

Report of the Supervisory Board

In the year under review, the Supervisory Board ensured that it was continuously informed about the business and strategic development of the company and advised and monitored the Management Board in accordance with the tasks and responsibilities required of it by law, the Articles of Association. This meant that the Supervisory Board was informed about the strategy, business policy and planning, the risk situation and the net assets, financial position and results of operations of the FRIEDRICH VORWERK Group at all times. It also reviewed the company's risk management and compliance, and is of the opinion that these fully satisfy requirements. The Supervisory Board was directly involved in all decisions of particular significance to the company. The Supervisory Board granted its approval for individual transactions to the extent that this was necessary in accordance with the law, the Articles of Association or the Rules of Procedure.

The Management Board complied with its duties to provide information and reported to the Supervisory Board regularly, promptly and comprehensively, both verbally and in writing, on the economic and financial situation of the company, its strategic development, investment projects, risk management and compliance. The Supervisory Board discussed all measures requiring its approval in depth with the Management Board in advance. Between the meetings of the Supervisory Board as well, the Chairman of the Supervisory Board received detailed information and was therefore always aware of all key matters to the company and the Group. The strategic focus and development of the Group were jointly coordinated by the Management Board and the Supervisory Board.

There were six ordinary meetings of the Supervisory Board in the 2021 financial year, some of which were held virtually on account of the COVID pandemic. The Management Board was fully represented at all meetings, unless the Supervisory Board was discussing matters concerning the Management Board itself. All members of the Supervisory Board took part in all meetings. The following table shows a breakdown of meeting attendance by the individual members of the Supervisory Board.

Attendance by individual members of the Supervisory Board at meetings in the 2021 financial year	
Dr Christof Nesemeier, Chairman	6/6
Dr Julian Deutz, Deputy Chairman	4/4
Heike von der Heyden	4/4
Gert-Maria Freimuth	2/2
Anton Breitkopf	2/2

The Management Board sent detailed reports and presentations to the members of the Supervisory Board in good time before the meetings of the Supervisory Board. If decisions requiring the approval of the Supervisory Board were necessary, the documents contained detailed memos explaining the decisions and investments. The Supervisory Board also adopted resolutions by circulation. Among other things, the resolutions by circulation adopted by the Supervisory Board included various resolutions in connection with Friedrich Vorwerk Group SE's IPO in March 2021.

Main issues discussed and resolutions of the Supervisory Board

At the individual meetings, the Supervisory Board analysed the company's current business development together with the Management Board and discussed its strategic focus. The topics discussed included the economic situation of the company and the individual subsidiaries. To the extent that individual transactions required the approval of the Supervisory Board in accordance with the Articles of Association or the law, the Supervisory Board examined these transactions and resolved whether to grant its approval. In particular, the Supervisory Board's discussions focused on the preparations for the company's IPO on 25 March 2021. The Supervisory Board's discussions also extended to the effects of the COVID-19 pandemic. The Supervisory Board and the Management Board maintained constant contact in the 2021 financial year to ensure the best possible organisation of the measures taken to protect the health of the employees of the FRIEDRICH VORWERK Group as their top priority, and also to minimise the economic impact of the financial position and financial performance of the Group.

The main issues discussed by the Supervisory Board on 19 January 2021 were:

- the status of the preparations for the IPO;
- the appointment and dismissal of managing directors and officers at subsidiaries of the Group.

The Supervisory Board discussed the following issues in particular at its meeting on 6 February 2021:

- the adoption of Rules of Procedure and an executive organisation chart for the Management Board;
- the resolution on the Rules of Procedure for the Supervisory Board;
- the resolution on the variable remuneration of the Management Board;

- Audit of the annual and consolidated financial statements.

By way of resolution of the Annual General Meeting of Friedrich Vorwerk Group SE on 10 February 2021, Ms Heike von der Heyden and Dr Julian Deutz were appointed as members of the Supervisory Board. They have been appointed until the end of the Annual General Meeting that will adopt a resolution on official approval of their actions for the 2025 financial year. Under any circumstances, their term in office will end after July 5, 2026. The previous members of the Supervisory Board, Mr Gert-Maria Freimuth and Mr Anton Breitkopf, resigned from 10 February 2021.

The Supervisory Board duly engaged the auditor elected by the Annual General Meeting of 10 February 2021, RSM GmbH Wirtschaftsprüfungsgesellschaft Steuerberatungsgesellschaft, Düsseldorf, to audit the annual and consolidated financial statements and the combined Group management report for the 2021 financial year. The auditor confirmed to the Supervisory Board that there are no business, financial or other relationships between the auditor, its executive bodies and head auditors on the one hand, and the company and the members of its executive bodies on the other, that could give rise to doubt as to its independence.

Dr Christof Nesemeier was confirmed as the Chairman of the Supervisory Board at the inaugural meeting of the partially newly elected Supervisory Board on 14 February 2021. Dr Julian Deutz was elected as his deputy.

The main issues discussed at the meeting on 29 April 2021 were:

- the resolution on the age limit for the Supervisory Board
- the adoption of targets for the share of women in management positions
- the adoption of targets for the share of women in the Supervisory Board
- the formation of the Audit Committee and the election of its members
- the resolution on the application of the German Corporate Governance Code

At its meeting on 23 September 2021, the Supervisory Board mainly discussed the due diligence of the Gottfried Puhlmann Group, which was 75% acquired by the FRIEDRICH VORWERK Group in the fourth quarter of 2021. Individual strategic investment projects were also discussed in depth.

The Supervisory Board mainly discussed the following issues at its meeting on 13 December 2021:

- the review of the company's development and its financial position and financial performance in the 2021 financial year, forecast figures as at the end of the year, in particular regarding the communicated guidance
- detailed discussion of the budget for 2022 and the key areas of strategic investment for 2022

Committees and composition of the Supervisory Board

The members of the Supervisory Board are:

- Dr Christof Nesemeier (Chairman)
- Dr Julian Deutz, Deputy Chairman, since 10 February 2021
- Heike von der Heyden, since 10 February 2021

The Supervisory Board has three members. Only a separate Audit Committee – comprising all members of the Supervisory Board – was therefore formed. Dr Julian Deutz was elected as the Chairman of the Audit Committee. Given its size and composition, the Supervisory Board does not feel it necessary to form other committees at this time.

Corporate governance

Understanding that corporate governance plays a significant part in the responsible, value-adding management of a company, the Supervisory Board again addressed corporate governance matters and issues in 2021. Together with the Management Board, the Supervisory Board issued the annual declaration in accordance with section 161 of the *Aktengesetz* (AktG – German Stock Corporation Act) on the recommendations of the German Corporate Governance Code. Further information on corporate governance can be found in the combined corporate governance declaration in accordance with section 315(5) in conjunction with section 289f of the *Handelsgesetzbuch* (HGB – German Commercial Code). The combined corporate governance declaration also contains the corporate governance report prepared by the Management Board and the Supervisory Board and the declaration on the recommendations of the German Corporate Governance Code. The combined corporate governance declaration can be accessed at all times on the Friedrich Vorwerk Group SE website at www.friedrich-vorwerk.de. The members of the Management Board and the Supervisory Board disclose any conflicts of interest to the Supervisory Board without delay. The Supervisory Board did not receive any reports or observe any indications of conflicts of interest on the part of members of the Management Board or the Supervisory Board in the 2021 financial year.

Audit of the annual and consolidated financial statements

The annual financial statements of Friedrich Vorwerk Group SE as at 31 December 2021 and the joint management report for Friedrich Vorwerk Group SE and the FRIEDRICH VORWERK Group prepared in accordance with the *Handelsgesetzbuch* (HGB – German Commercial Code) and the consolidated financial statements as at 31 December 2021 prepared in accordance with the International Financial Reporting Standards (IFRS) were audited by

the auditor elected by the Annual General Meeting and engaged by the Chairman of the Supervisory Board, RSM GmbH Wirtschaftsprüfungsgesellschaft Steuerberatungsgesellschaft, Düsseldorf, and issued with an unqualified audit opinion dated 14 March 2022.

The Supervisory Board examined the annual financial statements prepared by the Management Board, the joint management report for Friedrich Vorwerk Group SE and the FRIEDRICH VORWERK Group, the proposal on the appropriation of net profit and the consolidated financial statements and discussed them personally with the auditor at its meeting on 14 March. The auditor comprehensively answered all the Supervisory Board's questions. The Supervisory Board received the audit report in good time before the meeting. Following the completion of its examination, the Supervisory Board did not raise any objections to the annual financial statements, the management report or the consolidated financial statements. The consolidated financial statements were approved by the Supervisory Board on 14 March 2022. The annual financial statements of Friedrich Vorwerk Group SE have therefore been adopted.

The Supervisory Board shares the opinion of the Management Board as expressed in the combined management and Group management report and approves the proposal by the Management Board on the appropriation of net profit, namely the distribution of a dividend of €0.20 per entitled share for the 2021 financial year.

The Supervisory Board would like to thank the Management Board, the management teams of the subsidiaries and all employees of the FRIEDRICH VORWERK Group for their high level of commitment and the good results achieved in the past financial year.

Tstedt, 14 March 2022
The Supervisory Board

Dr Christof Nesemeier
Chairman