– CONVENIENCE TRANSLATION ONLY –

CONVERSION REPORT

by the Management Board of Cherry AG

regarding the change in legal form of

Cherry AG

to the legal form of a European company (*Societas Europaea, SE*) with the company name

Cherry SE

of 25 April 2022

IMPORTANT INFORMATION

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1. INTRODUCTION

Cherry AG is a stock corporation (*Aktiengesellschaft*) incorporated under German law with registered office in Munich, entered in the Commercial Register of Munich Local Court under HRB 266697 (hereinafter "**Cherry AG**" or the "**Company**"). The Company's head office is also located in Munich and the Company's registered business address is Einsteinstrasse 174, c/o Design Offices Bogenhausen, 81677 Munich.

The legal form of Cherry AG is to be converted from that of a German stock corporation (*Aktiengesellschaft*) to a European company (*Societas Europaea, "***SE**") with the name Cherry SE (hereinafter "**Cherry SE**"). The SE is a legal form based on European law and the change in legal form will be effected pursuant to Article 2(4) in conjunction with Article 37 of the latest version of Council Regulation (EC) No 2157/2001 of 8 October 2001 on the Statute for a European company (the "**SE Regulation**"). In addition, the German Act on the Implementation of the SE Regulation (*Gesetz zur Ausführung der SE-Verordnung,* SEAG) of 22 December 2004 ("**SEAG**") and the German Act on the Involvement of Employees in a European Company (*Gesetz über die Beteiligung der Arbeitnehmer in einer Europäischen Gesellschaft,* SEBG) of 22 December 2004 ("**SEBG**") apply in particular to this change in legal form. In addition, the provisions of the German Stock Corporation Act (*Aktiengesetz*, AktG) ("**Stock Corporation Act**") and the German Reorganisation Act (*Umwandlungsgesetz*, UmwG) ("**Reorganisation Act**") apply to this change in legal form.

The Company's Management Board prepared Draft Terms of Conversion for the change in legal form of Cherry AG into the legal form of an SE, to which the articles of association of Cherry SE ("**SE Articles**") are attached. The Draft Terms of Conversion, including the future articles of association of Cherry SE, were recorded in notarised form on 8 April 2022 (Deed Roll No. H 1549/2022 of Notary Sebastian Herrler in Munich) ("**Draft Terms of Conversion**"). Under Article 37(7) SE Regulation, the Draft Terms of Conversion and the articles of association of Cherry SE require the approval of the Company's general meeting. The Company's Management Board and Supervisory Board therefore propose under agenda item 9 that the Annual General Meeting on 8 June 2022 approves the Draft Terms of Conversion together with the Articles of Association of Cherry SE attached as an annex to the Draft Terms of Conversion. By resolution dated 20 April 2022,the Supervisory Board of Cherry AG approved the change in legal form as described in the Draft Terms of Conversion and adopted a resolution to submit a proposed resolution to this effect to the Annual General Meeting.

Before the decision by the ordinary annual general meeting, one or more independent experts appointed by a judicial authority are required to certify in accordance with Article 37(6) SE Regulation ("**Conversion Auditors**") that the Company has net assets at least equivalent to its capital plus those reserves which must not be distributed under the law or the statutes. The competent court,

Munich Regional Court I (*Landgericht Munich I*), has appointed Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft, Graf-Adolf-Platz 15, 40213 Düsseldorf as the Conversion Auditors. The Conversion Auditors conducted their audit and submitted a certificate pursuant to Article 37(6) SE Regulation on [25] April 2022.

The legal entity's identity will be retained when the change in legal form takes place. This means that the change in legal form pursuant to Article 37(2) SE Regulation will not result in the winding-up of Cherry AG or in the formation of a new legal entity. The shareholders' holdings will continue to exist unchanged. In addition, the Company is to keep its registered office as well as its head office in Munich, Germany.

The Management Board of Cherry AG is submitting the following Conversion Report pursuant to Article 37(4) SE Regulation as information for the shareholders in order to explain and justify the legal and economic aspects of the change in legal form and to explain the effects that the change from the German legal form of a stock corporation into the legal form of an SE will have for the shareholders and employees.

All information in this Conversion Report relates to the time it is submitted by way of signing, unless otherwise indicated.

2. CHERRY AG

2.1 Registered office, head office, company object and financial year

The registered office of Cherry AG is located in Munich, Germany and the Company is registered in the Commercial Register at Munich Local Court (*Amtsgericht München*) under no. HRB 266697 The Company's head office is also located in Munich, Germany and the Company's registered business address is Einsteinstrasse 174, c/o Design Offices Bogenhausen, 81677 Munich, Germany.

Pursuant to Article 2(1) of the Articles of Association of Cherry AG ("**AG Articles**"), the business objects of Cherry AG are to hold, manage, acquire and sell interests in other companies, especially companies which are directly or indirectly engaged in the development and design, manufacture, distribution, import and export of computer input devices, mechanical switches and hardware as well as IT-based and IT-supporting products and peripheral devices, including security systems and other systems and software, and to provide services (including administration and management services) which are not subject to authorisation to other companies, including group companies, inter alia in the fields of finance, human resources, IT, financial planning and analysis, data protection, materials management, order management, logistics and warehouse management, strategic and operative purchasing and procurement and customer services.

In this context, Cherry AG assumes the function of a managing holding company.

The financial year of Cherry AG is the calendar year as set out in Article 21 of the AG Articles.

2.2 Group structure

As the ultimate Group parent, Cherry AG holds direct and indirect interests in a total of nine (9) subsidiaries of Cherry AG (Cherry AG with its direct and indirect subsidiaries collectively referred to as the "**Cherry Group**"). These involve two (2) direct subsidiaries in Germany and seven (7) indirect subsidiaries both in Germany and outside Germany. All subsidiaries are wholly owned, and a total of seven (7) of these subsidiaries have operating activities. An overview of the structure of the Cherry Group is attached to this Conversion Report as an **Annex**.

2.3 Business activities and business development

This report merely provides a summary of the business activities of the Cherry Group, which will remain unaffected by the change in legal form of Cherry AG into an SE since the legal entity will be identical.

The Cherry Group has been a global manufacturer of computer input devices and high-end switches for mechanical keyboards for many years. The business focuses on mechanical keyboard switches for gaming keyboards and various computer input devices which are used in a number of applications – mainly in the gaming, office, industry and cybersecurity sectors as well as in solutions for the healthcare sector. Since it was founded in 1953, the Cherry Group with its two divisions, Gaming and Professional, has been synonymous with innovative, high-quality products developed specifically to meet the needs of its customers.

In the Gaming business unit, the Cherry Group invented the first mechanical switches for keyboards in 1983 and has established itself as the global market leader for mechanical gaming keyboard switches. Mechanical keyboard switches are physical switches underneath each key of a mechanical keyboard that register and forward signals when a key is pressed. With guaranteed response times of less than a millisecond and a durability of sometimes more than 100 million strokes, keyboards with Cherry switches are especially attractive for users in the fields of gaming and e-sports. In addition, the Cherry Group offers a variety of PC gaming peripherals (mainly keyboards, but also mice and headsets) which are precisely tailored to suit the needs of gamers and e-sports professionals. The gaming peripherals manufactured by the Cherry Group itself are primarily sold in the rapidly growing gaming peripherals markets in Asia, so far with a focus on China and South Korea.

The Professional business unit encompasses the manufacturing of PC peripherals for end users in offices and the development of safe and hygienic peripherals for the healthcare sector. Equipment for professional users includes for example keyboards, mice and keyboard/mouse sets, each equipped with multiple features. These peripherals are sold online and through distributors to B2B end-use

customers, including several large blue-chip corporates. This business unit primarily addresses customers in the Cherry Group's home market Germany, but has also established itself in France, the UK and the United States. The Cherry Group is increasingly targeting new client segments via direct selling such as heavy typers such as journalists and programmers who increasingly demand reliable and finger-friendly mechanical keyboards to work with.

Cherry's business development is driven by overall economic developments, which are still influenced to a significant degree by various uncertainties regarding the impact of the Covid-19 pandemic, the scarcity of semi-conductors and the currently high costs of transport due to disruptions in global supply chains. Still, the recent increase in trends towards working and studying from home as a result of the COVID-19 pandemic is driving the Company's business in office and industry peripherals. In 2020, the trend towards working from home during the COVID-19 pandemic resulted in an increased demand for PCs and peripherals, boosting the Company's business. The Company's sales continued to grow in 2021, partly because of the still ongoing trend towards hybrid working, where work is performed partly at the office and partly from home. In the 2022 financial year, however, a high degree of uncertainty exists due to the COVID-19 pandemic and the war in Ukraine. Apart from various regional lockdowns in China that are affecting warehouses and production facilities within the supply chains, there are also fluctuations in the ordering behaviour of customers due to the limited availability of other components, especially semi-conductors, as well as high inventory levels. For these reasons, the Management Board is expecting to see a lower growth in sales in the 2022 financial year than in the previous year.

The key performance indicators of the Cherry Group developed as follows over the past years:

Performance indicators and revenue (EUR thousand)	**2021**	**2020[1]**	**2019[2]**
Sales	168,526	130,204	114,723
of which: Gaming	82,800	73,532	61,379
of which: Professional	85,700	56,672	53,358
EBITDA (adjusted)[1]	48,885	37,132	29,741
EBITDA margin (adjusted)[2]	29.0%	28.5%	25.9%
EBIT (adjusted)[2]	33,697	26,848	20,355
Group profit/loss	9,287	17,537	12,515
Free cash flow	-6,600	16,438	12,731

[1] Before the 2020 financial year, the Cherry Group did not yet exist with its current structure. Thus comparative figures for the group of Cherry Holding (as defined in clause 6.1.1), i.e. Cherry Holding

GmbH with its registered office in Auerbach (Amberg Local Court (*Amtsgericht Amberg*), no. HRB 5974) and its consolidated subsidiaries, are shown for 2019 and 2020.

[2] Adjusted by non-recurring and/or non-operating items.

Further details of the course of business and the results, assets, liabilities and financial position of Cherry AG and the Cherry Group can be found in the annual report for Cherry AG for the 2021 financial year; this is available on the Company's website at:

https://ir.cherry.de/de/home/publications/.

2.4 Constitution of the company

2.4.1 Governing bodies

Pursuant to Article 6 of the AG Articles, the Company's governing bodies are the Management Board, the Supervisory Board and the General Meeting. The responsibilities of each body are governed by the German Stock Corporation Act, the AG Articles and the Rules of Procedure for the Management Board and for the Supervisory Board.

2.4.1.1 Management Board

According to Article 7(1) of the AG Articles, the Company's Management Board consists of one or more persons and the Supervisory Board determines the number of Management Board members. The Management Board is responsible for managing the business of Cherry AG and represents it in and out of court. Pursuant to Article 8(2) of the AG Articles, the Company is represented by two Management Board members or by one Management Board member together with an authorised signatory with commercial power of representation (*Prokurist*). If only one Management Board member has been appointed, he or she represents the company alone. Pursuant to Article 8(3) of the AG Articles, the Supervisory Board may exempt all Management Board members or individual members in general or for individual cases from the prohibition of multiple representation under section 181, second alternative of the German Civil Code (*Bürgerliches Gesetzbuch,* BGB) ("**German Civil Code**").

At the time of submission of this Conversion Report, the Company's Management Board consists of three members, namely Mr Rolf Unterberger, Mr Bernd Wagner and Dr Udo Streller. The Management Board members are each authorised to represent the Company jointly together with another Management Board member or an authorised signatory. All Management Board members are exempt from the prohibition of multiple representation under section 181, second alternative German Civil Code.

The Management Board members can be contacted at the Company's business address Einsteinstrasse 174, c/o Design Offices Bogenhausen, 81677 Munich, Germany.

2.4.1.2 Supervisory Board

At the time of submission of this Conversion Report, according to Article 9(1) of the AG Articles the Supervisory Board of Cherry AG consists of seven (7) members who are elected by the General Meeting. The Supervisory Board appoints the members of the Management Board and oversees the Management Board's management of the Company.

At the time of submission of this Conversion Report Mr Marcel Stolk (Chairman of the Supervisory Board), Mr James Burns (Deputy Chairman of the Supervisory Board), Mr Joachim Coers, Ms Heather Faust, Mr Steven M. Greenberg, Mr Tariq Osman and Mr Dino Sawaya are the members of Cherry AG's Supervisory Board.

The Supervisory Board members can be contacted at the Company's business address Einsteinstrasse 174, c/o Design Offices Bogenhausen, 81677 Munich, Germany.

2.4.2 Corporate governance

As a listed German stock corporation, Cherry AG is required to submit a statement pursuant to section 161 Stock Corporation Act on the recommendations of the German Corporate Governance Code (*Deutscher Corporate Governance Kodex*) ("**GCGC**"), as last amended on 16 December 2019. The Management Board and Supervisory Board of Cherry AG last issued a statement of compliance on 15 December 2021. In the statement of compliance, they declared that the recommendations of the GCGC have been and will continue to be complied with in their entirety. The statement of compliance by Cherry AG can be accessed on the company's website at all times under:

https://ir.cherry.de/de/home/corporate-governance/#declaration-of-conformity.

2.4.3 Employees and co-determination

At the end of December 2021, the Cherry Group employed a total of 554 full-time employees worldwide.

The Company does not have any provisions on employee co-determination in supervisory or administrative bodies.

Cherry AG carries on a joint enterprise consisting of several businesses together with its subsidiaries Cherry Europe GmbH and Cherry Digital Health GmbH at the Auerbach site in Germany at which a local works council has been formed. Apart from this, there are no domestic or foreign local works councils and no general or

group works council in the companies of the Cherry Group. Neither a European works council nor any other representative body has been formed at a European level.

2.5 Capital structure and shareholders

2.5.1 Registered share capital and listing

The Company's registered share capital amounts to EUR 24,300,000.00 and is divided into 24,300,000 no-par value bearer shares (shares without a nominal value) each proportionally representing EUR 1.00 of the registered share capital. The shareholders' entitlement to have their shares in the registered share capital issued in certified form is excluded pursuant to Article 5(2), first sentence of the AG Articles. There are no shares of different classes. As at the date of this Conversion Report, the Company does not hold any treasury shares. Each share entitles the bearer to one vote at the General Meeting in accordance with Article 19(1) of the AG Articles. Thus, at the time of submission of this Conversion Report, 24,300,000 votes exist.

The shares of the Company (ISIN DE000A3CRRN9) have been traded on the Regulated Market of the Frankfurt Stock Exchange with additional post-admission obligations in the Prime Standard sub-segment since 29 June 2021. The shares are also included in over-the-counter trading on the Berlin, Dusseldorf, Hamburg, Hanover, Munich and Stuttgart stock exchanges and are tradable via the XETRA electronic trading platform of Deutsche Börse AG.

The shares in Cherry AG are represented by global share certificates. The existing global share certificates will become incorrect upon the change in legal form of Cherry AG into Cherry SE (see clause 7.1.2). The shares in the Company represented by global share certificates are to be represented by one or more new global share certificates issued by Cherry SE.

2.5.2 Authorised capital, conditional capital and authorisations issued to the Management Board

2.5.2.1 Authorised capital

The Management Board of Cherry AG is authorised pursuant to Article 4(3) of the AG Articles to increase the registered share capital of the Company until 10 June 2026 with the consent of the Supervisory Board by up to a total of EUR 10,000,000.00 by issuing up to 10,000,000 new no-par value bearer shares against contributions in cash and/or in kind ("**Authorised Capital**"; registered in the commercial register as Authorised Capital 2021/I).).

The Authorised Capital is to continue to exist and the contents of the provision in the AG Articles regarding Authorised Capital will therefore remain unchanged, but

will be transferred to the SE Articles as Article 4(3) using the designation "Authorised Capital 2021/I" in the future.

2.5.2.2 Conditional capital

In addition, according to Article 4(4) of the AG Articles, conditional capital to the value of EUR 10,000,000.00 exists ("**Conditional Capital**"; registered in the commercial register as Conditional Capital 2021/I). The Conditional Capital is to continue to exist, and the contents of the provision in the AG Articles regarding the Conditional Capital will therefore remain unchanged, but will be transferred to the SE Articles as Article 4(4) using the designation "Conditional Capital 2021/I" in the future.

2.5.2.3 Authorisations granted to the Management Board

The Management Board was by resolution of the extraAnnual General Meeting of Cherry AG on 23 June 2021 (Deed Roll No. H 2719/21 of the notary Sebastian Herrler, Munich) granted authorisation under agenda item 2(a) to issue bearer or registered option bonds and/or convertible bonds, profit participation rights and/or profit bonds or a combination of these instruments (together "**Bonds**") in a total nominal amount of up to EUR 400,000,000.00 with the possibility to exclude subscription rights ("**Bond Authorisation**") up to and including 22 June 2026. Provided that the conversion of Cherry AG into the legal form of an SE has taken place by this date, the Bond Authorisation will thus continue to apply to the Management Board of Cherry SE to the extent that it exists on the Conversion Date and has not been utilised. In order to service claims arising from the Bonds issued under the Bond Authorisation, the extraAnnual General Meeting of Cherry AG of 23 June 2021 created Conditional Capital under agenda item 2(b), which will continue to exist in the amount existing on the Conversion Date by transferring the provisions of the AG Articles on the Conditional Capital to the SE Articles without any changes, using the designation "Conditional Capital 2021/I" in the future.

The authorisation to acquire and use treasury shares in accordance with section 71(1) no. 8 of the Stock Corporation Act granted by the extraordinary general meeting of Cherry AG on 23 June 2021 (Deed Roll No. H 2719/21 of the notary Sebastian Herrler, Munich) under agenda item 3, including the authorisation to cancel acquired treasury shares and to reduce capital and to exclude subscription rights ("**Authorisation Resolution**") will continue to apply up to and including 22 June 2026.

Provided that the conversion of Cherry AG into the form of an SE has taken place by this date, the Authorisation Resolution will also be valid for the Management Board of Cherry SE, to the extent that it exists on the Conversion Date and has not been utilised. So far, no use has been made of this authorisation.

2.5.3 Shareholder structure

The Company is generally only aware of shareholdings in Cherry AG if they have been reported by voting rights notifications under the German Securities Trading Act (*Wertpapierhandelsgesetz*, WpHG) ("**Securities Trading Act**"). On this basis, the shareholder structure can be summarised as follows with regard to the shareholdings subject to a reporting requirement under the Securities Trading Act as at 6 April 2022:

Shareholder	**Proportion of the registered share capital in % (rounded)**
Argand Partners Fund GP-GP**	30.8
Ophir Asset Management	6.1
DWS Investment	4.9
Swedbank Robur Fonder	5.0
The Capital Group Companies	5.0
UBS Group AG	3.5
Janus Henderson	3.2
Glenernie Capital Ltd	3.2

** Based on an internal notice by the investor to Cherry AG that was not subject to disclosure requirements.

As far as Cherry AG is aware, the remaining registered share capital of approximately 38.3% is in free float. At the date of submission of this Conversion Report, Management Board member Rolf Unterberger holds 388,717 shares in the Company, and thus approximately 1.60% of the shares issued by the Company through an associated company controlled by him. At the date of this Conversion Report, the Management Board member Bernd Wagner holds 371,332 shares in the Company and therefore about 1.53% of the shares issued by the Company through an associated company. At the date of submission of this Conversion Report, Management Board member Udo Streller does not hold any shares in the Company. At the date of submission of this Conversion Report, Supervisory Board member Joachim Coers holds 267,109 shares in the Company, and thus approximately 1.10% of the shares issued by the Company through an associated company controlled by him.

No further members of the Company's Supervisory Board hold shares in the Company that in each case directly or indirectly exceed 1% of the shares issued by

the Company as at the date of this Conversion Report. Also, the aggregate shareholdings in Cherry AG of all members of the Management Board and Supervisory Board (except for Joachim Coers) do not exceed 1% of the shares issued by the Company as at the date of the submission of this Conversion Report.

3. KEY ASPECTS FOR THE CHANGE IN LEGAL FORM TO AN SE

3.1 Main reasons for the change in legal form

The Cherry Group is among the technologically leading manufacturers of computer peripherals and distributes its products throughout the world, focusing on Europe, Asia and the United States, with Germany continuing to be the strongest sales market. Alongside its two (2) direct subsidiaries in Germany, at the time of submission of this Conversion Report Cherry AG also has five (5) indirect subsidiaries in the contracting states of the European Union (the Member States of the European and the other contracting states of the European Economic Area hereby referred to collectively as the "**Member States**"). The change in legal form into an SE is intended to strengthen the position of Cherry AG as an international company of European origin and express the importance of the worldwide business activities of Cherry AG pursued from its European home. The supranational legal form of the SE makes the Company's presence in the Member States easier and it is also internationally known as a legal form for a company. Through the change of the legal form, Cherry AG can continue the growth and the established structure under company law with a two-tier management system in the modern, European and internationally known legal form of the SE.

3.2 Alternatives to the change in legal form

The Management Board of Cherry AG looked in detail at any possible alternatives prior to the change in legal form.

The legal form of the SE is the only legal form under European law available to a listed company with its registered office in Germany. It underlines the European origin and international character of the Cherry Group with its global business activities and offers the Company an image on the market reflecting this. Furthermore, it allows the two-tier management structure to be retained and is also comparable to a German stock corporation in many respects (with regard to the structure of the capital and shareholder rights, for instance).

In view of this, the Management Board of Cherry AG came to the conclusion, with the approval of the Supervisory Board, that there are no alternatives in order to implement the objectives being pursued with the change in legal form, and that alone the change in legal form to an SE meets the interests of the shareholders and the Company.

The SE could also have been formed by way of a cross-border merger under Article 2(1) SE Regulation instead of a change in legal form; however, this process would in fact be more complicated from a factual and legal point of view.

3.3 Costs of the change in legal form

The costs associated with the change in legal form of Cherry AG into Cherry SE are mainly expected to consist of the costs for preparatory measures, the necessary audit by the Conversion Auditors, notarisation of the Draft Terms of Conversion, the registrations, external advisors and translators, the necessary publications, converting the stock exchange listing of shares in Cherry AG into shares in Cherry SE and the implementation of the employee involvement procedure. The costs for holding the Annual General Meeting of Cherry AG have not been included in the estimate, because this meeting has to be held anyway. The Management Board of Cherry AG assumes that the costs of the change in legal form will not exceed EUR 400,000.00.

4. COMPARISON OF THE STRUCTURAL FEATURES AND SHAREHOLDER RIGHTS OF CHERRY AG AND CHERRY SE

4.1 Introduction

According to Article 1(1) SE Regulation, the SE is a company in the form of a European stock corporation. The SE is a supranational legal form based on EU law.

The legal relationships of Cherry SE and the rights of its shareholders are determined on the one hand by the SE Regulation, which applies directly in all Member States and as a EU regulation takes precedence over the provisions of national law. Article 10 SE Regulation states that, subject to the provisions of the SE Regulation itself, an SE is treated in every Member State as if it were a stock corporation formed in accordance with the laws of the Member State in which it has its registered office. Thus, the SEAG, as the German act implementing the SE Regulation, and the SEBG as well as the provisions applicable to German stock corporations, in particular the Stock Corporation Act, also apply to Cherry SE. Besides this, the legal relationships of Cherry AG are determined by the SE Articles and the Involvement Agreement, if such an agreement is concluded.

An SE with its registered office in Germany is in many respects equivalent to a German stock corporation or (*Aktiengesellschaft* or "AG"), meaning that the provisions of commercial, tax and capital markets law and other provisions that are currently applicable to Cherry AG will apply to Cherry SE.

4.2 General provisions and effects of the change in legal form

4.2.1 Legal personality

Just like Cherry AG as a stock corporation under German law, Cherry SE will have legal personality pursuant to Article 1(3) SE Regulation. It is a legal entity and as such a holder of its own rights and obligations. Since pursuant to Article 37(2) SE Regulation the change in legal form of Cherry AG into an SE does not result in the Company being wound up or a new legal entity being created, the rights and obligations existing for Cherry AG at the time of the change in legal form will continue to exist and will not be affected by the change in legal form. In this respect, the legal and economic identity of the Company will be preserved. There will be no transfer of assets.

The change in legal form of Cherry AG into an SE will not result in any changes with regard to its legal personality.

4.2.2 Registered share capital, structure of the shares

While the minimum nominal amount of the registered share capital of a stock corporation under German law is EUR 50,000.00 (see section 7 Stock Corporation Act), Article 4(2) SE Regulation states that the subscribed registered share capital of the SE must be at least EUR 120,000.00. Otherwise, Article 5 SE Regulation states that the national provisions for stock corporations generally apply to the capital of an SE, its maintenance and changes thereto, together with its shares.

At Cherry SE, the raising and maintenance of capital will therefore be governed by the provisions of the Stock Corporation Act, as was previously the case at Cherry AG. In particular, this means that pursuant to section 66(1) Stock Corporation Act the shareholders of Cherry SE may also not be released from their duties to make capital contributions under sections 54 and 65 Stock Corporation Act, the prohibition on returning capital contributions under section 57(1) Stock Corporation Act applies unchanged, under section 57(3) Stock Corporation Act only net income may be distributed to the shareholders and under section 71 onwards Stock Corporation Act acquisitions of treasury shares are only permitted under special conditions.

The division of the shares of Cherry AG will not change as a result of the change in legal form into an SE. The registered share capital of Cherry SE will continue to amount to EUR 24,300,000.00 and will be divided into 24,300,000.00 no-par value bearer shares (shares without a nominal value) each proportionally representing EUR 1.00 of the registered share capital. Thus, the statutory minimum capital of an SE in the amount of EUR 120,000.00 will be significantly exceeded.

As a result, the change in legal form of Cherry AG into an SE will not lead to any changes with regard to the registered share capital and the structure of the shares.

4.2.3 Authorised and conditional capital

The Authorised Capital existing at Cherry AG is to continue to exist, and the contents of the provision in the AG Articles regarding the Authorised Capital will therefore be transferred unchanged to the SE Articles, but with the changed designation "Authorised Capital 2021/I" in the future. The current Authorised Capital will therefore continue to exist to the same value and with the same purpose at Cherry SE.

The Conditional Capital existing at Cherry AG is to continue to exist and the contents of the provision in the AG Articles regarding Conditional Capital will therefore be transferred unchanged to the SE Articles, but with the changed designation "Conditional Capital 2021/I" in the future. The current Conditional Capital will therefore continue to exist to the same value and with the same purpose at Cherry SE.

More details of the authorised and conditional capital can additionally be found below under clause 6.1.3 and in the explanation of the SE Articles under clause 6.2.2.1 below.

4.2.4 Registered office and possibility of cross-border transfer of the registered office

As is the case with a stock corporation under German law, the location of the registered office of the SE is determined by its articles of association, although the registered office must be located in the same Member State of the European Community as its head office in accordance with the second sentence of Article 7 SE Regulation.

Article 1(2) of the SE Articles states that the statutory registered office of Cherry SE will be in Munich, Germany, as is currently the case. The head office of Cherry SE will also continue to be in Munich, Germany, meaning that the requirements of the first sentence of Article 7 SE Regulation are met.

Where German stock corporations are concerned, cross-border transfers of the registered office that preserve the company's identity and legal form are not possible under section 5 Stock Corporation Act. In contrast, Article 7 sentence and Article 8(1) SE Regulation state that an SE may transfer its registered office to another Member State on a cross-border basis by amending its articles of association in a legally regulated procedure without winding up. The transfer of the registered office requires a resolution of the general meeting, which needs to be passed by a majority sufficient to amend the articles of association. Under the first sentence of section 12(1) SEAG, the SE has to make an offer to buy the shares of shareholders who object to the resolution regarding the transfer in writing in return for a reasonable cash settlement. However, there are currently no plans for Cherry SE to relocate its registered office abroad.

Consequently, the change in legal form of Cherry AG into an SE will not lead to any changes in relation to the company's registered office and head office.

4.2.5 German Corporate Governance Code

Under section 161 of the Stock Corporation Act, the management board and supervisory board of listed stock corporations must declare each year that the recommendations of the "Government Commission on the German Corporate Governance Code" published by the Federal Ministry of Justice in the official section of the Federal Gazette have been and are being complied with, or which recommendations have not been or are not being applied and why not ("**GCGC Compliance Statement**"). The GCGC Compliance Statement is to be made permanently available to the public on the stock corporation's website. The GCGC contains regulations on management and supervision (corporate governance); it partly reflects essential standards of applicable law, and partly contains recommendations and suggestions. The GCGC Compliance Statement only relates to the recommendations contained in the GCGC.

The SE Regulation does not contain any express provisions on the applicability of the GCGC. However, Article 9(1)(c)(ii) of the SE Regulation provides for the application of section 161 of the Stock Corporation Act, meaning that Cherry SE (like Cherry AG) will declare annually whether and to what extent it is following the recommendations of the GCGC.

Consequently, the change in legal form of Cherry AG into an SE will not lead to any changes in relation to the application of the GCGC.

4.2.6 Notification requirements under capital markets law

The provisions of the Securities Trading Act and the provisions of Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse (market abuse regulation) ("**MAR**") will also apply to the future Cherry SE due to its stock exchange listing. This applies in particular to monitoring of insider activities (Article 7 onwards MAR in conjunction with Article 12 onwards MAR), the publication requirements (Article 17 onwards MAR) and the notification requirements regarding voting rights (section 33 onwards Securities Trading Act). Therefore, as is the case at Cherry AG, shareholder rights under section 44 Securities Trading Act will be lost at Cherry SE if notification requirements pursuant to section 33 onwards Securities Trading Act are breached.

Thus the change in legal form will not lead to any changes with regard to notification requirements under capital markets law. Likewise, the change in legal form of Cherry AG into Cherry SE will not lead to a change in the applicable takeover rules.

4.2.7 Entries in the commercial register

Pursuant to section 3 SEAG, the SE will be registered in the commercial register in accordance with the provisions applicable to stock corporations. Since the location of the company's registered office will remain unchanged, the Munich Local Court will continue to be the competent registry court for Cherry SE. However, when the change in legal form becomes effective, Cherry SE will receive a new registration number. After the change in legal form becomes effective, entries and filings will be made exclusively to the commercial register responsible for Cherry SE and thus under the new registration number.

4.3 Formation

Subject to the provisions of the SE Regulation, the formation of an SE is governed by the law applicable to stock corporations in the country in which the SE establishes its registered office (Article 15(1) SE Regulation). Since Cherry AG will have its registered office in Germany, German stock corporation law, i.e. the Stock Corporation Act, will generally apply to its formation. This also applies where the SE is formed by way of a change in legal form pursuant to Article 37 SE Regulation, unless otherwise provided there. The details of the procedure for the formation of Cherry SE are explained in clause 5 below.

4.4 Legal relationship to the shareholders

Since the provisions of the Stock Corporation Act regarding the raising and maintenance of capital pursuant to section 56 onwards Stock Corporation Act also apply to the SE as a result of the reference in Article 5 of the SE Regulation, under section 56(1) Stock Corporation Act the SE is in particular not allowed to subscribe for its own shares and under section 57(1) Stock Corporation Act is not allowed to return the contributions to the shareholders (see clause 4.2.2). In addition, the provisions of stock corporation law in section 58(1) to (3) Stock Corporation Act regarding the appropriation of the net income for the year and the creation of reserves and under section 58(4) Stock Corporation Act regarding the distribution of the unappropriated surplus apply. The shareholders' shares in the profits of the SE are determined (exactly as in the case of a German stock corporation) in accordance with section 60(1) Stock Corporation Act on the basis of their shares in the registered share capital, unless the articles of association provide for a different distribution. The principle of equal treatment of all shareholders under stock corporation law as provided in section 53a of the Stock Corporation Act is also applicable to the SE and its shareholders through the reference in Article 9(1)(c)(ii) of the SE Regulation.

Therefore, also in this respect, the change in legal form of Cherry AG into an SE will not result in any changes with regard to the relationship of the Company with its shareholders.

4.5 Constitution and governing bodies

4.5.1 Choice of one-tier or two-tier system

A stock corporation under German law requires a two-tier structure, consisting of a management board according to section 76 onwards Stock Corporation Act and a supervisory board according to section 95 onwards Stock Corporation Act. No one can be a member of the management board and the supervisory board of a stock corporation at the same time. Section 76(1) of the Stock Corporation Act states that the management board is responsible for managing the stock corporation's business, while the supervisory board is responsible for overseeing the management board and is to be informed by the management board in particular on a regular basis as specified in section 90 of the Stock Corporation Act and in important cases. The Supervisory Board oversees the management in accordance with section 111(1) Stock Corporation Act. It is not authorised to take over tasks of the management board or to give it instructions on how to act. Certain types of transactions may only be performed with its consent. The list of such transactions requiring approval has to be set out in the articles of association and/or determined by the supervisory board.

Apart from the two-tier system of governance, the SE also provides the "one-tier" system of governance (Article 38(b) SE Regulation). The choice between the two systems is made in the statutes (articles of association). While in the two-tier system two governing bodies are provided for the administration, one of which conducts the business and the other oversees the management, in a one-tier system only one administrative body exists, which manages the SE (administrative board). The administrative board manages the SE, determines the basic guidelines for its activities and monitors their implementation pursuant to section 22(1) SEAG. Article 6 of the Articles of the Cherry SE provides (as is currently the case) for the two-tier system with a management body (management board) and a supervisory body (supervisory board) pursuant to Article 39 onwards SE Regulation in conjunction with section 15 onwards SEAG, meaning that the change in legal form does not lead to a change in the system of governance. The change in legal form merely leads to a few changes in the details, which will be described below.

4.5.2 Management Board

4.5.2.1 Management of the SE

The change in legal form to an SE will not lead to any changes in the management of the future Cherry SE. Under the first sentence of Article 39(1)of the SE Regulation, the management body (i.e. the management board) is responsible for managing the SE. This provision corresponds to the contents of section 76(1) Stock Corporation Act.

4.5.2.2 Size and composition of the management board

According to section 76(2), first sentence Stock Corporation Act, the management board of a stock corporation essentially consists of one or more people, whereas under section 76(2), second sentence Stock Corporation Act it has to consist of at least two people at a company with registered share capital of more than EUR 3 million (subject to alternative provisions in the articles). The provision in section 16 SEAG corresponds to the contents of this provision, meaning that the management board of an SE with registered share capital of more than EUR 3 million consists of at least two people, unless the articles provide otherwise.

Article 7(1) of the Articles of Association of the Cherry SE provides that the Management Board consists of one or more people and the Supervisory Board determines the number of Management Board members. After the change in legal form, the Management Board members of Cherry SE will presumably be Rolf Unterberger (Management Board Chairman), Bernd Wagner and Udo Streller, subject to their appointment by the initial Supervisory Board of Cherry SE (see clause 5.8.1 below).

The obligation of the Supervisory Board pursuant to section 111(5) Stock Corporation Act to set a target for the proportion of women on the management board also applies in two-tier SEs pursuant to Article 9(1)(c)(ii) SE Regulation. In financial year 2021, the Supervisory Board set a target of at least 20% and a time limit of up to 13 June 2026 for the proportion of women on the Management Board of Cherry AG. In this respect, there will be no changes as a result of the change in legal form to an SE.

With regard to the size and composition of the Management Board, there will essentially be no changes as a result of the change in legal form.

4.5.2.3 Management

Like for German stock corporations, the basic principle of joint management by all management board members also applies to the SE, unless otherwise provided for in the statutes (articles of association) or rules of procedure. Similarly, under Article 9(1)(c)(ii) SE Regulation in conjunction with section 77(1), second half of the second sentence of the Stock Corporation Act, the principle under stock corporation law that differences of opinion in the management board cannot be decided by one or more management board members against the majority of the management board members applies.

In the case of the SE, unless otherwise provided for in the SE Regulation or the statutes (articles of association), resolutions of the management board are adopted by a simple majority of the votes of the members present or represented in accordance with Article 50(1)(b) and (2), first sentence SE Regulation, with the chairman of the management board having the casting vote in the event of a tie.

The SE Articles do not provide for any alternative provision. Therefore, at Cherry SE, both the above principle of majority voting and the statutory right of the Chairman of the Management Board to make a casting vote will in principle apply.

4.5.2.4 Representation

As the SE Regulation does not contain any SE-specific rules on representation, the provisions of the Stock Corporation Act and the SE's articles of association will apply as a result of the reference in Article 9(1)(c)(ii) and (iii) SE Regulation. Like the AG Articles, the SE Articles also provide that the company is represented by two Management Board members or by one Management Board member together with an authorised signatory (*Prokurist*) (Article 8(2) of the SE Articles).

Consequently, the change in legal form will not result in any changes in relation to representation of the company.

4.5.2.5 Appointment and removal of the Management Board and term of office

Like in stock corporations, in SEs the members of the Management Board are generally appointed and removed by the supervisory board or supervisory body in accordance with section 84 of the Stock Corporation Act and Article 39(2), first subparagraph of the SE Regulation.

The management board members of a stock corporation are appointed for a maximum term of five years. Appointments may be repeated or terms of office extended for a maximum of five years in each case. The supervisory board may revoke the appointment of a member of the management board and the appointment of the chairman of the management board for good cause as set out in section 84 of the Stock Corporation Act.

In contrast, the management board members of an SE are appointed pursuant to Article 46(1) SE Regulation for a period set forth in the statutes (articles of association) not exceeding six years. Subject to restrictions set forth in the statutes, members may be reappointed pursuant to Article 46(2) SE Regulation. Article 7(4) of the SE Articles provides for a maximum term of office of five (5) years and allows members to be reappointed. This means that the provision does not deviate from the statutory provision for stock corporations and the previous situation at Cherry AG. The possibility of revoking the appointment at the request of the Management Board member or (only) for good cause pursuant to section 84(3) and (4) Stock Corporation Act also exists for SEs with their registered office in Germany due to the reference in Article 9(1)(c)(ii) SE Regulation.

As a result, the change in legal form will not lead to any changes in relation to the appointment and removal of the Management Board and its terms of office.

4.5.2.6 Basic features of the compensation of Management Board members, compensation system, non-competition covenant and granting of loans to Management Board members

Due to the reference in Article 9(1)(c)(ii) of the SE Regulation, the provisions of the Stock Corporation Act also apply to SEs with their registered office in Germany with regard to the basic features of the compensation of management board members, the compensation systems of listed companies for the compensation of management board members, the non-competition covenant for management board members and the granting of loans to management board members in accordance with the legal requirements under sections 87 to 89 of the Stock Corporation Act. This means that there are no differences between the two legal forms in this respect.

Consequently, the change in legal form will not lead to any changes in relation to the basic features of the compensation of the Management Board members, compensation system, non-competition covenant and granting of loans to Management Board members.

4.5.2.7 Reports to the Supervisory Board

The reporting duties of the management board of an SE toward the supervisory board of an SE are equivalent to the reporting duties of the management board of a stock corporation toward the supervisory board of a stock corporation.

Under section 90 of the Stock Corporation Act, the management board of a stock corporation is required to report to the supervisory board on (i) the intended business policy and other fundamental business planning issues (in particular financial, investment and personnel planning), giving reasons for any deviations in the actual development from previously reported targets, (ii) the profitability of the company, in particular the return on equity, (iii) the course of business, in particular sales, and the situation of the company, (iv) transactions which may be of material significance for the profitability or liquidity of the company. If the company is a parent company, the report must also cover subsidiaries and joint ventures pursuant to section 90(1), second sentence of the Stock Corporation Act. The Stock Corporation Act provides for a regular cycle for the various reports. In addition, the chairman of the supervisory board must receive reports on any other important matters. According to section 90(1), third sentence of the Stock Corporation Act, important matters also include business transactions at an affiliated company of which the management board has become aware and which may significantly influence the company's situation.

In addition to the reporting obligations described above, section 90(3), first sentence of the Stock Corporation Act states that the supervisory board may request a report on the affairs of the company, its business relations with affiliated companies and business transactions at these companies that may significantly

influence the situation of the company at any time. An individual supervisory board member may also request a report, but only from the entire supervisory board.

The reports have to correspond to the principles of conscientious and faithful accounting. According to section 90(4) Stock Corporation Act, they have to be submitted in as timely a manner as possible and as a rule in text form. Under section 90(5), first sentence Stock Corporation Act, each supervisory board member has the right to examine the reports.

The management body of an SE is subject to equivalent reporting obligations that it must comply with on a regular basis. For example, Article 41(1) SE Regulation stipulates that it must report to the SE's supervisory body at least once every three months on the progress and foreseeable development of the SE's business. In addition to the regular information, under Article 41(2) SE Regulation the management body is required to promptly pass on to the supervisory body any information on events likely to have an appreciable effect on the SE. According to Article 41(3) SE Regulation, the supervisory body of an SE may require the management board to provide information of any kind which it needs to exercise supervision. Like for a stock corporation, according to Article 41(3) SE Regulation in conjunction with Article 18 SEAG, every supervisory board member of an SE with its registered office in Germany may request such information, but only from the entire supervisory board. Under Article 41(4) SE Regulation the supervisory body may undertake or arrange for any investigations necessary for the performance of its duties. According to Article 41(5) SE Regulation, each member of the supervisory body is entitled to examine all information submitted to it.

Even though section 90 Stock Corporation Act appears to be more precise in comparison to Article 41 SE Regulation, the change in legal form of Cherry AG to an SE in fact does not result in any substantive changes with regard to the obligation of the Management Board to report to the Supervisory Board because, despite their different wording, the contents of the provisions in section 90 Stock Corporation Act and Article 41 SE Regulation are essentially consistent. As a result, the future Management Board of Cherry SE will have the same reporting obligations towards the Supervisory Board as the Management Board of Cherry AG.

As a result, the change in legal form will not lead to any actual changes in relation to the obligations of the Management Board to report to the Supervisory Board.

4.5.2.8 Duties of the Management Board in the event of loss, over-indebtedness and inability to pay debts when they fall due

The duties of the management board in the event of loss, over-indebtedness (*Überschuldung*) and inability to pay debts when they fall due (*Zahlungsunfähigkeit*) governed by section 92 Stock Corporation Act are also to be

observed by the management body (i.e. the management board) of a two-tier SE via Article 9(1)(c)(ii) SE Regulation. The duties in connection with this will not change for the Management Board of Cherry SE as opposed to the Management Board of Cherry AG as a result of the change in legal form.

As a result, the change in legal form will not lead to any changes in relation to the Management Board's duties in the event of loss, over-indebtedness and inability to pay debts when they fall due.

4.5.2.9 Duties to exercise skill and care, liability and responsibilities

Under Article 51 SE Regulation, the members of the management body of an SE are liable in accordance with the provisions applicable to stock corporations in the Member State in which the SE's registered office is located. Through this reference to German law, the requirements of section 93 Stock Corporation Act regarding the standard of care of a prudent and conscientious manager also apply to the Management Board of Cherry SE. This also covers the so-called business judgement rule for business decisions under section 93(1), second sentence Stock Corporation Act and the rules on the exclusion of the obligation to provide compensation according to section 93(4) Stock Corporation Act.

Under Article 49 SE Regulation members are under a strict duty, even after they have ceased to hold office, not to divulge any information they have concerning the SE the disclosure of which might be prejudicial to the SE's interests. The contents of this rule correspond to the situation under German stock corporation law, where continuation of the duty of confidentiality beyond the end of the term of office, although not expressly regulated, is generally acknowledged.

Consequently, the change in legal form does not lead to any changes in relation to the duties to exercise skill and care and liability and responsibilities of the Management Board members.

4.5.2.10 Use of influence on the company

Under section 117(1) Stock Corporation Act, anyone who intentionally uses their influence on the company and compels a member of the management board to act to the detriment of the company or its shareholders is liable for damages. Although a corresponding provision is absent in the SE Regulation, equivalent liability also certainly exists at an SE (even if one does not regard the reference provision in Article 51 SE Regulation as relevant here) due to the reference to Article 9(1)(c)(ii) SE Regulation. To this extent, liability of the Management Board members who act in breach of this duty likewise exists in both legal forms (see section 117(2) Stock Corporation Act and Article 51 SE Regulation).

In relation to liability for using influence on the company and Management Board members who act in breach of such duties, the change in legal form will not lead to any changes.

4.5.3 Supervisory board

In an SE with a two-tier structure, the supervisory body (supervisory board) supervises the work of the management body (management board). Its tasks and powers essentially correspond to those of the supervisory board of a stock corporation. Nevertheless, there are some differences in the details, which are summarised below.

4.5.3.1 Size and composition of the supervisory board

Like in a stock corporation, the supervisory board of an SE consists of at least three members, although the statutes (articles of association) may stipulate a certain higher number (Article 40(3), second sentence SE Regulation in conjunction with section 17(1) SEAG). Like the Supervisory Board of Cherry AG, the Supervisory Board of Cherry SE should also consist of 7 (seven) members according to Article 10(1) of the SE Articles. As is presently the case at Cherry AG, all the Supervisory Board members will also be elected by the General Meeting at Cherry SE.

As the Cherry AG is not subject to co-determination by the employees under the German One-Third Participation Act (*Drittelbeteiligungsgesetz*, DrittelbG) or the German Co-determination Act (*Mitbestimmungsgesetz*, MitbestG), the Supervisory Board of Cherry SE will still exclusively consist of representatives of the shareholders in the future.

4.5.3.2 Status procedure on the composition of the supervisory board

If the composition of the supervisory board does not comply with the statutory provisions applicable to it, or if it is disputed or uncertain what statutory provisions have to be observed for the composition of the supervisory board, the status procedure described in sections 97 to 99 Stock Corporation Act has to be carried out at a stock corporation. Through the reference in Article 9(1)(c)(ii) SE Regulation, this also applies to two-tier SEs with their registered office in Germany. The applicability of the status procedure also arises indirectly from section 17(4) SEAG. To this extent, this provision performs an SE-specific modification of the provision in the Stock Corporation Act since the works council at an SE is also entitled to make a request.

4.5.3.3 Personal prerequisites for Supervisory Board members

The first sentence of section 100(1) of the Stock Corporation Act states that supervisory board members of a stock corporation may only be individuals with unlimited legal capacity. According to Article 47(1), first subparagraph of the SE Regulation, while a company or other legal entity may in principle be a member of the supervisory board, this is only permitted if the law applicable to stock corporations in the Member State in which the SE's registered office is located does not provide otherwise. Consequently, it is not possible for legal entities to be

members of the Supervisory Board of the Cherry SE, in the same way as this is not possible for a German stock corporation.

The other personal prerequisites for members of the supervisory board of a stock corporation under section 100(2) Stock Corporation Act apply to SEs with their registered office in Germany through the reference in Article 47(2)(a) SE Regulation. Thus the personal grounds preventing membership of the supervisory board of Cherry AG and Cherry SE are identical.

Since section 100(5) Stock Corporation Act was revised, at companies which are enterprises of public interest within the meaning of the second sentence of section 316a of the German Commercial Code (*Handelsgesetzbuch*, HGB) ("**German Commercial Code**") at least one supervisory board member must have specialist knowledge in the field of accounting and another supervisory board member in the field of auditing. As a publicly traded company pursuant to section 316a, second sentence, no. 1 German Commercial Code in conjunction with section 264d German Commercial Code, Cherry AG falls under this requirement, as does the future Cherry SE. The revision was introduced by the German Act to Strengthen the Financial Market Integrity of 3 June 2021 (*Gesetz zur Stärkung der Finanzmarktintegrität*, FISG) (Federal Gazette I, page 1534-1567 of June 10, 2021, "**Financial Market Integrity Act**") which according to Article 27(1) Financial Market Integrity Act entered into force on 1 July 2021. Pursuant to the interim rule under section 12(6) of the Introductory Act to the German Stock Corporation Act (*Einführungsgesetz zum Aktiengesetz*, EGAktG ("**Introductory Act**")) the provision did not have to be observed when the supervisory board of Cherry AG was appointed because the appointment occurred prior to 1 July 2021. However, the revision is to be applied to the general meeting on 8 June 2022 at which the members of the first Supervisory Board of Cherry SE are to be appointed. Moreover, the Supervisory Board members as a whole must be familiar with the sector in which the company pursues its activities. These rules under stock corporation law will also apply to Cherry SE through the reference in Article 9(1)(c)(ii) SE Regulation.

The intention is that the current seven (7) Supervisory Board members of Cherry AG will also become Supervisory Board members of Cherry SE. The prerequisites under section 100(5) Stock Corporation Act have already been met by Cherry AG because Joachim Coers, Heather Faust, Tariq Osman and Dino Sawaya have specialist knowledge in the field of accounting and James Burns has specialist knowledge in the field of auditing. The prerequisites under section 100(5) Stock Corporation Act will continue to be met by the Supervisory Board members James Burns and Joachim Coers, Heather Faust, Tariq Osman and Dino Sawaya, respectively, as James Burns has specialist knowledge in the field of auditing Joachim Coers, Heather Faust, Tariq Osman and Dino Sawaya and have specialist knowledge in the field of accounting.

The change in legal form will not lead to any changes in relation to the personal prerequisites for the Supervisory Board members.

4.5.3.4 Appointment of the Supervisory Board members

In a non-co-determined stock corporation, the supervisory board members are elected by the general meeting. According to Article 40(2) SE Regulation, this also applies to non-co-determined SEs. Therefore, the Supervisory Board members at Cherry AG as well as at the future Cherry SE will be appointed exclusively by the General Meeting.

Since the continuity of the offices of the appointed Supervisory Board members of Cherry AG is not beyond doubt from a legal point of view, clause 7.1 of the Draft Terms of Conversion stipulates that the offices will end when the change in legal form takes effect. The current members of the Supervisory Board Marcel Stolk, James Burns, Joachim Coers, Heather Faust, Steven M. Greenberg, Tariq Osman and Dino Sawaya are to be elected as members of the first Supervisory Board of Cherry SE by the General Meeting of Cherry AG, which will vote on whether to approve the change in legal form of Cherry AG to Cherry SE on 8 June 2022.

4.5.3.5 Term of office of Supervisory Board members

Section 102(1) Stock Corporation Act states that the members of a supervisory board of a stock corporation may not be appointed for a term of office extending beyond the time at which the general meeting is closed that is to adopt a resolution to formally approve the acts of the supervisory board members with regard to the fourth financial year following the commencement of their term of office. The financial year in which the term of office begins is not to be counted. At an SE, according to Article 46(1) SE Regulation the members of the supervisory board can be appointed for a longer period set forth in the articles of association not exceeding six years, meaning that longer terms of office are in principle possible for supervisory board members at SEs than for stock corporations. Reappointments of the supervisory board members are permitted both at SEs, subject to any restrictions set forth in the articles of association, and at stock corporations.

The provision in Article 10(2) of the SE Articles regarding the term of office of the Supervisory Board members provides for the same term of office as the current provision at Cherry AG. At Cherry AG, the Supervisory Board members have up to now, subject to a different term of office determined at the time of election, been elected for the period until the end of the General Meeting which resolves on formal approval of the acts of the supervisory board members with regard to the fourth financial year after the beginning of their term of office, with the financial year in which the term of office begins not being counted. Under Article 10(2) of the SE Articles, the Supervisory Board members of Cherry SE will, subject to a different term of office determined at the time of election, also be elected until

the end of the General Meeting resolving on the formal approval of the acts of the Supervisory Board members with regard to the fourth financial year after the beginning of their term of office, whereby the financial year in which the term of office begins is not to be counted in this case as well. The term of office of the first Supervisory Board of Cherry SE will, in contrast, only run until the end of the General Meeting resolving on the formal approval of acts of the supervisory board members with regard to the first financial year of Cherry SE, meaning that by way of caution the requirements of Article 15(1) of the SE Regulation in conjunction with section 30(3), first sentence of the Stock Corporation Act will be complied with for the term of office of the first supervisory board. The Articles of Cherry SE do not contain any restrictions regarding the reappointment of Supervisory Board members. Instead, they explicitly provide that reappointments are allowed.

Therefore, the change in form does not lead to any changes in relation to the term of office of the Supervisory Board members, apart from the shorter term of office of the first Supervisory Board members.

4.5.3.6 Removal of the Supervisory Board members

Section 103(1) Stock Corporation Act states that in a stock corporation the general meeting may remove supervisory board members who were appointed by it without the meeting having been bound by nominations prior to expiry of their term. The resolution requires a majority comprising at least three quarters of the votes cast. The articles of association may stipulate a higher majority and may impose further requirements. Moreover, section 103(3) Stock Corporation Act states that that the competent court has to remove a supervisory board member upon receiving a petition from the supervisory board if good cause related to the person of the member exists, with the supervisory board resolving by simple majority whether to file such a petition.

As neither the SE Regulation nor the SEAG regulate the removal of supervisory board members, the provisions in the Stock Corporation Act also apply here through the references in Article 9(1)(c)(ii) SE Regulation, meaning that the change in legal form does not lead to any changes in this respect. Like the AG Articles, the SE Articles do not contain any majority-related requirements or other requirements for voting by the General Meeting on removing the shareholder representatives from the Supervisory Board.

This means that the change in legal form does not lead to any changes regarding the possibility to remove Supervisory Board members.

4.5.3.7 Appointment of Supervisory Board members by the court

In principle, the change in legal form will not result in any changes with regard to the appointment of Supervisory Board members by the court. If the supervisory board of a stock corporation does not include the number of members required for a quorum or if the supervisory board is otherwise understaffed, the court has

to supplement it in accordance with section 104 Stock Corporation Act upon application by the management board, a supervisory board member or a shareholder. These provisions from stock corporation law are also applicable to SEs through the reference in Article 9(1)(c)(ii) SE Regulation.

The change in legal form will not lead to any changes regarding the possibility for Supervisory Board members to be appointed by the court.

4.5.3.8 Incompatibility of simultaneous membership of the Management Board and the Supervisory Board

In both a stock corporation and SE, a person cannot be a member of the management board and supervisory board at the same time. Since the supervisory board is supposed to oversee the management by the management board, parallel membership of both committees is not possible according to section 105(1) Stock Corporation Act and Article 39(3) SE Regulation. However, the Stock Corporation Act provides an exception in the event that a member of the management board is absent or prevented from attending. In this case, the supervisory board may appoint individual members of the supervisory board as deputies for these management board members. The members appointed in this way may then not perform their duties as members of the supervisory board during this period. The appointment must be for a term limited in advance and not exceeding one year; a repeated appointment or extension of the term is permitted under section 105(2) of the Stock Corporation Act provided that this does not cause the total term to exceed one year.

Article 39(3) SE Regulation also provides for the possibility that a member of the supervisory board is nominated to act as a member of the management body in the event of a vacancy, with the functions of the person concerned as a member of the supervisory body also being suspended during this period. The German legislator has made use of the possibility granted in the Regulation to provide for a time limit and in this respect has taken over the requirements from the Stock Corporation Act in section 15 SEAG. Therefore, there is no difference between Cherry AG and Cherry SE with regard to the incompatibility of the simultaneous membership of the Management Board and Supervisory Board.

The change in legal form will not lead to any changes regarding the incompatibility of the simultaneous membership of the Management Board and Supervisory Board.

4.5.3.9 Internal organisation and voting by the supervisory board

Section 107(1), first sentence Stock Corporation Act states that the supervisory board of a stock corporation has to elect one chairman and at least one deputy chairman. Subject to an alternative provision in the law or the articles of association, under section 108(2), second and third sentences of the Stock Corporation Act the supervisory board has a quorum if at least one half of the

members of which it must be comprised, but at least three supervisory board members, take part in the vote on the resolution. As a rule, resolutions must be passed by a simple majority of the votes cast.

Although the supervisory board of an SE is only required to elect a chairman under Article 42, first sentence SE Regulation, due to the reference in Article 9(1)(c)(ii) SE Regulation, the supervisory board of an SE with its registered office in Germany also has to elect at least one deputy chairman, in line with section 107(1), first sentence Stock Corporation Act. Article 11(1) of the SE Articles provides for the election of one chairman and one deputy chairman.

Under Article 50(1)(a) SE Regulation, unless otherwise provided by the articles of association, the supervisory board of an SE has a quorum if at least half its members are present or represented. Article 50(1)(b) SE Regulation states that, unless otherwise provided by the statutes, a majority of the votes of the members present or represented is required for decision-taking. Based on the principle in Article 50(2) first sentence SE Regulation, the chairman has the casting vote in the event of a tie, this without a second vote being required. Article 14(6) of the SE Articles provides that the Supervisory Board has a quorum if at least half of the members of which it has to consist in total take part in the voting, but at least three supervisory board members. This provision regarding a quorum corresponds to the provision for Cherry AG in Article 13(6) of the AG Articles, meaning that no changes will arise in this respect as a result of the change in legal form. Similarly, resolutions by the Supervisory Board of Cherry SE will also be adopted by simple majority in the future, as has been the case at Cherry AG up to now.

Like at a stock corporation, the supervisory board of an SE can form committees and also assign decision-making powers to them. The supervisory board of a company which is an enterprise of public interest within the meaning of section 316a, second sentence German Commercial Code has to set up an audit committee pursuant to section 107(4), first sentence of the German Stock Corporation Act as amended by the Financial Market Integrity Act. As a publicly traded company pursuant to section 316a, second sentence, no. 1 German Commercial Code in conjunction with section 264d German Commercial Code, Cherry AG falls under this requirement, as does the future Cherry SE. The new rule under section 26k(2) Introductory Act has applied to Cherry AG since 1 January 2022 meaning that there are no changes in this respect for Cherry SE. According to section 107(4), third sentence of the German Stock Corporation Act, the members of the audit committee have to satisfy the requirements of section 100(5) Stock Corporation Act (see also clause 4.5.3.3 above). Pursuant to section 12(6) Introductory Act this requirement applies to Cherry AG only where members of the audit committee are appointed after 1 July 2021. These provisions from stock corporation law will also apply to Cherry SE through the reference in Article 9(1)(c)(ii) SE Regulation. The provisions are applicable to Cherry SE as a result of the new appointment of the supervisory board members, who are then to set up the audit committee and to appoint its members. Cherry AG already

meets the requirements under section 107(4), third sentence and section 100(5) Stock Corporation Act. The requirements can also be met in the future by supervisory members James Burns and Heather Faust/Dino Sawaya, respectively, who are members of the audit committee at Cherry AG and who, subject to the power of the Supervisory Board of Cherry AG to appoint, are also to be appointed as members of the audit committee of Cherry AG. Moreover, it is intended to fill the positions on the audit committee in such a way that at least 50% of the committee members, including the audit committee chairperson, are independent from the Company, Management Board and any shareholders holding significant interests in the Company. Under section 107(4), fourth sentence Stock Corporation Act as revised by the FISG, the members of the audit committee have a special right to information from the heads of the company's key departments responsible for tasks concerning the audit committee. According to section 26k(2) Introductory Act, this rule has been applicable to Cherry AG since 1 January 2022. These provisions from stock corporation law will also apply to Cherry SE through the reference in Article 9(1)(c)(ii) SE Regulation and as a result there will not be any changes at Cherry SE in this respect, either.

Consequently, the change in legal form will generally not lead to any changes regarding the internal organisation of and adoption of resolutions by the Supervisory Board. The revised provisions under the FISG relating to the formation, composition and tasks or rights of the audit committee (whether or not applicable) have already been observed by Cherry AG, meaning that there will not be any changes resulting from this at the future company Cherry SE either.

4.5.3.10 Convening of the Supervisory Board

There are no differences between Cherry AG and Cherry SE with regard to the convening of the Supervisory Board. Since neither the SE Regulation nor the SEAG contain provisions on the convening of this board, the provision in section 110 Stock Corporation Act applicable to stock corporations is to be applied through the reference in Article 9(1)(c)(ii) SE Regulation. Under section 110(1) of the Stock Corporation Act, any member of the supervisory board or management board may request that the chairman of the supervisory board convenes the supervisory board without undue delay, stating the purpose and reasons. If this meeting does not take place within two weeks, the supervisory board member or the management board may convene the board itself. In listed companies, the supervisory board must hold two meetings per calendar half-year in accordance with section 110(3) first sentence Stock Corporation Act. This also applies to SEs.

This means that the change in legal form will not lead to any changes in relation to the convening of the Supervisory Board.

4.5.3.11 Tasks and rights of the Supervisory Board

According to section 111(1) Stock Corporation Act, the primary task of the supervisory board of a stock corporation is to supervise the management board. This corresponds to the description of tasks of the supervisory board of an SE contained in Article 40(1) SE Regulation. Like the supervisory board of a stock corporation, to which pursuant to section 111(4) first sentence Stock Corporation Act measures to be taken by the management may not be transferred, under Article 40(1), second sentence SE Regulation the supervisory body of an SE may not itself exercise the power to manage the SE. In this respect, there is no difference between the two legal forms.

However, in both stock corporations and SEs, certain business transactions may only be conducted with the consent of the supervisory board. In stock corporations, these transactions can be listed in the articles of association pursuant to section 111(4), second sentence Stock Corporation Act, which is, however, not mandatory, as it is also sufficient for the supervisory board to determine such transactions in another place such as the rules of procedure. In this respect, the requirements for the SE are stricter, since according to Article 48(1) first sentence SE Regulation, a list of transactions which require authorisation must be included in the statutes (articles of association). However, pursuant to Article 48(1), second sentence SE Regulation, Member States may provide that in the two-tier system the supervisory body itself may also make certain categories of transactions subject to authorisation. The German legislator has made use of this possibility in section 19 SEAG.

Due to the statutory requirements referred to above, Article 9(1) of the SE Articles contains a list of business transactions by the Management Board that require approval. In addition, Article 9(2) SE Articles provides that the Supervisory Board of Cherry SE may determine further kinds of transactions or measures that require its approval. If the Supervisory Board refuses to give its approval to a measure, the approval may in the judgment of the Management Board be substituted by the General Meeting as specified in more detail in the third to fifth sentences of section 111(4) of the Stock Corporation Act. It is true that neither the SE Regulation nor the SEAG contain a provision corresponding to the third to fifth sentences of section 111(4) of the Stock Corporation Act. However, this follows from the reference in Article 9(1)(c)(ii) SE Regulation.

Due to its comprehensive supervisory function, the supervisory boards in both stock corporations and SEs have far-reaching rights to inspect and audit, so that it is able to comply with its duties to inspect and audit. In the Stock Corporation Act, section 111(2), first sentence Stock Corporation Act expressly provides that the supervisory board may inspect and audit the books and records of the company as well as its assets. Article 41(4) SE Regulation also determines for the SE that the supervisory body may undertake or arrange for any investigations necessary for the performance of its duties. The power of the supervisory board existing under

section 111(3) Stock Corporation Act to convene a general meeting by simple majority where this is required by the company's best interests exists under Article 54(2) SE Regulation, which refers to the corresponding powers at stock corporations, including for SEs with their registered offices in Germany.

Apart from the fact that the inclusion of a list of business transactions requiring approval in the articles of association of Cherry SE is now mandatory, no differences exist between Cherry AG and Cherry SE regarding the tasks and rights of the Supervisory Board.

4.5.3.12 Duties of care and confidentiality

Under section 116, first sentence in conjunction with section 93(1), first sentence Stock Corporation Act, supervisory board members have to exercise the care of a prudent and conscientious member of such a board when carrying out their duties. Under section 116, second sentence Stock Corporation Act, the Supervisory Board members are in particular under an obligation of secrecy regarding any confidential reports they may have received as well as their confidential deliberations. The third sentence of section 116 of the Stock Corporation Act specifically states that they are under an obligation to provide compensation if they have established the payment of management board compensation that is inappropriate. Due to the reference in Article 51 SE Regulation, this liability standard also applies to supervisory board members of SEs with their registered offices in Germany. The obligation of secrecy of the supervisory board members of an SE is explicitly regulated in Article 49 SE Regulation. This states that supervisory board members are under a duty, even after they have ceased to hold office, not to divulge any information which they have concerning the SE the disclosure of which might be prejudicial to the company's interests, except where such disclosure is required or permitted under national law provisions applicable to stock corporations or is in the public interest. Even though the SE Regulation, unlike the Stock Corporation Act, specifically mentions the continuation of the duty of confidentiality beyond the term of office, this does not result in any changes. In German stock corporation law, the continuation of the duty of confidentiality beyond the term of office is generally recognised. Consequently, the duties of care and confidentiality of the Supervisory Board members of Cherry SE correspond to those of the Supervisory Board members of Cherry AG.

As a result, the change in legal form will not lead to any changes regarding duties of care and confidentiality of the Supervisory Board members.

4.5.3.13 Representation of the company in dealings with Management Board members

Like in a German stock corporation, the supervisory board of an SE with its registered office in Germany also represents the company in and out of court in dealings with management board members under section 112 Stock Corporation

Act, which applies through the reference in Article 9(1)(c)(ii) SE Regulation. No differences exist between Cherry AG and Cherry SE in this respect.

As a result, the change in legal form will not lead to any changes in relation to the representation of the company in dealings with Management Board members.

4.5.3.14 Compensation system and compensation of the Supervisory Board members, contracts with Supervisory Board members, loans granted to Supervisory Board members

The provisions of the Stock Corporation Act on the compensation system and the compensation of the supervisory board members, on the contracts with supervisory Board members and on loans granted to supervisory board members pursuant to sections 113 to 115 Stock Corporation Act also apply to SEs with their registered offices in Germany through the reference in Article 9(1)(c)(ii) SE Regulation. Thus the provision on compensation for the Supervisory Board of Cherry SE is set forth in the Articles of Association in the same way as up to now for Cherry AG.

The compensation of the Supervisory Board members of Cherry SE is to be retained as in the current provision in Article 14 of the Articles of Cherry AG. Therefore, the current provision in Article 14 of the AG Articles is to be taken over for the future Cherry SE and was transferred into Article 15 of the SE Articles without any changes.

As a result, no differences to the compensation of the Supervisory Board members will arise between Cherry AG and the future Cherry SE and the change in legal form will consequently not lead to any changes.

4.5.4 General meeting

The provisions in the Stock Corporation Act for the general meetings of German stock corporations essentially apply in the same way to the general meetings of SEs due to the reference in Article 9(1)(c)(ii) SE Regulation. Any differences in the details are outlined below.

4.5.4.1 Rights of the general meeting

Due to the reference in Article 52, first subparagraph of the SE Regulation, the general meeting of an SE with its registered office in Germany has the rights and responsibilities assigned to it by the SE Regulation or the SE Implementation Act. The SE Regulation results among other things in responsibilities of the general meeting for cross-border transfers of the registered office under Article 8(4) and (6) SE Regulation, formation by merger under Article 23(1) SE Regulation, formation of a holding SE under Article 32(6) first sentence SE Regulation, winding-up under Article 63 SE Regulation and conversion of an SE back into a stock corporation as set out in Article 66(6) SE Regulation. In addition, the general

meeting of an SE decides on matters that have been transferred to the general meeting of a German stock corporation by or due to stock corporation rules pursuant to Article 52, second subparagraph SE Regulation. These are in particular the responsibilities listed in section 119(1) Stock Corporation Act, which partly overlap with the responsibilities of the general meeting governed by the SE Regulation. Alongside this, due to the reference in Article 52, second subparagraph SE Regulation, section 119(2) Stock Corporation Act also applies and the management board of an SE can (like that of a German stock corporation) request a decision by the general meeting regarding management measures. Furthermore, sections 120a and 71(1) no. 8 and section 221 Stock Corporation Act result in powers of the general meeting that apply to the SE in the same way as to every German stock corporation.

As a result, the General Meeting of Cherry SE has additional powers that are specifically regulated for SEs in the SE Regulation. But apart from this, the rights of the General Meeting of Cherry SE correspond to those of the General Meeting of Cherry AG.

4.5.4.2 Convening of the general meeting

The same rules under stock corporation law apply in relation to convening of the general meeting at a stock corporation and at an SE due to the reference in Article 54(2) SE Regulation, i.e. the general meeting is obliged under section 121(1) Stock Corporation Act to convene a general meeting by simple majority in the cases defined by law or in the statutes and where this is required by the company's best interests. In the latter case, section 111(3) first sentence Stock Corporation Act provides that the supervisory board also has to call a general meeting.

The only difference is that the General Meeting of Cherry SE must be convened in such a way that it can be held in the first six months of the financial year pursuant to Article 54(1) SE Regulation, whereas in the case of Cherry AG, it must be held in the first eight months pursuant to section 175(1), second sentence Stock Corporation Act and Article 15(1) of the AG Articles.

4.5.4.3 Rights of minority shareholders

According to section 122(1) Stock Corporation Act, the general meeting has to be convened at a German stock corporation whenever shareholders whose shares in the aggregate are at least equivalent to one twentieth of the registered share capital request this, doing so in writing and citing the purpose and reasons. In the same way, according to section 122(2) Stock Corporation Act shareholders whose shares in the aggregate are at least equivalent to one twentieth of the share capital or to a stake of EUR 500,000.00 may request that items of business be set out in the agenda for resolution and be published by notice. If the request is not complied with, section 122(3) first sentence Stock Corporation Act states that the

court may grant authority to the shareholders who have made the request to convene the general meeting or to publish by notice the item of business.

Article 55 SE Regulation and section 50 SEAG contain a rule for SEs with similar contents. There are differences in the details, e.g. with regard to the period of two months to comply with the request pursuant to Article 55(3) SE Regulation; furthermore, in contrast to the stock corporation provisions in section 122(1), third and fourth sentences and (2) and first sentence Stock Corporation Act, a holding period prior to the filing of the request for the convening of a general meeting or the amendment of the agenda is not a prerequisite for a request in the case of an SE; the provisions applicable to the SE are thus more shareholder-friendly.

However, overall the change in legal form will not lead to any material changes regarding the rights of minority shareholders.

4.5.4.4 Organisation and conduct of the general meeting

Regarding the organisation and conduct of the general meeting of an SE, Article 53 SE Regulation refers to the law applicable to stock corporations in the Member State in which the SE's registered office is situated.

Consequently, the rules currently applicable to the Cherry AG will apply, and the change in legal form to Cherry SE will essentially not lead to any changes to the organisation or conduct of the General Meeting.

4.5.4.5 Rights of shareholders to request information, speak and ask questions

In general meetings of a German stock corporation, the management board is required to inform each shareholder at the general meeting upon request about matters pertaining to the company where this is required in order to properly assess the item set out in the agenda pursuant to section 131(1) first sentence Stock Corporation Act. The same also applies to the general meeting of an SE due to the general reference in Article 9(1)(c)(ii) SE Regulation.

As a result, the change in legal form of Cherry AG to Cherry SE will not lead to any changes in relation to the rights of shareholders to request information, speak and ask questions in the General Meeting.

4.5.4.6 Ordinary resolutions (i.e. those not amending the articles of association) of the general meeting

According to section 133(1) Stock Corporation Act, a majority of the votes cast is required for resolutions by the general meeting of a stock corporation established under German law (simple majority of votes), unless the law or the articles of association stipulate a higher majority or impose further requirements. Article 20 of the AG Articles does not contain any deviations in this respect and specifies that

in cases where the provisions of the Stock Corporation Act require a majority of the registered share capital (apart from section 129(1) first sentence Stock Corporation Act also section 179(2), first sentence, section 182(1) first sentence and sections 186(3) and 293(1), second sentence Stock Corporation Act, etc.) resolutions be passed by a simple majority of the share capital.

According to Article 57 SE Regulation, in the general meeting of an SE, simple resolutions are passed by a majority of votes validly cast, save where the SE Regulation or, failing that, the law applicable to stock corporations in the Member State in which an SE's registered office is situated requires a larger majority. In the opinion of the Management Board, the provisions of the Stock Corporation Act requiring a majority of the registered share capital have to be applied in such a way at the SE that the corresponding majority of votes is required and necessary (see clause 4.5.4.7 below). For German listed SEs, this is of no practical relevance, since there are no multiple voting shares, meaning that the majority of the registered share capital always corresponds to the majority of votes. Just like in the AG Articles, the first sentences of Article 21 of the SE Articles provides that resolutions of the General Meeting are adopted by a simple majority of votes and, if a majority of the registered share capital is required, by a simple majority of the capital, unless otherwise required by mandatory law or by the articles of association.

Consequently, the change in legal form of Cherry AG into an SE will not lead to any objective changes to the principle of a simple majority of votes for non-statute-changing resolutions by the General Meeting applying to the Cherry AG under section 133 Stock Corporation Act. This also applies at Cherry SE in the situations for which the Stock Corporation Act or the Reorganisation Act stipulate further requirements for resolutions, namely a majority of at least three quarters of the registered share capital represented at the time the resolution is adopted, which cannot be reduced by the statutes, meaning that the change in legal form into an SE will not lead to any changes in this respect, either.

4.5.4.7 Resolutions changing the articles of association and other qualified resolutions of the general meeting

According to sections 179(2) and 133(1) Stock Corporation Act, a majority of the registered share capital of at least three quarters of the registered share capital represented at the time the resolution is adopted and a simple majority of the votes cast are required for resolutions changing the articles of association of stock corporations established under German law. section 179(2), second sentence Stock Corporation Act states that the articles of association may stipulate a different majority of capital, but that this may only be a higher majority if the matter involves a change to the company's objects. If the change to the articles of association involves an exclusion of the shareholders' subscription rights during capital increases or authorises the management board to exclude their rights, namely in the case of authorised capital, in addition to a simple majority of votes,

a majority of at least three quarters of the registered share capital represented at the time of voting stipulated in section 186(3) Stock Corporation Act is required. There are also mandatory three-quarter majorities of the registered share capital during the approval of the general meeting of a stock corporation to reorganisation measures or intercompany agreements. The first sentence of Article 20 of the AG Articles currently provides that resolutions of the General Meeting are adopted by a simple majority of votes and, if a majority of the registered share capital is required, by a simple majority of the capital, unless otherwise prescribed by law or the articles of association.

According to Article 59(1) SE Regulation, the amendment of an SE's articles of association requires a decision by the general meeting taken by a majority which may not be less than two thirds of the votes cast, unless the law applicable to stock corporations in the Member State in which an SE's registered office is situated requires or permits a larger majority. However, under Article 59(2) SE Regulation, a Member State may provide that where at least half of an SE's subscribed capital is represented, a simple majority of the votes referred to in paragraph 1 will suffice. The German legislator has made use of this authorisation. Pursuant to section 51 first sentence SEAG, the articles of association may stipulate that a simple majority of the votes cast is sufficient for a resolution of the general meeting regarding an amendment to the articles of association, provided that at least half of the registered share capital is represented. However, this does not apply to changes to the company's objects, resolutions on the transfer of the registered office pursuant to Article 8(6) SE Regulation, and cases for which a higher capital majority is mandatory under German law (section 51, second sentence SEAG). Consequently, under section 21, second sentence of the SE Articles, a majority of two thirds of the votes cast or, if at least half of the registered share capital is represented, a simple majority of the votes cast is required for amendments to the articles of association, unless a higher majority is required by mandatory law or by the articles of association.

4.5.4.8 Reviews of the legality of resolutions

The SE Regulation and the SEAG do not contain any provisions on contesting resolutions or examinations of the substantive legality of resolutions. This means that the provisions of the Stock Corporation Act regarding the possibilities to set aside resolutions by the general meetings or have them declared void under sections 241 onwards Stock Corporation Act also apply unaltered to Cherry SE through the general reference in Article 9(1)(c)(ii) SE Regulation.

As a result, the change in legal form of Cherry AG to Cherry SE will not lead to any changes in relation to setting aside and reviewing resolutions by the General Meeting.

4.5.4.9 Claims for compensation against company bodies, shareholder actions

The provisions under section 147 onwards Stock Corporation Act regarding filing of claims for compensation and shareholder actions will apply in the same way to Cherry SE due to the reference in Article 9(1)(c)(ii) SE Regulation.

As a result, the change in legal form of Cherry AG to Cherry SE will not lead to any changes in relation to filing of claims for compensation and shareholder actions.

4.6 Accounting

In relation to accounting and auditing and other arrangements concerning the annual financial statements and management report as well as the consolidated financial statements and combined management report, the provisions relevant to stock corporations established under German law will apply at Cherry SE pursuant to Article 61 SE Regulation. Otherwise, the provisions of the Stock Corporation Act and the German Commercial Code apply through Article 9(1)(c)(ii) and Article 52, second subparagraph SE Regulation.

As a result, the change in legal form of Cherry AG to Cherry SE will not lead to any changes in relation to accounting and auditing.

4.7 Measures for raising and reducing capital

Due to the reference in Article 9(1)(c)(ii) SE Regulation, the rules under stock corporation law apply to the SE in relation to measures for raising and reducing capital.

As a result, the change in legal form of Cherry AG to Cherry SE will not lead to any changes in relation to measures for raising and reducing capital.

4.8 Group law

The provisions in the Stock Corporation Act relating to company groups apply to SEs with their registered offices in Germany in the same way as to stock corporations established under German law. This applies both for SEs as controlling undertakings and to SEs as dependent undertakings, and especially to intercompany agreements, de facto inclusion in the company group and exclusions of minority shareholders in return for a cash settlement.

As a result, the change in legal form of Cherry AG to Cherry SE will not lead to any changes in relation to group law.

4.9 Winding-up and voidance of the corporation

According to Article 63 SE Regulation, as regards winding up, liquidation, insolvency, cessation of payments and similar procedures, an SE is governed by the legal provisions that would apply to a stock corporation formed in accordance

with the law of the Member State in which its registered office is situated. Thus the change in legal form of Cherry AG to SE will not lead to any changes in this respect. However, a cross-border transfer of the registered office to another Member State would not lead to the company being wound up (see clause 4.2.4 above).

5. PERFORMANCE AND PROCEDURAL STEPS FOR THE CHANGE IN LEGAL FORM

It is set out below how the change in legal form of Cherry AG to Cherry SE will be performed. The change in legal form requires that the company's general meeting gives its consent to this measure on the basis of the Draft Terms of Conversion and approves the SE Articles. The change in legal form will become effective when it is entered in the commercial register of the court responsible for the Company, Munich Local Court.

5.1 Preparation of the Draft Terms of Conversion

According to Article 37(4) SE Regulation, the Management Board of Cherry AG has to draw up Draft Terms of Conversion. The Draft Terms of Conversion including the draft SE Articles for the future Cherry SE were recorded on 8 April 2022 in notarised form (Deed Roll No. H 1549/2022 of notary Sebastian Herrler in Munich). Article 37(4) SE Regulation does not contain any specific requirements relating to the contents of the Draft Terms of Conversion, and the SEAG does not set forth any minimum contents. Therefore, the Management Board of Cherry AG oriented itself to the requirements in Article 20 SE Regulation for merger plans when forming an SE by merger, to the extent that these requirements do not relate specifically to mergers and also appear appropriate in connection with the formation of an SE by change in legal form. In addition, the Management Board of Cherry AG took into account the requirements for a resolution regarding a change in legal form according to section 193 onwards Reorganisation Act to the extent that this seems appropriate.

The Draft Terms of Conversion and the SE Articles attached as annex thereto will be available together with other documents from the time of convening of the General Meeting of Cherry AG that is to resolve on the change in legal form at the business premises of Cherry AG, Einsteinstrasse 174, c/o Design Offices Bogenhausen, 81677 Munich, Germany and will be available on the Company's website at

https://ir.cherry.de/de/home/annual-general-meeting/.

The Supervisory Board of Cherry AG approved and resolved the change in legal form and the Draft Terms of Conversion drawn up by the Management Board by resolution of 20 April 2022 and resolved to propose also on the part of the Supervisory Board that the Annual General Meeting of Cherry AG on 8 June 2022 approves the Draft Terms of Conversion. The Draft Terms of Conversion are explained in clause 6.1 below.

5.2 Conversion Report

The management board of a stock corporation that is to be converted to an SE is required under Article 37(4) SE Regulation to draw up a report explaining and justifying the legal and economic aspects of the conversion and indicating the implications for the shareholders and for the employees of the adoption of the legal form of an SE.

To meet this obligation, the Management Board of Cherry AG has drawn up this Conversion Report. It serves in particular as information for the shareholders of Cherry AG for the resolutions to be passed by the Annual General Meeting of Cherry AG on 8 June 2022 about the change in legal form. Like the Draft Terms of Conversion, the Conversion Report will be available from the time of convening of the General Meeting of Cherry AG that is to resolve on the change in legal form at the business premises of Cherry AG, Einsteinstrasse 174, c/o Design Offices Bogenhausen, 81677 Munich, Germany and will be available on the Company's website at

https://ir.cherry.de/de/home/annual-general-meeting.

5.3 Capital coverage certificate

According to Article 37(6) SE Regulation, before the general meeting resolving on approval of the change in legal form of Cherry AG and the SE Articles, one or more independent experts have to certify that the company has net assets at least equivalent to its capital plus those reserves which must not be distributed under the law or the articles of association. These experts, referred to as Conversion Auditors in this Conversion Report, are to be appointed by the court responsible for Cherry AG under Article 37(6) SE Regulation in conjunction with section 10 Reorganisation Act. Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft, Graf-Adolf-Platz 15, 40213 Düsseldorf were appointed as Conversion Auditors by resolution of the competent court Munich Regional Court I (*Landgericht Munich I*) of 3 February 2022. The Conversion Auditors carried out their audit and issued a certificate with the following finding on 25 April 2022:

> *"According to the final results of our dutiful audit in accordance with Article 37(6) SE Regulation based on the documents presented to us and the information and evidence given, using as a basis the observations and methodology describes in this report, we confirm that Cherry AG, Munich, has net assets at least equivalent to its capital plus those reserves which must not be distributed under law or under the statutes."*

This certificate will be available from the time of convening of the General Meeting of Cherry AG that is to resolve on the change in legal form on the Company's website at

https://ir.cherry.de/de/home/annual-general-meeting/.

On the basis of the prevailing opinion, which is shared by the Management Board of Cherry AG, an additional formation audit by external formation auditors is not required in addition to the conversion audit by the Conversion Auditors in accordance with the provisions of stock corporation law regarding formation, in particular section 33(2) Stock Corporation Act. Apart from the certificate issued by the Conversion Auditors pursuant to Article 37(6) SE Regulation, there is neither a need nor a legal basis for such an audit, since Article 37(6) SE Regulation contains a special provision for this purpose. According to the prevailing opinion, which is shared by the Management Board of Cherry AG, a formation report pursuant to section 32 Stock Corporation Act is also not required. This finding can also be inferred from the legal concept expressed in section 75(2) Reorganisation Act and section 245(4) Reorganisation Act. These state that a formation audit and formation report are not required if the original legal entity itself was already subject to correspondingly strict formation regulations. These conditions are met, because the above regulations were observed and their requirements were fulfilled during the formation of Cherry AG by way of a change in legal form pursuant to the Reorganisation Act. The Management Board of Cherry AG also shares the widely held view that an internal formation audit on the course of the formation by way of a change in legal form and a corresponding audit report pursuant to Article 15(1) SE Regulation in conjunction with section 33(1) Stock Corporation Act is not required. In consultation with the competent registry court an internal formation audit by the members of the Management Board and Supervisory Board will not be carried out.

5.4 Publication

Article 37(5) SE Regulation states that the draft terms of conversion have to be publicised at least one month before the general meeting called upon to decide thereon. The draft terms of conversion are publicised by submitting them to the commercial register of the court responsible for the Company, the Munich Local Court, for the purpose of publication and by a notice by the registry court. The prevailing opinion held in the legal literature is that this publication requirement does not apply to the conversion report. In consultation with the competent registry court, only the Draft Terms of Conversion will be submitted for publication.

The Management Board will therefore submit the Draft Terms of Conversion to the commercial register of the court responsible for the company, Munich Local Court, for the purpose of publication in due time to meet the above one-month deadline.

5.5 Annual General Meeting of Cherry AG

According to Article 37(7) SE Regulation, the General Meeting of Cherry AG is required to approve the Draft Terms of Conversion together with the articles of association. Therefore, the Management Board and the Supervisory Board of

Cherry AG will present the Draft Terms of Conversion together with the SE Articles to the Annual General Meeting of Cherry AG on 8 June 2022 under agenda item 9 for resolution. According to section 133(1) Stock Corporation Act in conjunction with Article 20 of the AG Articles, this resolution requires a simple majority of the votes cast, and according to Article 37(7) SE Regulation in conjunction with section 65(1), first sentence Reorganisation Act, a capital majority comprising at least three quarters of the registered share capital represented at the time of voting.

In the context of the resolution on the Draft Terms of Conversion, the General Meeting will also appoint the auditor of the financial statements and consolidated financial statements for the first financial year of Cherry SE as well as the auditor for a possible audit review of the interim financial reports up to the Annual General Meeting in the financial year following the first financial year. The Supervisory Board proposes to the Annual General Meeting that Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft, with its registered office in Stuttgart, Essen branch, be appointed for this purpose.

It is intended that the General Meeting resolving on the approval of the change in legal form of Cherry AG into Cherry SE will also elect the members of the first Supervisory Board of Cherry SE. (see also clause 5.8.2). These elections are intended to be resolved on under agenda item 10 of the invitation to the general meeting on 8 June 2022.

5.6 Procedure for employee involvement

In connection with the change in legal form of Cherry AG into an SE, Article 12(2) SE Regulation states that a procedure for employee involvement in the future Cherry SE is conducted in line with the provisions of the SEBG. According to section 13(1) SEBG, the aim is essentially to enter into an involvement agreement. The purpose of the involvement agreement is mainly to govern the procedure for informing and consulting the employees by setting up an SE works council or by another procedure or procedures for informing and consulting employees pursuant to section 21(1) and (2) SEBG. In the event that the parties enter into an involvement agreement on co-determination, its contents have to be determined in accordance with section 21(3) SEBG. Since the creation of an SE by way of a change in legal form is involved, pursuant to section 21(6) SEBG an involvement agreement must ensure that all elements of employee involvement have at least the same scope as the employee involvement existing at Cherry AG.

Under Article 12(4) SE Regulation, the SE Articles must not conflict with the Involvement Agreement at any time. If such a conflict should arise, the SE Articles would have to be adjusted by a resolution of the general meeting.

According to section 4(1), first sentence and (2) sentences 1 and 2 SEBG, the procedure for negotiating the conclusion of the involvement agreement begins at

the time the employee representatives and representative committees of executive employees or the employees in the company to be converted and the affected subsidiaries and business operations in the Member States are informed about the conversion plans and a written request is made to form a special negotiation committee. According to section 4(2), third sentence SEBG, the parties must be informed unsolicited and without undue delay after the draft terms of conversion are published. The Management Board sent the required information to the employee representatives and representative committees of executive employees at Cherry AG (referred to briefly below for reasons of linguistic simplification as "**Employee Representatives**") in accordance with the statutory requirements on 18 January 2022.

The employee involvement procedure at the SE has not yet been completed at the time of submission of this Conversion Report. This means that only the negotiation procedure and the possible results of the procedure can be presented in this Conversion Report before the procedure is complete. The details of these are described in clause 6.1.9 in the explanation of the Draft Terms of Conversion.

5.7 Entry of the change in legal form in the commercial register

If the General Meeting of Cherry AG approves the Draft Terms of Conversion and the SE Articles, the Management Board of Cherry AG will apply for the change in legal form to be registered with the commercial register of the court responsible for the company, Munich Local Court. Upon entry in the commercial register, the change in legal form of Cherry AG to an SE will become effective.

One part of the registration is a declaration pursuant to section 15(1) SE Regulation in conjunction with sections 198(3) and 16(2) Reorganisation Act that no legal action has been filed against the validity of the conversion resolution or has not been filed in time or that such a legal action was rejected with final and binding effect or was withdrawn. If such a negative declaration has not been provided, the change in legal form may not be entered in the commercial register (a "registration ban").

If a legal action is brought against the conversion resolution by the General Meeting of Cherry AG, a clearance procedure can be conducted pursuant to Article 15(1) SE Regulation and sections 198(3) and 16(3) Reorganisation Act. In such proceedings, the registration ban can be overcome upon application by the Company pursuant to section 16(3), third sentence Reorganisation Act, if (i) the action is impermissible or manifestly unfounded, or (ii) the plaintiff has failed to provide evidence by submitting documents, within one (1) week of having served the petition, that he/she has held a pro-rated amount of at least EUR 1,000.00 since the notice convening the general meeting was published, or (iii) the prompt entry into force of the merger appears to take precedence because the court holds, in its sole and absolute discretion, that the significant disadvantages for the Company and its shareholders as presented by the petitioner outweigh the

disadvantages the respondent stands to suffer, unless the violation of the law is particularly serious.

Cherry SE may only be registered in the commercial register once the employee involvement procedure has been completed (for details of this see section 9 of the Draft Terms of Conversion and the explanation of these under clause 6.1.9 below). Under Article 12(2) SE Regulation this is the case if (i) an involvement agreement has been concluded, or (ii) a decision by the SNB has been taken not to start negotiations or to break off the started negotiations, or (iii) the period for negotiations of the involvement agreement has expired without an agreement having been concluded.

Provided that all registration requirements are met, the competent registration court will enter the change in legal form in the commercial register. Upon registration, the SE will acquire its legal personality pursuant to Article 16(1) SE Regulation. Cherry AG will not cease to exist but will merely change its legal form.

Under Article 15(2) in conjunction with Article 13 SE Regulation, the registration of the change in legal form will be published in the Common register portal of the German federal states (*Gemeinsames Registerportal der Länder*) (www.handelsregisterbekanntmachungen.de). In addition, the registration will be published in the Official Journal of the European Union for information purposes pursuant to Article 14 SE Regulation.

5.8 Appointment of the Management Board and Supervisory Board

5.8.1 Appointment of the Management Board of Cherry SE

Once the change in legal form becomes effective, the terms of office of the current Management Board members of Cherry AG will end. Article 39(2) SE Regulation states that the Management Board members of Cherry SE are to be appointed by the supervisory body, i.e. the Supervisory Board of Cherry SE. Before the change in legal form is applied for registration, the Supervisory Board of Cherry SE will appoint the Management Board members by resolution. Under Article 15(1) SE Regulation in conjunction with section 246(2) Reorganisation Act, the Management Board members are to be registered with the commercial register together with the change in legal form. Irrespective of the decision-making power of the future Supervisory Board of Cherry SE, it is to be assumed that the current Management Board members of Cherry AG will be appointed as members of Cherry SE. These are the chairman of the Management Board Rolf Unterberger and the other Management Board members Bernd Wagner and Udo Streller.

5.8.2 Appointment of the Supervisory Board

The Supervisory Board of Cherry SE will have seven (7) members (like the Supervisory Board of Cherry AG), who are all representatives of the shareholders. It is intended that the general meeting of Cherry AG resolving on approval of the

change in legal form to an SE on 8 June 2022 will elect the current Supervisory Board members of Cherry AG, being

a) James Burns,

b) Joachim Coers,

c) Heather Faust,

d) Steven M. Greenberg,

e) Tariq Osman,

f) Dino Sawaya and

g) Marcel Stolk

as members of the first Supervisory Board of Cherry SE. The terms of the members of the first Supervisory Board of Cherry SE will already end when the General Meeting resolving on formal approval of the supervisory board members for the first financial year of Cherry SE is closed.

Thus, the current members of the Supervisory Board of Cherry AG, James Burns, Joachim Coers, Heather Faust, Steven M. Greenberg, Tariq Osman, Dino Sawaya and Marcel Stolk are to be elected as members of the first Supervisory Board of Cherry SE.

6. EXPLANATION OF THE DRAFT TERMS OF CONVERSION AND THE SE ARTICLES

6.1 Explanation of the Draft Terms of Conversion

6.1.1 The conversion of Cherry AG into Cherry SE – clause 1 of the Draft Terms of Conversion

Clause 1.1 of the Draft Terms of Conversion specifies the procedure of converting Cherry AG into the legal form of a European company (*Societas Europaea,* SE) pursuant to Article 2(4), Article 37 SE Regulation. The requirements for this have been fulfilled. This is because Cherry AG has with CHERRY S.À.R.L., a limited liability company (*société à responsabilité limitée*)) under the laws of France, registered in the commercial register of Paris (*Registre du commerce et des sociétés Paris*) under no. 325 868 438, with its registered business address at 52 Boulevard de Sébastopol, 75003 Paris, France (hereinafter "**Cherry S.à.r.l.**"), had a subsidiary in another Member State for more than two years. All shares in Cherry S.à.r.l. have been held by Cherry Europe GmbH, with its registered office in Auerbach and registered in the Commercial Register of Amberg Local Court under HRB 5729 (hereinafter "**Cherry Europe GmbH**""), since 1 January 2016. All shares in Cherry Europe GmbH were held directly by Cherry Holding GmbH, with its registered office in Auerbach and registered in the Commercial Register of Amberg Local

Court under HRB 5974 (initially under the company name GENUI Fünfte Beteiligungsgesellschaft mbH; hereinafter "**Cherry Holding**") from 14 November 2016. Cherry Holding was merged as a transferring entity into the later Cherry AG (at this time still in its previous legal form of a German limited liability company (GmbH) acting under the company name Cherry Holding GmbH, and previously Cherry AcquiCo GmbH) when the merger became effective on 19 April 2021, which therefore holds all the shares in Cherry Europe GmbH as its sole shareholder. Cherry AG thus indirectly holds 100% of the capital and voting rights of Cherry S.à.r.l. and thus exercises a controlling influence over Cherry S.à.r.l. Thus, Cherry AG meets the requirements of Article 2(4) SE Regulation for a conversion into the legal form of an SE pursuant to Article 37 SE Regulation.

It is clarified in clause 1.2 of the Draft Terms of Conversion that the conversion into the legal form of an SE pursuant to Article 37(2) SE Regulation does not result either in the winding-up on the Company or in the creation of a new legal person. It is also explained that Cherry AG will continue to exist in the legal form of an SE and, since the legal entity will be identical, no transfer of assets takes place.

In this respect, clause 1.3 of the Draft Terms of Conversion clarifies that the shareholders' holdings in Cherry AG will continue unchanged in the SE and the change in legal form will not have any effect on the stock exchange listing of Cherry AG and the trading of the shares on the stock exchange as well as on the existing inclusion of the shares in stock exchange indices. It is also pointed out that shareholders who object to the change in legal form will not be offered any cash compensation because such an offer is not provided for by law.

It is explained in clause 1.4 of the Draft Terms of Conversion that Cherry SE will, like Cherry AG, have a two-tier management system, consisting of a management board and a supervisory board.

Finally, it is stated in clause 1.5 that pursuant to Article 16(1) SE Regulation, the change in legal form takes effect upon registration in the Commercial Register of Munich Local Court, which has jurisdiction for the Company and this date is defined as the *Conversion Date*.

Pursuant to Article 12(2) SE Regulation, Cherry SE may not be registered in the commercial register until the employee involvement procedure has been completed (see the explanation on this in clause 5.6 above and in clause 6.1.9 below).

6.1.2 Company name, registered office, registered share capital and shareholder structure of Cherry SE – clause 2 of the Draft Terms of Conversion

In clause 2.1 of the Draft Terms of Conversion, the business name of Cherry SE is determined. The business name of the SE is "Cherry SE". The business name has to be changed because, pursuant to Article 11(1) SE Regulation, the name of an SE

has to be preceded or followed by the abbreviation SE. The company name will not be changed beyond this.

Pursuant to clause 2.2 of the Draft Terms of Conversion, the registered office of Cherry SE will continue to be Munich, Germany. It is also clarified that the head office of Cherry SE will also continue to be located in Munich, Germany, and the business address of Cherry SE will continue to be Einsteinstrasse 174, c/o Design Offices Bogenhausen, 81677 Munich.

In clause 2.3 of the Draft Terms of Conversion, the registered share capital of Cherry SE is stated. Due to the identity-preserving character of the change in legal form, the entire registered share capital of Cherry AG will become the registered share capital of Cherry SE in the amount existing on the Conversion Date and in the division into no-par value bearer shares existing on the Conversion Date. At the time of the preparation of this Conversion Report, Cherry AG has a registered share capital of EUR 24,300,000.00, which is divided into 24,300,000 no-par value bearer shares.

Clause 2.4 of the Draft Terms of Conversion explains that the persons and companies that are shareholders of Cherry AG on the Conversion Date will become shareholders of Cherry SE as a result of the change of the legal form, namely to the same extent and with the same number of no-par value bearer shares in the share capital of Cherry SE as they hold in the share capital of Cherry AG on the Conversion Date. The notional share of each no-par value share in the share capital (EUR 1.00 at the time this Conversion Report is presented) will remain as it exists directly on the Conversion Date.

In clause 2.5 of the Draft Terms of Conversion, it is clarified that the shares of Cherry AG recorded in global share certificates will be replaced by global share certificates in the name of Cherry SE after the change in form becomes effective.

6.1.3 Articles of Association and capital of Cherry SE – clause 3 of the Draft Terms of Conversion

Clause 3.1 of the Draft Terms of Conversion clarifies that Cherry SE is to receive the Articles of Association that are attached to the Draft Terms of Conversion as an Annex, which form a constituent part of the Draft Terms of Conversion (defined as “SE Articles” in this Conversion Report and referred to as such hereinafter). It is also clarified in this section that in the event of any discrepancy or contradiction between the English version and the German version of the SE Articles, the German version will prevail over the English version.

In clause 3.2 of the Draft Terms of Conversion, it is explained that the amount of registered share capital and the division of the registered share capital of Cherry SE into no-par value shares pursuant to Article 4(1) and Article 4(2) of the SE Articles corresponds to the amount of registered share capital and the division of the registered share capital of the Cherry AG into no-par value shares pursuant to

Article 4(1) and Article 4(2) of the AG Articles. The situation on the Conversion Date is decisive in this context.

The determinations regarding the authorised and conditional capital existing at Cherry AG are contained in clause 3.3 and clause 3.4 of the Draft Terms of Conversion. See the explanations in clause 4.2.3 above; the definitions used in this Conversion Report are retained.

Clause 3.3 of the Draft Terms of Conversion states that the existing Authorised Capital of Cherry AG existing pursuant to Article 4(3) of the AG Articles (registered in the commercial register as Authorised Capital 2021/I) is to continue to exist and will therefore become the Authorised Capital 2021/I of Cherry SE in the amount existing on the Conversion Date by virtue of Article 4(3) of the SE Articles.

According to clause 3.4, this also applies to the Conditional Capital of Cherry AG existing pursuant to Article 4(4) of the AG Articles (registered in the commercial register as Conditional Capital 2021/I). The Conditional Capital in the amount existing on the Conversion Date will become the Conditional Capital 2021/I of Cherry SE by virtue of Article 4(4) of the SE Articles.

For the continued existence and transfer of the capital of Cherry AG to Cherry SE by means of corresponding provisions in the SE Articles, the amount of such capital directly on the Conversion Date is decisive in each case. It is therefore clarified in clause 3.5 of the Draft Terms of Conversion that any and all changes prior to the Conversion Date regarding the amount and division of the registered share capital of Cherry AG or the existing authorised capital or the existing conditional capital based on prior utilisations thereof also apply to Cherry SE.

In order to be able to make any amendments to the SE Articles with regard to the registered share capital or the authorised or conditional capital, clause 3.6 of the Draft Terms of Conversion contains an express authorisation of the Supervisory Board of Cherry AG, and alternatively the Supervisory Board of Cherry SE. This provision contains an authorisation and at the same time an instruction to make any amendments to the version of the SE Articles that are necessary so that the capital ratios of Cherry AG set out in Article 4 of the AG Articles immediately prior to the Conversion Date are accurately reflected in Article 4 of the SE Articles for Cherry SE. Any amendments are to be made prior to the application of Cherry SE for registration in the commercial register of the competent local court, Munich Local Court, because the registry court makes the registration of Cherry SE dependent on this. It is therefore ensured that the SE Articles submitted for registration in the commercial register can take into account the continuity of the capital.

6.1.4 Continued validity of resolutions of the General Meeting of Cherry AG – clause 4 of the Draft Terms of Conversion

Clause 4 of the Draft Terms of Conversions makes determinations on the fact that the resolutions already adopted by the General Meeting of Cherry AG also continue to apply unchanged at Cherry SE in accordance with the principle of continuity to the extent that they have not yet been implemented on the Conversion Date. See in this respect the explanations in clause 2.5.2.3 above; the definitions used in this Conversion Report are retained.

According to clause 4.1 of the Draft Terms of Conversion, the continued validity of the Bond Authorisation is determined by which the extraAnnual General Meeting of Cherry AG of 23 June 2021 (Deed Roll No. H2719/21 of the notary Sebastian Herrler, Munich) authorised the Management Board under agenda item 2(a) to issue Bonds in a total nominal amount of up to EUR 400,000,000.00 with the possibility to exclude subscription rights. The Bond Authorisation is valid until 22 June 2026 and it is explained that the Bond Authorisation, provided that the conversion of Cherry AG into the legal form of an SE has taken place by this date, will continue to also apply to the Management Board of Cherry SE. It is also again pointed out that the Conditional Capital created to service claims arising from the Bonds issued under the Bond Authorisation will also become the Conditional Capital 2021/I of Cherry SE in the amount existing on the Conversion Date by virtue of Article 4(4) of the SE Articles.

In clause 4.2 of the Draft Terms of Conversion it is explained that the Authorisation Resolution passed by the extraordinary general meeting of Cherry AG on 23 June 2021 (Deed Roll No. H 2719/21 of the notary Sebastian Herrler, Munich) under agenda item 3 regarding the acquisition and use of treasury shares pursuant to section 71(1) no. 8 German Stock Corporation Act will apply to the Management Board of Cherry AG until 22 June 2026 and thus, provided that the conversion of Cherry AG into the legal form of an SE has taken place by this date, the Authorisation Resolution will also continue to apply to the Management Board of Cherry SE to the extent that it exists on the Conversion Date and has not been utilised.

Finally, it is clarified in clause 4.3 of the Draft Terms of Conversion that all other resolutions of the General Meeting of Cherry AG continue to apply unchanged at Cherry SE, to the extent that they have not yet been implemented on the Conversion Date.

6.1.5 Corporate bodies of Cherry SE, two-tier system – clause 5 of the Draft Terms of Conversion

Clause 5 of the Draft Terms of Conversion contains provisions to the effect that Cherry SE will have a two-tier management system in accordance with Article 6(2) of the SE Articles, just as Cherry AG has had until now. The corporate bodies of

Cherry SE will thus continue to be the Management Board, the Supervisory Board and the General Meeting.

6.1.6 Management Board – clause 6 of the Draft Terms of Conversion

Clause 6 of the Draft Terms of Conversion stipulates that the Management Board of Cherry SE will continue to consist of one or several persons pursuant to Article 7(1) of the SE Articles. As was previously the case at Cherry AG, the Supervisory Board determines the specific number of members of the Management Board of Cherry SE.

It is also pointed out that, notwithstanding the decision-making competence of the future Supervisory Board of Cherry SE pursuant to Article 39(2) SE Regulation, it is to be assumed that the current members of the Management Board of Cherry AG will be appointed as members of the Management Board of Cherry SE. These are Rolf Unterberger as Chairman of the Management Board and Bernd Wagner and Udo Streller and further members of the Management Board.

6.1.7 Supervisory Board – clause 7 of the Draft Terms of Conversion

Clause 7 of the Draft Terms of Conversion contains details on the Supervisory Board of Cherry SE.

Clause 7.1 stipulates that the offices of the elected members of the Supervisory Board of Cherry AG end when the change in the legal form takes effect on the Conversion Date.

It is explained in clause 7.2 that pursuant to Article 10(1) of the SE Articles, the Supervisory Board of Cherry SE will consist of seven (7) members, i.e. as at Cherry AG. It is also clarified that all members will continue to be representatives of the shareholders pursuant to the second half of the first sentence of section 96(1) of the Stock Corporation Act and as to date elected by the General Meeting pursuant to the first sentence of section 101(1) of the Stock Corporation Act.

It is also stated in clause 7.3 of the Draft Terms of Conversion that the members of the Supervisory Board of Cherry SE are, unless otherwise specified at the time of their election, appointed until the end of the General Meeting that adopts a resolution on the formal approval of the acts of the supervisory board members for the fourth financial year following the commencement of their term of office, however, for no more than six (6) years. It is also explained that the financial year in which the term of office begins is not included in this calculation and that re-elections are permissible. The term of office of the members of the Supervisory Board of Cherry SE is thus to the same as the previous term of office of the members of the Supervisory Board of Cherry AG (see already the explanations in clause 4.5.3.5). Finally, it is clarified that the members of the first Supervisory Board of Cherry SE are to be appointed for a term of office that ends at the end of

the General Meeting that adopts a resolution on the formal approval of the acts of the supervisory board members for the first financial year of Cherry SE.

It is explained in clause 7.4 of the Draft Terms of Conversion that the members of the first Supervisory Board of Cherry SE are elected by the General Meeting on 8 June 2022 that adopts a resolution on the change in the legal form of Cherry AG into Cherry SE and that under agenda item 10, the current members of the Supervisory Board of Cherry AG, namely

a) James Burns (current Deputy Chairman of the Supervisory Board of Cherry AG),

b) Joachim Coers,

c) Heather Faust,

d) Steven M. Greenberg,

e) Tariq Osman,

f) Dino Sawaya, and

g) Marcel Stolk (current Chairman of the Supervisory Board of Cherry AG).

In addition, it is explained in the Draft Terms of Conversion that to the extent that the members of the first Supervisory Board of Cherry SE are not elected by the General Meeting of Cherry AG on 8 June 2022 or subsequently resign, their appointment will be made by the competent court upon request.

It is also again pointed out that Marcel Stolk and James Burns intend to stand for re-election as Chairman of the Supervisory Board and Deputy Chairman of the Supervisory Board, respectively, if they are elected.

It is explained in clause 7.5 of the Draft Terms of Conversion that subject to a deviating resolution of the General Meeting of Cherry AG or any other court appointment, the first Supervisory Board of Cherry SE will therefore consist of:

a) James Burns,

b) Joachim Coers,

c) Heather Faust,

d) Steven M. Greenberg,

e) Tariq Osman,

f) Dino Sawaya, and

g) Marcel Stolk.

Through the intended appointment of James Burns as well as Joachim Coers, Heather Faust, Tariq Osman and Dino Sawaya, the composition of the Supervisory Board of Cherry SE would fulfil the requirements of the new section 100(5) of the German Stock Corporation Act, which was amended in accordance with the

German Act to Strengthen Financial Market Integrity (*FISG*), as they have the relevant specialist knowledge and thus at least one Supervisory Board member, namely Joachim Coers, Heather Faust, Tariq Osman and Dino Sawaya, has specialist knowledge in the field of accounting and another Supervisory Board member has specialist knowledge in the field of auditing (see explanation in clause 4.5.3.3 above).

6.1.8 Special rights and special benefits – clause 8 of the Draft Terms of Conversion

Clause 8 of the Drafts Terms of Conversion contains information on special rights and special benefits.

It is first of all clarified in clause 8.1 of the Draft Terms of Conversion to the extent that third parties have rights to shares in Cherry AG, these rights to the shares of the Company will continue in the new legal form of the SE.

It is pointed out in clause 8.2 of the Draft Terms of Conversion that beyond the shares referred to in clause 2.4 and clause 3.2 of the Draft Terms of Conversion, no rights will be granted to persons within the meaning of section 194(1) no. 5 Reorganisation Act and/or points (f) and (g) of Article 20 SE Regulation and no measures are provided for these persons. Clause 2.4 and clause 3.2 of the Draft Terms of Conversion contain the information that the amount of registered share capital and the division of the registered share capital of Cherry SE into no-par value shares correspond exactly to the amount of registered share capital and the division of the share capital of Cherry AG and that the shareholders of Cherry AG will participate in the registered share capital of Cherry SE as a result of the conversion of legal form to the same extent and with the same number of no-par value bearer shares as they participate in the registered share capital of Cherry AG on the Conversion Date.

In clause 8.3 of the Draft Terms of Conversion, attention is drawn to the following aspects with respect to special rights and special benefits as a precaution:

It is explained in clause 8.3.1 that special rights (e.g. conversion, option or profit participation rights) of holders of securities other than shares remain unaffected due to the continuity principle and the special rights therefore continue unchanged in the legal form of the SE. No special measures are provided for holders of such rights.

In addition, it is explained in clause 8.3.2 of the Draft Terms of Conversion that, notwithstanding the competence of the future Supervisory Board of Cherry SE, it is to be assumed that the current members of the Management Board of Cherry AG will be appointed as members of the Management Board of Cherry SE (see already the explanation in clause 6.1.6 above).

Clause 8.3.3 of the Draft Terms of Conversion again contains the information that the current members of the Supervisory Board of Cherry AG are to be proposed

for election as members of the first Supervisory Board of Cherry SE. The Draft Terms of Conversion also state in this context that in the event of the new election as members of the first Supervisory Board of Cherry SE, the current Chairman of the Supervisory Board, Marcel Stolk and the current Deputy Chairman on the Supervisory Board, James Burns are to be proposed again as the Chairman and Deputy Chairwoman of the Supervisory Board, respectively (see already the explanation in clause 6.1.7 above).

Furthermore, it is pointed out in clause 8.3.4 of the Draft Terms of Conversion that the conversion auditors appointed by the court in accordance with Article 37(6) SE Regulation (see explanation in clause 5.3 above) were previously acting as the auditors of the financial statements and the consolidated financial statements of Cherry AG and received fees from the Company for this to a value customary on the market. In addition, it is noted that the conversion auditors appointed by the court (Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft, with its registered office in Stuttgart, Essen branch) are also intended to be proposed to the general meeting resolving on the approval of the conversion of Cherry AG into Cherry SE on 8 June 2022 as auditors of the financial statements and the consolidated financial statements of Cherry AG/the future company Cherry SE.

It is then clarified in clause 8.4 of the Draft Terms of Conversion that, apart from the aspects described, no special benefits are granted to persons within the meaning of section 194(1) no. 5 Reorganisation Act and/or points (f) and (g) of Article 20(1) SE Regulation and no measures are provided for these persons.

6.1.9 Negotiations on employee involvement – clause 9 of the Draft Terms of Conversion

In clause 9 of the Draft Terms of Conversion, the procedure regarding the negotiations on the involvement of employees in Cherry AG is described in detailed. In addition to general explanations of the procedure, possible outcomes of the negotiations are listed and the composition of the negotiating body on the employees' side and the current status of the procedure are explained.

6.1.9.1 General explanations on the procedure

It is first of all explained in clause 9.1 that in the context of the conversion of Cherry AG into the legal form of an SE, the Management Board of Cherry AG will conduct a negotiation procedure in accordance with the German Act on the Involvement of Employees in a European Company (SE Involvement Act, "**SEBG**"). It is explained in this section that the involvement of employees pursuant to section 2(8) of the SEBG means any procedure, including information, consultation and co-determination, by which the representatives of the employees can influence the decision-making of the SE. Furthermore, it is pointed out that the objective of the negotiations is the conclusion of a written agreement on the involvement of employees in Cherry SE ("**Involvement Agreement**") and that the Management

Board will conduct the negotiations with the "special negotiating body", which is comprised of the employees of Cherry AG and its subsidiaries and establishments in the Member States ("**SNB**") and to be formed for these purposes (section 4(1) SEBG).

6.1.9.2 Possible outcomes of the negotiations

Clause 9.2 of the Draft Terms of Conversion sets out in detail the alternative outcomes to which the negotiations may lead.

(a) Conclusion of an Involvement Agreement

Clause 9.2.1 first of all explains the case in which an Involvement Agreement is entered into between the Management Board of Cherry AG and the SNB. It is explained that the involvement rights of the employees of Cherry SE will be governed by this Involvement Agreement and that section 21 of the SEBG stipulates certain minimum contents for the Involvement Agreement, namely the following:

(i) Determining the scope of the Involvement Agreement (including the companies and establishments located outside the territory of the Member States, insofar as these are included in the scope of the Involvement Agreement).

(ii) In the event that the parties agree to establish an SE works council,

a) determining its composition, the number of its members and allocation of seats including the effects of significant changes in the number of employees employed in the SE,

b) determining of the powers and the procedure for informing and consulting the SE works council,

c) determining the frequency of its meetings and the financial and material resources to be made available, and

d) determining the date on which the Involvement Agreement enters into force and its term and furthermore determining the cases in which the Involvement Agreement is to be renegotiated including determining the procedure to be applied for this.

(iii) In the event that an SE works council in not established, determining the implementation modalities of the procedure or procedures for informing and consulting employees.

It is also stated that in addition to the minimum content, the Involvement Agreement can contain further provisions in accordance with section 21(3) to (5) SEBG and minimum content is to be agreed subject to section 21(6) Employee Involvement Act, which requires that the Involvement Agreement must ensure at least the same extent with regard to all components of employee involvement as exists at Cherry AG as the legal entity changing its legal form. It is therefore ensured that employees are represented and involved in Cherry SE to the same extent as previously in Cherry AG.

(b) Negotiation procedure does not lead to an agreement

Clause 9.2.2 then explains the case in which in the negotiation procedure within the statutory negotiation period, which is six months from the establishment of the SNB in accordance with section 20 SEBG and can be extended to twelve months by mutual agreement, no agreement is reached between the Management Board of Cherry AG and the SNB.

In this case, the statutory standard rules pursuant to section 22 onwards SEBG apply and the following details regarding these standard statutory rules are set out in the Draft Terms of Conversion:

(iv) Pursuant to section 2(1) no. 2 SEBG, an SE works council would have to be established at Cherry SE in accordance with section 23 of the SEBG, the task of which would be to ensure that the employees in the SE are informed and consulted. It would be responsible for matters concerning the SE itself, one of its subsidiaries or one of its establishments in a Member State or which go beyond the powers of the competent bodies at the level of the individual Member State (section 27 SEBG). The SE works council would have to be informed and consulted at least once per calendar year in a joint meeting about the development of the business situation and the prospects of Cherry SE (section 28 SEBG). In addition, the SE works council would have to be informed and consulted about extraordinary circumstances that have a significant impact on the interests of employees, also during the course of the year (section 29(1) SEBG).

(v) The provisions on employee co-determination by operation of law pursuant to sections 35 to 38 German Employee Involvement Act would not apply in this case, because the special requirement pursuant to section 34(1) no. 1 SEBG is not fulfilled, since no provision on employee co-determination in the Supervisory Board of Cherry AG applied to Cherry AG prior to the change of the legal form. Therefore, in this case, the Supervisory

Board of Cherry SE would continue to consist only of shareholder representatives, just like the Supervisory Board of Cherry AG.

(vi) Pursuant to section 25, first sentence SEBG, the management of Cherry SE would have to review every two years whether changes have occurred in the SE, its subsidiaries or establishments and whether these changes require a different composition of the SE works council. In addition, four (4) years after its establishment, the SE works council would have to adopt a resolution on whether an Involvement Agreement should be negotiated or whether the previous arrangement should continue to apply (section 26(1) SEBG).

Overall, the application of the statutory standard rules solution leads to the establishment of an SE works council at Cherry SE, the composition of which is reviewed by the Management Board every two (2) years and which may decide to negotiate an Involvement Agreement four (4) years after its establishment. However, the statutory standard rules solution does not lead to employee co-determination on the Supervisory Board of Cherry SE.

(c) No entry into negotiations or negotiations are broken off

Finally, clause 9.2.3 of the Draft Terms of Conversion sets out the third possible outcome of the negotiation procedure, namely the case that the SNB adopts a resolution pursuant to section 16(1) SEBG not to enter into negotiations or to break off negotiations that have begun. It is explained in this regard that such a resolution of the SNB would terminate the negotiation procedure without the statutory standard rules applying. Consequently, in this case, no SE works council would have to be established at Cherry SE and there would also be no employee co-determination on the Supervisory Board of Cherry SE.

In summary, none of the alternatives for the outcome of the negotiation procedure necessarily leads to employee co-determination on the Supervisory Board of Cherry SE, so that the Supervisory Board of Cherry SE will be composed exclusively of shareholder representatives, as has been the case to date with the Supervisory Board of Cherry AG.

6.1.9.3 Conclusion of the procedure as registration requirement for the SE

It is clarified in clause 9.3 of the Draft Terms of Conversion that pursuant to Article 12(2) SE Regulation, Cherry SE can only be registered in the commercial register and the change of the legal form can therefore only become effective if either the Involvement Agreement has been concluded or the SNB has adopted a resolution not to enter into or to terminate negotiations or the negotiation period has expired without an agreement having been reached on the Involvement

Agreement. To protect the employees of the Cherry AG which is changing its legal form, this is intended to ensure that the procedure regarding the involvement of employees in the SE is actually carried out and concluded (in accordance with one of the alternatives listed above) before the SE comes into existence.

6.1.9.4 Initiation of the procedure by the Management Board

Clause 9.4 of the Draft Terms of Conversion contain information on the fact that the Management Board of Cherry AG initiated the procedure for the involvement of employees in the legal form of the SE in accordance with the requirements set out in the SEBG on 18 January 2022. It is described that the Management Board of Cherry AG informed the employees or employee representatives of Cherry AG, the affected subsidiaries and establishments in a letter about the intended conversion and requested the formation of the SNB. It also contains the details on which the letter provided information pursuant to section 4(3) SEBG, i.e. about (i) the identity and structure of Cherry AG, (ii) its affected subsidiaries and affected establishments and their distribution among the contracting states of the European Union, (iii) the employee representations existing at these subsidiaries and establishments, (iv) the number of employees employed (both in total and differentiated by companies and establishments) as well as (v) the number of employees entitled to co-determination rights in the corporate bodies of these companies.

6.1.9.5 Composition of the SNB

Clause 9.5 of the Draft Terms of Conversion sets out in detail how the SNB is comprised of employee representatives from all Member States. It is explained that the formation and composition of the SNB is in principle governed by German law, i.e. pursuant to sections 4 to 7 SEBG and that the allocation of the seats on the SNB to the Member States is governed by section 5(1) SEBG for the establishment of an SE with registered office in Germany. In accordance with this regulation, each Member State in which the Cherry Group has employees receives at least one seat on the SNB and the number of seats allocated to a Member State increases by one seat each time the number of employees in that Member States exceeds the thresholds of 10%, 20%, 30%, etc. The thresholds each relate to the total number of employees of the Cherry Group employed in all Member States.

It is then explained that according to these requirements and on the basis of the number of employees of the Cherry Group in the Member States as at the time of the communication to the employees and employee representatives on 18 January 2022, the Member States will have a total of 13 seats, the allocation of which is detailed as follows in the Draft Terms of Conversion:

Member State	Number of employees	Percentage of employees (rounded) in relation to the total number of employees in all Member States	Number of seats on SNB
Germany	407	91.46%	10
Sweden	1	0.22%	1
France	4	0.90%	1
Austria	33	7.42%	1
Total:	**445**	**100%**	**13**

6.1.9.6 Election or appointment of the members of the SNB in the Member States

Clause 9.6. of the Draft Terms of Conversion explains that the election or appointment of the members of the SNB from the individual Member States will be carried out in accordance with the respective Member State provisions implementing Council Directive 2001/86/EC of 8 October 2001 supplementing the Statute for a European company with regard to the involvement of employees.

(a) The procedure for electing and appointing members of the SNB in Germany is then explained in clause 9.6.1. It is described that the members were elected in accordance with section 8 SEBG by an election committee in a direct and secret vote. Since only one corporate group, the Cherry Group, is involved in setting up Cherry SE and there is no group works council or general works council, the election committee was made up of the members of the works council formed in the joint venture between Cherry AG and Cherry Europe GmbH in accordance with the first sentence of section 8(2) SEBG. This works council also represented the remaining domestic establishments and companies of the Cherry Group in accordance with the second sentence of section 8(2) SEBG because there were no other domestic works councils. In accordance with the second sentence of section 8(1) SEBG in conjunction with section 6(3) SEBG, three members of the SNB who are themselves union members were to be elected at the suggestion of the union represented in the Cherry Group, IG Metall. In addition, in accordance with the fifth and sixth sentences of section 8(1) SEBG in conjunction with section 6(4) SEBG, one member of the SNB was to be elected from among the managerial employees at the suggestion of the managerial spokesmen's committee or, if there is none, the managerial employees. In this context, it is clarified that no candidates were proposed for election from among the managerial employees and that an election from among the managerial employees therefore could not take place due to the lack of candidates to be elected. Finally, it is explained that the election committee elected

the following members and substitute members of the SNB in Germany on 17 March 2022:

Member of SNB	Substitute member
Horst Ott (representative IG Metall)	Udo Fechtner (representative IG Metall)
Sabrina Feige (representative IG Metall)	Sebastian Volk (representative IG Metall)
Undine Memmler (representative IG Metall)	Ralf Götz (representative IG Metall)
Reinhard Leipold (Cherry Europe GmbH)	Substitute members for all elected full members in the following order: 1. Peter Kraus (Cherry Europe GmbH) 2. Heidi Hofmann (Cherry AG) 3. Hans Peter Klein (Cherry Europe GmbH)
Elke Deinzer (Cherry AG)	
Sebastian Schraml (Cherry Digital Health GmbH)	
Bernhard Frohnhöfer (Cherry Europe GmbH)	
Michael Pospischil (Cherry Europe GmbH)	
Jörg Wimmer (Cherry Europe GmbH)	
Andreas Härtel (Cherry Digital Health GmbH)	

(b) Clause 9.6.2 explains that one member of the SNB was to be elected in Sweden in accordance with the rules of sections 17-18 of the Swedish Act on Employee Co-Determination in the European Company (*Sw. Lag (2004:559) om arbetstagarinflytande i europabolag*). It is further explained that no member of the SNB was elected or appointed in Sweden within the time limit of ten (10) weeks following the initiation of the negotiation procedure pursuant to the first sentence of section 11(1) SEBG and that the Swedish seat has therefore remained unoccupied. An election/appointment has not taken place yet following notarisation of

the Draft Terms of Conversion and up to the time of signing this Conversion Report, either.

(c) Clause 9.6.3 then describes that one member of the SNB in France was to be elected directly by the employees as a member in accordance with Article L. 2352-6 and Article D. 2352-11 of the French Labour Code (*Code du travail*). It is described that no member of the SNB was elected or appointed in France within the time limit of ten (10) weeks following the initiation of the negotiation procedure pursuant to the first sentence of section 11(1) SEBG and that the French seat has therefore remained unoccupied. An election/appointment has not taken place yet following notarisation of the Draft Terms of Conversion and up to the time of signing this Conversion Report, either.

(d) Clause 9.6.4 of the Draft Terms of Conversion explains that in Austria, a member is generally appointed to the SNB from among the works council members in accordance with section 217 Employee Representation Act (*ArbVG*) by resolution of the works committee and performs this task of the works council if there is no works committee. It is explained that the relevant Austrian subsidiary of Cherry AG however currently has no employee representation body and that the appointment of a member for Austria to the SNB was therefore not possible. The Austrian seat has therefore remained unoccupied to date. This also applies on the date of signing of this Conversion Report.

(e) Finally, it is summarised in clause 9.6.5 that based on the elections in the relevant Member States, in line with the currently applicable provisions the SNB is made up of a total of ten (10) members. It is pointed out for the avoidance of doubt that pursuant to the first sentence of section 11(2) SEBG the negotiation procedure also takes place if the time limit for the election or appointment of the members of the SNB is exceeded due to reasons that the employees are responsible for. It is also explained that members who are elected or appointed following the expiration of the time limit are eligible to participate in the negotiation procedure at any time pursuant to the second sentence of section 11(2) SEBG.

6.1.9.7 Possibility of changing the composition of the SNB

It is pointed out in clause 9.7 of the Draft Terms of Conversion that the SNB is to be reconstituted accordingly pursuant to section 5(4), first sentence SEBG if changes in the structure or number of employees of Cherry AG, the affected subsidiaries or the affected establishments occur during the term of office of the SNB that would change the specific composition of the SNB. It is noted that up until the date of the signing of the Draft Terms of Conversion, the activity of the SNB has not yet started.

The work of the SNB began on the date of its inauguration on 13 April 2022. Based on a regular review of the numbers of employees in the Member States as at 15 April 2022, it has emerged that changes in the number of employees have occurred. These are as follows:

Member State	Number of employees	Percentage share of employees (rounded) based on total number of employees in all Member States	Number of seats on SNB
Germany	395	89.367%	9
Sweden	1	0.226%	1
France	5	1.131%	1
Austria	41	9.276%	1
Total:	**442**	**100%**	**12**

These changes lead to the SNB having to be newly constituted pursuant to the first sentence of section 5(4) SEGB. One less seat applies to the Member State Germany, meaning that only nine (9) members belong to the SNB for Germany. The Management Board informed the SNB of this in a letter dated 22 April 2022 and called on the SNB to change its composition in line with the applicable provisions. At the time of signing of this Conversion Report, the SNB has not yet been newly constituted.

6.1.9.8 Announcement of the members of the SNB

Clause 9.8 of the Draft Terms of Conversion describes that within the 10-week period according to the first sentence of section 11(1) SEBG, the Management Board of Cherry AG was informed or was aware of the names of all members of the SNB from Germany without delay after the election, except for Austria. It is explained that in Sweden, France and Austria, no members of the SNB were elected and thus no information was provided to the Management Board of Cherry AG in this regard. Furthermore, it is clarified that the Management Board informed the local works and company management teams and existing employee representation bodies about the Germany SNB member details it had been informed of as well as about the fact that no members of the SNB had been elected in the other Member States.

6.1.9.9 Status of the employee involvement procedure

In clause 9.9 of the Draft Terms of Conversion, the current status of the employee involvement procedure is described. It states that the Management Board of Cherry AG invited the SNB members in a letter dated 30 March 2022, which was sent to the members of the SNB on 31 March 2022, to their inaugural meeting, which was to take place on 13 April 2022. It is explained that negotiations between

the Management Board of Cherry AG and the SNB about entering into an Involvement Agreement started on the day of inauguration and that a period of six (6) months is in principle provided for negotiation. Finally, it is clarified that the negotiations have not yet started at the time of notarisation of the Draft Terms of Conversion.

At the time of submission of this Conversion Report, the SNB was constituted on 13 April 2022 as planned and negotiations between the Management Board and Cherry AG are still ongoing. Due to the change in the numbers of employees from 15 April 2022 described in clause 6.1.9.7 above, the composition of the SNB will change in accordance with the first sentence of section 5(4) SEBG. The SNB was therefore called on by the Management Board of Cherry AG in a letter dated 22 April 2022 to newly constitute itself to reflect this change. However, this has not yet taken place up to the time of submission of this Conversion Report (see explanations in clause 6.1.9.7 above).

6.1.9.10 Costs of the procedure

Finally, clause 9.10 of the Draft Terms of Conversion provides that the costs incurred by the formation and activities of the SNB are borne by Cherry AG and, after the Conversion Date, by Cherry SE. This is to ensure, for the protection of employees, that the negotiation procedure does not impose costs on them and that negotiations are not influenced by employees' having to fear of the apportionment of any costs.

6.1.10 Other consequences for employees and their representatives – clause 10 of the Draft Terms of Conversion

Clause 10 of the Draft Terms of Conversion sets out the further consequences of the change in legal form for employees and their representative bodies.

It is first of all pointed out in clause 10.1 that, apart from the future involvement of the employees in Cherry SE as described in section 9 of the Draft Terms of Conversion and explained in clause 6.1.9 above, the change in legal form will have no effect on the involvement rights of the employees of Cherry AG or the Cherry Group.

It is further pointed out in clause 10.2 of the Draft Terms of Conversion that the employment relationships of the employees of Cherry AG and the Cherry Group will remain unaffected by the conversion of legal form into an SE and all rights and obligations of the employees under these existing employment relationships will continue to exist unchanged. It is explained in this respect that since the conversion into the legal form of an SE does not involve a change of legal entity, there is no transfer of an undertaking with regard to the employees of Cherry AG and section 613a German Civil Code does not apply to the conversion. The change of legal form into Cherry SE therefore in principle has no impact on the employment relationships of the employees of the Cherry.

It is then expressly clarified in clause 10.3 of the Draft Terms of Conversion that the employees of the Cherry Group as a whole are not affected by a transfer of their employment relationship as a result of the change in legal form of Cherry AG. All rights and obligations of the employees of the affected subsidiaries or the affected establishments arising from the existing employment relationships continue to exist unchanged and remain unaffected by the change in the legal form. This applies above all because the structure of the Cherry Group and the existence of the individual subsidiaries do not change at all as a result of the change of legal form.

Clause 10.4 of the Draft Terms of Conversion contains the information that the existence, composition and term of office of employee representations at the level of the establishment or company will not be affected by the conversion of legal form. It is also stated that a European works council has not been formed at the Cherry Group and therefore does not cease to exist as a result of the change in the legal form pursuant to section 47(1) no. 2 SEBG. Existing collective agreements are also not affected by the change in legal form.

In summary, clause 10.5 of the Draft Terms of Conversion explains that no further measures are envisaged in connection with or due to the conversion into the legal form of an SE which would have consequences for the employees and their representative bodies.

In conclusion, it can be stated that the possible outcomes of the employee involvement procedure are explained in detail in clause 6.1.9.2 above and that, apart from that, there will be no changes for the employees of the Cherry Group with regard to their employment relationships, any employee representations at the company or establishment level or existing collective agreements as a result of the change in legal form.

6.1.11 Auditors – clause 11 of the Draft Terms of Conversion

Clause 11 of the Draft Terms of Conversion stipulates that Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft, with its registered office in Stuttgart, Essen branch, is appointed as the auditor of the financial statements for Cherry SE. This includes the appointment as the auditor of the financial statements and the consolidated financial statements for the first financial year of Cherry SE and, in the event of a review of additional interim financial information to be prepared up to the General Meeting of the financial year of Cherry SE following the first financial year, as the auditor for such review. In addition, it is clarified that the first financial year of Cherry SE is the calendar year in which the change of legal form of Cherry AG into Cherry SE is registered with the commercial register of Munich Local Court with jurisdiction for Cherry AG.

6.1.12 Costs – clause 12 of the Draft Terms of Conversion

Finally, clause 12 of the Draft Terms of Conversion states that Cherry AG bears the costs incurred in connection with the notarisation of the Draft Terms of Conversion as well as the preparation and implementation of the Draft Terms of Conversion up to the amount of EUR 400,000.00 stipulated in Article 25(2) of the SE Articles.

6.2 Explanation of the SE Articles

Upon the change in legal form taking effect, Cherry AG will change its legal form into that of an SE. The previous Articles of Association of Cherry AG will be replaced by the new Articles of Association of Cherry SE. The SE Articles are a constituent part of the Draft Terms of Conversion, which will be submitted to the General Meeting of Cherry AG on 8 June 2022 for approval.

The SE Articles are based on the existing AG Articles of Association of Cherry AG. A large part of the provisions could be adopted unchanged, as the legal provisions of the SE Regulation and the SEAG applicable to the SE Articles essentially correspond to the provisions applicable to the articles of association of a stock corporation in core areas. The Articles of Association have been revised with respect to only a few provisions due to the change in legal form. The provisions of the future SE Articles of Cherry SE are explained below. In doing so, significant differences to the existing AG Articles of Cherry AG are highlighted.

6.2.1 General provisions (Article 1 to Article 3 of the SE Articles)

The introductory general provisions of the Articles of Association of Cherry SE regarding the company name and registered office (Article 1), the object of the company (Article 2) as well as announcements (Article 3) are essentially unchanged compared to the current Articles of Association of Cherry AG.

6.2.1.1 Company name and registered office (Article 1 of the SE Articles)

In Article 1(1) of the SE Articles, the new legal form of the Company is determined as a European company (*Societas Europaea*, SE).

The Company's name is changed from "Cherry AG" to "Cherry SE" as a result of the change in legal form. The change in the abbreviation indicating the company form ("SE" instead of "AG") is mandatory pursuant to Article 11(1) SE Regulation.

No change was made to Article 1(2) of the SE Articles because, like Cherry AG, Cherry SE will have its registered office in Munich, Germany.

6.2.1.2 Object of the Company (Article 2 of the SE Articles)

Cherry SE will have the same business objects as Cherry AG.

The objects of Cherry SE are therefore to hold, manage, acquire and sell interests in other companies, especially companies which are directly or indirectly engaged in the development and design, manufacture, distribution, import and export of computer input devices, mechanical switches and hardware as well as IT-based and IT-supporting products and peripheral devices, including security systems and other systems and software, and to provide services (including administration and management services) which are not subject to authorisation to other companies, including group companies, inter alia in the fields of finance, human resources, IT, financial planning and analysis, data protection, materials management, order management, logistics and warehouse management, strategic and operative purchasing and procurement and customer services.

In addition, the Company is entitled is entitled to perform all acts, take all steps and conduct all business which is related to the objects of the company or which is appropriate to directly or indirectly further the attainment of the objects of the company. In particular, the company may also assume the position of general partner in companies. It may also establish and acquire enterprises in Germany or abroad and hold interests in such enterprises as well as manage such enterprises or confine itself to the management of its interests. It can completely or partially have its operations, including the interests it holds, conducted by affiliated companies or transfer or outsource its operations to such affiliated companies and may conclude intercompany agreements. The Company may also establish branch offices and permanent establishments in Germany and abroad. It may limit its activities to part of the areas referred to in paragraph (1).

In this respect, Article 2 of the SE Articles was adopted without changes in terms of contents from the AG Articles.

6.2.1.3 Announcements and form of information (Article 3 of the SE Articles)

Notices of Cherry SE, as to date for Cherry AG, will be published in the Federal Gazette (*Bundesanzeiger*). For the avoidance of doubt, it was added that the Federal Gazette will be replaced by another form of information if such other form is required by mandatory law. In addition, notices to the shareholders of the Company may, as to date, also be communicated by data transmission to the extent permitted by law. The provision of Article 3 of the SE Articles has consequently been adopted unchanged from the AG Articles, apart from the clarifying addition regarding forms of notice required by mandatory provisions of law.

6.2.2 Registered share capital and shares (Article 4 and Article 5 of the SE Articles)

The provisions on the registered share capital and shares of the Company previously contained in Article 4 and Article 5 of the AG Articles are adopted in the Articles of Association of Cherry SE largely unchanged in terms of contents.

6.2.2.1 Registered share capital, authorised and conditional capital (Article 4 of the SE Articles)

The change in legal form will take place while preserving the identity of the Company, so that the registered share capital of Cherry AG will become the registered share capital of Cherry SE in the amount existing at the time of the registration of the change in legal form in the commercial register. At the time this Conversion Report is being prepared, the registered share capital of Cherry AG amounts to EUR 24,300,00.00 and is divided into 24,300,00 no-par value bearer shares without a nominal value in the share capital of EUR 1.00 each). This is set out in Article 4(1), first subparagraph as well as Article 4(2) of the SE Articles with identical wording to the previous provision in the AG Articles.

A new second subparagraph has been inserted in Article 4(1), which contains the information that the registered share capital of Cherry SE has been provided in full by way of the conversion of Cherry AG into a European company (*Societas Europaea*, SE). This inclusion of this provision is to ensure compliance with the incorporation regulations of the Stock Corporation Act.

The previous information on the provision of the registered share capital of Cherry AG by way of a change of the legal form of Cherry Holding GmbH will be moved unchanged in terms of content from Article 24(1) of the AG Articles to the third subparagraph of Article 4(1) of the SE Articles to put the raising of the capital into context with the reference to the value of the share capital.

The authorised capital pursuant to Article 4(3) of the Articles of Association of Cherry AG (Authorised Capital) is to continue to exist unchanged and will therefore become the Authorised Capital 2021/I of Cherry SE in the amount existing on the Conversion Date by virtue of Article 4(3) of the SE Articles. The previous provision in Article 4(3) of the AG Articles will be adopted in the SE Articles without any change in contents. Only minor editorial changes were made compared to the Articles of Cherry AG, by correcting typing errors, adding cents to the amounts and adjusting the designation of the Authorised Capital to the designation “Authorised Capital 2021/I” entered in the commercial register.

Furthermore, the Conditional Capital of Cherry AG existing pursuant to Article 4(4) of the AG Articles is to continue to exist unchanged and will become the Conditional Capital 2021/I of Cherry AG in the amount existing on the Conversion Date by virtue of Article 4(4) of the SE Articles. The previous provision in Article 4(4) of the AG Articles will be adopted in the SE Articles without any change in content. Only minor editorial changes were made here was well and the designation of the Conditional Capital was adjusted to the designation “Conditional Capital 2021/I” entered in the commercial register.

The responsibilities of the Management Board and the Supervisory Board of Cherry AG in the context of the aforementioned capital and the granting and

handling of subscription rights in the context of capital will in future lie with the Management Board and Supervisory Board of Cherry SE.

In the event of any change in the registered share capital or the amounts of authorised capital prior to the change in legal form into an SE taking effect, the Supervisory Board of Cherry AG (and in the alternative the Supervisory Board of Cherry SE) is authorised and instructed pursuant to clause 3.6 of the Draft Terms of Conversion to make any resulting amendments to the version of the SE Articles prior to the Conversion Date.

6.2.2.2 Shares (Article 5 of the SE Articles)

The provision in Article 5 of the AG Articles on the existence of bearer shares, the exclusion of the right of shareholder to receive individual share certificates and the determination of the form and content of share certificates by the Management Board is adopted unchanged as Article 5 of the SE Articles.

6.2.3 Organisation of the Company (Article 6 to Article 21 of the SE Articles)

Point (b) of Article 38 SE Regulation provides the option between a two-tier system with a management board and a supervisory board and a one-tier system with an administrative board. In Article 6 of the SE Articles, a new paragraph 1 is therefore added in the context of the change in legal form. This new Article 6(1) of the SE Articles clarifies that Cherry SE, as was previously the case with Cherry AG, has a two-tier system. The provision in Article 6 of the AG Articles is then adopted unchanged as Article 6(2) of the SE Articles and contains the clarifying statement that the corporate bodies of Cherry SE are the Management Board, the Supervisory Board and the General Meeting. In this respect, there are no changes to the contents of the previous Articles of Association of Cherry AG.

6.2.3.1 Management Board (Article 7 to Article 9 of the SE Articles)

The provisions of the AG Articles in Article 7 of the AG Articles (Composition and Rules of Procedure) and in Article 8 of the AG Articles (Management and Representation of the Company) have been adopted largely unchanged for Cherry SE as Article 7 of the SE Articles and Article 8 of the SE Articles.

Accordingly, pursuant to Article 7(1) SE Articles, the Management Board continues to consist of one or more persons and, as to date, the number of members of the Management Board is determined by the Supervisory Board. Pursuant to Article 7(2) of the SE Articles, the Supervisory Board may continue to appoint a chairman and a deputy chairman of the Management Board. Pursuant to Article 7(3) of the SE Articles, it is stipulated as before that the appointment of members of the Management Board, the conclusion of service contracts and the revocation of appointments as well as the change and termination of service contracts is done by the Supervisory Board and that the Supervisory Board may adopt Rules of Procedure for the Management Board. The newly incorporated Article 7(4) of the

SE Articles provides that members of the Management Board are appointed for a term of five (5) years and reappointments are permitted. In principle, the appointment period of a member of the Management Board at the SE may not exceed six years pursuant to Article 46(1), first sentence of the SE Regulation. However, the Articles of Association of Cherry SE do not make use of this option.

Article 8 of the Articles of Association of Cherry SE is likewise adopted unchanged and Article 8 of the Articles of Association of Cherry SE provides that the Management Board of the Company manages the Company at its own responsibility and has to conduct the business of the Company in accordance with the law, the Articles of Association and the Rules of Procedure for the Management Board. It is also clarified that, notwithstanding the joint responsibility of the Management Board, the individual board members manage their respective business segments according to the Rules of Procedure in their own responsibility. Pursuant to Article 8(2) of the SE Articles, the Company will, as before, be represented solely by one Management Board member if only one member of the Management Board is appointed, and other the Company will be represented by two members of the Management Board or by one member of the Management Board together with an authorised signatory (*Prokurist*). The Supervisory Board may, as to date at Cherry AG, pursuant to Article 8(3) of the SE Articles generally or in specific cases issue an exemption to all or to specific members of the Management Board from the prohibition to represent more than one party pursuant to section 181, second alternative of the German Civil Code, whereby section 112 of the German Stock Corporation Act remains unaffected.

The provision in Article 9 of the SE Articles is new. It lists the transactions and measures which the Management Board may implement only with the prior approval of the Supervisory Board. This provision takes into account that Article 48(1) of the SE Regulation mandatorily requires that the Articles of Association of an SE list the categories of transactions which require authorisation of the management body (here the Management Board) by the supervisory body (here the Supervisory Board) in the two-tier system. Such a list of transactions requiring approval was not included in the previous Articles of Association of the Cherry AG. It is now therefore stipulated in Article 9(1) of the SE Articles that

– essential changes to or expansions or restrictions of the Company's line of business or start of new lines of business significantly different from the previous product, service or distribution range;

– the conclusion, amendment and termination of joint venture agreements, cooperation agreements, framework agreements and intercompany agreements within the meaning of section 291 onwards Stock Corporation Act (including silent partnership agreements) or profit participation loans; and

– granting and revoking commercial power of representation under German law (*Prokura*) and power of attorney for the entire business

require the prior approval of the Supervisory Board. The aforementioned measures and transactions are taken from the previous Rules of Procedure for the Management Board of Cherry AG and already required the approval of the Supervisory Board at Cherry AG. Pursuant to Article 9(2) of the SE Articles, the Supervisory Board of Cherry SE also reserves the right to determine further kinds of transactions or measures in addition to the transactions and measures mentioned in Article 9(1) that require its approval in the Rules of Procedure for the Management Board or the Rules of Procedure for the Supervisory Board or by resolution. This was previously identically governed by Article 11(2) of the AG Articles. In addition, pursuant to Article 9(3) of the SE Articles, the Supervisory Board of Cherry SE may give revocable consent in advance to a certain group of transactions in general or to individual transactions that meet certain requirements. The Supervisory Board also previously had this option at Cherry AG pursuant to Article 11(3) of the AG Articles, so that with regard to management by the Management Board at Cherry SE, there are practically no changes compared to the situation at Cherry AG.

6.2.3.2 Supervisory Board (Article 10 to Article 15 of the SE Articles)

The provisions in Article 9 of the AG Articles on the composition, elections and term of office of the Supervisory Board are adjusted in paragraphs 1 and 2 due to the provision of the SE Regulation on the term of office of members of the supervisory board. In all other respects, the provisions of the AG Articles regarding the Supervisory Board in Articles 9(3) and (4) of the AG Articles (Composition, Elections, Term of Office), Article 10 of the AG Articles (Chairman and Deputy Chairman), Article 11 of the AG Articles (Rights and Obligations of the Supervisory Board), with the exception of the provisions now contained in Article 9 of the SE Articles, Article 12 of the AG Articles (Rules of Procedure and Committees), Article 13 of the AG Articles (Meetings and Resolutions of the Supervisory Board) as well as Article 14 of the AG Articles (Compensation) have been adopted unchanged for Cherry SE as Article 10 of the SE Articles to Article 15 of the SE Articles.

Article 10(1) of the SE Articles stipulates that the Supervisory Board of Cherry SE, like the Supervisory Board of Cherry AG, consists of seven (7) members to be elected by the General Meeting as before. Article 10(2) of the SE Articles contains the basic regulation on the appointment term of members of the Supervisory Board. While the members of the supervisory board of a German Stock Corporation may not be appointed for a period longer that until the end of the general meeting that adopts a resolution on the formal approval of the acts of the supervisory board members for the fourth financial year after the term of office begins (whereby pursuant to section 102(1) of the Stock Corporation Act, the financial year in which the term of office begins is not included in the calculation), the members of the supervisory board of an SE may pursuant to Article 46(1) of the SE Regulation be appointed for a period determined by the articles of association which may not exceed six years. Longer terms of office are therefore, in principle, possible for an SE. However, the Articles of Association of Cherry SE

do not make use of this and the previous term of office is instead retained. Pursuant to Article 10(2) of the SE Articles, at Cherry SE the members of the Supervisory Board will in principle continue to be appointed (i.e. unless specified otherwise in the appointment resolution) until the end of the Annual General Meeting that resolves on the formal approval of the supervisory board members for the fourth financial year following the commencement of their term of office. For the avoidance of doubt, the addition is made that the appointment can be made for a maximum of six (6) years. The financial year in which the term of office begins is not included in this calculation and reappointments remain permissible. In addition, Article 10(2), third sentence of the SE Articles is newly inserted and concerns the term of office of the first Supervisory Board members. The offices of the previous members of the Supervisory Board of Cherry AG end upon the change in the legal form taking effect. The current members of the Supervisory Board of Cherry AG, Marcel Stolk (Chairman of the Supervisory Board), James Burns (Deputy Chairman of the Supervisory Board), Joachim Coers, Heather Faust, Steven M. Greenberg, Tariq Osman and Dino Sawaya are to be appointed members of the first Supervisory Board of Cherry SE by resolution of the General Meeting adopting a resolution on the approval of the change in legal form. Pursuant to Article 10(2), second sentence of the SE Articles, their term of office ends in each case with the end of the General Meeting that adopts a resolution on the formal approval of the acts of the supervisory board members for the first financial year of Cherry SE. The short term of office of the first Supervisory Board is due to a precautionary application of Article 15(1) SE Regulation in conjunction with section 30(3) Stock Corporation Act. Unchanged from the AG Articles, the provision pursuant to Article 10(3) of the SE Articles regarding the election of a member who leaves office before the end of his or her term of office will be adopted in the Articles of Association of Cherry SE for the remainder of the term of office of the Supervisory Board member who leaves office, unless the General Meeting determines the term of office of the successor differently, and accordingly in the event of an election due to an election being challenged. Lastly, the provision in Article 10(5) on the resignation from office by Supervisory Board members subject to a one-month notice period with the option to waive compliance with the notice period is also adopted unchanged from the Articles of Association of Cherry AG.

The provision of Article 11 of the SE Articles is (apart from an editorial change to a reference in the Articles now referring to Article 14(6) of the SE Articles) is worded identically to Article 10 of the AG Articles; no changes in this respect result due to the change in legal form. Pursuant to Article 11(1) of the SE Articles, the Supervisory Board elects from among its members a chairman and a deputy chairman, as to date at Cherry AG. The election takes place following the General Meeting that has elected the new members of the Supervisory Board and no special invitation is necessary for this meeting. The term of office of the chairman and his/her deputy corresponds to their term of office as members of the Supervisory Board unless a shorter period is determined at the time of their election. Pursuant to Article 11(2) of the SE Articles, the Supervisory Board, as

previously by Cherry AG, must conduct a new election without undue delay if the chairman or his/her deputy leaves such office during his/her term of office. Article 11(3) of the SE Articles stipulates, unchanged from the AG Articles, in all cases in which the deputy acts on behalf of the chairman in the absence of the chairman, he/she has the same rights as the chairman, with the provision in Article 14(6) of the SE Articles regarding the right of only the chairperson of the Supervisory Board to cast the decisive vote not being affected. As previously in the Articles of Association of Cherry AG, Article 11(4) of the SE Articles stipulates that declarations of the Supervisory Board are made in the name of the Supervisory Board by the chairperson and the chairperson is authorised to accept declarations on behalf of the Supervisory Board.

The rights and obligations of the Supervisory Board are set out in Article 12 of the SE Articles. First of all, Article 12(1) clarifies identically to the provision of Article 11(1) of the Articles of Association of Cherry AG that the Supervisory Board has all rights and obligations assigned to it by law and by the Articles of Association. The previous provision in Article 11(2) and Article 11(3) of the AG Articles on the transactions requiring approval are adopted with identical wording in Article 9(2) and Article 9(3) of the SE Articles and Article 12(2) of the SE Articles stipulates the Supervisory Board's power to amend the wording of the Articles of Association, which already exists in Cherry AG. The change in legal form therefore does not result in any changes to the rights and obligations of the Supervisory Board.

Article 13 of the SE Articles corresponds to Article 12 of the AG Articles and stipulates in Article 13(1) of the SE Articles that the Supervisory Board adopts Rules of Procedure for the Supervisory Board and in Article 13(2) of the SE Articles that the Supervisory Board can set up committees in accordance with the law and, to the extent permitted by law or by the Articles of Association, may delegate any of its duties, decision-making powers and rights to its chairman, to one of its members or to committees established from among its members, whereby the Supervisory Board determines the composition, competences and procedures of the committees.

In Article 14 of the SE Articles, the contents of the provisions from Article 13 of the AG Articles on meetings and the passing of resolutions by the Supervisory Board are adopted unchanged for Cherry SE. Merely for reasons of clarification, internal references have been stated including the related provision from the Articles as well, not just with the paragraph number. Pursuant to Article 14(1) of the SE Articles, the meetings of the Supervisory Board, as previously at Cherry AG, are to be called at least fourteen (14) days in advance by the chairman of the Supervisory Board, not including the day on which the invitation is sent and the day of the meeting itself. Notice of meetings may be given in writing, by fax, by e-mail or any other customary means of communication and in urgent cases the chairman may shorten this period and may call the meeting orally or by telephone. In all other respects regarding the calling of Supervisory Board meetings the rules provided by law as well as by the Rules of Procedure of the Supervisory Board apply. Article

14(2) of the SE Articles stipulates that meetings of the Supervisory Board are chaired by the chairman and pursuant to Article 14(3) of the SE Articles, resolutions of the Supervisory Board are generally passed in meetings. At the order of the chairman or with the consent of all Supervisory Board members, the meetings of the Supervisory Board may also be held in the form of a telephone conference or by other electronic means of communication (especially by video conference) and individual members of the Supervisory Board may be connected to the meetings via telephone or by other electronic means of communication (especially by video link) and in such cases resolutions may also be passed by way of the telephone conference or by other electronic means of communication (especially by video conference). Absent members of the Supervisory Board or members who do not participate in, or are not connected to, the telephone or video conference can also still participate in the passing of resolutions by submitting their votes in writing through another Supervisory Board member. Votes submitted in writing will be deemed signed written votes in this context. In addition, Supervisory Board members may also cast their votes following the meeting within a reasonable period as determined by the chairman of the Supervisory Board in by fax, by e-mail or any other customary means of communication, whereby objections to the form of voting determined by the chairman are not permitted. In this regard, pursuant to With respect to the provisions on the adoption of resolutions outside meetings, under Article 14(4), the provisions that also applied to Cherry AG, i.e. that resolutions may also be adopted outside meetings in writing, by fax or by e-mail or any other comparable means of communication and as a combination of the above forms, likewise apply if the chairman of the Supervisory Board orders providing reasonable notice or if all members of the Supervisory Board participate in the adoption of the resolution, whereby members who abstain from voting are considered to take part in the resolution and objections to the form of voting determined by the chairman are not permitted in this case. In Article 14(5), the provision of the Articles of Association of Cherry AG on the quorum of the Supervisory Board is adopted with unchanged wording, i.e. the Supervisory Board also has a quorum if at least half of the members of which it has to consist in total take part in the voting. In any case at least three members have to take part in the voting. Absent members of the Supervisory Board or members who do not participate or are connected via telephone or via other electronic means of communication (especially via video conference) and who cast their vote in accordance with Article 14(3) or (4) as well as members who abstain from voting are considered to take part in the voting for this purpose. Due to the unchanged size of the Supervisory Board with seven (7) members, there are no changes to the quorum at Cherry AG because at least 4 (four) members are still required to participate in the adoption of resolutions. Pursuant to Article 14(6) of the SE Articles, resolutions of the Supervisory Board are passed with a simple majority of the votes cast unless otherwise provided by mandatory law. Abstentions in a vote do not count as a vote cast in this case. This corresponds to the previous provision for the resolution majority of the Supervisory Board of Cherry AG. Furthermore, according to Article 14(7), third

sentence to fifth sentence of the SE Articles, the provision continues to apply unchanged that if a voting in the Supervisory Board results in a tie, every member of the Supervisory Board can demand a new vote on the same item of business and in that the event of another tie the chairman of the Supervisory Board has the casting vote and in the absence of the chairman of the Supervisory Board, the deputy chairman does not have this right.

With regard to the minutes of the resolutions of the Supervisory Board, the provision previously applicable to Cherry AG also remains in force, which now stipulates in accordance with Article 14(7) of the SE Articles that minutes must be taken of the resolutions and meetings of the Supervisory Board and the resolutions adopted in such meetings which are to be signed by the chairman or, for resolutions which are adopted outside of meetings, have to be recorded by the chairman in writing and made available to all members.

The provisions on the compensation of the Supervisory Board in Article 14 of the AG Articles are adopted with identical wording in Article 15 of the SE Articles, with the exception of two editorial changes and the addition of cents to the amounts. It is stipulated in Article 15(1) of the SE Articles that for each financial year of the Company the members of the Supervisory Board receive fixed base compensation in the amount of EUR 45,000.00, the chairman of the Supervisory Board receives fixed base compensation in the amount of EUR 90,000.00 and each deputy chairman fixed base compensation in the amount of EUR 67,500.00. It is also stipulated in Article 15(2) of the SE Articles in accordance with the previous provision for Cherry AG that for their office in the Audit Committee of the Supervisory Board the Chairman of the Audit Committee receives additional compensation in the amount of EUR 25,000.00 and any other member of the Audit Committee additional compensation in the amount of EUR 12,500.00 for each financial year of the Company. The Chairperson of the Nomination Committee and the Chairperson of the Personnel and Compensation Committee each receive additional fixed annual compensation of EUR 15,000 and each other member of one of these committees receives an additional EUR 7,500.00. Pursuant to Article 15(3) of the SE Articles, the compensation is payable at the end of the relevant financial year and within the first six weeks of the new financial year. Article 15(4) SE Articles states that the members of the first Supervisory Board and members who enter the Supervisory Board, a committee or a particular function or who leave the Supervisory Board, a committee or a particular function will receive one twelfth of the relevant annual remuneration for each month or portion thereof of their membership or performance of their function. Pursuant to Article 15(5) and 15(6) of the SE Articles, the provisions applicable to Cherry AG remain in force, according to which the members of the Supervisory Board are reimbursed for their out-of-pocket expenses incurred in the performance of their duties as Supervisory Board members as well as the value added tax on their compensation and out-of-pocket expenses, German taxes on the remuneration payable to Supervisory Board members having their tax residency outside Germany are withheld and remitted and the Supervisory Board members are to be included, where existing,

in the D&O liability insurance for board members in the Company's interests, with the premiums for this being paid by the Company.

6.2.3.3 General Meeting (Article 16 to Article 21 of the SE Articles)

Articles 16 to 21 of the SE Articles contain the provisions on the convocation and holding of the General Meeting of Cherry SE. In this context, the provisions from the AG Articles (there Articles 15 to 19 of the AG Articles) were essentially adopted and adapted or supplemented with regard to the statutory provisions applicable to the SE with regard to the deadline for the holding of the General Meeting as well as with regard to the majority requirements for resolutions amending the Articles of Association. Apart from these aspects, the provisions on the convocation and holding the General Meeting are identical to those already contained in the Articles of Association of Cherry AG.

With respect to the place and convocation of the General Meeting, Article 16(1) of the SE Articles now stipulates that the General Meeting is held within the first six (6) months of each financial year. Pursuant to Article 54(1) of the SE Regulation, the ordinary general meeting of an SE with its registered office in Germany has to be held within six (6) months of the end of the last financial year, so this was added for the purpose of clarification. The provision in Article 16(2) of the SE Articles stipulates, without any change compared to Article 15(1) of the AG Articles, that, subject to any existing legal rights of the Supervisory Board and a minority of the shareholders to convene, the General Meeting is convened by the Management Board. It is to be held, at the option of the body convening the General Meeting, at the registered office of the Company, at the place of a German stock exchange or in any German city with more than 50,000 inhabitants. In addition, pursuant to Article 16(3) of the SE Articles, the General Meeting will be convened at least thirty (30) days prior to the date of the General Meeting, unless a shorter period is permitted by law. This notice period is extended by the number of days of the registration period within the meaning of Article 17(2) of the SE Articles. In this respect, the change in legal form does not lead to any essential changes with regard to the place and convocation of the General Meeting.

The provisions of Article 16 of the AG Articles will be adopted unchanged as Article 17 in the SE Articles and only slightly modified. Accordingly, pursuant to Article 17(1) of the SE Articles of Association, shareholders who have duly submitted notification of attendance and evidence of shareholding are entitled to attend the General Meeting and exercise their voting right, as was previously the case. Pursuant to Article 17(2) of the SE Articles, the registration must be received by the Company at the address specified in the convening notice at least six (6) days prior to the day of the General Meeting and the notice of the General Meeting may provide for a shorter period to be measured in days; in addition, this period does not include the day of the General Meeting and the day of receipt. Pursuant to Article 17(3) of the SE Articles, the registration must be in "text form" (i.e. a readable declaration including the person making the declaration) (section 126b

German Civil Code) (or by way of other electronic means as specified by the Company in greater detail in German or English. Article 17(4) of the SE Articles stipulates that the evidence of shareholding pursuant to Article 17(1) is to be submitted in the form of special proof of ownership of shares prepared by a depository institution in German or English in text form (section 126b German Civil Code) and evidence in the form of proof pursuant to section 67c(3) Stock Corporation Act is sufficient. Thus a reference to the provision in section 126b German Civil Code was included specifying text form. The special proof of ownership of shares must refer to the start of the 21st day prior to the General Meeting (record date) and be received by the Company at the address specified in the convening notice of the General Meeting at least six (6) days prior to the General Meeting, whereby the convening notice of the General Meeting may provide for a shorter period to be measured in days. It is added for the avoidance of doubt that the date of the General Meeting and the date of receipt are not to be counted. Pursuant to Article 17(5) of the SE Articles, voting rights may be exercised by proxy. The granting of the proxy, its revocation and the evidence of authority to be provided to the Company must be in text form (section 126b German Civil Code) unless the convening notice provides for a less strict form. Details on the granting of the proxy, its revocation and the evidence to be provided to the Company are to be provided together with the notice convening the General Meeting and section 135 of the Stock Corporation Act remains unaffected. Pursuant to Article 17(6) of the SE Articles, the Management Board is authorised to provide that shareholders may cast their votes in writing or by electronic communication without attending the General Meeting (absentee vote). The Management Board is also authorised to determine the scope and the procedure of the exercising of these rights. Finally, Article 17(7) of the SE Articles stipulates that the Management Board is authorised to provide that shareholders may participate in the General Meeting without being present in person at the place of the General Meeting or being represented and may exercise all or specific shareholders' rights in total or in part by electronic communication (online participation) and that the Management Board is also authorised to determine the scope and the procedure of the corresponding participation and exercising of rights.

In Article 18 of the SE Articles, the provision in Article 17 of the AG Articles on the chairing of the meeting is adopted. Article 18(1) of the SE Articles stipulates that the General Meeting is chaired by the chairperson of the Supervisory Board or by another member of the Supervisory Board appointed by the chairman (chairperson of the general meeting). In the event that neither the chairman of the Supervisory Board nor another member of the Supervisory Board appointed by the chairperson takes over the position of the chairperson of the General Meeting, the chairperson of the General Meeting is elected by the Supervisory Board, and the person elected does not need to be a member of the Supervisory Board. In the event that the Supervisory Board does not elect the chairperson of the General Meeting, the chairperson of the General Meeting is elected by the General Meeting. According to the wording of Article 18(2) of the SE Articles,

which is unchanged compared to the AG Articles, the chairman of the General Meeting chairs the proceedings of the meeting and directs the course of the proceedings at the General Meeting. The chairperson may, particularly in exercising rules of order, make use of assistants. He or she determines the sequence of speakers and the consideration of the items on the agenda as well as the form, the procedure and the further details of voting and may also, to the extent permitted by law, decide on the bundling of factually related items for resolution into a single voting item. Likewise without any changes compared to the AG Articles, pursuant to Article 18(3) of the SE Articles, the chairperson of the General Meeting is authorised to impose a reasonable time limit on the right to ask questions and to speak. In particular, he may establish at the beginning of or at any time during the General Meeting, a limit on the time allowed to speak or ask questions or on the combined time to speak and ask questions, determine an appropriate time frame for the course of the entire General Meeting, for individual items on the agenda or individual speakers; he may also, if necessary, close the list of requests to speak and order the end of the debate.

Article 19 of the SE Articles contains the unchanged provisions of Article 18 of the AG Articles on the transmission of the General Meeting. According to those provisions, the Management Board and the chairman of the meeting are authorised to allow an audio-visual transmission of the General Meeting and the details are determined by the Management Board. The provision has been included in a newly incorporated Article 19(2) of the SE Articles that two (2) members of the Supervisory Board may be allowed to participate in the General Meeting by means of audio and video transmission in coordination with the chairperson of the General Meeting, provided that the members are resident abroad or are unable to attend the General Meeting on the day of the General Meeting.

In the provision on the adoption of resolutions of the General Meeting, which are set out in Article 20 and Article 21 of the SE Articles, only an adjustment was made with regard to the majority requirement for resolutions amending the Articles of Association and otherwise the provisions of Articles 19 and 20 of the AG Articles were adopted with identical wording.

Pursuant to Article 20of the SE Articles, each share carries one vote in the General Meeting and pursuant to Article 21, first sentence of the SE Articles, resolutions of the General Meeting are adopted with a simple majority of the votes cast, and, in so far as a majority of the registered share capital is necessary, with a simple majority of the registered share capital represented at the voting, unless a higher majority is required by mandatory law or by these Articles of Association. This complies with the requirements of Article 57 of the SE Regulation in conjunction with section 133(1) of the Stock Corporation Act. On the other hand, the newly inserted Article 21, second sentence of the SE Articles applies to amendments to the Articles of Association, stating that unless mandatory law provides otherwise, amendments to the Articles of Association require a majority of two-thirds of the

votes cast or, if at least half of the registered share capital is represented, a simple majority of the votes cast. This addition in comparison to the AG Articles was inserted against the background of the provision in Article 59(1) and (2) of the SE Regulation in conjunction with section 51 of the SEAG. The purpose of the provision is, as with Article 20, first sentence of the AG Articles, to reduce the necessary majority requirements, as far as legally permissible, to a simple majority. Pursuant to Article 21, third sentence of the SE Articles, the majority requirement provided for in section 103(1), second sentence of the Stock Corporation Act remains unaffected, and compared to the AG Articles it was additionally clarified that this requirement applies to the removal of Supervisory Board members.

6.2.4 Annual financial statements and appropriation of profit (Article 22 to Article 24 of the SE Articles)

The provisions of Article 21 to Article 23 of the AG Articles have been adopted largely unchanged as Article 22 to Article 24 of the SE Articles for Cherry SE.

6.2.4.1 Financial year (Article 22of the SE Articles)

Pursuant to Article 22 of the SE Articles, the financial year of the Company remains the calendar year without any change.

6.2.4.2 Annual financial statements (Article 23 of the SE Articles)

Article 23(1) of the SE Articles provides exactly as before for Cherry AG that within the statutory periods, the Management Board has to prepare the annual financial statements and the management report as well as, where required by law, the consolidated financial statements and the group management report for the preceding financial year and submit these documents without undue delay to the Supervisory Board and the auditors, whereby at the same time the Management Board also has to submit to the Supervisory Board a proposal for the appropriation of the distributable profit (*Bilanzgewinn*) that is to be brought forward to the General Meeting. Pursuant to Article 23(2) of the SE Articles, the Management Board and the Supervisory Board adopt the annual financial statements and are authorised to allocate sums amounting to up to half of the net profit for the financial year to other retained earnings. They are also authorised to allocate up to 100% of the net profit for the financial year to other retained earnings as long and as far as the other retained earnings do not exceed half of the registered share capital and would not exceed this either following such a transfer.

6.2.4.3 Appropriation of profit and Annual General Meeting (Article 24 of the SE Articles)

Apart from the clarification of the period of six (6) months for the Annual General Meeting to take place, the provisions of Article 23 of the AG Articles are adopted unchanged in terms of content as Article 24 of the SE Articles for Cherry SE and the change in legal form does in this respect not lead to any changes with regard

to the appropriation of the distributable profit (*Bilanzgewinn*), the determination of the profit participation in the event of capital increases or the allocation to retained earnings or the possibility to resolve a distribution in kind.

Pursuant to Article 24(1) of the SE Articles, the General Meeting resolves annually within the first six (6) months of each financial year on the appropriation of the distributable profit (*Bilanzgewinn*), the formal approval of the acts of the members of the Management Board and the Supervisory Board and the election of the auditor (Annual General Meeting) as well as on the approval of the financial statements to the extent required by law. The period of six (6) months was added for clarification because pursuant to Article 54(1) of the SE Regulation, the ordinary general meeting of an SE with registered office in Germany has to be held within six (6) months of the end of the last financial year (see already the explanation for the corresponding amendment of Article 16 of the SE Articles in clause 6.2.3.3). As previously for Cherry AG, pursuant to Article 24(2) of the SE Articles, the profit shares attributable to the shareholders are determined in proportion to the shares in the registered share capital held by them and Article 24(3) of the SE Articles stipulates that the General Meeting may resolve to distribute the distributable profit by way of a dividend in kind in addition or instead of a cash dividend. The General Meeting may allocate further amounts to retained earnings or carry such amounts forward as profit in the resolution on the appropriation of the distributable profit.

6.2.5 Final provisions (Article 25 and Article 26 of the SE Articles)

In the final provisions of the Articles of Association of Cherry SE, a provision on the costs of the change in the legal form to an SE will be included. In addition, the provision relating to the provision of the share capital of Cherry AG was moved to Article 4(1)(3) of the SE Articles (see explanation regarding Article 4 of the SE Articles in clause 6.2.2.1 above). In all other respects, the provisions will be adopted unchanged from the AG Articles.

6.2.5.1 Costs of conversion (Article 25 of the SE Articles)

The information previously given in Article 24(1) of the AG Articles on the provision of the share capital of Cherry AG was moved to Article(1)(3) of the SE Articles and the provision on the formation costs for Cherry AG from Article 23 of the AG Articles is adopted in Article 24(1) of the SE Articles without changing the contents, adding cents to the amounts. The registration of Cherry AG in the commercial register dates back less than 30 years, so that in the event of a change in legal form, the adoption of these provisions of the Articles of Association in the Articles of Association of the entity in its new legal form is required by law under section 243(1), second and third sentences of the Reorganisation Act. In addition, the information on the costs of the change in legal form to an SE are included as a new Article 25(2) of the SE Articles. Article 25(2) of the SE Articles provides that the costs of the change in the legal form of the Company from the legal form of a stock

corporation into the legal form of a *Societas Europaea* (SE) (in particular the costs for the notary and the court, costs for publication, audit costs and costs for consultants) are borne by the Company in an amount of up to EUR 400,000.00. This determination of the costs to be borne by Cherry SE for its formation as an SE is a necessary part of the Articles of Association of Cherry SE pursuant to Article 15(1) SE Regulation in conjunction with section 26(2) Stock Corporation Act.

6.2.5.2 Language version (Article 26 of the SE Articles)

The previous provision in Article 25 of the AG Articles is adopted without any changes in Article 26 of the SE Articles, so that the German language version of the Articles of Association prevails and the English version is not part of the Articles of Association of Cherry SE and only a non-binding convenience translation.

7. EFFECTS OF THE CHANGE IN LEGAL FORM

In accordance with the requirement in Article 37(4) of the SE Regulation, the effects that the conversion to the legal form of an SE has for the shareholders and employees of Cherry AG are presented below.

Ultimately, the conversion of Cherry AG into the legal form an SE has only few direct effects for the shareholders of the Company. When the change in legal form takes effect, the shareholders of the Company will no longer participate in a German stock corporation but in a European Company (SE). This is subject in part to provisions that deviate from the legal regulations applicable to a stock corporation (see also the explanations in clause 4 above). In addition, it is also given new Articles of Association due to the change in legal form (see the explanations on this in clause 6.2 above).

7.1 Effects on the change in legal form for shareholders

7.1.1 Shareholdings, dividend entitlement

The shareholders of Cherry AG are shareholders of Cherry SE by operation of law upon the change in the legal form taking effect. Their holding will continue to exist unchanged due to the legal entity remaining identical. The shareholders of Cherry AG will therefore participate in the registered share capital of Cherry SE to the same extent and with the same number of no-par value bearer shares as they participate in the registered share capital of Cherry AG immediately prior to the change in legal form taking effect.

The rights associated with the shares, including the dividend entitlement, will not change either as a result of the conversion of Cherry AG into the legal form of an SE. As was previously the case with Cherry AG, the General Meeting of Cherry SE will decide on the appropriation of the balance sheet profit.

7.1.2 Issue of new share certificates

The no-par value bearer shares of Cherry AG are currently recorded in global share certificates.

The existing global share certificates become incorrect when Cherry AG is converted into Cherry SE. The shares of the Company recorded in global share certificates will therefore be recorded in one or more new global share certificate(s) issued by Cherry SE. This takes place by replacing the global share certificates at Clearstream Banking AG.

The Company will notify Deutsche Börse AG about the conversion and change in legal form to an SE and arrange for the listing to be changed to Cherry SE. The depository banks will subsequently change all securities account holdings from shares in Cherry AG to shares in Cherry SE. The shareholders do not have to do anything in this regard. The International Securities Identification Number (ISIN) DE000A3CRRN9 for the existing shares will not change due to the conversion into the legal form of an SE.

7.1.3 Continued existence of the stock exchange listing

The change in legal form does not have effect on the stock exchange listing of Cherry AG or the trading of shares on the stock exchange. The shareholders of Cherry AG also after the conversion of Cherry AG into the legal form of an SE trade their shares which exist in Cherry SE on any stock exchange on which the shares are already listed (see already clause 6.1.1 above). For this purpose, no separate stock exchange listing of the shares of Cherry SE is required since the Company will neither be dissolved nor newly founded by the change in the legal form.

7.1.4 Continued existence of notification requirements under the Securities Trading Act

With regard to the notification obligations concerning voting rights, the provisions of section 33 onwards of the Securities Trading Act apply to the future Cherry SE as a listed SE, as they do to Cherry AG as a listed German stock corporation, via point (c)(ii) of Article 9(1) of the SE Regulation. Pursuant to section 44 of the Securities Trading Act, shareholders' rights may therefore also not be exercised in the case of an SE under certain conditions if certain notification obligations are violated. Notifications of voting rights made prior to the change of the legal form taking effect remain unaffected by the change in legal form. In particular, the fact of the change in legal form itself does not trigger any new notification obligations for shareholders of the Company pursuant to sections 33 onwards of the Securities Trading Act.

7.1.5 Other effects under company law

For the other effects of the conversion of legal form under company law, see also the explanations on the comparison of the structural elements of Cherry AG and

Cherry SE, in particular the legal position of the shareholders, under clause 4.4 above and the explanations of the Articles of Association of Cherry SE under clause 6.2 above.

7.1.6 Tax effects

Due to the principle of identity of the legal entity, the change in the legal form of Cherry AG into an SE does not involve any transfer of assets. The change in legal form is therefore tax-neutral at the level of the Company and, in particular, does not trigger any income or transfer taxes for the Company.

With regard to the current taxation of the SE, the same tax regulations apply as for Cherry AG.

It is recommended that shareholders of Cherry AG consult their tax advisors with regard to any tax-relevant particularities which may exist in their case. This applies in particular to shareholders for whom foreign tax law provisions are applicable.

7.2 Effects of the change in legal form for employees

Article 37(9) of the SE Regulation requires that the rights and obligations of the company to be converted on terms and conditions of employment arising from employment contracts or employment relationships and existing at the date of the registration are, by reason of such registration transferred to the SE.

The effects that the conversion to the legal form of an SE will have for employees are explained in more detail in the explanation of the Draft Terms of Conversion in clause 6.1.9 above.

DEFINITIONS

Munich, 25 April 2022

Cherry AG

The Management Board

(signed)
Rolf Unterberger

(signed)
Bernd Wagner

(signed)
Dr Udo Streller

ANNEX

Overview of the structure of the Cherry Group