# Report of the Supervisory Board

**Prof. Dr.-Ing. Dr.-Ing. E.h. Siegfried Russwurm**
Chairman of the Supervisory Board

on the occasion of the Annual General Meeting
of thyssenkrupp AG

on January 30, 2026

Check against delivery.

Ladies and Gentlemen, dear Shareholders,

As a preface to my report about the work of the Supervisory Board and its committees in fiscal year 2024/2025, I would like to briefly comment on the general political and global economic conditions our company faced in the reporting period.

We are witnessing the demise of the rules-based order of the past decades. We cannot say today where this will lead in the long term. We are living in uncertain times. In Europe, Russia's war of aggression against Ukraine has caused profound changes. The USA now perceives its role in the world and also in relation to us in Europe in a completely different way than we knew from the past. Globally, this situation is aggravated by other military conflicts, terrorism, growing polarization and the use of international trade as an instrument of power in enforcing national interests. And in Germany, since taking office, the new government has so far found it difficult to develop and effectively implement an agenda to curb excessive bureaucracy and misguided regulation and to revive the forces of growth. The decision to launch big-budget public procurement and infrastructure programs alone will not be enough to restore self-sustaining economic buoyancy in Germany.

All that taken together defines the framework for our activities as a company and for the German and European economies overall – and no one can evade the effects. These new conditions confront business constantly with new political interventions without imparting any reliable economic stimulus. If one thing has emerged as the current "new normal," it is the lack of stability in our commercial conditions, which is attributable to political factors.

Against this backdrop, there has also been a change in focus and priorities in the social agenda: Security, defense, access to raw materials, energy and technology have moved to the forefront, while climate neutrality and environmental issues have become less important – at least for the moment.

This has impacted the individual businesses of your company, thyssenkrupp, to varying degrees. On the one hand, the structural necessities, the associated need for huge investment and cost pressures from the politically stipulated decarbonization plan remain strong – for example, for the transformation of steel production. On the other hand, we are seeing that the fundamentally high level of interest among many customers worldwide for our decarbonization solutions is being translated into actual demand far more slowly than we had expected.  The situation is quite different in naval shipbuilding at TKMS and different again in respect of the growing calls across the political spectrum to safeguard local steel production in Germany and Europe and protect it against being squeezed out by import competition. From a business perspective, the current global situation, which is heavily dictated by geopolitics, offers both opportunities and risks. But one thing is missing: a regulatory framework based on rationality and reliability.

In entrepreneurial terms, our task remains to develop and modify each of our businesses in such a way that they are or become viable and competitive on the basis of their own earnings power, without having to rely on permanent cross-subsidization within the group. This is also the core element of the future concept for developing the group, which the Executive Board formulated and presented last year. The conditions for TKMS were already established by the decisions taken in the past fiscal year and this business became independent following its stock market listing in October 2025.

The target for steel is clear, while imperative and urgently needed steps have finally been initiated. It is also important for everyone to be aware that these steps are imperative and urgently needed, regardless of who owns the steel business. In the years ahead, the other segments will also be prepared for the capital market and then become independent. However, the paths to achieving this vary in length. Of course, this also means further changes to thyssenkrupp AG itself. It is to become a strongly focused financial holding company with majority investments in independent entities, coupled with a further substantial streamlining of its structures. Mr. López will report to you in detail about all of this afterwards.

I now come to the changes on the Executive Board: At the extraordinary meeting of the Supervisory Board on June 20, 2025 we extended the contract of Chief Executive Officer Miguel López. His previous contract expires on May 31, 2026. His new contract has a term of five years until May 31, 2031. Other changes on the Executive Board related to the Human Resources and Finance directorates. The stand-alone solution for TKMS, which you adopted at thyssenkrupp's Extraordinary General Meeting on August 8, 2025, meant that it was necessary for Oliver Burkhard to concentrate on his duties as Chief Executive Officer of Marine Systems. He has therefore stepped down from the Executive Board of thyssenkrupp AG, but remains with the group in this very important management role at TKMS. Dr. Jens Schulte also left thyssenkrupp's Executive Board as of May 31, 2025 to join the Executive Board of Deutsche Börse AG. These two former Executive Board members have been succeeded by Wilfried von Rath as the new Chief Human Resources Officer and Labor Director as of April 1, 2025, and by Dr. Axel Hamann as of May 1, 2025. Dr. Axel Hamann assumed the position of CFO as of June 1, 2025.

Ladies and gentlemen,

I now come to the report of the Supervisory Board. I will start by providing an overview of the work of the Supervisory Board and its committees over the past fiscal year and the issues that were our primary focus. Details can be found in the written report of the Supervisory Board on pages 10 to 16 of the annual report.

The Supervisory Board and Executive Board continued their close cooperation and extensive exchange of information in joint meetings and, of course, also between the meetings. The Executive Board reported in detail to the Supervisory Board at all meetings of the Supervisory Board and its committees. This regularly involved intensive discussions in which the Supervisory Board scrutinized the Executive Board's comments and advised the Executive Board. In addition, each meeting of the Supervisory Board and its committees included a discussion between the members without the presence of the Executive Board, termed an "executive session," in which the Supervisory Board members shared their perspectives. The Supervisory Board fulfilled its monitoring, control and advisory function in every respect thanks to the large number of meetings and the intensity of the discussions. The exceptionally high attendance rate of the members of the Supervisory Board at meetings is also testimony to that: Apart from a single exception, the combined total of 39 meetings of the Supervisory Board and its committees were attended by all members. The detailed statistics, which show an attendance rate of 99.6%, i.e. a further increase over the previous year, can be found on page 13 of the annual report and on thyssenkrupp's website.

The Supervisory Board's most important topics in the past fiscal year were the deliberations on improving performance, the portfolio measures, the short- and medium-term earnings targets for all segments and all green transformation measures. The corporate and investment planning for fiscal year 2025/2026, which was discussed in detail and adopted, as well as the spin-off of TKMS, which was completed by resolution of the Extraordinary General Meeting on August 8, 2025, and the envisaged stand-alone solution for the Steel Europe segment, were also a focus.

In fiscal year 2024/2025 the Supervisory Board again dealt with and took fully into account the recommendations of the German Corporate Governance Code. The current unqualified declaration of conformity released on October 1, 2025 can be viewed on the thyssenkrupp website. In it, the Executive Board and Supervisory Board declare that thyssenkrupp has fully complied with the recommendations of the German Corporate Governance Code since October 1, 2024 and will continue to do so in the future. Further information on corporate governance can be found in the corporate governance statement in the annual report and on our website.

The **Executive Committee** (Präsidium) met 12 times in the past fiscal year due to the current situation and the preparations for the meetings of the Supervisory Board. In addition to preparing the Supervisory Board meetings, the work of the Executive Committee focused on changes in the Group's assets and financial and earnings position and all topics relating to thyssenkrupp's transformation.

The **Personnel Committee** held nine meetings in fiscal year 2024/2025 in order to prepare personnel matters concerning members of the Executive Board of thyssenkrupp AG for the Supervisory Board. Where required, resolutions were passed or recommendations for resolutions were made to the Supervisory Board. Alongside the personnel changes on the Executive Board, the meetings focused on decisions on aspects of compensation, especially setting the targets and determining the target achievement for variable compensation components and the disclosures in the compensation report pursuant to § 162 of the German Stock Corporation Act (AktG).
In view of comments, some of which were very emotional, ahead of the Annual General Meeting, please allow me this opportunity to provide a hint on how to read the compensation report: thyssenkrupp AG has a very stringent compensation system, which you, dear shareholders, approved by a large majority (96.26% to be exact) at the 2025 Annual General Meeting. Among other things, there are no longer any pension commitments for members of the Executive Board. The long-term variable compensation, which rewards the performance of the share price, is only payable after four years – meaning that none of the current members of the Executive Board are yet eligible for it. There are no longer any adjustments in calculating compensation components based on key financial indicators; instead, the "as reported" principle applies. I am pleased to say that the key financial indicators achieved in the 2024/2025 fiscal year were far better than in the previous year and also exceeded the budget targets adopted by the Supervisory Board. Consequently, the variable compensation in the short-term component was 121% of the target figure, compared to 34% in the previous year. All this meant that the total compensation paid to the current members of the Executive Board was 45% of the contractually agreed target income for the 2023/2024 fiscal year and 66% for the 2024/2025 fiscal year. Incidentally, the level of these target incomes was decided more than 10 years ago – effective October 1, 2014 – and has not been changed since. According to the analysis of an external compensation expert, it is in line with what is customary in the market at peer companies. Because some critical comments on Executive Board compensation in the run-up to this Annual General Meeting suggested otherwise, I would like to emphasize once again that the increase in its compensation has nothing to do with the pleasing share price performance. Last year's increase in the share price had no impact on that. The members of the Executive Board did not receive inappropriately "more"

compensation in the 2024/2025 fiscal year, but consistently “less” in 2023/2024 due to the poor key financial indicators – hence the difference between the two years.

In addition, the Personnel Committee dealt with general Executive Board matters, partly in connection with benefits for former Executive Board members. Details of that can also be found in the compensation report.

Ladies and gentlemen, I now turn to the work of the Audit Committee.

The **Audit Committee** met five times in fiscal year 2024/2025. Alongside Executive Board members, following the election of KPMG Aktiengesellschaft Wirtschaftsprüfungsgesellschaft (KPMG) as the auditor at the 2025 Annual General Meeting and its formal appointment by the Audit Committee, representatives of KPMG were also present at the meetings. KPMG gave the Audit Committee a declaration that no circumstances exist that could lead to the assumption of prejudice by the auditors. The Audit Committee obtained the required auditors’ statement of independence, reviewed their qualification and concluded a fee agreement with the auditors. Furthermore, the additional services provided by KPMG alongside the audit of the financial statements were discussed and approved by the Audit Committee.

Dr. Verena Volpert, Chair of the Audit Committee, engaged in a regular exchange of views with the auditors between meetings. The heads of relevant corporate functions were also available to provide reports and take questions on individual agenda items in the committee meetings.

The committee’s work in fiscal year 2024/2025 focused on examining the 2023/2024 parent-company and consolidated financial statements along with the combined management report including the non-financial statement and the combined corporate governance statement of the Executive Board and Supervisory Board, as well as on preparing the Supervisory Board resolutions on these items. In addition, the interim financial reports for fiscal year 2024/2025 – i.e. the quarterly reports – were discussed in detail and adopted, taking into account the auditors’ review reports. With regard to the relationship with KPMG, the list of non-audit services provided by the statutory auditor that require approval was reviewed and the budget for the performance of non-audit services for fiscal year 2025/2026 was set. The procedure and quality assurance for financial statement auditing were likewise discussed.

The Supervisory Board will propose under agenda item 5 of today's Annual General Meeting that KPMG be elected again to audit the financial statements for the entire fiscal year 2025/2026.

In several meetings, the Audit Committee also monitored the accounting process and discussed the effectiveness of the internal control system and optimizations made to it, as well as the effectiveness of the risk management system and the internal auditing system. It also dealt in detail with the main legal disputes and compliance, i.e. adherence to rules and regulations within the company, and discussed at length the development of the strategic compliance system and related measures at thyssenkrupp.

The Audit Committee defined the following mandate as the focus of the audit for the 2024/2025 fiscal year: "Audit support for the project to redesign the group management report." The auditors reported the results of their audit to the Audit Committee at its meeting on December 5, 2025.

In addition, in the presence of the head of Corporate Internal Auditing, the committee discussed at length the audit results, audit processes and audit planning of the internal auditing team for fiscal year 2024/2025, including audit support for the investment in Steel Europe's direct reduction plant. Further points of focus were the non-financial statement, which is a separate part of the management report – the "sustainability report" –, the equity capital and liquidity situation, the EMIR compliance audit for fiscal year 2023/2024 pursuant to § 32 of the German Securities Trading Act (WpHG), the current performance of all segments, the report given at each meeting on the status of first-time sustainability reporting at thyssenkrupp in accordance with the CSRD for fiscal year 2024/2025 and the preparation of the closing financial statements of thyssenkrupp AG as of December 31, 2024 required for implementing the spin-off of the Marine Systems segment.

The **Strategy, Finance and Investment Committee** held three meetings in fiscal year 2024/2025. Discussions focused on preparing decision recommendations by the Supervisory Board in its area of responsibility. At each meeting, the committee dealt with the operational and economic situation of thyssenkrupp and the company's ongoing development. As in the previous year, the other main topics addressed by the committee included the progress toward stand-alone solutions for the Steel Europe and Marine Systems segments in particular. The investment planning for the segments was also the subject of critical discussion. Further areas of focus were the assessment of the risk of cyberattacks, the enhancement of IT security measures, financing and liquidity planning and the review of the profitability of specific completed investment projects. In September 2025, the committee dealt at length with the group's business and investment plans for fiscal year 2025/2026.

The members of the **Nomination Committee** held two meetings in the past fiscal year. The main focus of the discussions was the screening of potential successor candidates for the shareholder representatives on the Supervisory Board in the event that their seats have to be filled in the future. As part of that, the committee took into account the recommendations of the German Corporate Governance Code as well as the envisaged competency profile drawn up in the committee. Looking ahead to the upcoming election of shareholder representatives at today's Annual General Meeting, it is the Nomination Committee's conviction that the composition of the Supervisory Board is adequate in terms of diversity, financial expertise and fulfilling the competency profile.

The **Mediation Committee** pursuant to § 27 (3) of the Codetermination Act (MitbestG) met once in the reporting year.

For more information on the activities of the Supervisory Board and its committees, please refer to the detailed presentation I previously mentioned in the Report of the Supervisory Board in the annual report.

At this point, I would like to explicitly mention one result of the deliberations in several committees and in the meetings of the full Supervisory Board:

As the company succeeded in generating a positive cash flow and net income in the past fiscal year (as in the year before), it is proposed to today's Annual General Meeting under agenda item 2 that a dividend of €0.15 per share be distributed for fiscal year 2024/2025. To put this proposal into perspective: That corresponds to approximately 6% of the investments in the company planned for the current fiscal year. As this proposal has already been the subject of intense public comment ahead of this Annual General Meeting, let me deal with it in more concrete detail:
As you know, there is – for good reasons – a legal duty to protect the confidentiality of the Supervisory Board's deliberations. In the present case, the employee representatives on the Supervisory Board had requested permission to make how they voted public, and this request was met with sympathy by the entire Supervisory Board. Personally, I stand by my belief that details of voting results in the Supervisory Board should not be reported or commented on. I can assure you that we also discussed our arguments on the subject of the dividend recommendation in a very objective manner in the Supervisory Board. There was broad acceptance on the Supervisory Board that for various reasons – particularly legal ones – a recommendation for a resolution should be submitted to the Annual General Meeting. It is absolutely clear that the decision on this matter – i.e. whether

and in what amount a dividend is ultimately distributed – is not made by the Executive Board or the Supervisory Board, but by you, the shareholders.

Ladies and gentlemen,

I would now like to conclude the report of the Supervisory Board. Despite all the challenges that the company will undoubtedly continue to face in its own, absolutely necessary transformation and due to the adversities happening in the world, I would like to state quite emphatically: Your company made great progress in its strategic reorientation and with the first steps toward its implementation over the past year. This is evident in substance and also in the very encouraging share price performance. There has been a tremendous amount of work behind that. I thank the Executive Board and all employees of thyssenkrupp for their dedication and commitment in the past fiscal year. And I would also like to thank you, dear shareholders, for your loyalty and the trust you place in those acting on your behalf.

Thank you for your attention.