



Michael Johnigk
Chairman of the
Supervisory Board,
OVB Holding AG

Report of the Supervisory Board

Dear Shareholders,

Financial year 2022 was challenging. This holds true for companies as well as for private households in particular. The reasons for that were the atrocious Russian war of aggression in Ukraine, supply bottlenecks, energy shortage and high inflation. Even the COVID-19 pandemic has not been completely conquered. Thanks to the Executive Board's prudent management and the special commitment of our staff and financial advisors, OVB Holding AG has held its ground very well once again. With a sales increase of 3.5 per cent to Euro 331.9 million, a new record in the Company's history was achieved.

Interaction of Supervisory Board and Executive Board

The Supervisory Board and its Committees continued their routine advice of the Executive Board in managing the Company in 2022, supervised the Executive Board's activity based on comprehensive written, oral and electronically transmitted reports delivered by the Executive Board and attended to the full scope of their duties as defined by law, the Articles of Association and the rules of procedure. In addition to that, the Chairman of the Supervisory Board and the Executive Board, particularly the CEO, maintained an ongoing exchange on topics of strategic orientation, corporate planning, business performance, the risk position, risk management, compliance, important individual events and transactions as well as impending decision-making. The Chairman of the Audit Committee and the CFO routinely exchanged relevant information as well, comprising topics of financial accounting and the internal control system in addition to the above-mentioned matters.

The Supervisory Board was thus always informed about the economic and financial development of the Group

and its segments, including planning, the business and risk strategy and other fundamental issues of business operations, risk management and OVB Group's material risks in particular, transactions and events of significance and developments regarding financial advisors and employees. In addition to the annual report prepared by Internal Audit and the annual report of the Head of Compliance, the Supervisory Board was constantly informed by the Executive Board on compliance and the activity of Internal Audit.

The Supervisory Board was directly involved in all decisions of essential relevance to the Group at an early stage and discussed and debated such decisions based on the information provided by the Executive Board extensively in full session together with the Executive Board.

The Executive Board informed the Supervisory Board early on about all matters requiring the Supervisory Board's explicit consent under law, the Articles of Association or the rules of procedure and presented them to the Supervisory Board for the adoption of resolutions in good time. There were no transactions in the financial year that required the Supervisory Board's approval as related party transactions.

The Supervisory Board always had the opportunity to scrutinize and discuss the Executive Board's reports and resolution proposals in the Committees and in full session and to offer suggestions before casting its vote on the respective resolution proposal following thorough examination and debate.

In urgent individual cases, resolutions were also adopted in writing, by electronic means or in conference calls with the approval of all Supervisory Board members.

All key financials were reported to the Supervisory Board by the Executive Board on a quarterly basis. Any deviations of the business performance from corporate planning and defined targets were explained to the Supervisory Board in detail. The Company's risk position was also presented and analyzed in depth on a quarterly basis. Risk reports included the current risk position of the Group in view of profit/loss and assets and liabilities, distribution and partners/products, markets and competition, operations and support as well as statutory provisions and guidelines, taking also into consideration aspects of sustainability in the separate areas.

Meetings and topics of the Supervisory Board

In the 2022 financial year, five meetings were held altogether, four of which were regular sessions at which the Supervisory Board concerned itself with the Executive Board's reports and resolution proposals, and one extraordinary session on the occasion of Thomas Hücker's resignation from the Executive Board of OVB Holding AG. In consequence of that, the Supervisory Board focused on a suitable succession for the Executive Board, the successful outcome of which was reported on 30 June 2022. Apart from that, the Supervisory Board requested reports and information from the Executive Board on individual topics, provided in each case exhaustively and in good time. Subjects of routine debate in full session were business planning and the business performance in the three regional segments Central and Eastern Europe, Germany, and Southern and Western Europe as well as the Corporate Centre segment and the Group's profit/loss, financial position and assets and liabilities.

The Executive Board regularly reported to the Supervisory Board about the impact of Russia's war of aggression in Ukraine on the business of the country's sales subsidiary and of the Group as well as noticeable macroeconomic effects. The strongly increased inflation rate over the financial year and its relevance for the behaviour of the clients was also brought up. Moreover, the Executive Board kept the Supervisory Board up to date about the still existing effects of the COVID-19 pandemic on OVB's business. Several meetings of the Supervisory Board were held temporarily in the absence of the Executive Board. Then agenda items were discussed concerning either the Executive Board itself or internal Supervisory Board matters.

On 10 February 2022, an extraordinary Supervisory Board meeting was convened at short notice in the form of a conference call. Its topic was the request of then-Executive Board member and COO of the Company Thomas Hücker to terminate his employment contract in effect until December 2023 prematurely for personal reasons. Following extensive debate, on 31 March 2022 the Supervisory Board resolved the amicable premature termination of the Executive Board employment contract of Thomas Hücker as of 31 May 2022 by way of circular resolution.

On 18 March 2022, the Supervisory Board dealt, among other things, with the financial statements and the con-

solidated management report of OVB Holding AG for financial year 2021, the combined management report for OVB Holding AG and the Group as of 31 December 2021, the Supervisory Board report and the report of the Executive Board on relationships with affiliated companies for the 2021 financial year. The 2021 statement on corporate governance was approved as well. The Supervisory Board adopted the Executive Board's proposal for the appropriation of retained earnings and approved the non-financial consolidated management report and the remuneration report for 2021, submitted in the financial year for the first time. As amendments were necessary to the remuneration policy for the Executive Board, the Supervisory Board adopted the presented amended version. The Supervisory Board also consented to the Executive Board's decision to hold a virtual Annual General Meeting without the physical presence of the shareholders or their proxies due to the ongoing COVID-19 pandemic in accordance with the statutory requirements. Moreover, the Supervisory Board addressed other measures subject to its consent and gave its consent respectively. In particular, the Supervisory Board approved the Executive Board's proposal to establish an entity in Slovenia as a wholly owned subsidiary of OVB Holding AG for the brokerage of life insurance, health insurance, accident and property accident as well as financing.

In the session of 15 June 2022 immediately preceding the 2022 Annual General Meeting, the Executive Board reported about the current business and the financial position after the end of the first quarter in detail, among other topics. Following this report, the Supervisory Board discussed the definition of future target figures for the proportion of women on Executive Board and Supervisory Board as stipulated by law.

For the period from 1 July 2022 to 30 June 2027, a target of 16.67 per cent for the Supervisory Board, equivalent to one woman as member of the Supervisory Board, and a target of 33.33 per cent for the Executive Board, equivalent to one woman as member of the Executive Board, were then determined. In addition to that, the Supervisory Board discussed various transactions subject to its consent and gave its consent respectively.

The meeting on 6 and 7 September 2022 took place in Verona, where the Italian subsidiary is located. The Supervisory Board occasionally conducts sessions at OVB's European locations in order to get a first-hand impression of the course of business and the prospects of individual operating subsidiaries on location. In this meeting, the Executive Board informed the Supervisory Board on the status quo of the strategy »OVB Evolution 2022«. In this context, current key performance indicators were compared to the ones recorded at the launch of the strategic period in 2017. Following that, the Supervisory Board was presented with the strategy development process and the insight collected so far for the development of a follow-up strategy. The current situation after the completion of the first half-year 2022 and the strategy of OVB Germany were also on the agenda. In the course of the appointment of new Executive

Board member and COO of OVB Holding AG, Heinrich Fritzlär, an amendment to the allocation of responsibilities of the Executive Board was adopted.

In the meeting held on 6 December 2022, the Executive Board informed about the Group's situation after the first nine months and presented a forecast for the performance over the full year 2022. The current situation of OVB Germany was also reported. After that, the Executive Board introduced the multi-year planning for 2023 through 2027. Furthermore, the Supervisory Board dealt with corporate governance matters. The declaration of conformity with the German Corporate Governance Code was debated extensively and its release and announcement were resolved. As proposed by the Nomination and Remuneration Committee, the Supervisory Board defined the performance criteria for variable Executive Board remuneration for financial year 2023. Also on the agenda was the Supervisory Board's assessment of its own performance. The results of the questionnaire were analyzed, discussed and corresponding potential for future improvement was derived on that basis.

The members of the Supervisory Board take training measures required for accomplishing their tasks on their own initiative, e.g. those concerning changes to the legal framework and new promising technologies. If necessary, they are supported in this by the Company.

Apart from that, in-house informative events are provided for specific qualification if required. In the year under review 2022, an in-house training event on recent legal developments regarding corporate governance, stock corporation law and securities trading law as well as on the internal control system, among other topics, was held on 28 September 2022.

New members of the Supervisory Board also have the opportunity to meet members of the Executive Board and other executives for an exchange of views on general and current topics concerning OVB Group and to thus get an overview of the Company's issues of relevance.

Corporate Governance Code

At the Supervisory Board meeting on 6 December 2022, the Supervisory Board decided after extensive debate to release a joint declaration of Supervisory Board and Executive Board on conformity with the German Corporate Governance Code pursuant to Section 161 (1) AktG (Stock Corporation Act) that same day. Information on corporate governance can be found in the corporate governance statement publicly available at www.ovb.eu/english/investor-relations/corporate-governance. The declaration of conformity has been made available on the Company's website at www.ovb.eu/english/investor-relations/corporate-governance and is also included in the corporate governance statement.

Committees

The Supervisory Board has established two standing Committees for preparing Supervisory Board resolutions and the topics to be addressed by the Supervisory Board in full session.

At each Supervisory Board meeting, the Chairs of the Committees reported on the subjects and outcomes of any preceding Committee sessions so that the Supervisory Board had a comprehensive information base for its debates at all times.

General information on the composition and the working methods of the Supervisory Board and its Committees can also be found in this year's corporate governance statement.

Report from the Committees

Audit Committee activity

Its responsibilities include in particular the monitoring of financial accounting and the financial accounting process, the effectiveness and development of the internal control system, the risk management system, internal auditing and compliance as well as the audit of financial statements.

The Audit Committee prepares the resolutions of the Supervisory Board on the financial statements, combined management report and the proposal for the appropriation of retained earnings, the consolidated financial statements and the agreements with the auditor (in particular the audit engagement, the definition of key audit matters and the fee arrangement). The Committee furnishes a reasoned proposal for the election of the auditor and takes suitable measures for determining and monitoring auditor independence.

Its assessment particularly relates to the question whether statutory requirements were complied with in preparing financial statements and consolidated financial statements and whether the statements presented therein give a true and fair view of the assets and liabilities, financial position and profit/loss of the Company and the Group.

The Audit Committee held seven meetings in the 2022 financial year. It concerned itself in depth with the financial statements and the combined management report of OVB Holding AG and the Group prepared by the Executive Board and examined and discussed the interim financial reports (6-month report and quarterly reports) in consideration of the auditor's report on the reviews of these reports. In several sessions, the Audit Committee dealt with the monitoring of the financial accounting process as well as issues of effectiveness of the internal control system and its further development, and the effectiveness of the risk management system and the internal audit system. Moreover, the Supervisory Board concerned itself extensively with the material legal disputes and with compliance in the Company and was informed on measures to prevent money laundering in the Group. Moreover, the Committee dealt with the security of the IT systems and the status quo of the implementation of the taxonomy regulation. Preparations for a change of the auditor in 2024 were brought on the way.

The Audit Committee has determined as key audit matter the following assignment, apart from a number of other focal topics: »Adequacy and effectiveness of the internal control system with respect to financial accounting regarding the scope of business activity and the risk position of OVB Holding AG«. The auditor reported on this to the Audit Committee at its 22 March 2023 session. No need for changes was identified.

In addition to that, the Committee looked into the audit findings, audit processes and audit planning of Internal Audit for the 2023 financial year in the presence of the Director Internal Audit.

Nomination and Remuneration Committee activity

The Nomination and Remuneration Committee, among whose responsibilities are the proposal of suitable candidates for the Supervisory Board's election proposals to the Annual General Meeting, the personnel of the Executive Board and the Executive Board members' remuneration, convened six times in 2022.

Committee members discussed matters of special importance even outside the framework of sessions. One focal point of the meetings of the first half-year was the selection of candidates for the succession of Thomas Hücker on the Executive Board of OVB Holding AG. A qualified successor was found with Heinrich Fritzlär. In the spring of 2022, the Executive Board employment contracts of CEO Mario Freis and CFO Frank Burow were extended ahead of schedule. This decision had been thoroughly considered by the Committee members in advance.

Apart from that, general succession planning for the Executive Board and the top level of senior executives was a recurring topic. Furthermore, the Committee

prepared the Supervisory Board's resolution proposals on the definition of performance criteria and targets for variable remuneration in 2023.

Format of the meetings of the Supervisory Board and its Committees

As the pandemic continued through 2022, two of the altogether five Supervisory Board meetings were held as hybrid sessions (in-person meetings with the option of participation by phone/virtually). The other two regular meetings were held as in-person meetings. The extraordinary Supervisory Board meeting on 10 February 2022 was held as a conference call only.

Of the altogether seven meetings of the Audit Committee in the 2022 financial year, two were held in-person, two as hybrid events (in-person meetings with the option of participation by phone/virtually) and three as conference calls.

Two of the altogether six meetings of the Nomination and Remuneration Committee in financial year 2022 were conducted as in-person meetings, one was a hybrid session (in-person meeting with the option of participation by phone/virtually) and three meetings were conference calls only.

Individualized information on participation in meetings

Wilfried Kempchen's absence from two Supervisory Board meetings and Markus Jost's absence from one Supervisory Board meeting were excused. Dr. Thomas A. Lange's absence from one meeting of the Audit Committee was excused. The following table shows the attendance ratio of the members with respect to Supervisory Board and respective Committee meetings:

| | Attendance | per cent |
|--|------------|----------|
| Supervisory Board | | |
| Michael Johnigk (Chairman) | 5/5 | 100 |
| Dr. Thomas A. Lange (Deputy Chairman) | 5/5 | 100 |
| Markus Jost | 4/5 | 80 |
| Wilfried Kempchen | 3/5 | 60 |
| Harald Steirer | 5/5 | 100 |
| Julia Wiens | 5/5 | 100 |
| Nomination and Remuneration Committee | | |
| Markus Jost (Chairman) | 6/6 | 100 |
| Michael Johnigk | 6/6 | 100 |
| Audit Committee | | |
| Dr. Thomas A. Lange (Chairman) | 6/7 | 86 |
| Michael Johnigk | 7/7 | 100 |
| Markus Jost | 7/7 | 100 |
| Julia Wiens | 7/7 | 100 |

Audit of separate and consolidated financial statements

The auditor, PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft, Düsseldorf, has audited the separate financial statements and consolidated financial statements as well as the management report of OVB Holding AG combined with the consolidated management report for financial year 2022 and has issued an unqualified audit opinion. Separate financial statements and management report were prepared in accordance with German law. The consolidated financial statements were prepared according to the International Financial Reporting Standards (IFRS) as adopted by the European Union (EU) and according to supplementary provisions under applicable German law pursuant to Section 315e (1) HGB (Commercial Code).

Separate financial statements, consolidated financial statements, the combined management report as well as the audit reports on the annual financial statements prepared by the auditor and all other financial statement documents were submitted to the members of the Supervisory Board in good time prior to its financial statements meeting. All these documents were discussed intensively in the session of the Audit Committee and the subsequent meeting of the Supervisory Board, both held on 22 March 2023.

The audit reports prepared by the auditor were discussed extensively at the session of the Audit Committee, which was attended by all other Supervisory Board members as well, in the presence of the auditor's certified accountants who reported on the scope, focal points and material findings of the audit and particularly addressed the key audit matters and audit procedures applied. Any material flaws of the internal control system with respect to financial accounting regarding the scope of business activity and the risk position of OVB Holding AG were not identified. At the same meeting, the report on risk management and the annual update on compliance management and Internal Audit were presented.

The Supervisory Board also adopted the resolution proposal to the Annual General Meeting for the election of the auditor in consideration of the Audit Committee's recommendation at its meeting on 22 March 2023. This decision was based on the declaration furnished by the Audit Committee that its recommendation was free from any undue influence by third parties and that no clause restricting its choice in accordance with Art. 16 (6) of the EU Audit Regulation was imposed on the Committee.

The Supervisory Board agrees with the auditor's findings based on the audit. After the final examination conducted by the Audit Committee and the Supervisory Board's own review, no objections are raised against financial statements, consolidated financial statements or combined management report.

The Supervisory Board has therefore approved the 2022 separate financial statements and 2022 consolidated financial statements. The 2022 financial statements are thus adopted in accordance with Section 172 sentence 1 AktG (Stock Corporation Act). The Supervisory Board has approved the Executive Board's proposal for the appropriation of retained earnings submitted at the Supervisory Board meeting of 22 March 2023.

Beyond the scope of the statutory audit, PricewaterhouseCoopers has also conducted a business audit of the separate non-financial consolidated management report of OVB Holding AG commissioned by the Supervisory Board to obtain limited assurance and has raised no objections on this basis against non-financial reporting and compliance with the corresponding statutory provisions. The Supervisory Board has approved this report.

The Executive Board's report on relationships with affiliated companies was provided to the Supervisory Board together with the corresponding audit report prepared by the auditor. In its audit report, the auditor has made the following statement:

»After our due examination and assessment, we confirm that

1. the factual disclosures contained in the report are correct,
2. consideration paid by the Company for the transactions listed in the report was not inappropriately high,
3. no circumstances suggest a materially different assessment than the assessment made by the Executive Board with respect to the measures listed in the report.«

The Supervisory Board has also examined the Executive Board's report on relationships with affiliated companies, consulted the corresponding audit report prepared by the auditor and approves of the auditor's findings. After concluding its own review, the Supervisory Board states that there were no objections to the Executive Board's concluding statement in its report on relationships with affiliated companies.

The remuneration report for financial year 2022 to be prepared in accordance with Section 162 AktG was reviewed by the auditor regarding its content as well, thus beyond the requirements under the Stock Corporation Act. The following audit opinion was issued:

»According to our assessment of the findings produced by the audit, the remuneration report for the financial year ended 31 December 2022 including

all material disclosures is compliant with the financial accounting provisions of Section 162 AktG in all material aspects.«

The Supervisory Board has approved the 2022 remuneration report in the version submitted.

Changes on Supervisory Board and Executive Board

There were no changes in personnel on the Supervisory Board of OVB Holding AG in the year under review. The following change took place on the Executive Board: Member of the Executive Board and COO Thomas Hücker left the Company as of 31 May 2022 at his own request for personal reasons. Executive Board and Supervisory Board thank him for his high commitment over many years and his always constructive input. Thomas Hücker had been on the Executive Board since 2014. Thomas Hücker's responsibilities were assumed by CEO Mario Freis as of 1 June 2022 on an interim basis. Effective 1 October 2022, Heinrich Fritzlär was appointed to the Executive Board of OVB Holding AG as new COO. Heinrich Fritzlär is responsible for Group IT, IT Security, Process Management and People Management. He has more than 20 years of experience in insurance and IT consulting.

Furthermore, by resolution of 13 April 2022, the Supervisory Board has extended the term of CEO Mario Freis ahead of schedule by five years to 31 December 2027. On the same day and effective 1 January 2023, Executive Board member Frank Burow was reappointed for another three years until 31 December 2025.

Conflicts of interest and their management

No member of the Executive Board or the Supervisory Board identified or announced any conflicts of interest of their own.

The Supervisory Board is also not aware of any indications of conflicts of interest of Executive Board or Supervisory Board members subject to immediate disclosure to the Chairman of the Supervisory Board and information of the General Meeting of Shareholders.

Acknowledgements

The Supervisory Board thanks the members of the Executive Board, the management teams and executives of all consolidated entities, all financial advisors and all employees of OVB Group for their high commitment and their excellent performance in financial year 2022.

Cologne, 22 March 2023

On behalf of the Supervisory Board



Michael Johnigk
Chairman