

Report of the Supervisory Board

In the year under review, the Supervisory Board endured 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 as well as 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 four ordinary meetings of the Supervisory Board in the 2022 financial year, some of which were still held virtually due to the COVID pandemic. The Management Board was represented at all meetings, unless the Supervisory Board was discussing matters concerning the Management Board itself. All members of the Supervisory Board attended all meetings.

In good time prior to the Supervisory Board meetings, the Management Board sent detailed reports and presentations to the members of the Supervisory Board. Where decisions requiring approval were necessary, the documents contained detailed decision and investment proposals.

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 the strategic focus. The topics discussed included the economic situation of the company and the individual subsidiaries. The focus of the Supervisory Board's deliberations in the 2022 financial year was on the effects of the strong increase in energy and material prices as a result of the war in Ukraine, the challenging situation on the labour market, the extraordinary growth in the wake of the changed energy infrastructure requirements due to the war, and the cyberattack in November.

The meeting of the Supervisory Board on 14 March 2022 focused in detail on:

- the audit of the annual and consolidated financial statements
- the resolution on the application of the German Corporate Governance Code
- possible impact of the Ukraine war on the Group's business and order pipeline
- the post-merger integration as well as the restructuring of the Gottfried Puhlmann Group
- and the appointment and dismissal of managing directors and authorised signatories in subsidiaries of the Group.

In its meeting on 1 June 2022, the Supervisory Board dealt with the following topics following the Annual General Meeting:

- the evaluation of the course of the first Annual General Meeting after the IPO
- the focus topic of personnel recruitment and development
- the review of the effectiveness of the compliance management system
- the preparations and the available capacities for the upcoming award of contracts for the realisation of the High Voltage Direct Current transmission lines (HVDC)
- as well as advice on the contracts to be awarded in the short term in the course of the realisation of LNG terminals.

The meeting of the Supervisory Board on 19 September 2022 focused on the following:

- the status and progress of the major projects
- the investment planning for the year 2023
- a critical discussion on various real estate investments
- and the restructuring progress of the Gottfried Puhlmann Group.

At its meeting on 9 December 2022, the Supervisory Board dealt with:

- the cyberattack and measures to improve IT security
- the analysis of the working capital development in the 2022 financial year
- the strategic development of the Friedrich Vorwerk Group
- the discussion of individual investment projects
- and the evaluation of the results on the ongoing human resources projects.

The forecast for the 2022 business year scheduled for the fourth meeting could only be dealt with to a limited extent due to the cyberattack, and the 2023 budget planning had to be postponed. The Supervisory Board dealt with the deviation from the forecast for the 2022 financial year, the measures derived from it and the budget planning for 2023 in two extraordinary meetings on 30 January 2023 and 1 March 2023, both of which were attended by all Supervisory Board members.

Committees and composition of the Supervisory Board

The members of the Supervisory Board are:

- Dr Christof Nesemeier (Chairman)
- Dr Julian Deutz (Deputy Chairman)
- Heike von der Heyden

The Supervisory Board has three members. There is a separate Audit Committee, which includes all members of the Supervisory Board. Dr Julian Deutz was elected chairman of the audit committee. Due to its size and composition, the Supervisory Board currently sees no need for the formation of further committees.

Corporate Governance

In the awareness that corporate governance makes an essential contribution to responsible management and control of the company's management aimed at creating value, the Supervisory Board continued to deal with topics and issues in the area of corporate governance in 2022. Together with the Management Board, the Supervisory Board issued the annual declaration in accordance with section 161 of the *Aktiengesetz* (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 as well as 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 <http://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.

Audit of annual and consolidated financial statements

The Supervisory Board duly awarded the audit mandate for the annual financial statements and the consolidated financial statements as well as for the combined management and group management report for the 2022 financial year to RSM GmbH Wirtschaftsprüfungsgesellschaft Steuerberatungsgesellschaft, Düsseldorf, which was elected as auditor by the Annual General Meeting on 1 June 2022. The auditor has confirmed to the Supervisory Board that there are no professional, financial or other relationships between the auditor, its executive bodies and audit managers on the one hand and the company and its executive body members on the other hand that could give rise to doubts about its independence.

The annual financial statements of Friedrich Vorwerk Group SE as at 31 December 2022 and the joint management report for Friedrich Vorwerk Group SE and the FRIEDRICH VORWERK Group were prepared in accordance with the principles of commercial law, the consolidated financial statements as at 31 December 2022 in accordance with the International Financial Reporting Standards (IFRS) and audited by RSM GmbH Wirtschaftsprüfungsgesellschaft Steuerberatungsgesellschaft, Düsseldorf, which was elected by the Annual General Meeting and appointed by the Chairman of the Supervisory Board, and issued with an unqualified audit opinion dated 20 March 2023.

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 for the appropriation of net profit and the consolidated financial statements and discussed them with the auditor at its meeting on 20 March 2023. All questions of the Supervisory Board were answered comprehensively by the auditor. 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 and the consolidated financial statements. The consolidated financial statements were approved by the Supervisory Board on 20 March 2023. 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 of the Management Board on the appropriation of the net profit, namely the distribution of a dividend of €0.12 per entitled share for the 2022 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 enormous commitment to the company in these challenging times and for the growth achieved.

Tostedt, 20 March 2023

The Supervisory Board

Dr Christof Neseimeier
Chairman