REMUNERATION REPORT PURSUANT TO SECTION 162 OF THE GERMAN STOCK CORPORATION ACT

Remuneration Report of Management Board and Supervisory Board

This Remuneration Report provides detailed and individualized information on the remuneration paid to the current members of the Management Board and the Supervisory Board of Cherry AG in the 2021 fiscal year and an explanation thereof. The report complies with the requirements of section 162 of the German Stock Corporation Act (AktG).

Review of the 2021 fiscal year

Cherry AG (the **Company**) was established through a change in the legal form of Cherry Holding GmbH, which has its registered office in Munich. The entry in the commercial register of the Munich Local Court was made on June 2, 2021. On June 29, 2021, the shares of Cherry were admitted to trading on the regulated market of the Frankfurt Stock Exchange (*Prime Standard*) (**Initial Public Offering/IPO**).

Cherry's business performance was highly positive throughout 2021, especially since the IPO, with the Group setting records for revenue and earnings in the 3rd and 4th quarters of the calendar year, despite the market downturn and a decline in demand in the second half of the year. Cherry surpassed both the financial earnings targets and the non-financial targets set by the Management Board, which were primarily focused on specific measures relating to the IPO and the post-IPO period. In macroeconomic terms, the entire 2021 fiscal year was dominated by the far-reaching global impact of COVID-19 on the world economy and the increase in working from home as well as the ongoing gaming trend. From August 2021 onwards, the COVID-19 pandemic and the shortage of semiconductors worldwide resulted in a temporary slowdown in demand for peripherals and keyboard switches, causing revenue to fall slightly short of initial market expectations.

Starting from an issue price of EUR 32.00 on June 29, 2021, the Cherry share initially recorded a high for the year of EUR 39.00 on August 27, 2021, after which, however, the mood on the stock market deteriorated in the fourth quarter and the forecast adjustments made by market participants in Cherry's peer group had an additional downward impact on the performance of the Cherry share towards the end of the year.

Changes in the composition of the Management Board and the Supervisory Board

As Cherry AG was entered as a stock corporation in the commercial register of the Munich Local Court on June 2, 2021, the Management Board comprised two members, the Chief Executive Officer (CEO), Rolf Unterberger and the Chief Financial Officer (CFO) and Chief Operating Officer (COO), Bernd Wagner. No changes were made to the composition of the Management Board in 2021.

The Supervisory Board has consisted of seven members since Cherry became a stock corporation in the 2021 fiscal year. The members of the Supervisory Board are:

- Marcel Stolk, Chairman of the Supervisory Board
- James Burns, Deputy Chairman of the Supervisory Board and Chairman of the Audit Committee
- Joachim Coers, member of the Personnel and Compensation Committee
- Heather Faust, Chairwoman of the Personnel and Compensation Committee and member of the Audit Committee
- Steven M. Greenberg, Chairman of the Nomination Committee
- Tariq Osman, member of the Nomination Committee and member of the Personnel and Compensation Committee
- Dino Sawaya, member of the Audit Committee and member of the Nomination Committee

Remuneration of Management Board members

As Cherry AG has not yet held an Annual General Meeting (AGM) since its IPO, the shareholders have not yet had the opportunity to approve a remuneration system for the members of the Management Board pursuant to section 120a AktG. Pursuant to section 120a (1) AktG, the Supervisory Board will submit a remuneration system for approval that complies with the requirements of section 87a AktG and the recommendations of the German Corporate Governance Code (GCGC) to the AGM of Cherry AG on June 8, 2022. However, the service contracts of the current members of the Management Board of Cherry AG already comply with the requirements of the remuneration system.

The remuneration system for members of the Management Board is generally based on the size, complexity, and economic situation of the Cherry Group and its prospects for the future. Moreover, the system is geared to the corporate strategy set for the Group, thus creating an incentive for successful and sustainable corporate management. At the same time, it takes into account the responsibilities and the performance of the Management Board as a whole as well as that of its individual members. The remuneration system is therefore based on transparent, performance-related parameters that are geared towards corporate success and sustainability. In order to place greater focus on Cherry's long-term development, the proportion of long-term variable remuneration exceeds that of short-term variable remuneration.

The Supervisory Board as a whole is responsible for the structure of the remuneration system for members of the Management Board and also for determining their individual remuneration. The Supervisory Board's Personnel and Compensation Committee assists the Supervisory Board in this regard, monitors the proper structuring of the remuneration system and prepares Supervisory Board resolutions. In the event of significant changes to the remuneration system, but at least every four years, the remuneration system will be presented to the AGM for approval.

Overview of the remuneration system for the members of the Management Board of Cherry AG

In determining the total remuneration of each Management Board member, comprising basic remuneration, fringe benefits, a pension plan, short-term variable remuneration (STI) and long-term variable remuneration (LTI), the Supervisory Board has taken care to ensure that the various factors are commensurate with the responsibilities and performance of each Management Board member and Cherry's situation and do not exceed the usual level of remuneration without specific justification. With the assistance of external remuneration consultants, in June 2021 the Supervisory Board aligned the remuneration structure to the sustainable and long-term development of the Company. Consequently, variable remuneration components are based on a multi-year assessment and limits have been agreed upon in the event of any exceptional developments.

The performance criteria for both short-term and long-term variable remuneration are based on the Group's strategic objectives and operational management, which are primarily aimed at achieving corporate growth and increasing profitability. For this reason, adjusted EBITDA and revenue growth in conjunction with the relative development of the share price as performance indicators for Cherry AG form the key performance criteria for variable remuneration. While taking the interests of shareholders and other stakeholders into consideration, the aim is to ensure the sustainability of Cherry AG's business operations and to take due account of its social and ecological responsibility. In addition to the financial targets set for adjusted EBITDA, the achievement of non-financial targets was also agreed for the 2021 fiscal year, which related primarily to making the necessary preparations prior to the IPO and capital market-related tasks during the post-IPO period, such as refinancing and ensuring the proper implementation of Investor Relations (IR) measures and reporting standards.

The following table provides a general overview of the various remuneration components for the members of the Management Board for the 2021 fiscal year, the structure of these components, and the objectives on which they are based. The target values for the performance criteria of the variable remuneration components are set annually by the Supervisory Board at the beginning of each fiscal year. All variable remuneration components are limited by a maximum payout cap. In the 2021 fiscal year, the Management Board received the remuneration components on a time-apportioned basis from June 1, 2021 (for the exception of the LTI, which was granted only after the IPO with effect from July 1, 2021 and the STI, which was granted for the full year - see below). The variable remuneration is also subject to malus and clawback clauses. In addition, the total annual remuneration for members of the Management Board is limited by a maximum remuneration cap.

Furthermore, a share retention program forms a further key component of the remuneration system. For the duration of their Management Board service contract, each member of the Management Board is required to purchase and retain Cherry shares equivalent to at least 400% of their annual basic remuneration until the end of the share accumulation phase.

The following table provides an overview of the main components of the Management Board's remuneration system, the underlying targets including their reference to corporate strategy, and their specific structure in the 2021 fiscal year.

Current remuneration structure	Reference to corporate strategy	Application in 2021 fiscal year
Fixed remuneration		
Basic remuneration		
• Annual fixed, non-performance-based basic remuneration • Payable in twelve monthly installments	Intended to reflect the role and area of responsibility on the Management Board. Intended to ensure an appropriate basic income and prevent unreasonable risk-taking.	CEO: EUR 385,710 p.a. CFO & COO: EUR 303,600 p.a.
Fringe benefits		
• Fringe benefits/benefits in kind in line with market conditions • Insurance benefits	To ensure fringe benefits in line with market conditions and the assumption of costs that are directly related to and facilitate the activities of the Management Board.	• Company car or vehicle allowance (CEO) • Accident insurance • Contributions to public or private health and long-term care insurance • Inclusion in D&O insurance
Pension plan		
• Contributions to self-funded company pension plan	Intended to secure a retirement pension in part and only granted if at least the same amount is additionally paid in by the Management Board member. Establishing and securing an adequate pension plan is part of a competitive remuneration system.	CEO: EUR 4,800 p.a. CFO & COO: EUR 4,800 p.a., plus EUR 1,742.49 p.a. for direct insurance. The Management Board pension plan takes the form of a direct insurance policy in an outsourced pension fund with Allianz-Pensions Management e.V. that has no impact on the statement of financial position. Management Board members are required to pay at least the same amount into the fund by way of salary conversion as that paid by Cherry AG. The monthly contribution is limited to EUR 400.00.
Performance-related annual remuneration		
Short-term variable remuneration (*Short Term Incentive, STI*)		
• Type of plan: Annual bonus based on target amount • Performance criteria:	The STI is a performance-based variable remuneration component with a one-year assessment period that incentivizes the contribution of the Management Board member to	CEO: 80% = EUR 308,568 (assuming 100% target achievement) of the annual basic remuneration once a threshold value of

<table>
<tr><th>Current remuneration structure</th><th>Reference to corporate strategy</th><th>Application in 2021 fiscal year</th></tr>
<tr><td>
70% adjusted Group EBITDA
30% non-financial performance targets
Duration: One year
Cash payment with first pay slip after approval of the consolidated financial statements
Maximum payable amount is capped as a percentage of basic remuneration.
</td><td>the operational implementation of corporate strategy and sustainable corporate development made during the fiscal year.
The STI is intended to promote profitable growth, while taking into account the overall responsibility of the Management Board and the individual performance of each of its members.</td><td>85% of the agreed target has been achieved.

The maximum amount payable is capped at 120% = EUR 462,852 of the annual basic remuneration (assuming 150% target achievement). Target achievement between 100-150% is calculated on a progressive linear basis as outlined below. The Supervisory Board defines targets on an annual basis.

CFO and COO:
60% = EUR 182,160 (assuming 100% target achievement) of the annual basic remuneration once a threshold value of 85% of the agreed target has been achieved.

The maximum amount payable is capped at 90% = EUR 273,240 of the basic annual remuneration (assuming 150% target achievement). Target achievement between 100-150% is calculated on a progressive linear basis as outlined below. The Supervisory Board defines targets on an annual basis.

The STI is calculated on the basis of 70% target achievement for adjusted EBITDA and 30% achievement of several non-financial performance targets.</td></tr>
<tr><td colspan="3">Multi-year variable remuneration (Long Term Incentive, LTI)</td></tr>
<tr><td>
Type of plan: Virtual Performance Share Plan
Performance criteria:
50% relative Total Shareholder Return
50% adjusted Group EBITDA
Duration: Four years, consisting of a three-year performance period followed by a one-year lock-up period
Payment either in cash or in Cherry shares, at Cherry AG's discretion
Maximum amount payable is capped as a percentage of basic remuneration.
</td><td>Intended to encourage Management Board members to act in the interests of the sustainable and long-term development of the Company. The link to the development of Cherry AG's share price fosters a stronger connection between shareholder interests and the promotion of Cherry's long-term growth. The variable remuneration component within the LTI also depends on Cherry's success in the context of its long-term strategy and is therefore geared to its long-term development.</td><td>CEO:
120% = EUR 462,852 of annual basic remuneration (assuming 100% target achievement).

CFO and COO:
90% = EUR 273,240 of the annual basic remuneration (assuming 100% target achievement).

The same targets apply to all members of the Management Board: The LTI performance targets are 50% based on relative Total Shareholder Return (rTSR target) and 50% based on the adjusted Group EBITDA target (LTI EBITDA target). Together, the rTSR target and the LTI EBITDA target constitute the "LTI performance targets."</td></tr>
</table>

Current remuneration structure	Reference to corporate strategy	Application in 2021 fiscal year
Payments in the event of premature termination of service		
Termination by mutual consent		
Maximum two years' remuneration (severance payment cap)	Intended to avoid unreasonably high severance payments.	Severance pay in the event of early termination: Two years' remuneration without entitlement to an LTI bonus, benefits in kind, and other fringe benefits. The relevant annual remuneration is set out in the respective Management Board service contract. If the contract is terminated on a "bad leaver" basis, all claims to the STI that have not yet been paid out are also forfeited. "Bad leaver" covers resignation for good reason pursuant to section 84 (3) AktG or the termination of a Management Board member without good reason.
Other remuneration provisions		
Maximum remuneration		
Pursuant to section 87a (1) sentence 2 no. 1 AktG	Prevents unreasonably high remuneration.	The service contracts for members of the Management Board contain provisions on maximum remuneration. • CEO: EUR 3.5 million • Management Board member: EUR 3.0 million
Share retention program		
Purchase and retention of Cherry shares in relation to the respective basic remuneration.		Each Management Board member is required to purchase and retain Cherry shares equivalent to at least 400% of their annual basic remuneration until the end of the share accumulation phase.
Malus/compliance and clawback clause	Strengthens incentives to adhere to key principles of duty and compliance by avoiding inappropriate conduct and unreasonable risks.	The Supervisory Board has the option to withhold STI and LTI or reclaim variable remuneration already paid out in the event of a breach of duty pursuant to section 93 AktG and/or other compliance duties on the part of Management Board members.
Continued payment of remuneration in the event of illness		Six months or at the latest when the Management Board member's service contract expires.

In the 2021 fiscal year, the Management Board received the above-mentioned remuneration from June 1 to December 31, 2021 *on a time-apportioned basis* for seven months with the exception of the short-term variable remuneration (STI), which was granted to the Management Board members in the amount payable for the entire 2021 fiscal year and the multi-year variable remuneration (LTI) which was granted only after the IPO for 6 months of the fiscal year.

Target remuneration and remuneration structure

The Supervisory Board of Cherry AG has determined the amount of target remuneration for each member of the Management Board applicable for the 2021 fiscal year *on a time-apportioned basis* as shown in the following table. In doing so, it has ensured that the **target total remuneration** is commensurate with both the responsibilities and the performance of the respective Management Board member. Furthermore, the Supervisory Board of Cherry AG took particular account of the economic situation and the market environment as well as the success and future prospects of the Cherry Group, paying particular attention to the standard market value of the target total remuneration.

Target remuneration assuming 100% target achievement	Rolf Unterberger, CEO 2021 (June 1 to Dec. 31, 2021) in EUR k	 in %	Bernd Wagner, CFO, COO 2021 (June 1 to Dec. 31, 2021) in EUR k	 in %
Basic remuneration	224,998	34.1	177,100	40.0
Fringe benefits	20,488	3.1	19,258	4.3
Pension plan	2,800	0.4	3,816	0.9
Total fixed remuneration	248,286	37.6	200,174	45.2
Short-term variable remuneration (STI)	179,998	27.3	106,260	24.0
Long-term variable remuneration (LTI)	231,426	35.1	136,620	30.8
Total variable remuneration	411,424	62.4	242,880	54.8
Other				
Target total remuneration	659,710	100.0	443,054	100.0

Appropriateness of Management Board remuneration

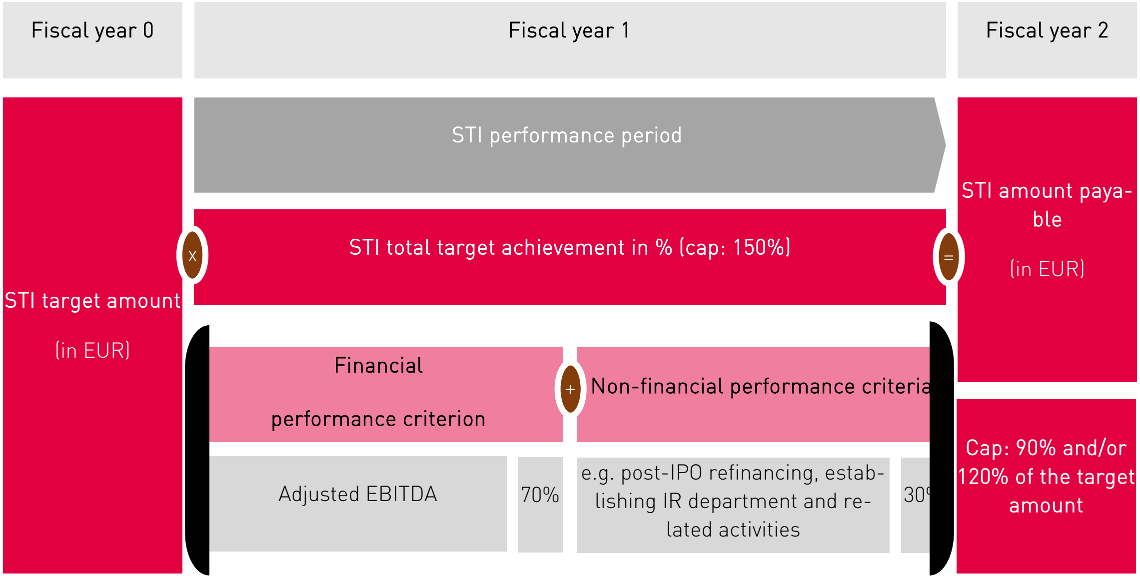
In accordance with the remuneration system, the Cherry AG Supervisory Board conducts a review of the market compatibility of the Management Board's remuneration at regular intervals, generally on the basis of a horizontal and vertical comparison. The horizontal review of the appropriateness of remuneration is conducted based on a comparison with other listed companies. Peer companies were drawn from public companies with which Cherry AG competes for talent. For the peer group analysis, the Supervisory Board considers companies which are comparable with Cherry in terms of market position, industry, size, and country. For the peer group analysis in 2021, eleven public companies with headquarters in Central Europe and Northern Americas were included. The peer group mainly consists of market leading listed companies in the gaming and computer peripherals sector with end markets across international geographies. The chosen companies have a comparable business model. Moreover, the Supervisory Board made sure that the companies in the peer group also include comparables in terms of the size of the Company. The Personnel and Compensation Committee considered the financial characteristics such as revenue, earnings, profitability in evaluating the appropriateness of the compensation packages of the Management Board.

Variable remuneration in the 2021 fiscal year

Amount of annual bonus (STI) for the 2021 fiscal year

The STI is a performance-based variable remuneration component with a one-year assessment period. The STI is calculated on the basis of 70% target achievement for adjusted Group EBITDA (**STI EBITDA target**) and 30% achievement on several non-financial performance targets (**non-financial STI targets**).

The payment of the STI is calculated as follows:



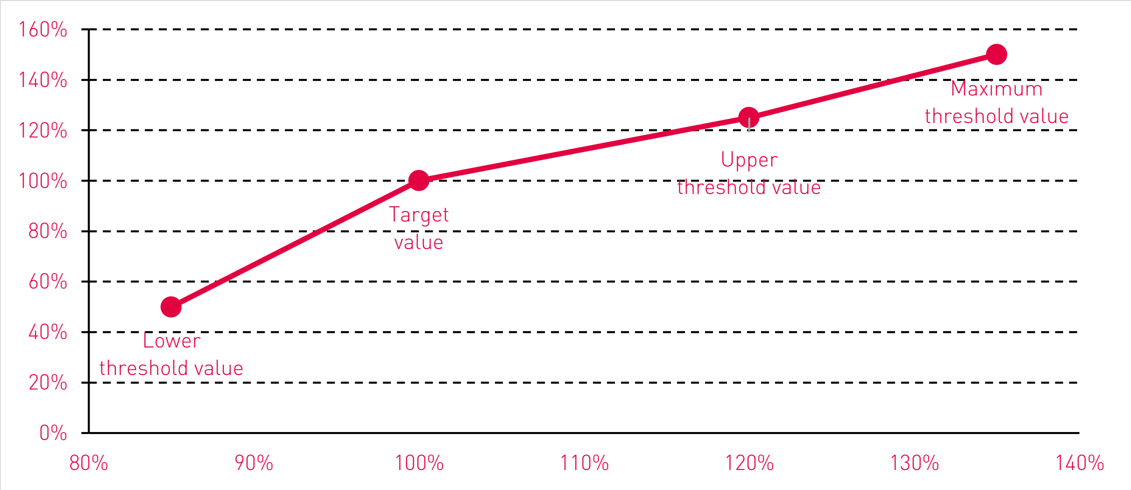
Contribution to the long-term development of the Company

Adjusted EBITDA reflects the Cherry Group's operating profitability and thus helps to promote its business strategy. In addition to its financial development, the sustainable non-financial development of the Cherry Group is also of critical importance for its long-term success. This component of the STI is measured by the achievement of non-financial performance criteria that deliver qualitative improvements and therefore underpin Cherry AG's capital market viability. For the 2021 fiscal year, the focus was therefore on establishing an IR department and its related activities, post-IPO refinancing for M&A activities planned for the future in order to promote growth beyond organic growth and establishing and expanding corporate management that meets the Prime Standard in order to inform investors and the capital market in an appropriate manner.

Financial performance criterion

The STI EBITDA target value is set annually by the Supervisory Board and based on the budget planning for the Cherry Group. The following applies when determining the target and threshold values: If the STI EBITDA target achievement is below 85% of the STI EBITDA target, the share of the total STI target achievement attributable to EBITDA is "0%". If the STI EBITDA target achievement is 85% of the STI EBITDA target, the share of the total STI target achievement attributable to EBITDA is "50%" ("**lower threshold value**"). If the STI EBITDA target achievement is 100% of the STI EBITDA target, the share of the total STI target achievement attributable to EBITDA is "100%" ("**target value**"). If the STI EBITDA target achievement is 120% of the STI EBITDA target, the share of the total STI target achievement attributable to EBITDA is "125%" ("**upper threshold value**"). If the STI EBITDA target achievement is 135% of the STI EBITDA target or greater, the share of the total STI target achievement attributable to EBITDA is "150%" ("**maximum threshold value**"). If the STI EBITDA target achievement lies between the above-mentioned percentages, the STI EBITDA target achievement is calculated on a linear basis. The maximum target achievement is capped at 150% of the STI EBITDA target.

The STI bonus curves are structured according to the following diagram:



With regard to the financial performance criterion relevant for the 2021 fiscal year (STI EBITDA target), the Supervisory Board determined the following target achievements (in EUR million) after the end of the fiscal year:

Performance criterion	Lower threshold value for 50% target achievement	Target value for 100% target achievement	Upper threshold value for 125% target achievement	Maximum threshold value for 150% target achievement (cap)	Actual figure for 2021	Target achievement for 2021 in %
Adjusted Group EBITDA	38.62	45.43	54.52	61.33	49.73	109.50%

As the 2021 target agreement for the members of the Management Board was already agreed in 2020 in their capacity as managing directors prior to the decision to go public, additional adjustments for post-IPO costs of EUR 0.8 million were applied once in 2021, which increased the financial targets actually achieved.

Non-financial performance criterion

The non-financial targets for 2021 mainly consisted of the preparatory work required for an IPO, post-IPO refinancing, and the successful establishing of IR activities. The targets were identical for both members of the Management Board in the 2021 fiscal year. The non-financial targets were surpassed and set at the maximum achievable target of 150%. The milestones set for the IPO were all achieved and Cherry's IPO was the fastest in the last 10 years. The refinancing was only intended to be completed post-IPO but was signed on the same day as the IPO. IR activities were also structured in good time and personal roadshows and investor meetings, both domestic and international, were held, despite the COVID-19 pandemic.

STI total target achievement in 2021

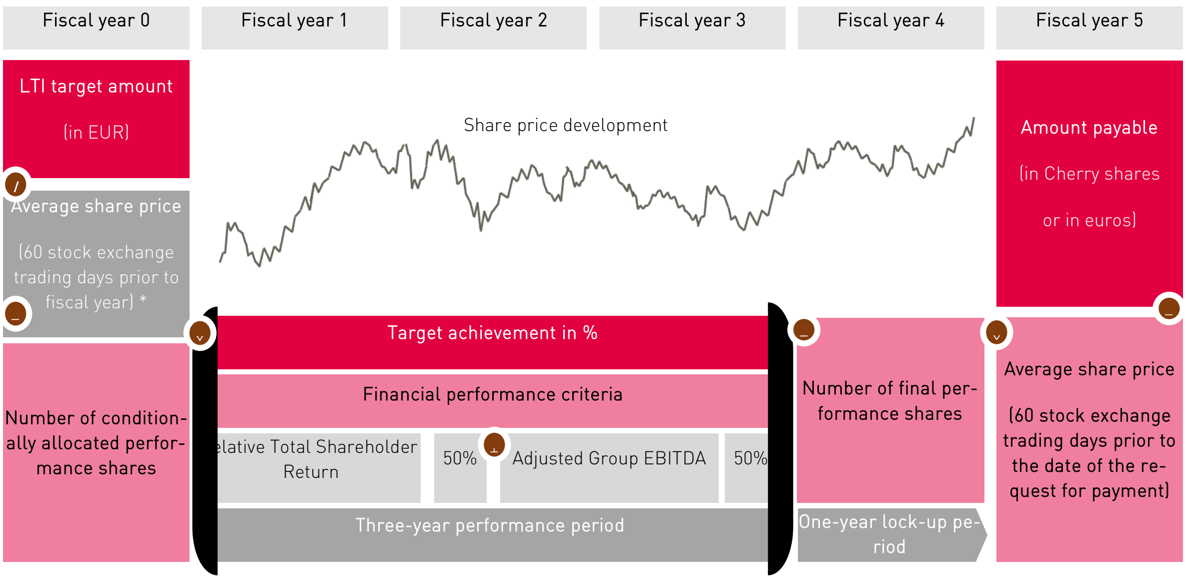
For the members of the Management Board, this results in the following total target achievements and payments for the full year 2021 (June 1 to December 31, 2021) for the STI:

	Target amount	Target achievement: Adjusted Group EBITDA	Target achievement: Non-financial performance criterion 1	Target achievement: Non-financial performance criterion 2	Total target achievement	Amount payable in EUR (June 1 to Dec. 31, 2021)
Rolf Unterberger		109.50%	150%	150%	121.3%	221.960
Bernd Wagner		109.50%	150%	150%	121.3%	131.033
Total		109.50%	150%	150%	121.3%	352.993

Long-term variable remuneration 2021 (LTI 2021) – conditionally allocated virtual shares

The LTI is structured as a Performance Share Plan in which virtual shares (performance shares) of Cherry AG are conditionally allocated in annual tranches on January 1 of each fiscal year (**conditionally allocated performance shares**). The duration of an LTI tranche is four years and consists of a three-year performance period (**LTI Performance Period**) and a subsequent one-year lock-up period (**Lock-up Period**). The LTI performance targets regularly consist of 50% based on relative Total Shareholder Return (**rTSR target**) and 50% based on adjusted Group EBITDA (**LTI EBITDA target**).

The payment of the LTI is calculated as follows:



* for the first year (2021) the average share price was calculated differently, and the basis was 60 days post IPO; for subsequent years it is 60 days before the new grant year

Contribution to the long-term development of the Company

The long-term variable remuneration (LTI) is intended to encourage the members of the Management Board to act in the interests of the sustainable and long-term development of Cherry AG. The link to the development of the share price fosters a stronger connection between shareholder interests and the promotion of

Cherry's long-term growth. The variable remuneration component within the LTI also depends on Cherry's success in the context of its long-term strategy and is therefore geared to the long-term development of the Cherry Group. The relative Total Shareholder Return is an external performance criterion geared to the capital market and therefore promotes the congruence of interests between management and shareholders. Taking into account the share price performance compared with a peer group (SDAX) also creates an incentive to compete in the long term and outperform the peer group. Adjusted EBITDA reflects the Cherry Group's operating profitability and thus helps to promote its business strategy.

Number of conditionally granted performance shares and determination of targets

With effect from July 1, 2021, the members of the Management Board were granted an entitlement to receive multi-year variable share-based remuneration for the first time. At the beginning of the three-year performance period, the Management Board members receive a number of conditionally allocated performance shares equal to the contractually agreed target amount. The conversion into performance shares is generally based on the average price of Cherry shares during the last 60 trading days prior to the beginning of the four-year term. The first 60 stock market trading days after the Company's IPO were relevant for the LTI 2021. The average share price relevant for the LTI 2021 is EUR 34.40. The number of performance shares conditionally granted to individual members of the Management Board under the LTI in the year under report for the period July 1 to December 31, 2021 is shown in the following table.

Management Board	Target amount (in EUR)	Share price (in EUR)	Number of conditionally allocated performance shares
Rolf Unterberger	231,426.00	34.40	6,728
Bernd Wagner	136,620.00	34.40	3,972

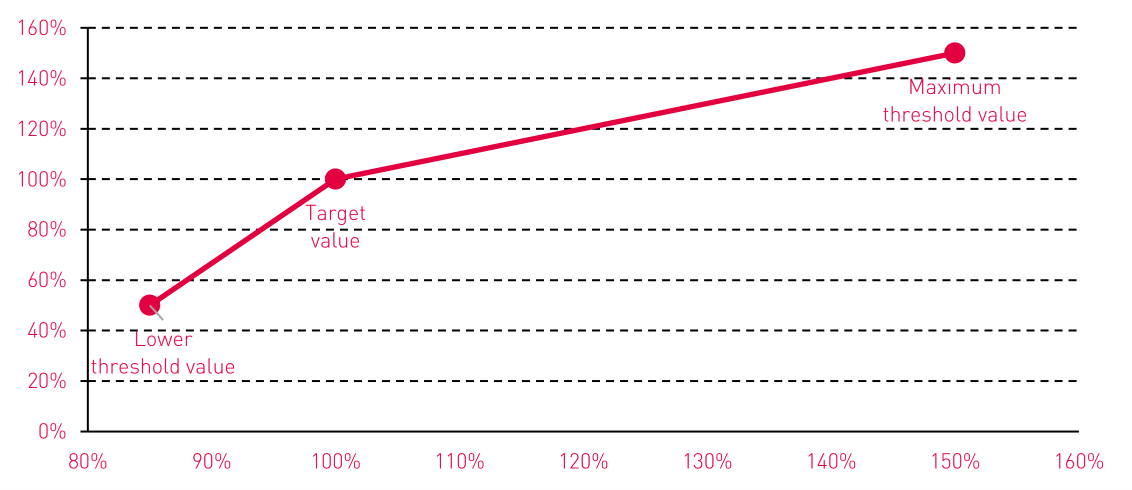
LTI EBITDA target

Target achievement of the Group's adjusted EBITDA is calculated by comparing the Group's average adjusted EBITDA over the three-year performance period with a target value set by the Supervisory Board prior to approval. To measure target achievement, the adjusted EBITDA actually achieved according to the relevant approved consolidated financial statements of Cherry AG is compared with the target value for the respective fiscal year. The Supervisory Board will consider adjustments to EBITDA due to M&A activities to an appropriate extent. Target achievement for the LTI EBITDA target is calculated as the average of the three LTI EBITDA target achievements during the respective performance period.

As the Performance Period or the 2021 LTI Tranche does not end until December 31, 2023 and is not paid until after the Lockup Period (December 31, 2024), the Management Board members did not receive any payments under the LTI in the 2021 fiscal year. Achievement against the 2021 LTI Tranche will be evaluated at the end of the Performance Period, which ends December 21, 2024.

The following applies when determining the target and threshold values: If the target achievement for the LTI EBITDA target is below 85% of the target value, the LTI EBITDA target achievement is "0" and the Management Board member will not receive any final performance shares for the LTI EBITDA target. If the target achievement for the LTI EBITDA target reaches 85% of the target value, the LTI EBITDA target achievement is 50% (**lower threshold value**). If the target achievement for the LTI EBITDA target reaches 100% of the target value, the LTI EBITDA target achievement is 100%. If the target achievement for the LTI EBITDA target reaches 150% of the target value or greater, the LTI EBITDA target achievement is 150% (**upper threshold value**). If the LTI EBITDA target achievement lies between the above-mentioned percentages, the LTI EBITDA target achievement is calculated on a linear basis. The maximum target achievement is capped at 150% for the LTI EBITDA target.

The LTI EBITDA target bonus curve is structured according to the following diagram:



The target value for the LTI EBITDA target is set by the Supervisory Board prior to or at the beginning of the respective LTI tranche for each of the three fiscal years of an LTI performance period and is based on the budget planning for the Cherry Group. For the fiscal year 2021, the target value for the LTI EBITDA was set at EUR 45.4 million. The actual figure for the fiscal year 2021 was EUR 49.7 million resulting in a LTI EBITDA target achievement of 111.43% for the fiscal year 2021.

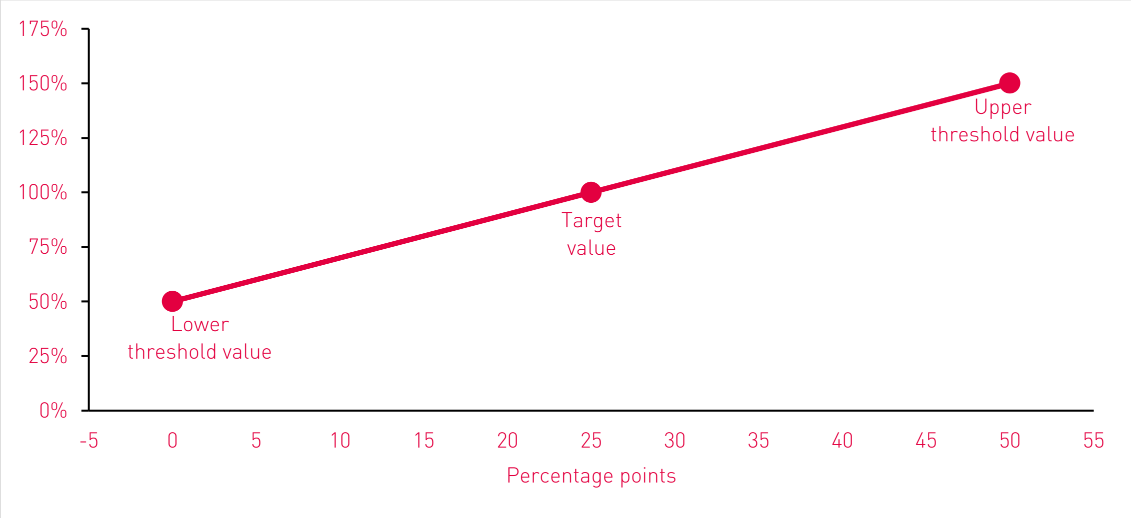
rTSR target

The rTSR is calculated from the development of the share performance of the Company's share (**Cherry share**) in relation to the development of the SDAX. The rTSR for the respective LTI performance period is the difference between the TSR value of the Cherry share and the TSR value of the SDAX according to the following formula:

$$rTSR = TSR\ Cherry\ share - TSR\ SDAX$$

The following applies when determining the target and threshold values: If the difference between the TSR of the Cherry share and the TSR of the SDAX is less than 0 percentage points (i.e. negative), the rTSR target achievement is "0%" and the Management Board member will not receive any final performance shares in conjunction with the rTSR target. If the difference between the TSR of the Cherry share and the TSR of the SDAX equals 0 percentage points, the rTSR target achievement is "50%" (**lower threshold value**). If the difference between the TSR of the Cherry share and the TSR of the SDAX equals 25 percentage points, the rTSR target achievement is "100%" (**target value**). If the difference between the TSR of the Cherry share and the TSR of the SDAX equals 50 percentage points or more, the rTSR target achievement is "150%" (**upper threshold value**). If the TSR target achievement lies between the above-mentioned percentages, the rTSR target achievement is calculated on a linear basis. However, the rTSR target achievement cannot exceed 150% of the starting performance shares related to the rTSR target under any circumstances.

The rTSR target bonus curve is structured according to the following diagram:



As the initial performance period in 2021 does not end until December 31, 2024, the Management Board members did not receive any payments under the LTI for the 2021 fiscal year and therefore did not receive any remuneration granted or owed under the LTI in 2021 pursuant to section 162 (1) AktG.

Share retention program

In order to align the interests of the members of the Management Board of the Company even more closely with those of the shareholders over and above the variable remuneration, members of the Management Board are required to retain shares in the Company (share retention program). For the duration of their Management Board service contract, each member of the Management Board is required to purchase and retain Cherry shares equivalent to at least 400% of their annual basic remuneration until the end of the share accumulation phase.

The retained shares are to be accumulated within four years of the beginning of the Management Board service contract. The Management Board member is required to spend a total amount corresponding to the relevant equivalent value as the purchase price for the Cherry shares acquired by him in each case. Any Cherry shares already held by the Management Board member are thereby taken into account.

Each Management Board member is required to regularly provide Cherry AG with suitable evidence of the shares currently held at the end of each six-month financial reporting period for the duration of the Management Board service contract and immediately prior to the due date of the respective LTI payout.

Compliance with maximum remuneration

Pursuant to section 87a (1) sentence 2 no. 2 AktG, the service contracts of the current members of the Management Board stipulate a maximum annual remuneration of EUR 3.5 million for the Chairman of the Management Board and EUR 3.0 million for each ordinary member of the Management Board. However, the maximum remuneration can only be reviewed retrospectively once the payment of the LTI tranche issued for the respective fiscal year has been made. As the two incumbent members of the Management Board received an LTI tranche with a four-year term for the first time in the year under report, compliance with the maximum remuneration as defined in section 162 (1) sentence 2 no. 7 AktG can only be reported on for the first time in the Remuneration Report for the 2024 fiscal year.

Malus and clawback clauses

Under certain circumstances, the Supervisory Board has the option to withhold remuneration not yet paid out from the variable remuneration components (**malus**) or reclaim remuneration already paid out from the variable remuneration components (**clawback**).

No variable remuneration components were either withheld or clawed back in the 2021 fiscal year.

Third-party benefits

No benefits were either pledged or awarded by a third party to the incumbent members of the Management Board during the 2021 fiscal year with regard to their activities as members of the Management Board.

Change of control

No specific provisions exist in the event of a change of control.

Remuneration granted and owed to members of the Management Board pursuant to section 162 (1) sentence 1 AktG

In the fiscal year under report, the members of the Management Board were only granted remuneration for the period after the Company's conversion to a stock corporation (June 1 to December 31, 2021). The following tables show the remuneration granted and owed individually to the members of the Management Board in the 2021 fiscal year pursuant to section 162 (1) sentence 1 AktG. This represents the total amount of remuneration granted in the 2021 fiscal year (basic remuneration, fringe benefits, variable remuneration related to a single year, and pension expense).

Remuneration shall be deemed to have been granted as defined in section 162 (1) sentence 1 AktG once it is actually received by the member of the executive body and is thus transferred to his/her assets, irrespective of whether the payment is made to meet an obligation or for no legal reason. In the following table, remuneration is also deemed to have been granted as defined in section 162 (1) sentence 1 AktG if the underlying work over one or more years has been completed by the end of the fiscal year and the remuneration is not transferred to the recipient's account until the beginning of the following fiscal year. The STI amounts disclosed correspond to the payments for the 2021 fiscal year, as the underlying performance had been fully achieved by the end of the fiscal year on December 31, 2021 and the STI has therefore been fully earned (performance period: June to December 2021, payment expected in April 2022). The bonus for the 2021 fiscal year is therefore regarded as remuneration granted as defined in section 162 (1) sentence 1 AktG. For the LTI 2021, this applies mutatis mutandis: The underlying service will not be fully rendered until the end of the fiscal year on December 31, 2024 and the LTI 2021 will therefore be fully earned (performance period: July 2021 to December 2024, payment expected in June 2025). The LTI 2021 for the 2021 fiscal year is therefore not reported in this Remuneration Report, but for the first time in the Remuneration Report 2024 as remuneration granted in the 2024 fiscal year as defined in section 162 (1) sentence 1 AktG.

Remuneration is deemed to be owed as defined in Section 162 (1) sentence 1 AktG if the Company has a legally existing obligation towards a member of a governing body which is due but not yet fulfilled.

The figures shown below relate solely to the remuneration granted for the period of Management Board appointment from June 1 to December 31, 2021 and do not include the remuneration granted for any work performed as a Managing Director prior to this period.

Overview of remuneration granted and owed to the members of the Management Board of Cherry AG in office in the 2021 fiscal year pursuant to section 162 AktG

Rolf Unterberger	2021	
(CEO since June 1, 2021)	(in EUR k)	(in %)
Basic remuneration	224,998	47.8
Fringe benefits	20,488	4.4
Total	**245,486**	**52.2**
Short-term variable remuneration (STI)	221.960	47.2
Long-term variable remuneration (LTI)	/	/
Total	**221.960**	**47.2**
Pension expense	2,800	0.6
Total remuneration	**470.246**	**100.0**

Bernd Wagner	2021	
(CEO since June 1, 2021)	(in EUR k)	(in %)
Basic remuneration	177,100	53.5
Fringe benefits	19,258	5.8
Total	**196,358**	**59.3**
One-year variable remuneration (STI)	131.032	39.6
Multi-year variable remuneration (LTI)	/	/
Total	**131.032**	**39.6**
Pension expense	3,816	1.2
Total remuneration	**331.206**	**100.0**

Supervisory Board remuneration 2021

Structure of Supervisory Board remuneration

The remuneration of the members of the Supervisory Board is governed by article 14 of the Company's Articles of Association.

The remuneration of the members of the Supervisory Board consists of a fixed amount of EUR 45,000. In addition, Cherry AG reimburses the members of the Supervisory Board for necessary expenses incurred in the performance of their duties and for the value-added tax they are legally required to pay. Furthermore, the members of the Supervisory Board are included in a financial loss liability insurance policy for members of executive bodies (directors' and officers' liability insurance) maintained by the Company at an appropriate level in the interests of the Company, insofar as such a policy exists. In compliance with recommendation G.17 GCGC, the greater time commitment of the Chairman and the Deputy Chairman of the Supervisory Board as well as the chairpersons and members of committees is appropriately taken into account. The Chairman of the Supervisory Board receives a fixed remuneration of EUR 90,000.00 and the Deputy Chairman a fixed basic remuneration of EUR 67,500.00 for the respective fiscal year.

For their work on the Audit Committee of the Supervisory Board, the Chairman of the Audit Committee receives EUR 25,000.00 and each further member of the Audit Committee receives EUR 12,500.00 for the respective fiscal year. The Chairman of the Nomination Committee and the Chairwoman of the Personnel and Compensation Committee each receive an additional fixed annual remuneration of EUR 15,000.00. Each member of the Supervisory Board who is a member of the Personnel and Compensation Committee or the Nomination Committee without being chairperson receives an additional fixed annual remuneration of EUR 7,500.00.

The annual remuneration becomes a liability at the end of each fiscal year and falls due for payment within the first six weeks of the following fiscal year. Members of the first Supervisory Board and any members who join the Supervisory Board, a committee, commence a specific function or leave the Supervisory Board, a committee, or a specific function during the current fiscal year are entitled to receive one-twelfth of the relevant annual remuneration component for each month (or part thereof) of their membership or the performance of their function.

The Supervisory Board's remuneration for the 2021 fiscal year was paid in February 2022.

Pursuant to section 113 (3) AktG, a resolution on the remuneration of the members of the supervisory boards of listed companies must be approved by the AGM at least every four years. The most recent resolution on the remuneration of the members of the Supervisory Board was approved by the Extraordinary General Meeting of the Company on June 11, 2021. At that time, the Company was not yet listed as defined in section 3 (2) AktG and therefore no resolution pursuant to section 113 (3) AktG was taken. Accordingly, the Management Board and the Supervisory Board will submit a resolution to the AGM of Cherry AG pursuant to section 113 (3) AktG.

Remuneration granted and owed to members of the Supervisory Board pursuant to section 162 (1) sentence 1 AktG

The remuneration for the individual members of the Supervisory Board of Cherry AG pursuant to section 162 (1) sentence 1 AktG for the 2021 fiscal year is presented below, whereby the remuneration of the Supervisory Board members included therein reflects the "remuneration granted and owed" pursuant to section 162 (1) sentence 1 AktG as defined above in the section "Remuneration granted and owed to members of the Management Board pursuant to section 162 (1) sentence 1 AktG".

Name	Function	Committee chair	Basic remuneration (EUR)	Basic remuneration in % %	Nomination Committee (EUR)	Personnel and Compensation Committee (EUR)	Audit Committee (EUR)	Committee remuneration in %	Total (EUR)
Marcel Stolk	Chairman		60,000	100%				0%	60,000
Jim Burns	Deputy Chairman	X	45,000	76%			14,583	24%	59,583
Joachim Coers	Member		30,000	87%		4,375		13%	34,375
Steven Greenberg	Member	X	30,000	77%	8,750			23%	38,750
Heather Faust	Member	X	30,000	65%		8,750	7,292	35%	46,042
Tariq Osman	Member		30,000	77%	4,375	4,375		23%	38,750
Dino Sawaya	Member		30,000	77%	4,375		7,292	23%	41,667
Total			**255,000**	**80%**	**17,500**	**17,500**	**29,167**	**20%**	**319,167**

In 2021, the Supervisory Board received its entitlements to the fixed remuneration from the first day of the month of the resolution to convert Cherry Holding GmbH into a stock corporation on May 25, 2021. The Supervisory Board members received the remuneration for the committees from June, the month in which the committees were first formed.

Comparative presentation of earnings development and annual change in remuneration

A vertical comparison pursuant to section 162 (1) sentence 2 no. 2 AktG is not possible due to the conversion of the Company into a stock corporation only taking place in the 2021 fiscal year and the IPO in June 2021 and will only be presented from the following fiscal year.

The Remuneration Report has been formally reviewed by the independent auditor and is to be approved by the shareholders at the next AGM on June 8, 2022.

The Remuneration Report will be available on the Company's website for a period of 10 years. Any personal data contained in the report will be deleted after 10 years at the latest.

March 2022

Independent Auditor's Report on the Audit of the Remuneration Report pursuant to Section 162 (3) of the German Stock Corporation Act (AktG)

To Cherry AG

Audit Opinion

We have formally audited the remuneration report of Cherry AG, Munich, prepared for the first time in the financial year from January 1, 2021 to December 31, 2021 for the period of listing from July 1, 2021 to December 31, 2021, to determine whether the disclosures pursuant to Section 162 (1) and (2) AktG have been made in the remuneration report. In accordance with section 162 (3) AktG, we have not audited the content of the compensation report.

In our opinion, the attached compensation report complies in all material respects with the disclosures pursuant to § 162 (1) and (2) AktG. Our audit opinion does not cover the content of the compensation report.

Basis for the audit opinion

We conducted our audit of the compensation report in accordance with § 162 (3) AktG and the draft IDW auditing standard: The Audit of the Compensation Report in Accordance with Section 162 (3) AktG (IDW PS 870). Our responsibility under this provision and this standard is further described in the Auditor's Responsibility section of our report. As an auditing practice, we have complied with the requirements of the IDW Quality Assurance Standard: Requirements for Quality Assurance in the Practice of Public Accountants (IDW QS 1). We have complied with the professional duties pursuant to the Wirtschaftsprüferordnung (German Auditors' Code) and the Berufssatzung für Wirtschaftsprüfer / vereidigte Buchprüfer (Professional Statutes for Auditors / Sworn Auditors), including the independence requirements.

Responsibility of the Management Board and the Supervisory Board

The Board of Management and the Supervisory Board are responsible for the preparation of the compensation report, including the related disclosures, which complies with the requirements of § 162 AktG. They are also responsible for such internal control as they determine is necessary to enable the preparation of the remuneration report, including the related disclosures, that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our objective is to obtain reasonable assurance about whether the compensation report is free from material misstatement, whether due to fraud or error, in all material respects in accordance with § 162 (1) and (2) AktG, and to express an opinion thereon in an auditor's report.

We planned and performed our audit to obtain evidence about the formal completeness of the compensation report by comparing the disclosures made in the compensation report with the disclosures required by § 162 (1) and (2) AktG. In accordance with Section 162 (3) AktG, we did not audit the accuracy of the disclosures, the completeness of the individual disclosures or the fair presentation of the compensation report.

Dortmund, 31 March 2022

Ernst & Young GmbH

Wirtschaftsprüfungsgesellschaft

Siegel-
pflicht

Muzzu	Michael
German Public Auditor	German Public Auditor