

Supervisory Board Report

Like previously, the Supervisory Board closely monitored the company in the past financial year. On April 16, 2023, interim Management Board member Paul Kotrba stepped down from his position after Ralf Polito, previously appointed by the Supervisory Board, was able to take up his position on the Management Board earlier than planned on April 17, 2023. This enabled the vacant COO position to be filled again for the long term. In August of the past financial year, the Supervisory Board also appointed Silvia Azzali as Chair of the Management Board, thus ending the search for a CEO.

Like before, the Wolford AG management devoted great effort to measures for increasing sales revenues and earnings.

While management was able to increase sales slightly, earnings before interest and taxes (EBIT) were unfortunately again negative in the past financial year.

MEETINGS OF THE SUPERVISORY BOARD COMMITTEES IN THE 2023 FINANCIAL YEAR

In the period under review, the Supervisory Board held four meetings with the Management Board to discuss in detail all significant events and developments, the company's business situation, and the implementation of cost-cutting and revenue-increasing measures. At all of these meetings and in the regular reporting process, the Management Board has provided the Supervisory Board with detailed information about the business and financial situation of the Group and its investments, as well as additional information about special developments. The individual committees of the Supervisory Board have dealt with specific topics in greater detail and subsequently reported on them to the full Supervisory Board. The Presiding Committee of the Supervisory Board has kept itself informed of the latest business developments through ongoing reports from the Management Board. The Audit Committee met four times. All committees and the Presiding Committee reported full attendance. The composition and responsibilities of the committees are presented in the Corporate Governance Report. The criteria for performance-based remuneration for the Management Board, the principles governing retirement benefits, and the entitlements arising upon termination of employment are listed in the Remuneration Report, which also discloses the individual remuneration of the Management and Supervisory Board members. This Report is submitted to the vote of the AGM. In the past financial year, the Supervisory Board devoted significant attention to discussing measures for stabilizing sales and earnings and also about financing. Discussions in Presiding Committee meetings focused primarily on strategic, structural and organizational measures necessary for stabilization of company and restoring profitability. The Audit Committee invited the auditor to its meeting on April 12, 2022, to discuss the annual financial statements for the 2022 financial year. At the meeting, the auditor also presented a management letter and discussed key findings with the Audit Committee members. At its subsequent meeting, the Supervisory Board discussed and approved the Wolford AG annual financial statements and reviewed the consolidated financial statements, the Management Report, the Non-financial Report, and the Management Board proposal for appropriation

of profit, while also approving the Supervisory Board's report to the AGM. Furthermore, the Supervisory Board agreed a proposal to the AGM for the election of the auditor and set the agenda for the 2023 AGM. At a meeting on June 20, 2023, the Audit Committee focused on cash flow development and on July 11, 2023, the Management Board reported to the Supervisory Board on the current status for the first half of the year and the latest business developments.

At the 36th AGM on June 15, 2023, Paul Kotrba was elected as a new member of the Supervisory Board and the meeting also extended the Supervisory Board mandate for Thomas Dressendörfer. At the subsequent constituent meeting, the Supervisory Board elected David Chan as Chair and Thomas Dressendörfer as Deputy Chair. At its meeting on October 10, 2023, the Audit Committee discussed current business performance, the first half of 2023 and the initial draft of the 2024 budget, as well as other business. In the subsequent Supervisory Board meeting, the main items on the agenda were business development, the current status of restructuring, ongoing IT projects and marketing activities. In the Audit Committee meeting of December 13, 2023, the auditor presented an overview of the areas of focus for the upcoming audit of the annual financial statements. Furthermore, the Management Board reported on current business developments and presented an outlook for the 2023 financial year. Another major topic of the meeting was the adoption of the budget for the 2024 financial year. Subsequently, the Supervisory Board meeting discussed other business including marketing measures to support the budget and further restructuring plans for 2024.

The Wolford AG annual financial statements and Management Report and the consolidated financial statements for December 31, 2023, prepared in accordance with IFRS, were audited by Grant Thornton Austria GmbH, Wirtschaftsprüfungs- und Steuerberatungsgesellschaft, Vienna, and issued with an unqualified audit opinion.

All documents relating to the annual financial statements, the Management Board proposal for appropriation of profit, and the Auditors' Reports were discussed in detail with the auditor at the Audit Committee meeting on July 26, 2024, 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 Section 96 of the Austrian Stock Corporation Act (AktG) and concurred with the audit findings. The Supervisory Board approved the annual financial statements, which were then formally adopted in accordance with Section 96 (4) AktG. Furthermore, the Supervisory Board also approved its report to the AGM and its proposal for election of the auditor for the 2024 financial year.

David K. Chan
Chair of the Supervisory Board
Bregenz, July 2024