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HUGO BOSS ON THE
CAPITAL MARKET

LETTER TO SHAREHOLDERS



**Dear Shareholders,
Dear Readers,**

HUGO BOSS looks back on a very successful 2021. With our momentum strongly accelerating across all brands, regions as well as consumer touchpoints, we paved the way for future growth. Already in the third quarter, revenues and earnings returned to pre-pandemic levels. And in the fourth quarter, we achieved the highest quarterly sales in our Company's history. As a result, we exceeded our full year sales and earnings targets, which we increased back in October, and finished the year with the strongest free cash flow to date.

Most importantly, we introduced our strategic roadmap until 2025 – called "CLAIM 5" – which lays the foundation for a new era. It is our vision to establish HUGO BOSS as the leading premium tech-driven fashion platform worldwide. Our ambition is to double our business to EUR 4 billion in revenues and to become one of the top 100 global brands. To claim back the lead, we will revolutionize the way in which we interact with our customers, placing them at the center of everything we do. And with our new boldness and confidence, we will turn consumers from all over the globe into true fans of our strong brands, BOSS and HUGO.

Driving brand relevance is the top priority as part of our "CLAIM 5" growth strategy. In order to "Boost Brands," we have implemented a new brand strategy to refresh BOSS and HUGO. Both brands undertake a new, modern brand identity focused on a younger and more global demographic. One of my personal highlights of the last weeks has been the record-breaking launch of our star-studded global campaigns. Our striking #BeYourOwnBOSS and #HowDoYouHUGO campaigns created a phenomenal digital buzz around the world – with a total of 6 billion impressions and more than 300 million engagements in only six days. High-profile celebrities including top-models Kendall Jenner and Hailey Bieber, famous rappers Future and Big Matthew, as well as our two new BOSS brand ambassadors, Italian tennis champion Matteo Berrettini and TikTok superstar Khaby Lame, led to an impressive digital activation, making the campaigns the most successful ones in our Company's history.

«WITH OUR NEW BOLDNESS AND CONFIDENCE, WE WILL CLAIM BACK THE LEAD.»

Fully in line with our strategic claim "Product is King," we will further strengthen the premium positioning of BOSS – without compromising on quality. Instead, we will step up investments in our products to ensure premium quality, as well as high levels of innovation and sustainability. And by further driving casualness and comfort across all wearing occasions, we will position BOSS as a true 24/7 lifestyle brand. HUGO, with its strong focus on commercial and contemporary styles, will become the first touchpoint for young, unconventional, and progressive people who live life on their own terms. With our new Spring/Summer 2022 collections – the first collections to fully embody our bold branding refresh – we are already living up to our promise that "Product is King." And I am particularly proud that feedback on these collections was overwhelmingly positive, both from our consumers and wholesale partners.

Digital will be key for our successful journey towards 2025. Not only because today the customer journey starts online, but also because the future will be all about human creativity and data-driven insights. As part of "CLAIM 5," we are fully committed to "Lead in Digital" as we want to exploit the great potential that comes with it. Consequently, we will further digitalize our business activities along the entire value chain – from digital trend detection and product development to the global rollout of our brand new digital showrooms. Our newly established HUGO BOSS Digital Campus represents the very heart of our digital journey, as it will significantly improve the customer experience by leveraging data. One of its first priorities has been the successful global relaunch of hugoboss.com earlier this year, providing a complete new look and feel as well as an engaging experience for our customers.

Our refreshed digital flagship hugoboss.com is building a cornerstone of our future omnichannel strategy. Already today, HUGO BOSS can rely on a unique distribution network. It is our goal to leverage our distribution variety to ensure a seamless brand experience across all consumer touchpoints and to translate our new brand power into all points of sale. As part of our claim "Rebalance Omnichannel" we will therefore boost our digital business and, equally important, take our physical business to new heights. In this regard, both retail and wholesale play crucial roles. This includes turning our points of sale into true points of experience, as

we want to drive emotional connectivity with our customers and experience per square meter. I am already very much looking forward to the grand opening of our first global anchor store on London's iconic Oxford Street, fully reflecting the bold branding refresh, in spring 2022.

To succeed in our "CLAIM 5" strategy, two factors will be absolutely crucial – an industry-leading organizational setup as well as having a strong and flexible platform in place. Fully in line with our fifth strategic claim "Organize for Growth," we have therefore further strengthened our organizational structure and implemented a true growth culture. We have also successfully implemented a number of important personnel changes within our senior management team including key brand, sales, and marketing functions, all aimed at ensuring rigorous execution of "CLAIM 5" in the years to come. At the same time, we have made strong initial progress in leveraging our resilient supply chain into an industry-leading platform for speed and growth. Over the coming years, we will further shorten lead times and reduce the complexity of our collections. Strengthening our own production capabilities at our biggest site in Turkey is key in this regard. It will not only enable us to increase proximity to our largest sales region Europe, but also add significant flexibility to react as quickly as possible to any changes in consumer demand and customer preferences. This, in turn, will have an immediate, positive impact on our sustainability efforts, because products that better meet our customers' needs have a significantly lower impact on the environment.

Speaking of the environment, "CLAIM 5" also contains a strong commitment to the important topic of sustainability as we want to fully live up to our corporate responsibility. Sustainability is at the core of HUGO BOSS. As part of "CLAIM 5," we will therefore act sustainably throughout to drive measurable impact for the environment and society alike. In this context, we are aiming for climate neutrality within our own area of responsibility by 2030 and throughout the entire value chain by 2045. We are also making great strides in increasing the proportion of more sustainable materials in our collections and establishing an end-to-end circular business model. Our recent partnership with Swiss innovator HeiQ – which enables us to substitute synthetic fibers with a recyclable cellulosic yarn – is a prime example of our ambitious sustainability efforts. It clearly illustrates our firm ambition to drive change for the better in the fashion industry and is thus fully in line with our bold mission statement "We Love Fashion, We Change Fashion."

«TOGETHER AS A TEAM, WE WILL EXPLOIT THE GREAT POTENTIAL OF HUGO BOSS.»

Now, all this is just the beginning of our "CLAIM 5" journey. I am absolutely convinced that 2022 will be another great year for HUGO BOSS. The successful execution of "CLAIM 5" will no doubt take center stage among all our initiatives, as we want to make further strong progress in reaching our 2025 targets. Based on our successful branding refresh and ongoing investments into our business, 2022 will see a step change when it comes to driving brand relevance and claiming our position in the consumers' minds. This will enable

us to increase our revenues by between 10% and 15% to a new record level of between EUR 3.1 billion and EUR 3.2 billion in 2022. At the same time, we expect our EBIT to grow between 10% and 25% to an amount of between EUR 250 million and EUR 285 million.

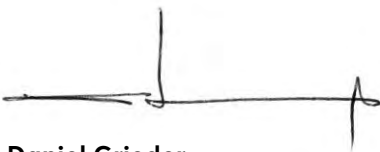
Dear shareholders, it is of great importance to us that you participate in the success of "CLAIM 5". Our strategy therefore also contains a strong commitment towards future dividend payments, as reflected by a dividend payout ratio of between 30% and 50% of net income attributable to shareholders. In view of our strong financial and operational performance in 2021, our extremely solid financial position as well as our confidence in the success of "CLAIM 5," we will resume dividend payments, and propose a dividend of EUR 0.70 per share for fiscal year 2021. At the same time, our dividend proposal will ensure we have all the flexibility needed to further invest in our business, build and leverage our platform, and thus drive long-term growth for HUGO BOSS.

Dear readers, I would like to conclude on a personal note: From the very first moment I joined HUGO BOSS back in June 2021, I was extremely impressed by the highly motivated and experienced people and teams. Our employees are our greatest asset and key to ultimately becoming the leading premium tech-driven fashion platform worldwide and one of the top 100 global brands. Based on their strong passion, our entrepreneurial spirit, and team mentality, I have no doubt that together as a team we will exploit the tremendous potential of HUGO BOSS. In this regard, I would like to thank our more than 14,000 employees for their tireless efforts, high passion, and the great dedication they put into the success of our Company each and every day.

The most exciting time in fashion is right now, and the best is yet to come! Based on our bold vision, mission, and ambition, we will embrace the challenges of today's rapidly changing world and seize new and exciting opportunities. Our aim is to grow our Company in a fast but sustainable way, and I am absolutely convinced that we have an excellent team and strategy in place to successfully lead HUGO BOSS into the future.

Thank you for your support!

Sincerely yours,



Daniel Grieder
Chief Executive Officer

MANAGING BOARD

LISTEN TO
BOARD MEMBERS
ON WHAT'S NEW
AT HUGO BOSS



Daniel Grieder
CEO

Dr. Heiko Schäfer
COO

Yves Müller
CFO

Oliver Timm
CSO



COMBINED THE HUGO BOSS
MANAGING BOARD HAS

> 80 YEARS OF
EXPERIENCE IN THE
FASHION INDUSTRY

CHIEF EXECUTIVE OFFICER (CEO)

DANIEL GRIEDER

Daniel Grieder was born in Washington, D.C. in 1961. While studying at the University of Applied Sciences in Business Administration in Zurich (HWZ Hochschule für Wirtschaft) he founded Max Trade Service AG in 1985 (later renamed Madison Clothing Ltd.), which distributed internationally renowned brands – such as Pepe Jeans, Tommy Hilfiger, Stone Island, and C.P. Company – in Switzerland, Austria, and Eastern Europe. From 1997, Daniel Grieder was largely responsible for the successful establishment of Tommy Hilfiger in Europe and took over the position of Chief Executive Officer Tommy Hilfiger Europe in 2008. After the integration of the Tommy Hilfiger brand into Phillips-Van Heusen (PVH) Corporation, Daniel Grieder became Chief Executive Officer of Tommy Hilfiger Global and PVH Europe in 2014. Since June 2021, Daniel Grieder is Chief Executive Officer and member of the HUGO BOSS Managing Board.

Daniel Grieder is Chief Executive Officer (CEO) and responsible for Company Strategy, Business Unit BOSS Menswear, Business Unit BOSS Womenswear, Business Unit HUGO, Global Marketing, Corporate Communication, and Licenses Management.

CHIEF FINANCIAL OFFICER (CFO),
DIRECTOR OF LABOR RELATIONS**YVES MÜLLER**

Yves Müller was born in Lüneburg (Germany) in 1969. He studied Business Administration at the European Business School in Oestrich-Winkel, Dijon and San Diego. In 1994, he started his professional career at the auditing and tax consulting company Arthur Andersen & Co. in Hamburg. During this time, Yves Müller qualified as a tax consultant and auditor. 1999 he joined Tchibo GmbH where he was appointed Chief Financial Officer in 2006. In December 2017, he became a member of the HUGO BOSS Managing Board.

Yves Müller is responsible for Controlling, Finance and Tax, Internal Audit, Central Services, IT (incl. Information Security), Investor Relations, Risk and Insurance Management, Legal/ Compliance/Data Protection, and HR.



CHIEF SALES OFFICER (CSO)

OLIVER TIMM

Oliver Timm was born in 1971 in Mainz (Germany). After studying Economics at Gerhard Mercator University in Duisburg, he began his professional career at Tommy Hilfiger in 1998, where he held various positions. Amongst others, he was substantially involved in launching the American brand on the European market. In 2005, he was appointed Managing Director of Tommy Hilfiger Germany. Following the integration of the Tommy Hilfiger brand into Phillips-Van Heusen (PVH), Oliver Timm was appointed President of PVH Europe and later Chief Commercial Officer PVH Europe. In January 2021, Oliver Timm became a member of the HUGO BOSS Managing Board.

Oliver Timm is responsible for Global Retail and Wholesale incl. E-Commerce, Visual Merchandising, Retail Operations, Real Estate Management, and Customer Relationship Management (CRM).

CHIEF OPERATING OFFICER (COO)

DR. HEIKO SCHÄFER

Born in 1972 in Minden (Germany), Heiko Schäfer studied Business Administration at the University of the Saarland and the University of Michigan before completing his studies with a PhD in Marketing at the University of Mannheim. After starting his career at Boston Consulting Group in 2002, he joined adidas AG in 2008, taking up the position of Vice President Global Operations Strategy. In 2015, Heiko Schäfer joined the Managing Board of Tom Tailor Group as Chief Operating Officer, where he was appointed Chief Executive Officer one year later. In March 2020, he became a member of the HUGO BOSS Managing Board.

Heiko Schäfer is responsible for Operations, Own Manufacturing, Product Development and Sourcing, Sustainability and Quality Management, and Global Logistics.



REPORT OF THE SUPERVISORY BOARD

CHAIRMAN OF THE SUPERVISORY BOARD

HERMANN WALDEMER

Hermann Waldemer was born 1957 in Munich. He graduated in business administration from the University of Regensburg in 1981 with a focus on finance and tax. Hermann Waldemer then worked as a certified tax advisor and auditor in the auditing industry before joining Philip Morris International in 1987. He held various positions, including President Western Europe, before assuming the position of Chief Financial Officer in 2008, which he held until his departure in 2012. From 2014 to 2016, he was a member of the Board of Directors of FCA US LLC (Chrysler Group).

Hermann Waldemer was elected to the Supervisory Board of HUGO BOSS AG in 2015 and appointed Chairman in 2020.



Dear Shareholders, Dear Readers,

For HUGO BOSS, fiscal year 2021 was marked in particular by a strong business recovery. Global consumer sentiment picked up significantly over the year, supported by the lifting of pandemic-related restrictions and strong progress in vaccination campaigns. Against this backdrop, HUGO BOSS recorded a significant improvement in sales, earnings, and free cash flow development. Initial progress in successfully executing important initiatives as part of the „CLAIM 5" strategy presented in August also positively impacted business development. In fiscal year 2021, the Supervisory Board continued to **perform its duties with the utmost care**, providing comprehensive advice to the Managing Board in a close, trust-based cooperation and monitoring its management activities. It entirely performed the duties imposed on it by law, by the Company's Articles of Association, and its own bylaws.

Composition of the Managing Board and the Supervisory Board

In fiscal year 2021, there were two key personnel changes on the Managing Board of HUGO BOSS. Effective June 1, 2021, Daniel Grieder joined the Managing Board of HUGO BOSS as the new **Chief Executive Officer (CEO)**. The Supervisory Board of HUGO BOSS AG had appointed Daniel Grieder as CEO for a period of five years on June 16, 2020. Effective January 1, 2021, Oliver Timm joined the Managing Board of HUGO BOSS AG as the new **Chief Sales Officer (CSO)**. Oliver Timm was appointed CSO on June 29, 2020. [> Managing Board](#)

Chief Brand Officer (CBO) Ingo Wilts resigned as a member of the Managing Board for personal reasons effective February 28, 2022. On behalf of the Supervisory Board, I would like to thank Ingo Wilts for the good cooperation and his many years of successful work, first as an employee and since 2016 as a member of the Managing Board.

Antonio Simina, the long-serving **Deputy Chairman of the Supervisory Board**, retired at the end of August. Antonio Simina's mandate was taken over by Bernd Simbeck, who had already been a member of the Supervisory Board of HUGO BOSS from 2010 to 2015. On behalf of the entire Supervisory Board, I would like to take this opportunity to express our sincere thanks to Antonio Simina for his tireless efforts and strong commitment to HUGO BOSS. [> Supervisory Board](#)

Collaboration between Managing Board and Supervisory Board

The Managing Board informed us regularly, comprehensively and in a timely manner in both written and oral form of all **matters of relevance for HUGO BOSS AG and its Group companies related to strategy, planning, business performance, the risk assessment, changes in the risk situation and compliance**. Particularly close support was provided surrounding the development and presentation of the new "CLAIM 5" strategy and the financial development of the Company, particularly in the wake of the COVID-19 pandemic. The Chairman of the Audit Committee and I maintained close and regular dialog with the Managing Board. We were kept promptly informed of significant developments and decisions and we reported on these at the following Supervisory Board and Committee meeting at the latest.

All members of the Supervisory Board had sufficient time to review all of the Managing Board's **reports and proposals** and to contribute their own ideas in Committees and Supervisory Board meetings. Any approvals were issued only after requesting clarification from the Managing Board and discussing the matter extensively with the members of the Managing Board. In urgent cases, the Supervisory Board passed resolutions by means of the circular resolution procedure. The Supervisory Board was directly involved at an early stage in all decisions of fundamental importance to the Company.

Main topics at the meetings of the Supervisory Board

In fiscal year 2021, a total of five Supervisory Board meetings were held in March, May, July, September, and December, with the September meeting being a two-day meeting. All members participated in all of these meetings. In addition, one resolution was passed by means of the circular resolution procedure in both May and November.

The **Audit Committee** met five times in total. All members participated in all of the meetings, with the exception of Gaetano Marzotto and Antonio Simina, who were unable to attend one meeting but participated in the decisions via a written vote. The **Working Committee** also met five times. All members participated in all of the meetings, with the exception of Luca Marzotto, who was unable to attend one meeting but participated in the decisions via a written vote. All committee members participated in the seven meetings of the **Personnel Committee**. The **Nomination Committee** and the **Mediation Committee** did not meet during fiscal year 2021.

PARTICIPATION IN MEETINGS OF THE FULL SUPERVISORY BOARD AND ITS COMMITTEES¹

Member	Full Supervisory Board (5)	Audit Committee (5)	Working Committee (5)	Personnel Committee (7)	Attendance rate (22)
Hermann Waldemer, Chairman	5/5	5/5	5/5	7/7	22/22
Sinan Piskin, Deputy Chairman	5/5	5/5	5/5	7/7	22/22
Iris Epple-Righi	5/5	–	5/5	–	10/10
Katharina Herzog	5/5	–	5/5	–	10/10
Anita Kessel	5/5	–	–	7/7	12/12
Gaetano Marzotto	5/5	4/5	–	–	9/10
Luca Marzotto	5/5	–	4/5	7/7	16/17
Tanja Silvana Nitschke	5/5	–	5/5	–	10/10
Christina Rosenberg	5/5	–	–	7/7	12/12
Martin Sambeth	5/5	5/5	–	–	10/10
Bernd Simbeck (since September 1, 2021)	2/2	1/1	–	2/2	5/5
Antonio Simina (until August 31, 2021)	3/3	3/4	–	5/5	11/12
Robin J. Stalker	5/5	5/5	–	–	10/10

¹ The Nomination Committee and the Mediation Committee did not convene in the past fiscal year.

The **meeting of the Supervisory Board in March 2021** focused on the annual financial statements of HUGO BOSS AG and the HUGO BOSS Group as of December 31, 2020 and the audit report prepared by the auditors. At this meeting, the annual financial statements and the consolidated financial statements of HUGO BOSS AG as of December 31, 2020 were approved and ratified. Furthermore, the Supervisory Board's report to the Annual Shareholders' Meeting was discussed and adopted. The resolution proposals were adopted at the Annual Shareholders' Meeting of HUGO BOSS AG, which was held virtually on May 11, 2021, following the review of the independence of the proposed auditor for fiscal year 2021. Other topics included adjustments to the compensation system for the Managing Board and the new brand image of BOSS and HUGO.

At its **meeting in May 2021**, the Supervisory Board addressed the current business performance as well as plans for further digitalizing the business model and related cooperation opportunities in this area. In this context, also in May, the cooperation with the strategy consultancy Metyis based in Amsterdam (Netherlands) was decided by circular resolution, as part of the overall project to establish the HUGO BOSS Digital Campus.

At its **meeting in June 2021**, the Managing Board elaborated on the overall framework of the new growth strategy "CLAIM 5". In addition, the Supervisory Board dealt with the plans to sell two real estate properties in Metzingen and the surrounding area. In view of his excellent work and the smooth handover, it was also decided that Yves Müller would be granted 100% of the agreed allowance for acting as interim Spokesperson of the Managing Board.

The main topics of the **meeting in September 2021** were the current business performance along with the "CLAIM 5" strategy and its implications for collection development, sales, marketing, and operations. In addition, Bernd Simbeck was elected to the Audit Committee and Personnel Committee as successor to Antonio Simina.

In **November 2021**, the Supervisory Board approved the conclusion of the new syndicated loan agreement by circular resolution.

At the **meeting in December 2021**, the budget for fiscal year 2022 was debated and passed. In addition, initial progress on executing the "CLAIM 5" strategy was discussed in detail. In this context, the plans for new BOSS and HUGO marketing campaigns were presented to the Supervisory Board. The Supervisory Board was also informed about current pandemic-related challenges within the supply chain. In addition, key audit matters for fiscal year 2022 and the Audit Committee's proposal to elect a new auditor as part of the mandatory rotation required by law were discussed in detail and resolved. Moreover, the transactions subject to approval were adjusted in the bylaws of the Managing Board. In view of the COVID-19 pandemic and the associated restrictions, the Supervisory Board decided that the Annual Shareholders' Meeting would again be held as a virtual event in fiscal year 2022. Moreover, the findings of the Supervisory Board efficiency review, which were collected based on a questionnaire and analyzed and presented by an external provider, were discussed in detail. The declaration of compliance with the German Corporate Governance Code (GCGC) and the setting of a target for women on the Managing Board were discussed and resolved.

Current business performance, liquidity management, and the current risk assessment of the Company were regularly discussed in detail at the meetings of the Supervisory Board and approved where necessary. In addition, the meetings of the Supervisory Board involved regular, detailed reports on the contents of the previous committee meetings. In addition, in 2021, the Supervisory Board primarily focused on the implementation and execution of "CLAIM 5" strategy, the capital structure, cost planning, compliance issues, and the requirements of the GCGC.

Work of the Committees in fiscal year 2021

To perform its duties, the Supervisory Board has formed **five Committees**: an Audit Committee, Personnel Committee, Working Committee, Nomination Committee, and the legally required Mediation Committee. To the extent legally permissible and insofar as they have been given corresponding authorizations, individual Committees make decisions instead of the full Supervisory Board. Otherwise, they prepare decisions and topic areas for the full Supervisory Board. The respective committee chairs report to the Supervisory Board in detail about the work of the committees at regular intervals.

In total, the **Audit Committee** met five times in fiscal year 2021. The main agenda of its meetings concerned the financial reporting of HUGO BOSS AG and the Group with respect to the annual, half-yearly and quarterly financial statements, the audit of the annual and consolidated financial statements, monitoring of the risk management and internal control system, compliance matters and risk management. In addition, the Audit Committee requested the declaration of independence from the external auditor and convinced itself of the auditor's independence. In addition to defining the key audit matters of the annual and consolidated financial statements for 2021 and mandating the external auditor, it approved non-audit services and placed a cap on the fees payable for such non-audit services. In addition, the results of the audit review of the combined non-financial statement were discussed. Another key topic was the selection process for a new auditor in the course of the mandatory rotation provided for by law. The Audit Committee was closely involved in the selection for suitable candidates and ultimately issued a recommendation to the Supervisory Board in October 2021. In addition, the Audit Committee dealt with the refinancing of the syndicated loan.

The **Personnel Committee** held seven meetings. It focused on filling strategically important management positions, the allocation of responsibilities for the business divisions, adjustments to the compensation system for the Managing Board, the target achievement for the prior fiscal year, and preparing the target agreements for the Managing Board.

The **Working Committee** met five times in the fiscal year and dealt with current business performance, the strategic alignment of the Group, and preparations for the Annual Shareholders' Meeting. In addition, the Working Committee also discussed the further digitalization of the business model and the updating of the catalog of transactions subject to approval in the bylaws of the Managing Board.

The **Nomination Committee** and the **Mediation Committee** did not convene in the fiscal year under review.

Corporate governance

The Supervisory Board additionally dealt with the **principles of good corporate governance** within the Company. In December 2021, the Managing Board and the Supervisory Board issued a new declaration of compliance with the GCGC. The corporate governance statement can be found in the section "Corporate Governance and Corporate Governance Statement". With regard to the annual efficiency review of the Supervisory Board's activities recommended by the GCGC, the Supervisory Board decided to proceed with the tried and tested methodology of an audit using a comprehensive questionnaire. The external evaluation of the completed questionnaires and the suggestions for improvement contained therein were analyzed and discussed in detail at the Supervisory Board meeting in December 2021. Overall, the Supervisory Board drew a favorable conclusion. No individual training measures were carried out in the fiscal year.

Conflicts of interest

No conflicts of interest relating to Managing Board or Supervisory Board members arose in fiscal year 2021. In accordance with the GCGC, these would need be disclosed immediately to the Supervisory Board, as well as to the Annual Shareholders' Meeting.

Audit of annual and consolidated financial statements for 2021

Ernst & Young Wirtschaftsprüfungsgesellschaft, Stuttgart, duly audited the consolidated financial statements of HUGO BOSS AG for 2021, including the accounting records, which had been prepared by the Managing Board on the basis of the International Financial Reporting Standards (IFRS) in accordance with Sec. 315e HGB, and issued an **unqualified audit opinion**. This was also the case for the annual financial statements of HUGO BOSS AG for 2021 prepared in accordance with the provisions of the German Commercial Code as well as the combined management report for 2021 of HUGO BOSS AG and the Group. The corresponding audit mandate had been assigned by the Audit Committee of the Supervisory Board in accordance with the resolution of the Annual Shareholders' Meeting held on May 11, 2021. In addition, it was agreed with the auditor that the Chairman of the Audit Committee would have to be informed during the audit without delay about any possible grounds for disqualification or factors affecting impartiality that could not be rectified immediately. It was also agreed that the external auditor is obliged to report on any findings or events arising during the performance of the audit that are of importance to the duties of the Supervisory Board. The auditor was furthermore required to inform the Supervisory Board or note in the audit report any facts that were ascertained during the audit resulting in any errors in the declaration submitted by the Managing Board and the Supervisory Board in accordance with Sec. 161 (1) Sentence 1 of the AktG (German Stock Corporation Act). The auditor did not issue any such reports in the fiscal year. Furthermore, the Supervisory Board has convinced itself of the auditor's independence. The possibility of engaging the auditors to perform non-audit services was also discussed. The Supervisory Board received all accounting documents and the Managing Board's proposal for the appropriation of profit as well as the audit report from the external auditor.

The annual financial statements, proposal for the appropriation of profit, consolidated financial statements and combined management report for 2021 for HUGO BOSS AG and the Group, which also contains the combined non-financial statement for HUGO BOSS AG and the Group, and the audit report were discussed and verified in advance by the Audit Committee, followed by the full Supervisory Board in the presence of the external auditor. The external auditor reported on the main findings of the audit, particularly with respect to the key audit matters that had been determined by the Audit Committee for the fiscal year. The auditor was also available to answer any questions and provide additional information. No significant shortcomings in the accounting-related internal control system and risk management were identified in connection with this. Similarly, there were no circumstances indicating any partiality on the part of the external auditor. Finally, the auditor reported on the non-audit services that had been provided in the fiscal year under review. The auditor's findings were approved. Following its final review, the Supervisory Board raised no objections.

Consequently, at its meeting of March 9, 2022 the Supervisory Board approved the **financial statements for fiscal year 2021** prepared by the Managing Board. The financial statements of HUGO BOSS AG for fiscal year 2021 were therefore ratified in accordance with Sec. 172 AktG.

For fiscal year 2021, the Managing Board compiled a **combined non-financial statement** for HUGO BOSS AG and the Group and included this in the combined management report for 2021. The Supervisory Board commissioned Ernst & Young Wirtschaftsprüfungsgesellschaft, Stuttgart, to perform an audit to obtain limited assurance of this statement. All Supervisory Board members promptly received the combined non-financial statement for HUGO BOSS AG and the Group for fiscal year 2021 and the independent auditor's limited assurance report. The statement and the audit certificate of Ernst & Young were discussed by the full Supervisory Board on March 9, 2022. Ernst & Young auditors participated in this discussion and presented the audit results. No objections were raised based on their own review of the combined non-financial statement for HUGO BOSS AG and the Group, and the result of the audit to obtain limited assurance by Ernst & Young Wirtschaftsprüfungsgesellschaft, Stuttgart, was noted with approval.

The **compensation report** for fiscal year 2021 was jointly prepared by the Managing Board and Supervisory Board in accordance with the provisions of Sec. 162 (1) and (2) AktG (German Stock Corporation Act). The Supervisory Board approved the compensation report at its meeting on March 9, 2022. The auditor has separately audited the compensation report. In addition to the formal audit required by law in accordance with section 162 (1) and (2) AktG, the content of the compensation report was also audited.

Thank You

On behalf of the Supervisory Board, I want to thank all members of the Managing Board and all employees for their high level of personal commitment and dedication. Their tireless efforts and great passion – despite all professional and private restrictions – laid the foundation for successfully overcoming the challenges associated with the pandemic and for the highly positive business performance in fiscal year 2021. I also want to thank the employee representatives of HUGO BOSS AG for their once again very constructive collaboration.

Finally, I would like to express my gratitude to you, dear shareholders, for your trust in our Company.

Metzingen, March 9, 2022

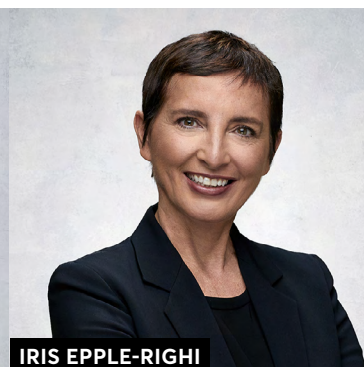
The Supervisory Board



Hermann Waldemer

Chairman of the Supervisory Board

SUPERVISORY BOARD



SUPERVISORY BOARD**Shareholder representatives****Hermann Waldemer**

(Blitzingen, Switzerland)

Management Consultant,
Chairman of the Supervisory Board,
Member since 2015

Iris Eppe-Righi

(Munich, Germany)

Management Consultant,
Member since 2020

Gaetano Marzotto

(Milan, Italy)

Chairman of the Supervisory Board,
Gruppo Santa Margherita S.p.A.,
Fossalta di Portogruaro, Italy,
Member since 2010

Luca Marzotto

(Venice, Italy)

Chief Executive Officer,
Zignago Holding S.p.A.,
Fossalta di Portogruaro, Italy,
Member since 2010

Christina Rosenberg

(Munich, Germany)

Management Consultant,
innotail, Munich, Germany,
Member since 2020

Robin J. Stalker

(Oberreichenbach, Germany)

Chartered Accountant,
Member since 2020

Employee representatives**Sinan Piskin**

(Metzingen, Germany)

Administrative Employee/Chairman of
the Works Council HUGO BOSS AG,
Metzingen, Germany,
Deputy Chairman of the Supervisory Board,
Member since 2008

Katharina Herzog

(Reutlingen, Germany)

Senior Vice President,
Group Finance & Tax HUGO BOSS AG,
Metzingen, Germany,
Member since 2020

Anita Kessel

(Metzingen, Germany)

Administrative Employee,
HUGO BOSS AG,
Metzingen, Germany,
Member since 2015

Tanja Silvana Nitschke

(Inzigkofen, Germany)

President of the local German Metalworkers'
Union (IG Metall) Reutlingen-Tuebingen,
Reutlingen, Germany,
Member since 2015

Martin Sambeth

(Tiefenbronn, Germany)

Vice President and Treasurer of the local
German Metalworkers' Union (IG Metall),
Karlsruhe, Germany,
Member since 2016

Bernd Simbeck

(Metzingen, Germany)

Administrative Employee,
HUGO BOSS AG,
Metzingen, Germany,
Member since 2021
(previously already from 2010 until 2015)

Antonio Simina

(Metzingen, Germany)

Tailor/Chairman of the Works,
Council HUGO BOSS AG,
Metzingen, Germany,
Member from 1985 until 2021

Supervisory Board Committees**WORKING COMMITTEE**

- **Hermann Waldemer (Chairman)**
- Iris Eppe-Righi
- Katharina Herzog
- Luca Marzotto
- Tanja Silvana Nitschke
- Sinan Piskin

NOMINATION COMMITTEE

- **Hermann Waldemer (Chairman)**
- Gaetano Marzotto

PERSONNEL COMMITTEE

- **Hermann Waldemer (Chairman)**
- Anita Kessel
- Luca Marzotto
- Sinan Piskin
- Christina Rosenberg
- Bernd Simbeck (since September 1, 2021)
- Antonio Simina (until August 31, 2021)

AUDIT COMMITTEE

- **Robin J. Stalker (Chairman)**
- Gaetano Marzotto
- Sinan Piskin
- Martin Sambeth
- Bernd Simbeck (since September 1, 2021)
- Antonio Simina (until August 31, 2021)
- Hermann Waldemer

MEDIATION COMMITTEE

(in accordance with Sec. 27 (3)
Mitbestimmungsgesetz
[Co-Determination Act])

- **Hermann Waldemer (Chairman)**
- Anita Kessel
- Gaetano Marzotto
- Sinan Piskin

HUGO BOSS ON THE CAPITAL MARKET

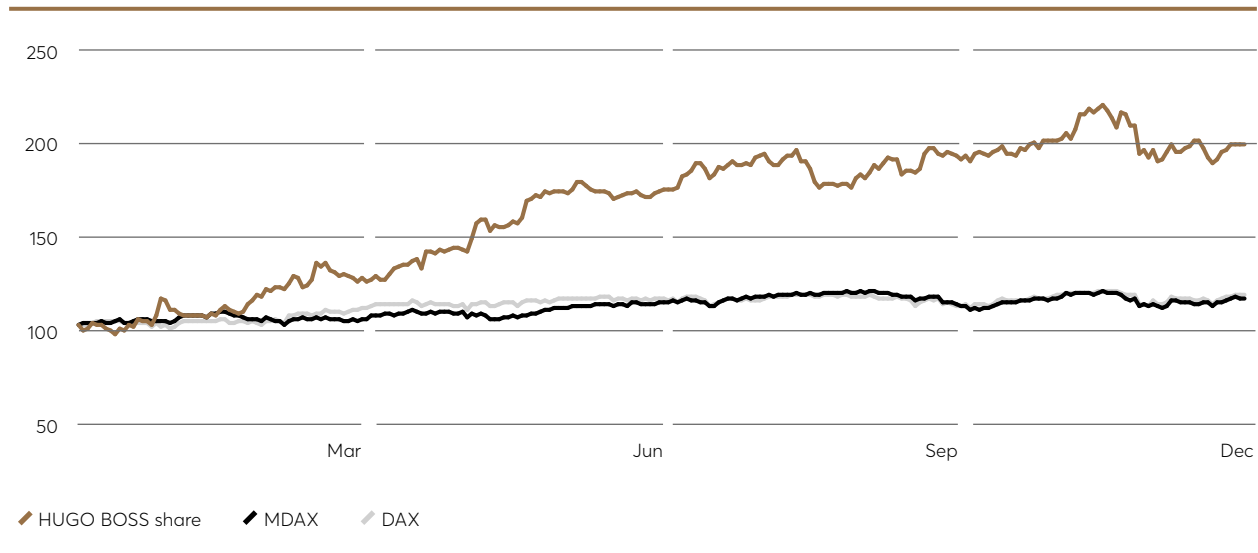
HUGO BOSS shares
record strong growth
of +96% in 2021

Significant
outperformance of
relevant indices and
competitors

Successful Capital
Markets Day marks start
of "CLAIM 5" growth
strategy

For global equity markets, 2021 was largely impacted by macroeconomic developments. In an overall volatile market environment, the **HUGO BOSS share** continued its recovery that had already begun in the prior year, and recorded significant gains thanks to a strong acceleration in business performance. With a **strong increase of +96%**, the share price almost doubled in 2021, thus significantly outperforming important indices and the share price performances of all relevant competitors.

SHARE PRICE PERFORMANCE 2021 (INDEX: DECEMBER 31, 2020 = 100)



In **2021**, the main indices continued to recover from the pandemic-related setbacks of the prior year. In addition to the successful rollout of global vaccination campaigns, in particular the **easing of pandemic-related restrictions** on public life had a positive impact on global consumer sentiment, fueling optimism on the financial markets. Additional stimulus came from extensive **fiscal and financial policy measures** taken by various countries, especially the United States, and the continuing **low interest rate policies** of major central banks. At the same time, the emergence of new **virus variants**, such as Delta and Omicron, dampened the general optimism of capital market participants, leading to corresponding price corrections

over the course of the year. In addition, the impact of pandemic-related **disruptions to global supply chains** led to uncertainty among market participants. Increasing **inflation risks** and stronger signals from various central banks regarding a **more restrictive monetary policy** in the future, together with the associated interest rate hikes, led to noticeable caution on the capital markets, particularly towards the end of the year.

HUGO BOSS SHARE IN COMPARISON (CHANGE IN %)

	1 year	3 years	5 years	10 years
HUGO BOSS share	96	(1)	(8)	(3)
DAX	16	50	38	169
MDAX	14	63	58	295
MSCI World Textiles, Apparel & Luxury Goods	22	101	152	265

Overall, the **DAX** increased by 16%, while the **MDAX** was up by 14% over the year. The **MSCI World Textiles, Apparel & Luxury Goods Index**, which reflects the share price performance of key companies in the apparel and luxury goods segment, rose by 22%.

THE HUGO BOSS SHARE

	2021	2020
Number of shares	70,400,000	70,400,000
Thereof outstanding shares	69,016,167	69,016,167
Thereof own shares	1,383,833	1,383,833
Share price in EUR¹		
Last (December 31)	53.50	27.29
High	59.26	46.66
Low	25.81	19.63
Market capitalization in EUR million (December 31)	3,766	1,921
Earnings per share in EUR	1.99	(3.18)
Price-earnings ratio²	26.9	(8.6)
Dividend per share in EUR³	0.70	0.04
Dividend yield in %^{2,3}	1.3	0.1
Amount distributed in EUR million³	48	3
Payout ratio in %^{3,4}	35	n/a

¹ Xetra.

² Based on closing price (December 31).

³ 2021: Proposed dividend; 2020: In light of the high uncertainty and the negative impact of the pandemic, HUGO BOSS had suspended its dividend payment for fiscal year 2020, with the exception of the legal minimum dividend of EUR 0.04 per share.

⁴ Based on net income attributable to shareholders.

For the **HUGO BOSS share**, 2021 started on a very positive note. Prospects of a general economic recovery coupled with hopes of an imminent **end to regional lockdowns** and related store closures enabled the share to successfully continue its positive momentum of the final quarter of 2020. Already in the course of the second quarter, the HUGO BOSS share was able to more than compensate for the losses of the prior

year, supported by a **very positive business performance** and in anticipation of the arrival of the **new CEO** Daniel Grieder. **Better-than-expected financial results** for the second quarter, as well as the successful Capital Markets Day at the beginning of August, at which HUGO BOSS presented its **new growth strategy "CLAIM 5"** and its financial targets until 2025, provided further stimulus to the share price performance. In light of the **significant increase in sales and earnings** in the third quarter, supported by the **successful execution of first strategic initiatives** as part of "CLAIM 5", HUGO BOSS raised its outlook for fiscal year 2021 in October. As a result, the share reached a two-year high of around EUR 60 shortly before the emergence of the Omicron virus variant. Despite recurring concerns related to the pandemic and increased uncertainty regarding fiscal and financial policy measures towards the end of the year, the HUGO BOSS share **closed 2021 at EUR 53.50**, representing a **strong increase of +96%**. In 2021, the HUGO BOSS share thus outperformed all its competitors in the premium segment of the global apparel industry as determined within its long-term incentive program (LTI). > **Compensation Report**

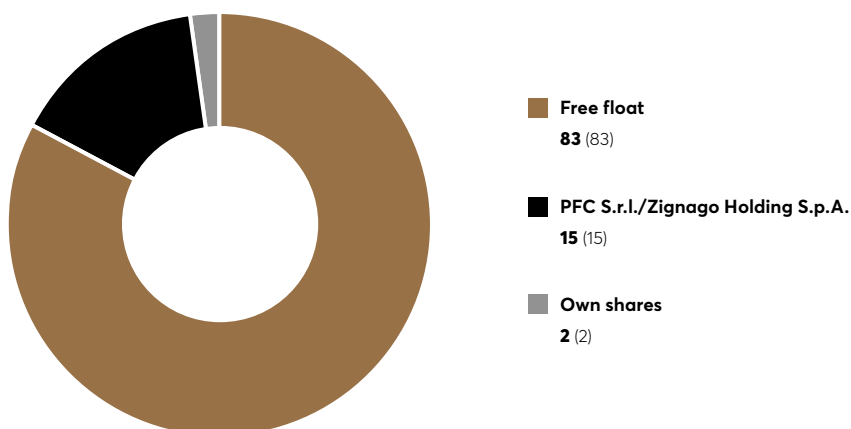
ISIN, WKN, AND TICKER SYMBOL HUGO BOSS SHARE

ISIN	DE000A1PHFF7
WKN	A1PHFF
Ticker symbol	BOSS

Stock exchanges: Xetra, Frankfurt/Main, Stuttgart, Dusseldorf, Hamburg, Munich, Hanover, Berlin/Bremen.

The HUGO BOSS share, which is listed in the MDAX, ranked 63rd (2020: 89th) in Deutsche Börse's free-float-adjusted **market capitalization** ranking at the end of the year, based on the total number of companies in the DAX, MDAX, and SDAX. In terms of **trading volume**, the HUGO BOSS share ranked 55th (2020: 59th). The **weighting** of the HUGO BOSS share in the MDAX was 1.5% at the end of December (December 31, 2020: 0.5%). On average, around 375,000 shares per day were traded on Xetra in 2021, which reflects a normalization towards the pre-pandemic level (2020: around 600,000).

SHAREHOLDER STRUCTURE AS OF DECEMBER 31 (IN % OF SHARE CAPITAL)



2021 (2020)

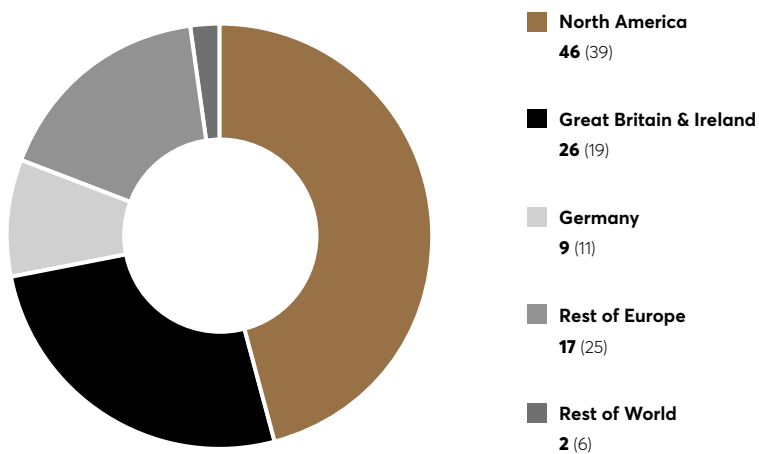
During 2021, **PFC S.r.l.** and **Zignago Holding S.p.A.**, each controlled by the Marzotto family, maintained their strategic investment in HUGO BOSS AG. As of December 31, 2021, their voting rights thus continued to total 15.45%. Both companies have pooled their shares through a shareholder agreement. HUGO BOSS itself holds 1,383,833 of its own shares, which were purchased as part of a share buyback program between 2004 and 2007. This corresponds to a share of 1.97% of the share capital. The remaining 82.55% of the Company's shares were in **free float**. Michael Ashley reduced his investment in HUGO BOSS over the course of the year. At the end of 2021, 4.46% of the voting rights pursuant to Sec. 34 WpHG ["Wertpapierhandelsgesetz": German Securities Trading Act] were allocated to Michael Ashley according to the voting rights notification of December 22, 2021. In addition, he held a further 0.92% of the voting rights through instruments pursuant to Sec. 38 (1) No. 2 WpHG at that time (December 31, 2020: 0.78% of the voting rights pursuant to Sec. 34 WpHG and a further 9.25% of the voting rights pursuant to Sec. 38 (1) No. 2 WpHG). > [Legal Disclosures](#)

At the Annual Shareholders' Meeting 2020, HUGO BOSS was granted a renewed **authorization to buy back shares** up to a proportion of 10% of the outstanding share capital on or before May 26, 2025. The Company did not make use of this authorization as of December 31, 2021. > [Legal Disclosures](#)

In fiscal year 2021, members of the Managing Board and the Supervisory Board acquired additional HUGO BOSS shares. A list of the **transactions conducted by the Managing Board and the Supervisory Board on their own account** reported to HUGO BOSS AG in 2021 in accordance with Article 19 regulation (EU) No. 596/2014 (Market Abuse Regulation) is published on the Company's website at financialreleases.hugoboss.com. In total, the members of the Managing Board and the Supervisory Board held slightly more than 1% of the shares issued by HUGO BOSS AG at the end of fiscal year 2021. > [Notes to the Consolidated Financial Statements, Note 25](#)

The Company received **several voting rights notifications** from institutional investors in the reporting period from January 1 to December 31, 2021. The original wordings of these notifications are published on the corporate website at financialreleases.hugoboss.com.

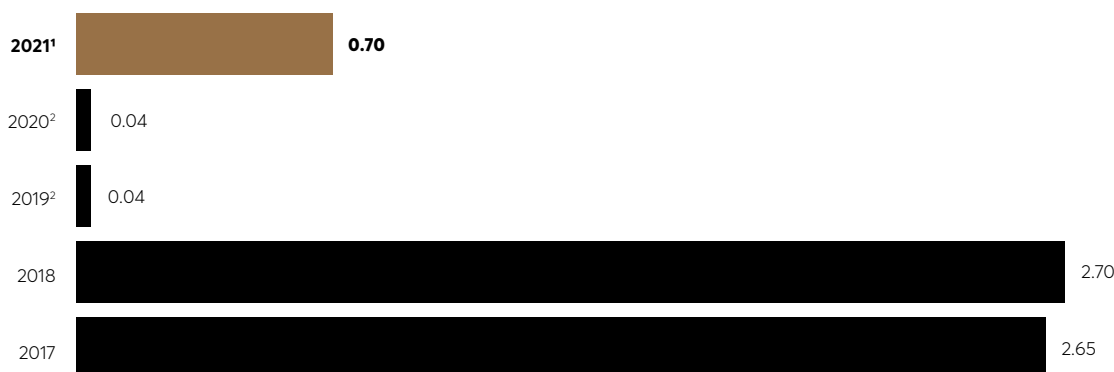
INSTITUTIONAL INVESTORS (FREE FLOAT) BY REGION AS OF DECEMBER 31 (IN %)



2021 (2020)

The Company regularly conducts analyses of the shares held in free float, in order to address institutional investors of HUGO BOSS in a targeted manner. In the most recent analysis, approximately 98% of the shares were allocated. Besides the **regional distribution of institutional investors**, the analysis also allows to determine the **proportion of shares held by private shareholders**. The latter decreased slightly from 15% in the prior year to 12% in 2021. Based on the share register, the Company estimates the total number of its shareholders at around 43,000 as of December 31, 2021 (2020: around 47,000).

DIVIDEND PER SHARE (IN EUR)



¹ Dividend proposal.

² In light of the high uncertainty and the negative impact of the pandemic, HUGO BOSS had suspended its dividend payment for fiscal year 2019 and 2020, with the exception of the legal minimum dividend of EUR 0.04 per share.

In view of the strong operational and financial performance in 2021, the very solid financial position as well as management's confidence in the successful execution of its "CLAIM 5" growth strategy, HUGO BOSS is planning to **resume dividend payments**. Consequently, the Managing Board and the Supervisory Board intend to propose to the Annual Shareholders' Meeting on May 24, 2022, a **dividend** of EUR 0.70 per share for fiscal year 2021 (2020: legal minimum dividend of EUR 0.04). The proposal is equivalent to a **payout ratio** of 35% of the Group's net income attributable to shareholders in fiscal year 2021. Assuming that the shareholders approve the proposal, the dividend will be paid out on May 30, 2022. Based on the number of shares outstanding at the end of the year, the **amount distributed** will total EUR 48 million (2020: EUR 3 million). In light of the negative impact of the pandemic, and to ensure the ongoing financial stability of the Company, HUGO BOSS had suspended its dividend payments for fiscal year 2019 and 2020, with the exception of the legal minimum dividend of EUR 0.04 per share. > **Outlook**

HUGO BOSS aims to inform capital market participants about current developments in a timely and transparent manner as part of **comprehensive communication measures**. The dialog between institutional investors and HUGO BOSS takes place in particular as part of national and international conferences as well as numerous global roadshow activities. As part of its **Capital Markets Day 2021**, the Company presented the new "CLAIM 5" strategy and its financial targets until 2025 in detail to the capital market. In this regard, HUGO BOSS will regularly inform the capital market about strategic progress and developments. In addition, the Company presents itself to interested private shareholders at dedicated events in cooperation with local banks. Due to the pandemic, events were again mainly held virtually in 2021. In addition, the **Investor Relations website** group.hugoboss.com/investors is a key communication tool for providing detailed information and key figures. > **Group Strategy**