

Report of the Supervisory Board



Dr. Markus Lauer
Chairman of the Supervisory Board

Dear Shareholders,

For GRAMMER, the 2025 financial year was marked by structural and operational changes amid persistently challenging macroeconomic circumstances. A weak global economy and the crisis in the automotive industry pose major challenges for the German economy. Against this backdrop, GRAMMER took further measures in the 2025 financial year to ensure a secure future. Measures such as capacity adjustments in line with demand and the restructuring and future-oriented collective agreement entered into began to take effect. We can see that GRAMMER has become significantly more resilient in operational terms as a result of the ongoing implementation of the “Top 10” measures and restructuring initiatives, despite a persistently difficult market environment, and we are confident that these initiatives will help to safeguard GRAMMER’s future viability.

We would like to express our special thanks to the employees, managers, and Executive Board of GRAMMER, all of whom have played significant roles in taking these important steps thanks to their commitment and willingness to embrace change. In times of multiple crises and exceptionally weak industry performance, difficult decisions often have to be made. That makes us all the more grateful for the support and trust that GRAMMER has received from its employees, and see this as a crucial foundation for our shared success in the future.

Supervisory and advisory activities of the Supervisory Board

During the past financial year, the Supervisory Board performed the duties incumbent upon it by law, the Articles of Association, and the Rules of Procedure with great diligence. We monitored and advised the Executive Board in the management of the company on the basis of its detailed written and oral reports. In addition, regular information-sharing took place between the Chair of the Supervisory Board and the Executive Board, and particularly the Chair of the Executive Board. Consequently, the Supervisory Board was informed at all times about the intended business policy, corporate planning, including financial, capital expenditure, and personnel planning, the profitability and financial position of the company, as well as the course of business and the situation of the company and the Group. The Supervisory Board was directly involved at an early stage in all decisions of fundamental importance to the company and discussed them in detail with the Executive Board. Insofar as resolutions or mea-

asures taken by the management required the approval of the Supervisory Board in accordance with the law, the Articles of Association, or the Rules of Procedure, the members of the Supervisory Board – with the assistance of the committees in some cases – approved these after review and discussion.

The topics discussed at the meetings of the full Supervisory Board

Last year, the Supervisory Board of GRAMMER AG held five regular and three special meetings. Of these, one meeting was held as a purely in-person meeting, five were held as hybrid meetings, i.e., in-person meetings with the option of participating virtually, and two were held virtually only, via video. There were no meetings held as conference calls.

The Executive Board’s reports on the revenue and earnings performance of GRAMMER AG and the Group, as well as the financial position and results of operations, were regularly discussed at our full meetings. The reports also included updates on the “Top 10” measures program and the associated initiatives to cut costs and increase profitability. We also dealt with transactions requiring approval and personnel issues on an ad hoc basis. In addition, the Executive Board reported on the continuing tense economic situation and its impact on GRAMMER. In particular, we discussed risks arising from significantly lower call-off orders, especially from European customers in the automotive sector, coupled with increased costs, particularly for personnel. The Supervisory Board also met

regularly without the Executive Board. Agenda items relating to either the Executive Board itself or internal Supervisory Board matters were discussed.

In addition to the Executive Board's report on the current situation of the company, the agenda for the first regular meeting of the Supervisory Board on March 26, 2025, mainly included the approval and thus adoption of the annual financial statements and consolidated financial statements as of December 31, 2024, as well as the management reports for GRAMMER AG and the Group, related resolutions, and the appropriation of profits for the 2024 financial year. The board also approved the agenda for the 2025 Annual General Meeting and agreed to the sale of the stake in GRA-MAG Truck Interior Systems LLC, USA. In addition, the performance evaluation of the Executive Board for the 2024 financial year was carried out without the Executive Board being present.

The main items on the agenda of the second regular meeting of the Supervisory Board, which took place on May 22, 2025, were the election of the Chair and Deputy Chair of the Supervisory Board and the formation and appointment of committees, due to the re-election of the members of the Supervisory Board by the Annual General Meeting on the same day. The Executive Board also reported on the current business situation and the status of individual "Top 10" measures.

The third regular meeting of the Supervisory Board took place on September 18, 2025. The Executive Board reported in detail on the company's current business situation, once again placing particular emphasis on the "Top 10" measures, the associated key projects, and their implementation status. The Supervisory Board also received reports on cyber and information security at GRAMMER. As part of a review, the Supervisory Board was informed about past activities of the Strategy Committee.

The fourth regular Supervisory Board meeting took place on November 11, 2025. As part of the Supervisory Board's continuing professional development, the board was briefed by an external speaker on the role of the Supervisory Board in economic crises and received reports on risk and KPI monitoring as well as GRAMMER's financing profile. The Executive Board once again provided a detailed report on the current business situation and current key areas of focus. Another item on the agenda was the report on the results of the Supervisory Board's self-assessment.

At the fifth regular Supervisory Board meeting on December 16, 2025, the Executive Board informed the Supervisory Board about the current situation as part of its regular reporting and provided an update on the Group's strategy and strategic initiatives. The meeting also focused on discussing the preliminary budget for the 2026 financial year presented by the Executive Board and the preliminary medium-term planning for the years 2027 to 2030. The adoption of the budget and medium-term planning was postponed until January/February 2026. There was also comprehensive reporting on the topics of risk management, internal control systems, compliance, and internal auditing, as well as on the status of sustainability reporting at GRAMMER. Furthermore, the Supervisory Board discussed the recommendations of the German Corporate Governance Code and adopted the 2025 declaration of conformity. The Supervisory Board also discussed the remuneration system for the Executive Board.

In addition to the regular meetings of the Supervisory Board, the committee held three special meetings.

The first special meeting of the Supervisory Board took place on February 6, 2025. The purpose of the meeting was to terminate the appointment of Ms. Jurate Keblyte as a member of the Execu-

tive Board effective March 31, 2025, and to appoint Mr. Thomas Strobl as a member of the Executive Board effective April 1, 2025.

Due to the resignation of several shareholder representatives from the Supervisory Board, a second special meeting of the Supervisory Board was held on April 1, 2025, at which the election of the Chair of the Supervisory Board and the replacement of committee members were on the agenda. In addition, the candidates for the Supervisory Board's nomination for the election of Supervisory Board members at the 2025 Annual General Meeting were approved.

The focus of the third special meeting of the Supervisory Board on June 17, 2025, was the termination of Mr. Thomas Strobl's appointment as a member of the Executive Board effective June 20, 2025, and the appointment of Mr. Kelvin (Bangben) Wang as a member of the Executive Board effective August 1, 2025.

German Corporate Governance Code

At its meeting on December 16, 2025, the Supervisory Board approved a declaration of conformity in accordance with Section 161 of the German Stock Corporation Act (AktG). Information on corporate governance can be found in the corporate governance statement, which is publicly available at www.grammer.com/en/investor-relations/corporate-governance/. The declaration of conformity is permanently available on the website at www.grammer.com/en/investor-relations/corporate-governance/. The current declaration of conformity is also reproduced in the corporate governance statement.

Work in the committees of the Supervisory Board

During the reporting year, the Supervisory Board had five committees. They prepare resolutions and topics to be discussed at the meetings of the full Supervisory Board. Within the limits permitted by law, decision-making powers of the Supervisory Board are delegated to committees. The committee chairs generally report to the Supervisory Board on the committee's work at the subsequent meeting in each case. The tasks and members of the committees are listed in detail in the corporate governance statement.

The **Audit Committee** held four regular meetings. One meeting was held as a purely in-person meeting, one as a hybrid meeting, i.e., an in-person meeting with the option of participating virtually, and two via video conference. The Audit Committee reviewed the annual financial statements and management reports for GRAMMER AG and the Group in the presence of the auditor and the Executive Board. It discussed the half-year financial report and quarterly reports with the Executive Board. In the course of preparing and conducting the audit, the Audit Committee, particularly the chair, regularly exchanged information with the auditor without the involvement of the Executive Board and reported on this to the committee. The Audit Committee also dealt with accounting and the accounting process, the adequacy and effectiveness of the company's internal control system and risk management system, and the effectiveness and findings of the internal audit. The Audit Committee also dealt with compliance with legal provisions, regulations, and internal company policies. One set of topics concerned the preparation of sustainability reporting in accordance with Directive (EU) No. 2022/2464 of the European Parliament and of the Council.

In a circular resolution, it assigned the audit to the auditor selected by the Annual General Meeting for the 2025 financial year.

The **HR and Mediation Committee** met seven times during the past financial year, holding two regular meetings and five special meetings. One meeting was held in person and six were held virtually via video conference. In particular, the committee prepared the Supervisory Board's resolutions on the achievement and determination of performance criteria and targets for the variable remuneration of the Executive Board for the previous and current financial years, as well as the preparation of the remuneration report for the previous financial year. In addition, the committee dealt with the replacement of Executive Board members and the change to the Chair of the Supervisory Board. Another topic of discussion was a possible adjustment to the remuneration system for the Executive Board and Supervisory Board for the 2026 financial year.

The **Strategy Committee** did not meet in the 2025 financial year, as the Executive Board and Supervisory Board had agreed to temporarily suspend the committee's activities and resume them in mid-2026.

The **Executive Committee** met four times, with all meetings being held as conference calls. The Executive Committee prepared the regular meetings and resolutions of the Supervisory Board and coordinated the work of the committees, primarily with regard to meeting content and focal points.

The **Nomination Committee** met twice during the past financial year, once in person and once via video conference, and dealt with the preparation of the election of shareholder representatives to the Supervisory Board, which was scheduled to take place at the 2025 Annual General Meeting.

Continuing professional development for the Supervisory Board

The members of the Supervisory Board are responsible for undertaking the training and continuing professional development measures necessary for their duties and are supported in this by the company. Lectures on current topics are offered for targeted continuing professional development, particularly in the context of committee meetings. At its meeting on November 11, 2025, the Supervisory Board received information on the role of the Supervisory Board in economic crises.

Disclosure of individual meeting attendance

Member attendance was 95% at Supervisory Board meetings, 94% at Audit Committee meetings, and 100% at both HR and Mediation Committee and Executive Committee meetings. During the reporting year, meetings were held not only in person, but also virtually via video conference or as in-person meetings with the option of participating virtually (known as hybrid meetings). The meetings of the Executive Committee were held as conference calls.

Individual member attendance at meetings of the Supervisory Board and its committees is disclosed below:

Attendance at the meetings of the Supervisory Board

Number of meetings / attendance in %		Full Supervisory Board		Audit Committee		Personnel and Mediation Committees		Strategy Committee ¹		Nomination Committee		Chairman's Committee	
		Number	in %	Number	in %	Number	in %	Number	in %	Number	in %	Number	in %
Dr. Martin Kleinschmitt	Chairman (until March 31, 2025)	2/2	100	1/1	100	3/3	100	0/0	0	1/1	100	1/1	100
Udo Fechtner	Deputy Chairman	7/8	88	1/2	50	7/7	100	0/0	0			4/4	100
Klaus Bauer	Member	8/8	100										
Andrea Elsner	Member	8/8	100	4/4	100								
Dr. Ping He	Chairman (from April 1, 2025)	8/8	100			4/4	100	0/0	0			3/3	100
Martin Heiss	Member	8/8	100			7/7	100	0/0	0				
Peter Kern	Member (until May 22, 2025)	3/3	100										
Nicole Schobert	Member (until May 22, 2025)	5/5	100	2/2	100								
Jürgen Kostanjevec	Member (until March 31, 2025)	1/2	50										
Caterina Messina	Member	6/8	75										
Dagmar Rehm	Member (until March 31, 2025)	2/2	100	1/1	100					1/1	100		
Gabriele Sons	Member (until March 31, 2025)	2/2	100			3/3	100			1/1	100		
Prof. Dr. Birgit Vogel-Heuser	Member (until March 31, 2025)	2/2	100					0/0	0				
Yiping Wang	Member (from April 1, 2025)	5/6	83										
Sijun Zhang	Member (from April 1, 2025)	6/6	100	3/3	100			0/0	0	1/1	100		
Jian Shi	Member (from April 1, 2025)	6/6	100							1/1	100		
Xiaolu Tang	Member (from April 1, 2025)	6/6	100	3/3	100								
Dr. Markus Lauer	Member (from April 1, 2025)	6/6	100			4/4	100			1/1	100		
			95		94		100		0		100		100

¹Activities suspended in the 2025 financial year

Conflicts of interest

The members of the Supervisory Board of GRAMMER AG are required to disclose conflicts of interest, particularly those that may arise as a result of consulting or executive functions for customers, suppliers, lenders, or other business partners, first to the Chair of the Supervisory Board and then to the entire board without delay. No (potential) conflicts of interest involving members of the Executive Board or Supervisory Board arose during the reporting period.

Audit of annual and consolidated financial statements for 2025

At the suggestion of the Supervisory Board and in accordance with the recommendation of the Audit Committee, the Annual General Meeting of GRAMMER AG on May 22, 2025, selected BDO AG Wirtschaftsprüfungsgesellschaft, Hamburg, as the auditor for the annual and consolidated financial statements for the 2025 financial year. BDO audited the annual financial statements of GRAMMER AG, the consolidated financial statements, and the combined management report, and issued an unqualified audit opinion in each case. The auditors responsible were Björn Beck and Jorit Silber. Before being proposed as auditor by the Supervisory Board to the Annual General Meeting, BDO had confirmed that there were no circumstances that could impair its independence as auditor or give rise to doubts about its independence. The GRAMMER AG annual financial statements and management report were prepared in accordance with German commercial law. The consolidated financial statements were prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union and the additional requirements of German commercial law pursuant to Section 315e (1) of the German Commercial Code (HGB). The audit was conducted in accordance with Section 317 of the HGB and in compliance with the German principles of proper auditing established by the Institute of Public Auditors. The auditors confirmed that the combi-

ned management report accurately described the situation of GRAMMER AG and the Group, as well as the risks and opportunities of future development. The audit of the early risk detection system as part of the annual audit found that the Executive Board had taken the measures required under Section 91 (2) of the German Stock Corporation Act (AktG), particularly the establishment of a monitoring system, in an appropriate manner and that the monitoring system was suitable for the early detection of developments that could jeopardize the continued existence of the company. All members of the Supervisory Board received the annual and consolidated financial statements of GRAMMER AG, the combined management report, the separate non-financial report, and the auditor's reports in good time. The Audit Committee conducted a preliminary review of these documents at its meeting on March 25, 2026, and reported on its findings to the Supervisory Board at its regular meeting the following day. The Supervisory Board then discussed the financial statements and reports in detail. Representatives of the auditor attended both meetings, reported on the results of their audits, and were available to answer questions. In particular, the results relating to key audit matters for GRAMMER AG and the Group for the 2025 financial year were presented. No significant weaknesses in the internal control system or risk management system were reported.

Following the final results of the audit of the annual and consolidated financial statements and the combined management report by the Audit Committee and the Supervisory Board, no objections were raised. In line with the recommendation of the Audit Committee, the Supervisory Board approved the results of the audit. The Supervisory Board approved the annual financial statements of GRAMMER AG and the consolidated financial statements for 2025 prepared by the Executive Board. The annual financial statements were thereby adopted. As part of its audit, the Supervisory Board also examined the separate

non-financial report in accordance with Sections 289b and 315b of the HGB and concluded that it met the existing requirements and that no objections were to be raised. The auditor also formally reviewed the report on the remuneration of the Executive Board and Supervisory Board for the 2025 financial year (remuneration report) prepared by the Executive Board and Supervisory Board in accordance with Section 162 of the AktG and likewise raised no objections.

As at 31 December 2025, GRAMMER AG reported a net loss of EUR -244.1 million. This figure takes into account the net profit for the 2025 financial year of EUR 17.2 million. Due to the net loss for the past financial year 2025, the Executive Board recommends that no dividend be proposed to the 2026 Annual General Meeting.

Review of the Executive Board's report on relations with affiliated companies

GRAMMER AG is included as a fully consolidated subsidiary in the consolidated financial statements of Ningbo Jifeng Auto Parts Co., Ltd., China, which indirectly held 86.2% of the share capital of GRAMMER AG at the end of the reporting year. For this reason, the Executive Board of GRAMMER AG prepared a report on relations with affiliated companies (dependent company report) for the 2025 financial year in accordance with Section 312 of the AktG and submitted it to the Supervisory Board in a timely manner. The auditor has reviewed the dependent company report. As there were no objections to be raised following the final results of the audit, the auditor issued the following audit opinion in accordance with Section 313 (3) of the AktG: "Following our audit and judgment, performed in keeping with our professional duties, we hereby confirm that (1.) the statements as to fact made in the report are accurate, (2.) the performance by the company under the legal transactions set out in the report was not excessive."

The dependent company report and the auditor's audit report were submitted to and reviewed by the Audit Committee and the Supervisory Board. The review did not give rise to any objections. Based on the final results of the preliminary review by the Audit Committee and our own review, the Supervisory Board has no objections to the Executive Board's statement on relations with affiliated companies pursuant to Section 312 (3) sentence 1 of the AktG. The results of the audit of the controlled company report by the auditor are approved.

Changes to the Supervisory Board and Executive Board

The following changes occurred in the Supervisory Board during the reporting year. Effective January 1, 2025, and until the end of the Annual General Meeting on May 22, 2025, Ms. Caterina Messina was appointed to the Supervisory Board as an employee representative by the Local Court – Registry Court – Amberg.

Effective March 31, 2025, Dr. Martin Kleinschmitt, Mr. Jürgen Kostanjevec, Ms. Dagmar Rehm, Ms. Gabriele Sons, and Prof. Birgit Vogel-Heuser resigned from their positions. For a transitional period effective April 1, 2025, until the end of the Annual General Meeting on May 22, 2025, Mr. Yiping Wang, Mr. Sijun Zhang, Ms. Jian Shi, Ms. Xiaolu Tang, and Dr. Markus Lauer were appointed as members of the Supervisory Board by the Local Court – Registry Court – Amberg. Dr. Ping He took over as Chair of the Supervisory Board on April 1, 2025.

At the Annual General Meeting of GRAMMER AG on May 22, 2025, the court-appointed members of the Supervisory Board, Dr. Markus Lauer, Ms. Jian Shi, Ms. Xiaolu Tang, Mr. Yiping Wang, and Mr. Sijun Zhang, were confirmed as members of the Supervisory Board. Similarly, Dr. Ping He, whose term of office ended at the close of

the Annual General Meeting on May 22, 2025, was re-elected to the Supervisory Board by the Annual General Meeting.

Dr. Ping He resigned as Chair of the Supervisory Board effective at the end of 2025. At its meeting on December 16, 2025, the Supervisory Board elected Dr. Markus Lauer as Chair of the Supervisory Board effective January 1, 2026.

At the end of April 2025, GRAMMER AG employees elected their representatives, Mr. Klaus Bauer, Ms. Andrea Elsner, Mr. Udo Fechtner, Mr. Martin Heiss, Ms. Caterina Messina, and Ms. Nicole Schobert, to the Supervisory Board effective from the end of the Annual General Meeting on May 22, 2025.

The following change occurred in the Executive Board during the reporting year: Ms. Jurate Keblyte decided to leave the company at her own request on March 31, 2025. The Supervisory Board approved her resignation from office and appointed Mr. Thomas Strobl to the Executive Board effective April 1, 2025. Mr. Thomas Strobl left the company by mutual agreement with the Supervisory Board effective June 20, 2025. Effective August 1, 2025, Mr. Kelvin (Bangben) Wang was appointed to the Executive Board as Group Chief Financial Officer.

Acknowledgments

On behalf of the entire Supervisory Board, I would like to express our sincere thanks and respect to all GRAMMER employees for their hard work over the past financial year. We would also like to express our gratitude to the members of the Executive Board, who once again steered the company through very difficult market circumstances.

The Supervisory Board would also like to express its special thanks to the shareholders, particularly the Wang family as representatives of the main shareholder, who placed their trust in the Executive Board and Supervisory Board of GRAMMER AG over the past year.

Finally, I would also like to thank the members of the Supervisory Board for their consistently constructive and congenial cooperation. On behalf of the other members of the Supervisory Board, I would like to thank my predecessor, Dr. Ping He, for his dedication and outstanding work as Chair of the Supervisory Board during a challenging 2025 financial year for GRAMMER. On behalf of the other members of the Supervisory Board, I wish GRAMMER AG all the best for the future.

Ursensollen, March 2026

On behalf of the Supervisory Board



Dr. Markus Lauer
Chairman