

## Events After the Balance Sheet Date

In February 2021, a contract was concluded for the sale of a further operating property with sales proceeds amounting to € 805k. The sales negotiations were already started in the short financial year 2020; the property in question was already available for sale as of December 31, 2020.

In March 2021, an external fraud incident ("fake president incident") resulted in an unlawful outflow of cash and cash equivalents of € 1,151k from the Company. On the other hand, there are expected claims from concluded insurance agreements in the amount of approximately € 1,000k.

There were no other matters with a material impact on the assets, financial position and earnings situation of the Wölford Group.

## Supervisory Board Report

Wölford AG is reporting on an exceptional short financial year marked by the pandemic, which the Supervisory Board closely accompanied. In the period under review, it held five meetings together with the Management Board to discuss in detail all significant events and developments, the company's business situation, and the implementation of the measures taken to cut costs and increase revenues. At all of these meetings and in its regular reporting, the Management Board provided the Supervisory Board with detailed information about the business and financial situation of the Group and its investments, as well as providing additional information about special developments.

The individual committees of the Supervisory Board dealt with specific topics in greater detail and subsequently reported to the full Supervisory Board. The Supervisory Board Presidium obtained ongoing reports from the Management Board on the latest business developments. The Audit Committee met twice, while the Marketing and Strategy Committee held one meeting. All meetings of the committees and the Presidium were attended by all of their respective members. The composition and responsibilities of the committees are presented in the Corporate Governance Report. The criteria governing performance-related remuneration for the Management Board, the principles underlying retirement benefits, and the claims arising upon termination of employment are listed in the Remuneration Report, where the remuneration of the Management and Supervisory Board members is also disclosed on an individual basis, which will be submitted to the vote of the Annual General Meeting for the first time this year.

Given the extraordinary situation caused by the pandemic, the Supervisory Board focused in particular on discussing measures to stabilize sales and earnings, in the past financial year.

### Several meetings of the Supervisory Board and its committees in the 2020 short financial year

At its meetings in the past financial year, the Presidium dealt above all with those strategic, structural and organizational measures needed to stabilize the company and to return it to profitability.

At the Supervisory Board meeting on May 5, 2020, the Supervisory Board dealt, among other things, with the preliminary financial statements for fiscal year 2019/20. Other key agenda items included the sale of the operating property, developments in the area of protective mask production, and the resumption of business activities following the COVID-19-related closures of boutique locations.

On June 24, 2020, the Strategy and Marketing Committee met and mainly dealt with the topics of new collection structure, brand identity and social media strategy.

In addressing the annual financial statements for the 2019/20 short financial year, the Audit Committee invited the auditor to attend its meeting on July 20, 2020. The auditor presented a management letter and discussed its principal findings with the members of the Audit Committee. At its subsequent meeting, the Supervisory Board discussed and approved the annual financial statements of Wolford AG, reviewed the consolidated financial statements, the management report, the non-financial report, and the Management Board proposal for the appropriation of profit, while also approving the Supervisory Board's report to the Annual General Meeting. Furthermore, the Supervisory Board agreed a proposal to the Annual General Meeting for the election of the auditor and set the agenda for the 2020 Annual General Meeting.

At its meeting on August 26, 2020, the Audit Committee dealt, among other things, with current business developments. Other key items on the agenda were the budget and forecast, and progress in implementing the findings of the internal audit. Prior to the 33<sup>rd</sup> Annual General Meeting, on September 29, 2020, the Management Board reported to the Supervisory Board on the company's latest business performance, and on the progress of the PITBOLI restructuring program and the master plan.

The Annual General Meeting on September 30, 2020 approved, among other things, the newly introduced remuneration policy and the change of the financial year to the calendar year. At its subsequent constituent meeting, the Supervisory Board elected Dr. Junyang Shao as Chairman and Thomas Dressendörfer as Deputy Chairman.

At the Supervisory Board meeting on December 21, 2020, the Executive Board provided an outlook for the short financial year 2020 and an update on the PITBOLI restructuring program. Other key points of the meeting were the summary of the results of the "Northstar" project, which defines the company's future strategy, and the determination of the budget for the 2021 financial year. In addition, two meetings of the Human Resources Committee were held during the short financial year, which were mainly dedicated to the new HR organization, appointments to management positions, Covid personnel-related measures, and the relocation in the head office.

The annual financial statements and management report of Wolford AG and the consolidated financial statements prepared in accordance with IFRS as of December 31, 2020 were audited by Ernst & Young Wirtschaftsprüfungsgesellschaft m.b.H., Vienna, and provided with unqualified audit opinions.

All documents relating to the financial statements, the Management Board proposal for the appropriation of profit, and the auditors' reports were discussed in detail with the auditor at the Audit Committee meeting on April 21, 2021 and presented to the Supervisory Board at its subsequent meeting together with the management reports prepared by the Management Board, the corporate governance report, and the non-financial report.

The Supervisory Board reviewed these documents as required by the § 96 of the Austrian Stock Corporation Act and concurred with the audit findings. The Supervisory Board approved the annual financial statements, which are thus formally adopted in accordance with § 96 (4) of the Austrian Stock Corporation Act. Furthermore, the Supervisory Board also approved its report to the Annual General Meeting and its proposal for the election of the auditor for the 2021 financial year.

Dr. Junyang Shao  
Supervisory Board Chairwoman

Bregenz, May 2021