

Report of the Supervisory Board

Dear Sir or Madam,



Walter Koppensteiner,
Chairman of the
Supervisory Board

I am very pleased to report that the Semperit Group was able to achieve record results in a year marked by COVID-19.

The past financial year was characterised by the special economic situation in the Medical Sector caused by COVID-19 and the global recession in the Industrial Sector. With a clear focus on the health of the employees, the Executive Board was able to manage these opposing trends in the best possible way and to lead the company very successfully through these challenging times.

The Supervisory Board closely supported the Executive Board in this process and continuously discussed with the Executive Board the measures to be taken by the company to contain the negative COVID-19 influences and improve the financial key figures as well as the strategic further development into an industrial rubber company and the future of the medical segment.

Thanks to the consistent implementation of all measures, Semperit has succeeded in emerging from this crisis not only with a record result, but also in a stronger position. The successfully implemented restructuring and transformation measures, which were already initiated in 2018 and further strengthened in 2020, made a significant contribution to the good annual result.

In the past financial year, the Supervisory Board reorganised and streamlined the Executive Board around the Chairman of the Executive Board, Martin Füllenbach.

In 2020, the **Supervisory Board** held eight meetings at which it received reports from the Executive Board on the course of business, with a particular focus on the effects of the corona pandemic and the measures initiated to successfully guide Semperit through this pandemic. In addition, the strategic development of the company and the effects of the pandemic on the corporate strategy were discussed with the Executive Board.

The Executive Board reported to the Supervisory Board on the development of business on a monthly regular basis. Prior to Supervisory Board meetings, detailed written documents about the Group were made available. Furthermore, the Chairman of the Supervisory Board and his Deputy received reports on the business development and the Group's situation on a regular basis beyond the meetings.

The **Audit Committee** held three meetings, focusing particularly on the preparation of the adoption of the annual and consolidated financial statements for 2019, on the risk management, the internal control system, internal auditing, the compliance organisation, IT security ("cyber security") and the preparation of the annual and consolidated financial statements for 2020.

In four meetings, the **Remuneration Committee** focused on the performance assessment and agreement of targets of the members of the Executive Board as well as the remuneration policy for members of the Executive Board and the Supervisory Board. In addition, the Remuneration Committee dealt with the Executive Board contracts for the newly appointed Executive Board member Gabriele Schallegger and the interim Executive Board member Petra Preining as well as the termination agreements with Frank Gumbinger and Felix Fremerey.

The **Nominating Committee** held three meetings to deal particularly with the appointment of a new CFO and the nomination of Supervisory Board members. In addition, potential and succession issues of the second management level and Semperit values were discussed with the Executive Board.

At the Supervisory Board meeting on 23 September 2020, it was decided to merge the Nominating and Remuneration Committees.

The **Nominating and Remuneration Committee** held one meeting to discuss, among other things, the evaluation results of the second management level, the talent development process and the diversity concept.

The **Strategy and Transformation Committee** was divided into a Strategy Committee and a Transformation Committee.

The **Strategy Committee** met twice during the reporting year. The committee dealt in detail with the transformation of the Semperit Group into an industrial rubber specialist. The results were subsequently discussed and decided upon by the entire Supervisory Board.

The **Transformation Committee** held two meetings and focused, among other things, on the ongoing evaluation and monitoring of key measures to improve the company's performance. In addition, the Transformation Committee dealt with various cost-cutting measures.

The **Committee on the Sempermed Segment** was dissolved due to the successful restructuring and the positive operating development of the segment.

The **Committee for Urgent Issues** held one meeting. In addition, circular resolutions relating to urgent business cases were made.

In the Annual General meeting of 22 July 2020, Ernst & Young Wirtschaftsprüfungsgesellschaft m.b.H., Vienna, was appointed to serve as the auditor of the financial statements and consolidated financial statements for the 2020 fiscal year. The financial statements and consolidated financial statements of Semperit AG Holding as of 31 December 2020 were audited by Ernst & Young Wirtschaftsprüfungsgesellschaft m.b.H., Vienna, which issued an unqualified audit opinion. The management report and the group management report are in accordance with the financial statements and consolidated statements. An independent audit of statements and data was made by Ernst & Young Wirtschaftsprüfungsgesellschaft m.b.H., Vienna, on non-financial reporting (Sustainability Report) for 2020.

In its meeting held on 12 March 2021, the Audit Committee of the Supervisory Board dealt in particular with the annual financial statements, the consolidated financial statements, the group management report, the corporate governance report, the sustainability report and the auditor's report. Moreover, the Committee discussed the results of the audit in detail with the auditor. On the basis of its own audit, the Audit Committee concurred with the auditor's results and reported them to the Supervisory Board. Based on the efficient auditing process for the consolidated financial statements of 2020, the Audit Committee recommended to the Supervisory Board to propose to the Annual General Meeting the reappointment of Ernst & Young Wirtschaftsprüfungsgesellschaft m.b.H., Vienna, as auditor for 2021.

The Supervisory Board has examined the annual financial statements, the consolidated financial statements, the management report, the group management report, the corporate governance report and the sustainability report, and concurs with the conclusions of the auditor. The Supervisory Board formally approves the annual financial statements for 2020, which are consequently adopted in accordance with Section 96 (4) of the Austrian Stock Corporation Act. The corporate governance report, the sustainability report, the management report and consolidated financial statements for 2020 have been approved by the Supervisory Board. The Supervisory Board follows the recommendation of the Audit Committee and proposes to the Annual General Meeting to reappoint Ernst & Young Wirtschaftsprüfungsgesellschaft m.b.H., Vienna, for auditing 2021.

The Supervisory Board agrees with the Executive Board's proposal for the distribution of profits, according to which a dividend of EUR 1.50 per dividend-bearing share is to be distributed from the reported net profit of Semperit AG Holding in the amount of EUR 31.000.000,00 and the remaining profit is to be carried forward to new account.

The Supervisory Board members would like to thank the Executive Board, the Management Forum and all employees of the Semperit Group for their extraordinary dedication and commitment. Special thanks also go to the shareholders, customers and partners of Semperit for the trust they have placed in us.

Vienna, 17 March 2021



Walter Koppensteiner

Chairman of the Supervisory Board