the Executive Board to go into more detail on individual key points. In accordance with Section 107 (3) of the Stock Corporation Act (Aktiengesetz, 'AktG'), the Audit Committee also looked in depth during the financial year at the quality of the audit and the independence of the auditors. An external consultant independently evaluated the quality of the audit. The viewpoint of the Finance department, the members of the Audit Committee and the auditor were included in the evaluation, and audit quality indicators (AQIs) were collected as objectively assessable indicators of the quality of the audit. The quality of the audit was found to be positive and the requirements were considered to have been exceeded.

In addition to regular reporting on the Company's operational situation, the Audit Committee also dealt extensively with existing monitoring systems and their effectiveness. These include the Internal Control System (ICS), the Risk Management System (RMS) and the Compliance Management System (CMS), as well as regular reporting from the respective departments on their ongoing development, among other things. Internal Auditing also reported regularly to the Audit Committee on its work and coordinated audit planning with the Audit Committee.

In addition, the Audit Committee dealt extensively with the general Corporate Social Responsibility (CSR) reporting, including the non-financial Group information statement for the 2021 financial year, which was externally audited by the EY auditing firm. Other topics addressed included regulatory issues (including the Supply Chain Act (Lieferkettengesetz, 'LkSG') and the Financial Market Integrity Strengthening Act (Gesetz zur Stärkung der Finanzmarktintegrität, 'FISG'), among others), taxes, IT, cyber security / information security and data protection.

In accordance with the requirements of Section 107 (4) in conjunction with Section 100 (5) AktG, both the Chairman of the Audit Committee, Dr Lorenz Zwingmann, and Karin Sonnenmoser as a Committee member, have expertise in the areas of both accounting and auditing. Details in this regard can be found in the Corporate Governance Declaration.

The **Special Committee** met a total of 26 times and dealt in depth with the LEONI Group's financial situation. The focus was, on the one hand, on the constant monitoring of the LEONI Group's liquidity

and debt situation, and on the other, on LEONI AG's equity situation, as well as advising the Executive Board on refinancing. The Committee also discussed the impact of the persisting supply chain problems. It advised the Executive Board on the steps taken and still to be taken, followed up on the implementation of the agreed measures and was always in close communication with both the Executive Board and the full Supervisory Board.

The **Personnel Committee** met a total of seven times in the 2022 reporting year. The Committee initially focused on the processes involved in appointing a successor to Ingrid Jägering. The Personnel Committee furthermore worked hard on contractual and compensation-related issues pertaining to the Executive Board members, such as 2021 target attainment, including testing of the appropriateness of the Executive Board's compensation and setting the Board's target parameters for 2022, to thereby decide on corresponding recommendations to the Supervisory Board as a whole. In addition, the Personnel Committee prepared the compensation report for the 2021 financial year. Following in-depth scrutiny of the time required for it, the taking on of various sideline activities on the part of Executive Board members was approved.

The **Strategy Committee** held two meetings during the past financial year. The Committee members discussed in close consultation with the Executive Board the results of the VALUE 21 strategy and performance programme as well as its ValuePlus successor programme. Another focal topic was the situation at the Company's facilities in Ukraine and Russia following the outbreak of war and its consequences. Together with the Executive Board

as well as various senior managers, the Committee thoroughly discussed the strategy and growth options in the operational areas of technology, e.g. with respect to zonal architecture, and sales. Such particular issues as volume fluctuation among the OEMs as well as the current business situation were also covered within the Committee. There was furthermore discussion covering the topics of footprint strategy, production, IT, automation and digitalization, as well as preparatory and follow-up work pertaining to the Supervisory Board's strategy meeting.

The **Nomination Committee** met twice in the financial year to prepare the nominations for shareholder representatives at the 2022 Annual General Meeting. The targets adopted by the Supervisory Board for its composition, the competence profile and the statutory requirements were considered accordingly in the process.

The **Mediation Committee** did not meet in the 2022 financial year.

Declaration of Conformity & Corporate Governance

In the 2022 financial year, the Supervisory Board once again devoted itself to the topic of corporate governance and to the continued development of its own supervisory work.

On 14 December 2022, the Executive Board and Supervisory Board confirmed in their statement regarding the Corporate Governance Code under Section 161 AktG that LEONI complies with all recommendations of the Code and will continue to do so. After the end of the year under report, the Executive Board and Super-

visory Board of LEONI AG issued an intra-year supplement to the Declaration of Conformity on 9 January 2023.

The Corporate Governance Declaration contains further information on the Company's corporate governance.

Audit of 2022 financial statements and consolidated financial statements

On 24 May 2022, shareholders at the Annual General Meeting of LEONI AG elected Deloitte as the auditor for both the 2022 financial year and the half-year financial statement as of 30 June 2022 on the recommendation of the Supervisory Board and in line with the recommendation of the Audit Committee. Deloitte has reviewed the half-year financial report and issued an unqualified auditor's opinion. Furthermore, Deloitte audited the annual financial statements of LEONI AG, the consolidated financial statements and the combined management report for the 2022 financial year and issued an unqualified auditor's opinion in each case.

Deloitte first conducted the audit for the 2019 financial year. Sebastian Kiesewetter has signed off as the auditor responsible for the audit since the 2019 financial statements. Before being proposed by the Supervisory Board to the Annual General Meeting as auditors, Deloitte had confirmed to the Chairman of the Supervisory Board and the Audit Committee that there were no circumstances which could impair their independence as an auditor or give rise to any doubts about this independence. At the same time, Deloitte also explained to what extent non-audit services

had been provided to the Company in the previous financial year or were contractually agreed for the following year.

The annual financial statement and the combined management report of LEONI AG were prepared in accordance with German commercial law. The consolidated financial statements were prepared in accordance with the International Financial Reporting Standards (IFRS), as applicable in the European Union, as well as the further requirements of German commercial law under Section 315e (1) of the German Commercial Code (Handelsgesetzbuch, 'HGB'). The audit of the financial statements was conducted in accordance with Section 317 HGB and generally accepted German standards for the audit of financial statements as set out by the German Institute of Auditors (Institut der Wirtschaftsprüfer). The auditors confirmed that the combined management report accurately describes the situation of LEONI AG and the Group as well as the opportunities and risks associated with future performance. The audit of the early risk detection scheme as part of the audit of the financial statements found that the Executive Board had taken the necessary steps required under Section 91 (2) AktG, in particular by setting up a monitoring system correctly and ensuring that this system is suitable for the early detection of developments that could jeopardise the Company's existence.

LEONI AG's annual financial statements and consolidated financial statements and the combined management report (including the non-financial Group information statement) along with the auditor's reports were made available to all members of the Supervisory Board in good time. The Audit Committee conducted a preliminary review of these documents during its meeting on

6 June 2023 and reported this to the Supervisory Board at the ordinary Supervisory Board meeting on 12 June 2023. We subsequently discussed the financial statements and reports in detail. The auditor was represented at both meetings, providing information on the results of its audit and answering our questions. Specifically, the findings pertaining to the key audit matters for LEONI AG and the Group for the 2022 financial year were presented: The key audit matters regarding the audit of the consolidated financial statements were i) the measurement of goodwill, other intangible assets and fixed assets, as well as ii) the recognition and measurement of provisions for impending losses from onerous customer contracts and, for the audit of the annual financial statements, the valuation of shares in affiliated companies, loans to affiliated companies and receivables from affiliated companies as well as trademark rights. In addition, the risks to the Company as a going concern and the Executive Board's assessment of LEONI AG and the Group in the matter of continuing as a going concern were discussed. There were no objections to the audit.

The final results of the audit of the annual financial statements and consolidated financial statements and the combined management report of LEONI AG by the Audit Committee and the Supervisory Board did not give rise to any objections.

In line with the recommendation of the Audit Committee, the Supervisory Board approved the results of the audit. The Supervisory Board approved the financial statements of LEONI AG and the consolidated financial statements for 2022 as prepared by the Executive Board. The annual financial statements of LEONI AG have thus been ratified.

As part of its audit, the Supervisory Board also examined the non-financial Group information statement, which was prepared as required by Section 315b and 315c HGB, and came to the conclusion that it met the existing requirements and that no objections need be raised. An external review had previously confirmed that no matters had come to the attention of the auditors that would lead them to believe that the non-financial Group information statement had not been prepared in all material aspects in accordance with Section 315c HGB.

The auditors also formally audited the compensation report in accordance with Section 162 AktG, and no objections were raised here either. The Supervisory Board reached a decision regarding the correctness and suitability of the compensation report and approved it.

At the end of the financial year, L1-Beteiligungs GmbH (directly and indirectly) held approximately 20% of the share capital of LEONI AG. For this reason, the Executive Board of LEONI AG has for the first time issued a dependency report for the 2022 financial year on relationships with affiliated companies pursuant to Section 312 AktG, which was submitted to the Supervisory Board. The auditors audited this dependency report. According to Section 313 (2) AktG, the auditors must submit the findings of their audit in writing. As the final result of their audit did not give rise to any objections, the auditors issued their statement pursuant to Section 313 (3) AktG. The dependency report and the auditors' report were available to the Audit Committee and Supervisory Board and were reviewed by them. The review did not give rise to any objections. Based on the final result of the preliminary

review by the Audit Committee and our own review, the Supervisory Board has no objections to the Executive Board's statement on relationships with affiliated companies in accordance with Section 312 (3) sentence 1 AktG. The result of the audit of the dependency report by the auditors was approved.

Changes on the Supervisory Board

There were changes in personnel on the Supervisory Board following the new elections held in 2022 on both the shareholder side and the employee side.

After the Annual General Meeting on 24 May 2022, the newly elected Supervisory Board was composed as follows:

- Klaus Rinnerberger (Chairman)
- Franz Spieß (Deputy Chairman)
- Günther Apfalter
- Mark Dischner
- Carolin Geist
- Tom Graf
- Martin Hering
- Sina Maier
- Angela Rappl (until 25/09/2022)
- Dr Ulla Reisch
- Karin Sonnenmoser
- Klaus Wolff (from 26/09/2022)
- Dr Lorenz Zwingmann

Upon the end of the Annual General Meeting on 24 May 2022, the following members left the Supervisory Board in the year under report:

- Dr Klaus Probst (Chairman)
- Dr Elisabetta Castiglioni
- Wolfgang Dehen
- Janine Heide
- Karl-Heinz Lach
- Richard Paglia
- Prof. Dr Christian Rödl
- Regine Stachelhaus
- Inge Zellermaier

Thanks to the Executive Board and employees

On behalf of the entire Supervisory Board, I would like to thank the members of the Executive Board as well as all our employees for their efforts and achievements in the 2022 financial year. In 2023, LEONI AG will again be operating in a demanding environment. Everyone involved will face further challenges due to the final re-financing steps and ongoing transformation.

We wish both the Executive Board and all members of staff every success in the tasks ahead.

Nuremberg, June 2023



Klaus Rinnerberger
Chairman of the Supervisory Board