Declaration of compliance by the Management Board and Supervisory Board of KHD Humboldt Wedag International AG in accordance with Section 161 of the German Stock Corporation Act ("AktG") on the recommendations of the "Government Commission on the German Corporate Governance Code"

The Management Board and the Supervisory Board of KHD Humboldt Wedag International AG ("KHD") hereby declare that since the last declaration of compliance on February 6, 2025 the recommendations of the German Corporate Governance Code (the "Code") as amended on April 28, 2022 (published in the Federal Gazette on June 27, 2022) have been complied with and will continue to be complied with in future with the following exceptions:

- The management report does not contain a description of the main characteristics of the entire internal control system and risk management system, nor does it provide comment upon the appropriateness and effectiveness of these systems (Code recommendation A.5).

KHD considers a description that goes beyond the scope required by law of the main characteristics of the entire internal control system and risk management system and a statement on the appropriateness and effectiveness of these systems in the management report to be unnecessary or not expedient. In particular, KHD considers the inclusion of passages in the management report that are not required by law and have therefore not been audited by the auditor to be not expedient.

- The approach regarding long-term succession planning for members of the Management Board is not described in the Corporate Governance Statement (Code recommendation B.2, 2nd half-sentence).

In order to ensure effectiveness and confidentiality, KHD refrains from explicitly describing the approach regarding long-term succession planning in the Corporate Governance Statement.

- The Supervisory Board has not specified an age limit for the members of the Supervisory Board as recommended by the Code. Consequently, no age limit is specified in the corporate governance statement (Code recommendation C.2).

The Supervisory Board considers extensive business experience from a long business career as beneficial for the competence of the Supervisory Board and the interests of the Company. Therefore, the Supervisory Board decided not to specify an age limit for the members of the Supervisory Board.

- The Supervisory Board has not established any committees as recommended by the Code (Code recommendation D.2). As no committees have been established, Code recommendations C.10, D.3, D.4 and D.10 have not been implemented either.

The Supervisory Board of KHD has consisted of four persons since June 22, 2021. The issues normally delegated to committees are jointly handled by all Supervisory Board members, whereby each member of the Supervisory Board reports to the Supervisory Board as a whole on those topics that are primarily allocated to his/her responsibility based on specific expertise. The objectives of Code recommendations D.3 and D.4 are nevertheless achieved because no member of the Supervisory Board is a former member of the Management Board of the Company and one member of the Supervisory Board has special knowledge and experience in the application of accounting principles and internal control and risk management systems and has expertise in the field of auditing of financial statements. Another member of the Supervisory Board has expertise in the field of accounting. The objective of Code recommendation D.4 is achieved because all Supervisory Board members are shareholder representatives.

- The Company does not publish any information on the business development during the course of the year in addition to the half-year financial report as recommended by the Code (Code recommendation F.3).

The Company is not obliged to publish interim reports. Due to the long-term nature of the business model as well as significant differences between individual quarters, quarterly information about the course of business does not appear to be expedient. However, the Company reports on the course of business in the first months of a financial year before a general meeting of shareholders.

- The Supervisory Board has not implemented specific aspects of the remuneration system for the Management Board as recommended by the Code (Code recommendation G.3).

A compensation report in accordance with Section 162 of the German Stock Corporation Act (AktG) had to be prepared for the first time for the financial year beginning after December 31, 2020. The currently valid Management Board compensation system complies with the provisions of Section 87a of the German Stock Corporation Act (AktG) and was approved by the Annual General Meeting on May 23, 2025 in accordance with Section 120a (1) of the German Stock Corporation Act (AktG). The composition of a peer group for assessing if the total remuneration of Management Board members is in line with usual levels of other companies is not disclosed, because this would lead to an upward trend in remuneration.

- The variable compensation amounts granted to the members of the Management Board are not predominantly granted in shares of the Company or on a share-based basis as recommended by the Code. The Management Board members can dispose access the long-term variable remuneration components before a period of four years (Code recommendation G.10).

89% of KHD's shares are held by the AVIC Group and the average daily trading volume is less than 30,000 shares (corresponding to less than 0.1% of the issued shares). Due to the lack of liquidity of the KHD share, the Company shares or the development of the share price do not represent an adequate instrument for the variable compensation of the Management Board members. The Supervisory Board considers the period of four years until the accessibility of the long-term variable compensation to be too long – also in view of the fact that at KHD Management Board members are generally appointed for a period of three years. There is a risk that such an arrangement, instead of providing an incentive for sustainable corporate development, is more likely to have a negative influence on motivation.

- In the event of the termination of the contract of a Management Board member, the payment of outstanding variable remuneration components attributable to the period up to the termination of the contract is not based on the originally agreed targets and comparison parameters, nor on the due dates or holding periods stipulated in the contract (Code recommendation G.12).

In the event of the termination of a Management Board contract, the departing Management Board member can no longer influence the achievement of the multi-year financial targets on which the long-term variable remuneration is based. The Supervisory Board therefore considers it appropriate to adjust the assessment period to the active service period of the Management Board member if a Management Board contract is terminated. Payment no later than the next regular assessment date following the Management Board member's departure is also considered appropriate.

Cologne, February 6, 2026

For the Management Board

(s) Heng Xiang
(Chairman)

(s) Dr. Matthias Jochem

(s) Martin Strouhal

For the Supervisory Board

(s) Jürgen Luckas

(s) Jingnan Yang

(s) Matthias Mersmann