

Report of the Supervisory Board

Financial year from 1 May 2017 to 30 April 2018

During the reporting period, the Supervisory Board of Lenze SE met four times to discuss the Company's position and development in detail. It advised the Executive Board and monitored the management of the Company. The Executive Board kept the Supervisory Board briefed on a regular basis with comprehensive, up-to-date information, bringing to its attention all the issues that required the involvement of the Supervisory Board in the decision-making process. In particular, the Supervisory Board looked closely at the Executive Board's plans, risk management with a special focus on the market environment, and investments for the future with regard to further growth potential for the Lenze Group.

The Chairman of the Supervisory Board was in regular contact with the Executive Board outside of Supervisory Board meetings, keeping himself informed about the latest developments in business conditions and significant business events and issues.

Supervisory Board meetings

During the reporting period, Supervisory Board meetings were held on 16 May 2017, 15 September 2017 and 16 May 2018. The meeting to discuss the financial statements was held on 5 September 2018.

Annual and consolidated financial statements

BDO AG Wirtschaftsprüfungsgesellschaft, Hannover, audited and certified the annual and consolidated financial statements of Lenze SE as well as the management report and Group management report. With regard to the early risk detection system currently employed, the auditors certified that the Executive Board has taken the appropriate measures as required by section 91 (2) of the German Stock Corporation Act, especially with regard to setting up a monitoring system; and that the monitoring system is suitable for the early detection of developments that threaten the continued existence of the Company as a going concern.

As the necessary legal prerequisites have been met for an exemption from the obligation to produce consolidated financial statements in accordance with section 315e (3) of the German Commercial Code (HGB), the consolidated financial statements were drawn up in accordance with International Financial Reporting Standards (IFRSs).

The Supervisory Board discussed and reviewed the annual and consolidated financial statements, the management report and the Group management report for Lenze SE's 2017/2018 financial year with the auditors.



From left to right: Nikolaus Belling, Dirk Brockmann, Max Finger, Dr. Michael Paul, Ingo Kramer and Heinz Graf

The same applies to the proposal for the appropriation of net retained profits. The Supervisory Board agrees with the result of the audit by the auditor of the financial statements. In accordance with the final results of its review, the Supervisory Board raised no objections and approved the annual and consolidated financial statements. The annual financial statements have therefore been adopted.

Changes to the Supervisory Board and Executive Board

The terms of office of Supervisory Board members Dr. Jürgen Krumnow, Nikolaus Belling, Max Finger, Dirk Brockmann and Dirk Schröder expired at the end of the Annual General Meeting on 15 September 2017. The Annual General Meeting on 15 September 2017 re-elected Nikolaus Belling, Max Finger and Dirk Brockmann and elected Ingo Kramer and Heinz Graf as new members of the Supervisory Board of Lenze SE, with Dirk Brockmann and Heinz Graf being elected based on the proposal of the employee representatives. Dr. Paul was elected Chairman of the Supervisory Board and Max Finger was elected Deputy Chairman of the Supervisory Board.

The Supervisory Board would also like to express its thanks to all members of the Company's management and to all Lenze Group employees for the work they have done in the past financial year.

Aerzen, 5 September 2018

For the Supervisory Board

Dr. Michael Paul
Chairman