



REPORT OF THE SUPERVISORY BOARD

DEAR SHAREHOLDERS,

In the 2023 fiscal year, Cherry SE was confronted with some extremely difficult market conditions, which called for some fundamental strategic decision-making and operational measures to tackle the resulting challenges. Not only was the market environment characterized by macroeconomic adversity and geopolitical crises, which had a significant impact on demand for consumer electronics, at Group level adverse developments also had to be taken into account, counteracted, and transformational processes set in motion.

In all three segments, GAMING & OFFICE PERIPHERALS, DIGITAL HEALTH & SOLUTIONS, and COMPONENTS, specific measures needed to be taken to boost profitability in the second half of the year. The comprehensive restructuring of the COMPONENTS segment that was required to restore switch production to competitiveness is particularly worth mentioning in this context. Moreover, a Group-wide package of measures was put in place to improve numerous internal processes and structures, including procurement and sales management as well as financial planning. As Cherry's Supervisory Board, we closely monitor developments at both Group and segment level and are in close contact with the Management Board to ensure that the targets set are being duly achieved. Key milestones have already been reached in terms of process optimization and restructuring. As a result, the contract manufacturing of MX2 switches in China is now expected to commence in the second quarter and not in

the third quarter of the current year as originally planned.

In the view of the Supervisory Board, Cherry is now structured and positioned in a way that enables the Group to benefit from the global trend of hybrid working, the shift in demand towards high-quality mechanical keyboards, the digitalization of the healthcare system, and the transfer of ULP switch technology from gaming to office notebooks, and to actively contribute to developing the respective markets.

On behalf of the Supervisory Board, I would like to thank the members of the Management Board and the entire workforce of Cherry SE and its subsidiaries for their outstanding work under the ongoing challenging conditions and their passionate commitment to Cherry's exciting new initiatives in 2024.

Below you will find the Report of the Supervisory Board on its activities and those of its committees in the 2023 fiscal year.

COMPOSITION OF THE SUPERVISORY BOARD

In the 2023 fiscal year, the Supervisory Board of Cherry SE comprised Marcel Stolk (Chairman and member of the Personnel and Remuneration Committee), James Burns (Deputy Chairman and Chairman of the Audit Committee), Joachim Coers (member of the Audit Committee, member of the Personnel and Remuneration Committee), Heather Faust (Chairwoman of the



Marcel Stolk, Chairman of the Supervisory Board

Personnel and Remuneration Committee, member of the Audit Committee), Steven M. Greenberg (Chairman of the Nomination Committee), Charlotte Hovmand Johs as of May 17, 2023 (member of the Personnel and Remuneration Committee), and Dino Sawaya (member of the Audit Committee and the Nomination Committee) as well as Tariq Osman until May 17, 2023 (member of the Nomination Committee and the Personnel and Remuneration Committee). Joachim Coers resigned from his position at the end of December 31, 2023.

All current members of the Supervisory Board of Cherry SE were elected at the Annual General Meeting



held on May 17, 2023. Marcel Stolk, James Burns, and Heather Faust were elected for a term of office up to the end of the Annual General Meeting at which the acts of the Management Board members are ratified for the 2025 fiscal year, Charlotte Hovmand Johs for a term of office up to the end of the Annual General Meeting at which the acts of the Management Board members are ratified for the 2024 fiscal year, and Steven M. Greenberg and Dino Sawaya for a term of office up to the end of the Annual General Meeting at which the acts of the Management Board members are ratified for the 2023 fiscal year.

Following the Annual General Meeting held on May 17, 2023, the Supervisory Board of Cherry SE was reconstituted on June 6, 2023 and confirmed Marcel Stolk as Chairman and James Burns as Deputy Chairman of the Supervisory Board. Since then, the Audit Committee and the Personnel and Remuneration Committee have each comprised four members. The Nomination Committee generally comprises two members, but was temporarily expanded to five members by resolution of the Supervisory Board in October 2023 until the next Annual General Meeting in order to avoid any appearance of conflicts of interest. Charlotte Hovmand Johs, Joachim Coers, and Heather Faust were elected as temporary members of the Nomination Committee. The Supervisory Board has ensured that both the Audit Committee and the Personnel and Remuneration Committee consist of a majority of independent members of the Supervisory Board, thereby taking into account the expectations of institutional investors in particular and the requirements of contemporary corporate governance.

CONSULTATION AND MONITORING

The Supervisory Board duly performed the duties incumbent upon it in accordance with the statutory requirements, the Articles of Association, the rules of procedure of the Supervisory Board, and the German Corporate Governance Code. It received regular and detailed written and verbal reports on the intended business strategy, key issues relating to financial, investment, and personnel planning, the course of business, and risks and opportunities. In particular, the Supervisory Board was informed by the Management Board at regular intervals of around one month regarding the Group's current key financial figures, cost-cutting measures, the restructuring program, the M&A strategy, financial and personnel developments, and the situation of the various business units and discussed these at length with the Management Board. Moreover, the Supervisory Board reviewed the Sustainability Report for the 2023 fiscal year, which is published as a combined separate non-financial report on the Cherry website. The Management Board developed the Group strategy in close consultation with the Supervisory Board. The Supervisory Board was directly involved in all decisions of key significance and any transactions requiring its approval were submitted to the Supervisory Board by the Management Board.

MEETINGS OF THE SUPERVISORY BOARD AND ITS COMMITTEES

The full Supervisory Board held seven formal meetings in the course of the 2023 fiscal year. Furthermore, the Supervisory Board passed eight resolutions outside of meetings by e-mail. The Audit Committee held a total of ten meetings in the 2023 fiscal year, the Personnel

and Remuneration Committee convened eight times, and the Nomination Committee three times. As deemed necessary, the Supervisory Board and its committees also met regularly without the presence of the Management Board in order to discuss matters and deliberate upon issues that concerned the Management Board or required internal discussion among the Supervisory Board members alone. These matters concerned, among other things, the independent assessment of the Audit Committee, the reporting of the monthly key performance indicators, the change of the Chief Financial Officer, the short-term incentive and long-term incentive targets of the Management Board. The outcomes of committee meetings were reported on in the subsequent meeting of the full Supervisory Board.

The Supervisory Board and its committees once again had a high participation rate of over 90% in the 2023 fiscal year.



Overview of the form of meetings of the Supervisory Board and its committees in the 2023 fiscal year

	Full Supervisory Board	Audit Committee	Personnel and Remuneration Committee	Nomination Committee
Virtual meetings	4	10	8	3
Face-to-face meetings	3	0	0	0

Overview of full Supervisory Board and committee meetings and individual attendance in the 2023 fiscal year

Mitglied	Full Supervisory Board	Audit Committee	Personnel and Remuneration Committee	Nomination Committee
Marcel Stolk	7 / 7	–	8 / 8	–
James Burns	7 / 7	10 / 10	–	–
Joachim Coers	6 / 7	10 / 10	5 / 8	2 / 2
Heather Faust	7 / 7	10 / 10	8 / 8	2 / 2
Steven M. Greenberg	7 / 7	–	–	3 / 3
Tariq Osman ¹	0 / 1	–	–	0 / 1
Dino Sawaya	7 / 7	9 / 10	–	3 / 3
Charlotte Hovmand Johs ²	6 / 6	–	7 / 7	2 / 2

¹ Member of the Supervisory Board until May 17, 2023.

² Member of the Supervisory Board since May 17, 2023.

FULL SUPERVISORY BOARD MEETINGS

At each of its ordinary quarterly meetings held in the 2023 fiscal year, the full Supervisory Board analyzed and discussed the Management Board's reports on the Group's business performance and strategy as well as capital market developments. The Supervisory Board also dealt with the following key issues:

At the meeting held on March 27, 2023, the Supervisory Board approved the Profit and Loss Transfer Agreement between Cherry SE and Cherry Peripherals GmbH. The Supervisory Board also dealt with the annual financial statements and the consolidated financial statements for the 2022 fiscal year, including the separate non-financial report and the combined management report for Cherry SE and the Group as of December 31, 2022, as well as the report of the Supervisory Board, the corporate governance declaration, and the remuneration report for the 2022 fiscal year. The Management Board presented its forecast for the 2023 fiscal year. The Chairman of the Audit Committee presented the results of the selection process for a new auditor, and the Chairman of the Nomination Committee presented the results of the selection of candidates for the upcoming Supervisory Board election. The Supervisory Board also dealt with the agenda and the resolutions scheduled for the Annual General Meeting held on May 17, 2023.

At its constituent meeting on June 6, 2023, the Supervisory Board passed resolutions regarding its own composition and that of its committees. The Management Board presented preliminary key financial figures for the current fiscal year to date, provided an outlook on the long-term business strategy and a status report on the Group's financial matters, and reported on opera-



tions, supply chains, and inventory management. The Supervisory Board discussed each of these issues in great detail with the Management Board. The Management Board also reported on the M&A strategy and planned projects, and the Supervisory Board voted in favor of continuing to pursue a transaction intended by the Management Board. The Management Board also reported on employee recruitment measures. The Chairman of the Audit Committee reported on the committee's deliberations. Other items on the agenda included a discussion on the impact of artificial intelligence (AI) on the business model and an update on intellectual property (IP) issues.

At the meeting held on September 12, 2023, the Management Board presented the financial figures for the year to date. The Supervisory Board discussed the financial update in detail together with the Management Board. The Supervisory Board also discussed the current situation in the components business. Other topics included the strategic business outlook for the Group's various business units, an update on the M&A strategy and planned projects as well as personnel issues. The Chairman of the Audit Committee reported on the topics discussed at the previous meeting of the Audit Committee.

At the meeting held on September 14, 2023, the Supervisory Board decided on adjusted financial performance targets for the members of the Management Board for the 2023 fiscal year.

At the meeting held on October 11, 2023, the Supervisory Board set targets for the long-term variable remuneration of members of the Management Board.

On November 3, 2023, the Supervisory Board held an extraordinary meeting to discuss the possible restructuring of the COMPONENTS segment.

At the meeting held on December 12/13, 2023, the Management Board presented the financial figures for the year to date and discussed them with the Supervisory Board. The Supervisory Board also dealt with the status of implementation of the measures resolved at the extraordinary meeting held on November 3, 2023, a new tool for corporate management and optimization, and the performance of the Group's various business units. The Supervisory Board approved the budget proposed by the Management Board for the 2024 fiscal year. The Supervisory Board also informed itself and discussed developments in work processes, M&A projects, and the establishing of an office for the General Counsel as well as legal issues relating to the Cherry Group. Other items on the agenda included the new Global Marketing & Communications department and personnel issues. The Chairman of the Audit Committee reported on the previous meeting of the Audit Committee.

Certain transactions and measures require the prior approval of the Supervisory Board due to legal requirements, the provisions of the Articles of Association, and the Management Board's rules of procedure. These transactions were presented to the Supervisory Board for approval. They included the extraordinary termination of a framework supply agreement, the appointment of managing directors in subsidiaries, and the granting of powers of attorney at the level of Cherry SE as well as at the level of subsidiaries.

DECLARATION OF COMPLIANCE WITH THE GERMAN CORPORATE GOVERNANCE CODE

The Supervisory Board discussed corporate governance issues, dealt with the recommendations of the German Corporate Governance Code, and adopted the joint Declaration of Compliance by the Management Board and Supervisory Board in accordance with Section 161 of the German Stock Corporation Act (AktG). The Declaration of Compliance has been made permanently available on the Cherry website in the Governance section.

AUDIT COMMITTEE

The Audit Committee examined the annual financial statements, the consolidated financial statements, and the combined management report as well as the non-financial report for the 2022 fiscal year, the 2023 half-year report and the quarterly statements for the first and third quarters of the 2023 fiscal year. Together with the external auditor, the Audit Committee regularly reviewed and discussed the focal points and quality of the audit, as well as risks and ongoing legal disputes, the organizational skills and staffing of the team, and the approval of non-audit services. The Audit Committee also discussed the assessment of audit risk, the audit strategy, the audit planning, and the audit findings with the auditor. Furthermore, the Audit Committee consulted with the auditor without the presence of the Management Board. The Chairman of the Audit Committee regularly discussed the progress of the audit with the auditor outside of meetings and reported to the Audit Committee accordingly. Moreover, the Audit Committee dealt with financial accounting and the accounting process, the appropri-



ateness and effectiveness of the internal control system, and the Group's risk management system (including sustainability-related aspects). The Audit Committee dealt in detail with the selection of an auditor and selected two auditing firms from seven reputable auditing firms from which RSM Ebner Stolz GmbH & Co. KG Wirtschaftsprüfungsgesellschaft Steuerberatungsgesellschaft, Stuttgart, was recommended to the Supervisory Board. Another focus of the Audit Committee's work in the 2023 fiscal year was the resegmentation of the Cherry Group's business activities.

PERSONNEL AND REMUNERATION COMMITTEE

The Personnel and Remuneration Committee reviewed the short-term and long-term remuneration components for the members of the Management Board for the 2023 fiscal year. Based on the relevant documents, the Personnel and Remuneration Committee reviewed in particular the level of target achievement for the 2022 STI tranche for the Management Board. Furthermore, the structure of the current tasks and areas of responsibility on the Management Board was examined in detail. Strategic succession planning and personnel issues regarding the composition of the Management Board and the appointment of a new member to the Management Board were also discussed. The Personnel and Remuneration Committee oversaw the induction of the new Management Board members Oliver Kaltner and Dr. Mathias Dähn, who joined the Management Board in the 2023 fiscal year, and dealt with the extension of the service contract with Management Board member Dr. Udo Streller.

NOMINATION COMMITTEE

In accordance with the objectives for the composition of the Supervisory Board, after a thorough examination of the qualifications and expertise of potential candidates, the Nomination Committee has proposed to the Supervisory Board that Dr. Ash Saulsbury and Harald von Heynitz be nominated as new members of the Supervisory Board at the Company's Annual General Meeting in 2024.

CONFLICTS OF INTEREST

According to recommendation E.1 of the German Corporate Governance Code, the Supervisory Board should provide information in its report to the Annual General Meeting on any conflicts of interest that arose and how they were dealt with. There were no conflicts of interest on the Supervisory Board during the 2023 fiscal year. In particular, no conflicts of interest were disclosed by any members of the Supervisory Board to the Chairman of the Supervisory Board or reported by any members of the Management Board or a third party.

BASIC AND ADVANCED TRAINING

Cherry SE provided the members of the Supervisory Board with suitable training on corporate governance issues and the duties and competencies of the Supervisory Board. Furthermore, in January 2024, the Supervisory Board members took part in an external training session on current topics relating to a listed SE from the perspective of stock corporation and capital market law.

AUDIT AND APPROVAL OF THE ANNUAL FINANCIAL STATEMENTS AND CONSOLIDATED FINANCIAL STATEMENTS

At the Annual General Meeting held on May 17, 2023, RSM Ebner Stolz GmbH & Co. KG Wirtschaftsprüfungsgesellschaft Steuerberatungsgesellschaft, Stuttgart, was elected as auditor and Group auditor for the 2023 fiscal year. The subjects of the audit were the annual and consolidated financial statements and the combined management report of Cherry SE and the Group for the 2023 fiscal year. An unqualified audit opinion was issued in each case. The annual financial statements of Cherry SE and the combined management report for Cherry SE and the Cherry Group were prepared in accordance with German legal requirements.

The consolidated financial statements were prepared in accordance with the International Financial Reporting Standards (IFRS) applicable in the European Union and the supplementary German statutory provisions pursuant to Section 315e (1) of the German Commercial Code (HGB). The auditor conducted the audit in accordance with Section 317 HGB and the EU Audit Regulation and generally accepted German standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer (Institute of Public Auditors in Germany) and additionally observed the International Standards on Auditing (ISA). The annual financial statements, the consolidated financial statements, and the combined management report were presented to the Supervisory Board and discussed in great detail at the Audit Committee meeting held on May 21, 2024. The preparations for the upcoming resolutions were made by defining the respective outstanding action steps.



In particular, the Audit Committee addressed the key audit matters (including audit procedures). The auditors reported on the scope, focus, and key findings of their audit, particularly the focal points of the audit and the audit process. The final auditor's reports were made available to all members of the Supervisory Board on May 31, 2024. No material weaknesses in the internal control and risk management system were observed. The Supervisory Board concurred with the findings of the audit. Following the final assessment by the Audit Committee and the Supervisory Board's own examination, no objections were raised. The Management Board prepared the annual financial statements and the consolidated financial statements on May 29, 2024. The Supervisory Board approved the annual financial statements and the consolidated financial statements on May 31, 2024. The annual financial statements are thus adopted.

COMBINED SEPARATE NON-FINANCIAL REPORT

The Supervisory Board also dealt with the combined separate non-financial report for Cherry SE and the Group for the period from January 1 to December 31, 2023 (referred to below as the Sustainability Report 2023) prepared by the Management Board.

The Sustainability Report was diligently reviewed by the Supervisory Board at its meeting held on May 21, 2024. All members of the Supervisory Board were provided with the relevant documents in a timely manner. The Management Board was present at the Supervisory Board meeting and explained the details of the report. All additional questions asked by the Supervisory Board members were answered and additional information was provided. No reasons were identified that would prevent the proper and appropriate preparation of the combined Sustainability Report.

Based on its own review, the Supervisory Board acknowledged and approved the combined Sustainability Report for Cherry SE and the Group for the period from January 1 to December 31, 2023 on May 31, 2024 and had no objections to the report.

On behalf of the Supervisory Board

A handwritten signature in black ink, appearing to read 'Marcel Stolk', with several horizontal and vertical strokes crossing through it.

Marcel Stolk
Chairman