CORPORATE GOVERNANCE STATEMENT
within the meaning of the German Corporate Governance Code as amended on April 28, 2022

Good corporate governance is a key factor for long-term corporate success. The Supervisory Board and the Management Board of KHD Humboldt Wedag International AG („KHD“) are committed to the principles of good corporate governance as basis for decision-making and control processes. At KHD, the concept of corporate governance means managing and controlling the Group in a responsible, value-based manner and ensuring long-term success. Promoting targeted and efficient cooperation between the Management Board and the Supervisory Board, paying attention to the interests of our employees and shareholders, employing fair business practices with every party, transparency and accountability when making entrepreneurial decisions and an appropriate management of risks also constitute part of KHD’s corporate principles.

In accordance with Principle 23 of the German Corporate Governance Code, KHD uses the Corporate Governance Statement as the sole and central instrument for reporting on corporate governance.

I. Corporate Governance Statement in accordance with Section 289f / 315d of the German Commercial Code („HGB“)

A. Compliance with the German Corporate Governance Code (the „Code“) and Declaration of Compliance

The Management Board and Supervisory Board of KHD act according to the recognized principles of responsible corporate governance. KHD sees corporate governance as an ongoing process and will take further development of corporate governance into account.

The Management Board and the Supervisory Board have made the annual declaration of compliance in accordance with Section 161 of the German Stock Corporation Act (“AktG”):

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		For the Supervisory Board
(s) Heng Xiang (Chairman)	(s) Jürgen Luckas	(s) Jingnan Yang
(s) Dr. Matthias Jochem	(s) Matthias Mersmann	(s) Martin Strouhal

The current declaration of compliance with the German Corporate Governance Code is available on the Company's website under www.khd.com/.

B. Disclosures pursuant to Section 289f (2) No. 1a HGB

The applicable compensation system for the Management Board members is integrated into the invitation to the Annual General Meeting on May 23, 2025. The applicable compensation system for the members of the Management Board pursuant to Section 87a Paragraph (1) and (2) Sentence 1 German Stock Corporation Act (AktG), the resolution of the Annual General Meeting on the approval of the compensation system for the members of the Management Board presented by the Supervisory Board pursuant to Section 120 Paragraph (1) German Stock Corporation Act (AktG), and the latest resolution regarding the compensation of the members of the Supervisory Board pursuant to Section 113 Paragraph (3) German Stock Corporation Act (AktG) are publicly available on the Company's website at www.khd.com/ir/annual-genral-meeting/#2025.

The compensation report for the 2024 financial year (including the auditor's report in accordance with Section 162 of the German Stock Corporation Act (AktG)) is publicly available on the Company's website at www.khd.com/ir/new-report/#compensation-reports.

C. Corporate Governance Practices

KHD places great importance on good responsible management and supervision with the objection of creating sustainable value added. Good corporate governance promotes confidence in the KHD Group among employees, investors, and customers. The basis for successful corporate governance lies in the close and effective cooperation between the Management Board and the Supervisory Board, consideration of the interests of our shareholders as well as open and transparent corporate communication.

Compliance Management System

Compliance is a key element of KHD’s ethical values. Integrity, reliability, honesty and credibility are anchored in our Code of Conduct that is binding for all managers and employees. Measures at KHD to ensure compliance with laws and statutory regulations as well as with the corporate policies of KHD Group constitute a key aspect of management and supervisory tasks, together with a responsible attitude towards risks. In order to ensure that legal regulations and corporate policies are followed, there is a Group-wide Compliance Management System ("CMS") as a comprehensive system of measures and defined

responsibilities in place. It is embedded in the corporate governance system and part of the internal control system. The effectiveness of the CMS is regularly reviewed.

An important element of the compliance system in the KHD Group is the whistleblower policy. The whistleblower policy provides employees with the opportunity to report concerns regarding possible violations of laws or KHD Group policies. Informants can remain anonymous if they wish.

The topics of anti-corruption and compliance with competition and capital market regulations represent a particular focus of the CMS. Violations in these areas can lead to considerable damage, which have to be avoided at all costs.

Performing the management function in the area of compliance is the responsibility of the entire Management Board of KHD. The Chief Financial Officer has special responsibility for compliance within the Management Board. In addition, a Senior Manager Sustainability & Compliance is employed to support the Management Board.

The CMS makes the most significant contribution to identifying, analyzing, managing, and controlling compliance risks in day-to-day operations. The CMS monitors that process-integrated, compliance-relevant controls are implemented and applied in operations.

Code of Conduct

The Management Board of KHD has established and effectively implemented a Code of Conduct. This code stipulates that the business activities of the KHD Group must comply with all laws and high ethical standards. The Code of Conduct describes the values that apply to KHD and defines the minimum standard that governs the dealings of company employees with each other, as well as with customers, competitors, business partners, authorities, and our shareholders. It is updated on an ongoing basis and is binding for all managers and employees throughout the Group.

Whistleblower system

A whistleblower policy has been installed as an important element of the KHD Group CMS. The whistleblower system enables employees to report concerns regarding possible violations of laws or KHD Group policies. Informants can remain anonymous if they wish. In December 2023, the legal requirements of the German Whistleblower Protection Act

(HinSchG) were fully implemented for the subsidiary Humboldt Wedag GmbH, Cologne. Accordingly, in addition to the whistleblower policy anchored in the Code of Conduct, whistleblowers can also use the internal reporting office or the external reporting offices that are established in accordance with the German Whistleblower Protection Act (HinSchG).

D. Working Practices of the Management Board and the Supervisory Board

KHD is governed by the provisions of the German Stock Corporation Act (AktG), capital market regulations, and the rules set out in its Articles of Association. Pursuant to the dual board system, the Management Board is responsible for managing the Company, while the Supervisory Board carries out advisory and monitoring functions. Both boards cooperate closely to the benefit of the Group. Their common goal is creation of sustainable value added, taking into account the interests of the shareholders, employees, and other stakeholders.

Management Board

The Management Board of KHD consists of five members. The members of the Management Board are jointly responsible for the entire management of the KHD Group and decide on the basic issues of business policy and corporate strategy. The Management Board determines the strategic alignment of the KHD Group in regular consultation with the Supervisory Board and is responsible for implementing the strategy. Furthermore, the Management Board is responsible for business planning and budgeting, preparing financial statements, implementing an appropriate risk management and risk control system, complying with legal regulations and internal policies (“Compliance”), as well as for providing regular, prompt, and comprehensive reporting to the Supervisory Board.

When filling managerial positions at the Company, the Management Board takes diversity into consideration and, in particular, aims for an appropriate consideration of women and internationality. The Management Board has defined targets for the proportion of women at the two management levels below the Management Board. At least 20-30% of the members of the two senior management levels below the Management Board shall be female. KHD is a pure management holding, thus it currently employs only five employees (thereof two females), but does not have senior management levels below the Management Board. If senior management levels below the Management Board will be created in the future, the

target figures are to be achieved by the end of the second financial year after having created the respective senior management level.

The Supervisory Board has implemented Rules of Procedure for the Management Board, which amongst others governs the work performed by the Management Board, the assignment of functional responsibilities to each member of the Management Board as well as the procedural rules for Management Board meetings and resolutions. In addition, the Rules of Procedure for the Management Board specify measures and transactions of fundamental importance that require consent of the Supervisory Board. According to the Rules of Procedure for the Management Board, at least 20-30% (as a minimum 1 person) of the members of the Management Board shall be female. The quota of 20-30% (minimum 1 person) should have been reached by June 30, 2017 and in case this is not achieved, the quota of 20-30% should have been reached by June 30, 2020. After expiry of this period, the target figure continues to exist, i.e. it is to be achieved by the end of the respective following financial year. Currently no woman is member of the Management Board that consists of five members. As KHD is strongly characterized by technology it is a major challenge to identify and recruit suitable female candidates for the Management Board as e.g. the female quota in technical university studies is low.

Long-term succession planning within the meaning of the recommendations of the German Corporate Governance Code is carried out through regular discussions between the Chairmen of the Management Board and the Supervisory Board and through regular discussion of the topic by the Supervisory Board. The terms of the contracts and renewal options for current Executive Board members are discussed, as are possible successors.

The Rules of Procedure of the Supervisory Board set an age limit for Management Board members by stipulating that members of the Management Board who have reached the age of 65 may only be (re)appointed for a period of one year if special circumstances exist.

Supervisory Board

The Supervisory Board appoints the Management Board members and advises and monitors the Management Board in the management of KHD. The Chairman of the Supervisory Board coordinates the work of the full Supervisory Board and chairs the meetings. The Chairmen of both, the Supervisory Board and the Management Board are in regular contact with each other and exchange information. In its Rules of Procedure the Supervisory Board defined, amongst others, terms on its composition, scope of responsibility, passing of resolutions, and on how potential conflicts of interest are to be dealt with.

The Supervisory Board resolves on the adoption of the annual financial statements and the approval of the consolidated financial statements and engages the auditors. In addition, the Supervisory Board deals with corporate governance and compliance issues. More detailed information concerning the activities of the Supervisory Board, as well as its cooperation with the Management Board in the 2025 financial year will be provided in the Group Annual Report under the section “Report of the Supervisory Board”.

The Supervisory Board consists of only four persons and therefore, has not established any committees. 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 were primarily allocated to his/her responsibility based on specific expertise.

The Supervisory Board as a whole handles the issues normally delegated to an Audit Committee. One member of the Supervisory Board has specialist knowledge and experience in the application of accounting principles and internal control processes and in the auditing of financial statements as required by law. The Supervisory Board, in particular, monitors the accounting process and the effectiveness of the internal control system and of the risk management system, as well as of the independent audit of the financial statements. Another member of the Supervisory Board has expertise in the field of accounting. Furthermore, it discusses the half-year report with the Management Board prior to publication.

Profile of Skills and Expertise and Objectives for the Composition of the Supervisory Board

In accordance with Section 10 of the Articles of Association, KHD's Supervisory Board consists of four members. The Supervisory Board of KHD is to be composed in such a way as to ensure that the Management Board is properly supervised and offered competent advice by the Supervisory Board. The full Supervisory Board shall have the expertise, skills, and professional experience necessary to supervise and advise the Management Board of an internationally active Group. When candidates are proposed to the Supervisory Board, particular attention shall be paid to the personality, integrity, commitment, professionalism and independence of each candidate.

In accordance with Recommendation C.1 of the German Corporate Governance Code, the Supervisory Board has prepared a profile of skills and expertise for the entire Supervisory Board. The current composition of the Supervisory Board fulfills the profile of skills and expertise for the entire Board. The members of the Supervisory Board have the professional and personal qualifications deemed necessary. The status of implementation with regard to the professional competence of the Supervisory Board is shown in a qualification matrix:

	Jingnan Yang	**Gerhard Beinhauer**	**Xiadong Wu**	**Sibo Yan**
Member since	**2021**	**2015**	**2021**	**2025**
Diversity				
Year of birth	1977	1959	1974	1983
Gender	m	m	m	m
Nationality	Chinese	German	Chinese	Chinese
International experience	yes	yes	yes	yes
Educational background	Ph.D. of Management Science, Master of Engineering	Bachelor of Arts, MBA	Master of Accounting	Ph.D. of Engineering, Bachelor of Engineering
Areas of competence				
Corporate governance and control	x	x	x	x
Financing and capital markets		x	x	
Entrepreneurial initiative	x	x	x	x
Engineering	x			x
Plant engineering	x			x
Personnel / HR		x	x	
Digitalization and IT	x		x	x
Legal / compliance		x	x	
Accounting		x	x	
Audit			x	
Sustainability		x	x	x

Mr. Xiadong Wu has accounting expertise in the form of special knowledge and experience in the application of accounting principles and internal control and risk management systems as well as expertise, specific knowledge and experience in the field of auditing.

Mr. Wu has served as an accountant, senior accountant and chief financial officer at various companies of AVIC Group since 1997. He gained extensive experience in finance and accounting as well as in internal control and risk management systems. Due to his long-standing exchange with external auditors, Mr. Wu also has extensive experience in the field of auditing. Mr. Gerhard Beinhauer has expertise in the field of accounting. He gained relevant experience, among other things, through his activities as a member of the Audit Committee. In addition, he has since many years also been responsible for accounting as managing partner of BBI Beteiligungs- und Handelsgesellschaft mbH.

In its Rules of Procedure the Supervisory Board set concrete objectives regarding its composition, taking into account the international activity of the Group, diversity, and potential conflicts of interest, with due regard to the Group's specific situation. The objectives regarding its composition and the implementation status of these objectives are set out below:

- International experience and expertise

In view of the international activity of the KHD Group, at least half of the members of the Supervisory Board should possess international experience and expertise.

Every member of the Supervisory Board has extensive international experience; an annually updated short biography of each member of the Supervisory Board is available at www.khd.com/de/ir/corporate-governance/#supervisory-board.

- Independence

Pursuant to the Rules of Procedure of the Supervisory Board, at least one third of the members of the Supervisory Board shall be independent within the meaning of the German Corporate Governance Code, whereby the criterion of an "appropriate number of independent members" within the meaning of the German Corporate Governance Code is already met if at least one quarter of the Supervisory Board members are independent. Supervisory Board members should not have any business or personal relationship with the Company or its Management Board, which could cause a conflict of interest. Any conflicts of interest, such as holding an executive role or providing consultancy services, to significant customers or suppliers must be disclosed to the full Supervisory Board. Not more than two former members of the Management Board shall belong to the Supervisory Board.

In the view of the Supervisory Board, one member of the Supervisory Board, Mr. Gerhard Beinhauer, fulfills the independence criteria within the meaning of Recommendation C.6 of the German Corporate Governance Code. Also for the other members of the Supervisory Board conflicts of interest within the meaning of Recommendation E.1 did not occur. There are currently no former members of the Management Board serving on the Supervisory Board.

- Diversity

The Supervisory Board strives for diversity in its composition; in particular, it aims for an appropriate consideration of women. Qualified women shall be included during the initial process of selecting potential candidates for new elections or for the filling of Supervisory Board positions that have become vacant and they shall be given appropriate consideration in nominations. Pursuant to the Rules of Procedure of the Supervisory Board, at least one third of the Supervisory Board members should be non-German. At least one member of the Supervisory Board members shall be female, whereby the female quota should reach at least 25%.

The requirements concerning diversity in the composition of the Supervisory Board have already been fully achieved at KHD due to the international make-up of the Supervisory Board. Currently none of the Supervisory Board members is female. According to the Supervisory Board's Rules of Procedure, the proportion of women is to be achieved by June 30, 2023 and, if this is not achieved, within the following three years.

The Supervisory Board carries out an annual self-assessment by using a comprehensive questionnaire covering all main areas of responsibility of the Supervisory Board. On a scale from "1 = always true" to "5 = always false," the Supervisory Board assesses how it performs the individual tasks.

II. Additional Information on Corporate Governance

Investor Relations

Through its investor relations work, KHD informs investors about the development of the

KHD Group in an open and comprehensive way. A fundamental aspect of the investor relations policy is that shareholders, analysts, business partners, employees, and other stakeholders are informed equally and promptly about the position of the Group and any major changes affecting our business. KHD also make extensive use of the internet for reporting purposes. Half-year reports, annual reports, ad-hoc announcements as well as analyst presentations and press releases are published at www.khd.com/. In addition, the financial calendar for the current year, which contains important publication dates for financial reports and the date of the Annual General Meeting of shareholders, is published.

Transparency of Accounting and Auditing

KHD is committed to transparent reporting and informs its shareholders in the financial year about business development as well as the financial position and results of operation. The consolidated financial statements of the KHD Group are prepared in accordance with the International Financial Reporting Standards (IFRS), as adopted by the European Union, and with the supplementary standards to be applied according to Section 315e Subsection 1 of the German Commercial Code (HGB). Further explanations of the IFRS are provided in the Notes to the Consolidated Financial Statements in the Group Annual Report. The annual financial statements of KHD AG, i.e. the separate financial statements of the parent company that is relevant for appropriation of net retained profit, are prepared in accordance with the accounting standards of the German Commercial Code (HGB). Both sets of financial statements are audited by an independent firm of accountants elected by the Annual General Meeting of shareholders to conduct the external audit.

The half-year financial report for the KHD Group is prepared in accordance with applicable provisions of the German Securities Trading Act (WpHG) taking into consideration relevant IFRS, as adopted by the European Union.

Shareholders and Annual Shareholders' Meeting

The Company's shareholders exercise their membership rights, in particular their voting rights, at the Shareholders' Meeting. Each share in KHD entitles its owner to one vote. The Annual General Meeting of shareholders, at which KHD also reports on business development, is usually held in the first five months of the financial year. The Company facilitates the personal exercise of the shareholders' rights and proxy voting among other

things by appointing proxies who are strictly bound by the shareholders' voting instructions. The reports, documents, and information required by law for the Annual General Meeting of shareholders, including the annual report and Group annual report, are made available online, together with the agenda of the Annual General Meeting of shareholders and any possible counter-proposals or election proposals by shareholders that are required to be disclosed.

The Annual General Meeting of shareholders decides, among other things, on the appropriation of net retained profit, granting discharge to the members of the Management Board and Supervisory Board, and the appointment of the independent auditors. Amendments to the Articles of Association and measures that change the Company's capital stock are approved at the Annual General Meeting of shareholders and are implemented by the Management Board. Shareholders may submit proposals regarding the proposals of the Management Board and Supervisory Board and may contest decisions of the Annual General Meeting of shareholders. Shareholders owning issued capital with an aggregate notional value of € 100,000 or more may also demand the appointment of special auditors to examine specific issues.

Management of Risks and Chances at the KHD Group

Opportunities for sustainable growth and a sustained rise in the Company's value can only be exploited if there is the willingness to undertake calculated business risks. As a result, effective risk management, which identifies and evaluates for both risks and opportunities accordingly, is a core element of corporate governance at KHD. Further details on the risk management system at KHD will be provided in the combined management report in the section titled "Risk and Opportunities Report."