

# Supervisory Board Report

Dear Shareholders,

The **year 2022** was again very challenging for EQS Group AG as it was marked by several uncertainties. Two events should be highlighted in this context. First, we announced our rights issue one day after the invasion of Ukraine by Russian forces. Then we had to significantly postpone the introduction of the Whistleblower Protection Act in our core markets. The Management Board has mastered these and other difficult situations with aplomb and decisive action. Therefore, we can be justifiably proud of how professionally our EQS Group AG is managed.

In financial year 2022, the Supervisory Board dealt extensively with the situation and development of EQS Group AG. They also monitored the work of the Management Board based on their comprehensive reports, closely supported them and advised them on important issues. The information was provided in writing and verbally. Moreover, there was regular exchange of information between the Chairman of the Supervisory Board and the CEO. The Audit Committee was also in close contact with the CFO. Accordingly, the Supervisory Board was always informed about the corporate goals and the corresponding planned business strategy, operational corporate planning, investment projects including M&A transactions, equity and debt financing, the development of ongoing operations, profitability and the financial situation as well as the situation of EQS Group AG.

The cooperation between the Supervisory Board and the Management Board was constructive and discussions always maintained an open and trusting tone. Opportunities and risks in the divisions were discussed extensively and corporate planning was presented in detail. Furthermore, revenue, earnings and liquidity were compared with planning based on quarterly reports and additional monthly reports from the Management Board. Deviations were thoroughly investigated. The Supervisory Board was also regularly updated about risk management, the progress of product developments, customer feedback on newly introduced products as well as the design and implementation of the Whistleblower Protection Act in all countries of the European Union.

The Supervisory Board was involved in all important decisions. Whenever the approval of the Supervisory Board was required for decisions or measures of the Management Board due to legal provisions, the Articles of Association or the Rules of Procedure, the members of the Supervisory Board examined the draft resolutions in the meetings and voted on them.



*Robert Wirth  
(AR - Vorsitzender)*



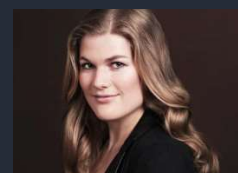
*Laurenz Nienaber  
(stellv. Vorsitzender)*



*Prof. Kerstin Lopatta*



*Rony Vogel*



*Catharina van Delden*

## Additional Supervisory Board member

**Catharina van Delden**, SaaS entrepreneur from Munich, was newly elected to the Supervisory Board. She is a recognised expert in innovation management with a large network in the tech community. Part of her connections were established through years of involvement in the presidium of the industry association BITKOM, of which she was a member until 2021.

**Prof. Dr. Kerstin Lopatta** was re-elected to the Supervisory Board after her first term of office, where she will contribute her expertise in the areas of external accounting, corporate governance and sustainability **additional three years**. She also serves as the ESG Officer of the Supervisory Board.

The EQS Group AG Supervisory Board is thus made up of the Chairman Robert Wirth and his deputy Laurenz Nienaber, as well as Catharina van Delden, Prof. Kerstin Lopatta and Rony Vogel.

## Work of the Supervisory Board

A total of **ten Supervisory Board meetings** were held in financial year 2022. With one exception, the Supervisory Board was fully represented. The members of the Management Board generally attended the Supervisory Board meetings, although not all members of the Management Board were always present for specific topics. Furthermore, two meetings were held without the Management Board. Supervisory Board consultations also took place without the Management Board. In addition to the meetings, resolutions on current topics were passed by written circulation procedure. The Supervisory Board formed two committees, the **Audit Committee** and the Remuneration Committee, which were newly appointed after the Annual General Meeting on 28 June 2022. The Audit Committee consists of Prof. Kerstin Lopatta as Chairperson and Laurenz Nienaber. Laurenz Nienaber took over the chairmanship of the **Remuneration Committee**, which also includes Robert Wirth as his deputy and Rony Vogel.

## Meetings and key topics of the Supervisory Board

The Supervisory Board focused on the following topics in its individual meetings:

In a meeting in January, the Supervisory Board dealt with an amendment to the loan agreement with Commerzbank AG and approved the submitted planning of the Management Board for financial year 2022. Other topics included the ongoing audit of the financial statements, the preparation of the company's own sustainability report, the ESG product strategy and options for structuring a long-term component of the Management Board's remuneration.

In January, the Supervisory Board approved an amendment to the loan agreement with Commerzbank AG by written resolution.

In February, the Supervisory Board approved by written resolution an additional planning scenario based on financing without a capital increase.

In February, the Supervisory Board approved by written resolution the proposal of the

Management Board to carry out a **capital increase** by partially using the authorised capital of up to **1,443,246 shares**. The capital increase was subsequently successfully placed at a price of €33.00 per share.

In a meeting in March, the Supervisory Board dealt with corporate governance issues and consulted Prof. Christian Strenger for advice.

In another meeting **in March**, the Supervisory Board dealt with the **annual financial statements**, adopted them and **approved the 2021 consolidated financial statements including the management reports**. Furthermore, the Supervisory Board discussed the business development in the first quarter and the use of funds after the successful capital increase. The Supervisory Board approved the planned repayment of loan liabilities to the seller of Business Keeper GmbH and Commerzbank AG.

By written resolution in April, the Supervisory Board approved the Management Board's decision to hold the Annual General Meeting of EQS Group AG on 28 June 2022 in virtual form.

At a Supervisory Board meeting in May, the Supervisory Board approved the agenda for the Annual General Meeting and Catharina van Delden's nomination for election to the Supervisory Board.

In another meeting in **May**, the Supervisory Board dealt with the course of the past audit and identified potential for improvement. Other topics included the development of the ESG product area from its own resources or through acquisitions, the further financing strategy, the **status of the introduction of the Whistleblower Protection Act** in the member states of the European Union as well as the effects of the delayed implementation. They also discussed the current situation of the employees (and their families) of our Russian subsidiary in the context of the war and the associated sanctions as well as possible scenarios for the subsidiary. At the meeting, Prof. Kerstin Lopatta was re-elected as ESG representative to the Supervisory Board.

In a meeting following the Annual General Meeting, the Remuneration Committee was newly formed. Laurenz Nienaber replaced Rony Vogel as chairman, who will stay on as a member of the committee. Robert Wirth is replacing Laurenz Nienaber as his deputy. Furthermore, the Supervisory Board obtained information about the status of the legislation on whistleblower protection and possible risks for EQS Group AG due to a postponement as well as the financing strategy regarding a restructuring of the Commerzbank loan.

In a meeting in September, the Supervisory Board obtained detailed information about the marketing measures for customer acquisition for whistleblower protection systems and the current business situation. The Management Board also explained the financing conditions of the planned new loan in detail and gave an update on the expansion of capacities in accounting. Strategic options and potential risks due to the changed environment, primarily driven by inflation, interest rates, energy costs and the war in Ukraine, were also discussed in detail.

In a **meeting in October**, the Supervisory Board obtained detailed information about the conditions of the loan agreement with a bank consortium consisting of Commerzbank AG, Deutsche Bank AG and Kreissparkasse Biberach and **approved the conclusion of the loan agreement**.

In a meeting in November, the Supervisory Board discussed the status of the introduction of a long-term remuneration component for the Management Board, the updated outlook for financial year 2022 and talks with an investor on maintaining the Supervisory Board's strength of five members.

In a meeting in **December**, the **current situation regarding the legislation on whistleblower protection** was back on the agenda list. Other agenda items included the planning for financial year 2023, risk assessments and the status of the preliminary audit by the auditor.

### **Audit of the annual financial statements and consolidated financial statements**

The Annual General Meeting of 28 June 2022 appointed the auditing firm **BDO AG Wirtschaftsprüfungsgesellschaft** from Hamburg as the **auditor for financial year 2022**. After auditing the annual financial statements and the management report of EQS Group AG as of 31 December 2022 as well as the consolidated financial statements in accordance with IFRS as of 31 December 2022, including the group management report and other explanatory notes as of 31 December 2022, the auditing firm issued an **unqualified audit opinion** in each case.

The annual financial statements, consolidated financial statements and management report as well as the audit report were made available to all members of the Supervisory Board. The documents were discussed by the Audit Committee and in the balance sheet meeting with the Management Board and the entire Supervisory Board. The auditor took part in the balance sheet meeting, explained the auditing principles, reported in detail on the audit and significant audit results, and addressed the audit report. All questions from the Supervisory Board members were answered.

In consideration of the auditor's audit reports, the Supervisory Board examined the annual financial statements and the management report of EQS Group AG as of 31 December 2022, as well as the consolidated financial statements in accordance with IFRS as of 31 December 2022, including the group management report and other explanatory notes as of 31 December 2022, and assured itself of the correctness and completeness of the factual information. The Supervisory Board concurred with the results of the auditor's review and determined that there were no objections to be raised. The **Supervisory Board approved the annual financial statements and the 2022 consolidated financial statements of EQS Group AG at the balance sheet meeting on 30 March 2023**. The 2022 annual financial statements are thus adopted within the meaning of Sec. 172 of the German Stock Corporation Act (AktG). The Supervisory Board concurs with the proposal of the Management Board for appropriation of the balance sheet profit of EQS Group AG, which does not provide for a dividend.

The Supervisory Board continued to deal with the principles of good corporate governance in financial year 2022. This included a Supervisory Board workshop led by Prof. Christian Strenger, which not only looked at general corporate governance aspects, but went into great detail on issues of practical implementation for EQS Group AG. In January 2023, the **Supervisory Board and the Management Board issued an updated voluntary declaration of compliance in accordance with Sec. 161 of the German Stock Corporation Act (AktG)** and made it permanently available to shareholders on the EQS Group AG website. EQS Group AG complies with

the recommendations of the Government Commission on the **German Corporate Governance Code** in accordance with the version of the Code published in the Federal Gazette in **June 2022**, with the exception of the deviations listed and justified in the declaration of compliance.

The Supervisory Board thanks all employees for their high level of personal commitment and outstanding work. At the same time, the Supervisory Board expresses its recognition and high appreciation to the Management Board and the entire management for their excellent performance.

Munich, 30 March 2023



Robert Wirth

Chairman of the Supervisory Board

