



Report of the Management Board on agenda item 7 (Resolution on the cancellation of the existing Authorized Capital 2021 and the creation of a new authorized capital with the exclusion of preemptive rights and with authorization to exclude preemptive rights and on the corresponding amendment of the Articles of Association) on the reasons for the exclusion of shareholders' preemptive rights and the authorization to exclude shareholders' preemptive rights when issuing new shares under the new Authorized Capital 2024/I to be created

Under agenda item 7, the Management Board and the Supervisory Board will propose to the Annual General Meeting on 6 June 2024 that the existing Authorized Capital 2021 be cancelled and new Authorized Capital 2024/I be created.

The main purpose of the creation of the new authorized capital is to allow the Management Board to issue and use newly created shares for the purpose of repaying securities loans in connection with the servicing of claims from participation programs and as part of share-based remuneration. Otherwise, the authorizations under the Authorized Capital 2021 are to be transferred largely unchanged to the new Authorized Capital 2024/I to be created. In particular, no increase in the volume of the authorized capital is planned; instead, the volume of the Authorized Capital 2021 existing at the time the Annual General Meeting is convened is proposed for the new Authorized Capital 2024/I to be created.

In accordance with section 203 (2) sentence 2 in conjunction with section 186 (4) sentence 2 of the German Stock Corporation Act, the Management Board submits the following report on agenda item 7 of the Annual General Meeting on the reasons for the exclusion of shareholders' preemptive rights and the authorization to exclude shareholders' preemptive rights when issuing new shares from the Authorized Capital 2024/I:

Based on the authorization in Section 4 (3) of the Company's Articles of Association, the Company's Management Board is authorized, with the approval of the Supervisory Board, to increase the Company's share capital on one or more occasions until 7 February 2026 (inclusive) against cash and/or non-cash contributions to the extent specified in the provision of the Articles of Association by issuing new no-par value bearer shares (**Authorized Capital 2021**). The Authorized Capital 2021 was initially created by resolution of the Company's Annual General Meeting on 14 January 2021 and later adjusted by resolution of the Company's Annual General Meeting on 2 February 2021 and newly issued in the amount of EUR 103,746,000.00.

The Authorized Capital 2021 has so far only been partially used to service claims from the Company's participation programs. The purpose of the participation programs is to offer variable remuneration elements to the employees of AUTO1 Group SE and the management and employees of its dependent companies, thereby aligning their interests with those of the Company's shareholders. At the time of convening the Annual General

Meeting, the Authorized Capital 2021 still exists in the amount of EUR 94,582,400.00 after partial utilization.

The use of securities loans significantly accelerates the servicing of claims from participation programs and/or claims as part of share-based remuneration to the benefit of the participants. In this case, the beneficiaries directly receive existing shares that were previously made available to a bank or another company that meets the requirements of section 186 (5) sentence 1 of the German Stock Corporation Act by way of a securities loan. The new shares to be created from the authorized capital would then be issued and used for the purpose of repaying the securities loan. The previous authorization under the Authorized Capital 2021 does not yet allow for this procedure. Therefore, the previous authorization is to be revoked and a new authorization supplemented accordingly is to be created.

Otherwise, the authorizations under the Authorized Capital 2021 for the new authorized capital to be created are to be continued largely unchanged. The previous authorization to exclude shareholders' preemptive rights for the issue of new shares to service the claims of lenders under a convertible loan agreement is no longer required and will therefore not be included in the new authorized capital to be created. To protect shareholders, a comprehensive deduction clause has been included to ensure that the volume of shares issued or treasury shares used for the purpose of servicing entitlements from participation programs or entitlements as part of share-based remuneration does not exceed a total of 10% of the Company's share capital.

The creation of new authorized capital proposed for resolution under agenda item 7 b) is intended to authorize the Management Board, with the approval of the Supervisory Board, to increase the Company's share capital on one or more occasions by up to EUR 94,582,400.00 by issuing new no-par value bearer shares in return for cash and/or non-cash contributions on or before 5 June 2029 (**Authorized Capital 2024/I**).

As with the previous authorized capital, the creation of the Authorized Capital 2024/I is intended, among other things, to ensure that the Company can continue to service the claims from the participation programs by issuing shares while preserving liquidity. In addition to retaining qualified personnel, the new Authorized Capital 2024/I is intended to enable the Company to continue to react flexibly and successfully to a favourable market environment or financing requirements, to strengthen its cash position in the short term and to take advantage of opportunities to expand the Company. As decisions on covering the Company's future capital requirements generally have to be made at short notice, it is important that the Company is not dependent on the rhythm of the Annual General Meeting or the long period of notice required to convene an Extraordinary General Meeting. The legislator has taken these circumstances into account with the instrument of "authorized capital".

As part of the Authorized Capital 2024/I, shareholders are to be granted statutory preemptive rights to the new shares. The preemptive right can also be structured in whole or in part as an indirect preemptive right within the meaning of section 186 (5) sentence 1 of the German Stock Corporation Act. The issue of shares with the granting of such an

indirect preemptive right is not to be regarded as an exclusion of preemptive rights under the law. The shareholders are ultimately granted the same preemptive rights as in the case of a direct preemptive right. For processing reasons, only one or more banks are involved in the processing.

Apart from the introduction of the option to use the new shares to be created from the authorized capital to repay a securities loan, the Management Board is to be authorized, essentially to the same extent as previously, to exclude shareholders' preemptive rights in whole or in part with the approval of the Supervisory Board in accordance with the following provisions:

- (a) The Management Board is to be authorized, with the approval of the Supervisory Board, to exclude fractional amounts from shareholders' preemptive rights.

The aim of this exclusion of preemptive rights, which is customary in the market and was also included in the previous Authorized Capital 2021, is to facilitate the processing of an issue with preemptive rights for shareholders, as this allows a technically feasible preemptive ratio to be presented. The value of the fractional amounts per shareholder is generally low, which is why the potential dilution effect is also considered low. In contrast, the cost of the issue without such an exclusion is significantly higher. The exclusion therefore serves the purpose of practicability and the easier implementation of an issue. Shares for which shareholders' fractional preemptive rights are excluded are either sold on the market or otherwise used in the best interests of the Company. For these reasons, the Management Board and Supervisory Board consider the possible exclusion of preemptive rights to be objectively justified and also appropriate when weighed against the interests of the shareholders.

- (b) The Management Board shall be authorized, with the approval of the Supervisory Board, to exclude shareholders' preemptive rights to the extent necessary to grant preemptive rights to the holders or creditors of conversion or option rights from convertible bonds or bonds with warrants or convertible profit participation rights issued or to be issued by the Company or a domestic or foreign company in which the Company directly or indirectly holds the majority of votes and capital, or to grant preemptive rights to those obligated in the event of the Company's own conversion rights to the extent to which they would be entitled after exercising the conversion or option rights or after fulfilling a conversion or option obligation.

This authorization is already contained in the existing Authorized Capital 2021 and will be adopted for the new Authorized Capital 2024/I to be created. To facilitate placement, the terms and conditions of the aforementioned bonds regularly provide for dilution protection, which grants the holders or creditors a preemptive right to new shares in the event of subsequent share issues and certain other measures. This puts them in the same position as if they were already shareholders. In order to provide the bonds with such dilution protection, shareholders' preemptive rights to these shares must be excluded. This serves to facilitate the placement of the bonds and thus the interests of the shareholders in an optimal financial structure for the

Company. In addition, the exclusion of preemptive rights in favour of the holders or creditors of bonds has the advantage that, if the authorization is exercised, the option or conversion price for the holders or creditors of existing bonds does not need to be reduced in accordance with the respective terms and conditions of the bonds. This enables a higher inflow of funds and is therefore in the interests of the Company and its shareholders.

- (c) The Management Board is to be authorized, with the approval of the Supervisory Board, to exclude shareholders' preemptive rights in the event of capital increases against cash contributions in accordance with section 186 (3) sentence 4 of the German Stock Corporation Act if the issue price of the new shares is not significantly lower than the stock market price of the existing shares and the shares issued in exercise of this authorization to exclude preemptive rights do not exceed a total of 10% of the share capital, either at the time this authorization becomes effective or at the time it is exercised. New and existing shares of the Company that are issued or sold during the term of this authorization on the basis of another authorization pursuant to or in accordance with section 186 (3) sentence 4 of the German Stock Corporation Act with the exclusion of preemptive rights are to be counted towards this limit of 10%; furthermore, shares of the Company that are used to service conversion or option rights or to fulfill conversion or option obligations arising from convertible bonds or bonds with warrants or convertible profit participation rights are to be counted towards this limit, insofar as the bonds or profit participation rights are issued during the term of this authorization in corresponding application of section 186 (3) sentence 4 of the German Stock Corporation Act on the basis of another authorization with the exclusion of preemptive rights.

The authorization is already contained in the existing Authorized Capital 2021 and will be adopted for the new Authorized Capital 2024/I to be created. It enables the Company to react flexibly to favorable capital market situations that arise and to place the new shares at very short notice, *i.e.* without the requirement of a preemptive right offer lasting at least two weeks. The exclusion of preemptive rights makes it possible to act very quickly and place the shares at the market price, *i.e.* without the usual discount for preemptive right issues. This creates the basis for achieving the highest possible sale amount and the greatest possible strengthening of equity. The authorization for the simplified exclusion of preemptive rights is objectively justified not least by the fact that a higher inflow of funds can often be generated. This enables the Company to attract new investors in Germany and abroad with such capital increases.

The simplified exclusion of preemptive rights requires that the issue price of the new shares is not significantly lower than the stock market price. Any discount from the current stock exchange price or a volume-weighted stock exchange price during a reasonable number of trading days prior to the final determination of the issue price is not expected to exceed approximately 5% of the corresponding stock exchange price, subject to special circumstances in individual cases. This also takes into account the shareholders' need for protection with regard to a dilution of the value of

their shareholding. By setting the issue price close to the market price, it is ensured that the value that a preemptive right for the new shares would have is practically very low. The shareholders can maintain their corresponding participation by purchasing additional shares on the stock exchange.

The Management Board and Supervisory Board consider the possible exclusion of preemptive rights for these reasons to be objectively justified and, taking into account the interests of the shareholders, also appropriate.

- (d) The Management Board shall be authorized, with the approval of the Supervisory Board, to exclude shareholders' preemptive rights in the event of capital increases against contributions in kind – in particular for the purpose of acquiring companies, parts of companies or interests in companies, as part of business combinations and/or for the purpose of acquiring other assets, including rights and receivables.

This authorization is already contained in the existing Authorized Capital 2021 and will be adopted for the new Authorized Capital 2024/I to be created. It serves to strengthen the Company's competitiveness and maximize its earning power and enterprise value. Practice shows that the shareholders of attractive companies sometimes have a strong interest in acquiring no-par value shares in the company as consideration (for example, to maintain a certain influence over the acquired company or the object of the contribution in kind). From the point of view of an optimal financing structure, the possibility of providing the consideration not only in cash but also or solely in shares is also supported by the fact that, to the extent that new shares can be used as consideration for acquisitions, the Company's liquidity is protected and borrowing is avoided, while the sellers participate in the future development of the Company. This leads to an improvement in the Company's competitive position in acquisitions.

The possibility of using shares in the Company as consideration for acquisitions gives the Company the necessary room for maneuver to seize such opportunities quickly and flexibly and enables it to acquire even larger companies in return for shares. To this end, it must be possible to exclude shareholders' preemptive rights. As such acquisitions often have to be made at short notice, it is important that they are not resolved on by the Annual General Meeting, which only takes place once a year, or an Extraordinary General Meeting, both of which can only be convened with significant notice periods. Authorized capital is required, which the Management Board can access quickly with the approval of the Supervisory Board.

If opportunities arise to merge with other companies or to acquire companies, operations, parts of companies or interests in companies, other assets or claims to the acquisition of assets, including claims against the Company or its Group companies, the Management Board will carefully examine in each case whether it should make use of the authorization to increase capital by granting new shares. This includes, in particular, examining the valuation ratio between the Company and the acquired shareholding or other assets and determining the issue price of the new shares and the further conditions of the share issue. The Management Board will only use the

new Authorized Capital 2024/I if it is convinced that the respective merger or acquisition of the Company, the business, the shareholding or the acquisition of other assets or the acquisition of claims to the acquisition of assets, including claims against the Company or its Group companies in return for the granting of new shares, is in the well-understood interests of the Company and its shareholders. The Supervisory Board will only grant its required approval if it also comes to this conclusion.

- (e) The Management Board is to be authorized, with the approval of the Supervisory Board, to exclude shareholders' preemptive rights if the new shares are to be issued against cash and/or non-cash contributions as part of participation programs and/or as part of share-based remuneration and no other authorization to exclude preemptive rights is used for this purpose. The shares may only be issued to persons who participate in the share participation program as a member of the Company's Management Board, as a member of the management of a company dependent from the Company or as an employee of the Company or a company dependent from the Company and/or as a service provider of the Company or a company dependent from the Company or to whom the share-based remuneration is or was granted as a member of the Management Board of the Company, as a member of the management of a company dependent from the Company or as an employee of the Company or of a company dependent from the Company and/or as a service provider of the Company or of a company dependent from the Company, or to third parties who transfer the beneficial ownership and/or the economic benefits from the shares to these persons. In particular, the new shares may also be issued at preferential conditions (including an issue at the lowest issue price within the meaning of section 9 (1) of the German Stock Corporation Act) and/or against the contribution of remuneration entitlements. The new shares may also be issued through the intermediary of a credit institution, a securities institution or a company operating in accordance with section 53 (1) sentence 1 or section 53b (1) sentence 1 or (7) of the German Banking Act (KWG), which assumes these shares with the obligation to offer them to the aforementioned persons. The new shares may also be used to repay securities loans and issued for this purpose to a credit institution, a securities institution or a company operating in accordance with section 53 (1) sentence 1 or section 53b (1) sentence 1 or (7) of the German Banking Act (KWG) if the securities loan serves to procure shares that are or were transferred to persons as part of participation programs and/or as part of a share-based payment who participate in the participation program as a member of the Management Board of the Company, as a member of the management of a company dependent from the Company or as an employee of the Company or a company dependent from the Company and/or as a service provider of the Company or a company dependent from the Company or to whom the share-based remuneration is or was granted as a member of the Management Board of the Company, as a member of the management of a company dependent from the Company or as an employee of the Company or a company dependent from the Company and/or as a service provider of the Company or a company

dependent from the Company, or to third parties who transfer the economic ownership and/or the economic benefits from the shares to these persons; in this case, the new shares may be issued in particular at the lowest issue price within the meaning of section 9 (1) of the German Stock Corporation Act and against the contribution of remuneration claims or claims against the Company. The proportionate amount of the share capital attributable to shares issued in exercise of this authorization with the exclusion of preemptive rights may not exceed a total of 10% of the share capital, neither at the time this authorization becomes effective nor at the time it is exercised. This 10% limit shall include the proportionate amount of the share capital attributable to shares that have been issued or transferred from authorized capital, conditional capital or treasury shares, including on the basis of a securities loan, to members of the Company's Management Board, members of the management of a dependent company or employees of the Company or a dependent company and/or to service providers of the Company or a dependent company as part of participation programs and/or as part of share-based remuneration since the resolution on the Authorized Capital 2024/I was adopted. Insofar as shares are to be granted to members of the Company's Management Board within the scope of this authorization, including on the basis of a securities loan, the Supervisory Board of the Company shall decide on the allocation in accordance with the allocation of responsibilities under stock corporation law.

The exclusion of shareholders' preemptive rights in connection with the servicing of entitlements from participation programs and as part of share-based remuneration is already provided for in the existing Authorized Capital 2021 and will be adopted for the new Authorized Capital 2024/I to be created with the addition that the shares can also be issued and used to repay securities loans. In this context, the exclusion of preemptive rights is in the interests of shareholders, as it enables the Company to attract and retain competent and committed individuals as employees or managers for the Company and its subsidiaries. Share-based participation programs and share-based remuneration make it possible to align the interests of the participants in these programs with the interests of the shareholders in order to increase the value of the Company. The participation of the management and key employees of the Company and its subsidiaries in the economic risks and opportunities of the respective business operations is an important component of an internationally competitive remuneration system and appropriate incentivization of employees and management personnel. The option of settling claims in equity instead of cash also protects the Company's liquidity and enables a continuous balance of interests. At the same time, the number of shares that can be issued without preemptive rights for existing shareholders is limited to 10%, taking into account other issues as part of participation programs.

The additional option of using the new shares to be created from the authorized capital to repay a securities loan also serves the objectives described above. To protect shareholders, the shares may only be issued for this purpose to the extent that the shares created by means of a securities loan were used to service the claims

from participation programs or as part of share-based remuneration. This ensures that shares are only ever issued under the Authorized Capital 2024/I in accordance with this authorization for the purpose that is in the interests of the shareholders and the Company. The involvement of a credit institution, securities institution or a company operating in accordance with section 53 (1) sentence 1 or section 53b (1) sentence 1 or (7) of the German Banking Act (KWG) only serves to facilitate the processing.

Overall, the exclusion of shareholders' preemptive rights is therefore objectively justified and proportionate within the framework of the provisions of this authorization, taking into account the interests of the Company and the shareholders as well as the purpose and means.

In each case, the Management Board will carefully examine whether the use of the authorization and, if applicable, the exclusion of preemptive rights is in the interests of the Company and its shareholders.

Taking into account all the circumstances described above, the exclusion of preemptive rights and the authorization to exclude preemptive rights within the limits described are necessary, suitable, appropriate and in the interests of the Company.

If the Management Board makes use of the option to exclude preemptive rights during a financial year or makes use of one of the above authorizations to exclude preemptive rights as part of a capital increase from the Authorized Capital 2024/I, it will report on this at the following Annual General Meeting.

Berlin, April 2024

AUTO1 Group SE

Christian Bertermann

Markus Boser

Christian Bertermann
Chairman of the Management Board

Markus Boser
Member of the Management Board