

Mandatory publication pursuant to Section 27 para. 3 sentence 1, 14 para. 3 sentence 1 of the German Securities Acquisition and Takeover Act ("WpÜG")

# SURTECO

**Joint statement of the Management Board and the Supervisory Board of**

**SURTECO GROUP SE**

Johan-Viktor-Bausch-Straße 2, 86647 Buttenwiesen, Germany

pursuant to Sections 27 para. 1 sentence 1, 14 para. 3 sentence 1 of the German Securities Acquisition and Takeover Act (WpÜG) on the mandatory offer (cash offer) the

**BANASINO INVESTMENTS S.à r.l.**

1 Rue Gadderscheier, 4984 Soleuvre, Luxembourg

to the shareholders of  
**SURTECO GROUP SE**  
to acquire all no-par value shares not directly held by the Bidder  
no-par value shares of the  
of the company with the

ISIN: DE0005176903

WKN: 517690

against payment of a cash benefit.

(the “Statement”)

November 18, 2024

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## I. General information about this Statement

### 1. General information

On Wednesday, November 6, 2024, **BANASINO INVESTMENTS S.à r.l. ("Bidder")** published an offer document<sup>1</sup> ("**Offer Document**").<sup>2</sup> In the Offer Document, the Bidder submits an offer ("**Mandatory Offer**") to the shareholders of SURTECO GROUP SE ("**Target Company**") on the basis of a legal obligation. The object of the Mandatory Offer is the acquisition of all no-par value shares of the Target Company not directly held by the Bidder,<sup>3</sup> in each case including all ancillary rights existing at the time of settlement of the Mandatory Offer, in particular the dividend subscription right ("**SURTECO Shares**"). As consideration, the Bidder offers the payment of a cash consideration of EUR 16.96 ("**Offer Price**") per SURTECO Share ("**Cash Offer**").

The Bidder submitted the Offer Document to the management board of SURTECO GROUP SE ("**Management Board**") on Wednesday, November 6, 2024. The Management Board forwarded it to the Supervisory Board ("**Supervisory Board**") and the Group Works Council (*Konzernbetriebsrat*) of SURTECO GROUP SE.

The Management Board and the Supervisory Board of the Target Company have carefully examined the Mandatory Offer and have been advised by ParkView Partners GmbH, Taunusanlage 8, 60329 Frankfurt am Main, Germany ("**ParkView**") ("**Financial Advisor**") in assessing the financial adequacy of the consideration of the Mandatory Offer. In this context, ParkView was commissioned to prepare a valuation opinion regarding the financial adequacy of the offered consideration ("**Valuation Opinion**").

### 2. Legal basis for the opinion of the Management Board and Supervisory Board

The Management Board and Supervisory Board are legally obliged to issue a reasoned statement on the Mandatory Offer and any amendments thereto and to publish it immediately after the Bidder has submitted the Offer Document.<sup>4</sup> The Management Board and Supervisory Board may issue the statement jointly and have opted for this option.

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<sup>1</sup> See Section 11 of the German Securities Acquisition and Takeover Act ("**WpÜG**").

<sup>2</sup> See [https://www.banasino-angebot.com/websites/4409\\_ma/German/1000/bekanntmachungen.html](https://www.banasino-angebot.com/websites/4409_ma/German/1000/bekanntmachungen.html); the Bidder has published there a non-binding English language version of the German offer document: [https://www.banasino-angebot.com/websites/4409\\_ma/English/1000/announcements.html](https://www.banasino-angebot.com/websites/4409_ma/English/1000/announcements.html); see also Section 14 (2) and (3) WpÜG.

<sup>3</sup> ISIN: DE0005176903; WKN: 517690.

<sup>4</sup> Cf. Section 27 para. 1 sentence 1, para. 3 sentence 1 WpÜG.

### **3. No statement by the Group Works Council of SURTECO GROUP SE**

The Chairman of the Group Works Council of SURTECO GROUP SE informed the Management Board in a letter dated November 12, 2024, that the Group Works Council (*Konzernbetriebsrat*) had unanimously decided not to issue a separate statement on the Offer Document after considering the Offer Document.

### **4. Factual basis**

The information, expectations, assessments and forward-looking statements and intentions contained in this joint statement are based on information available to the Management Board and Supervisory Board at the time of publication of this statement and reflect the assessments and intentions existing at that time. Should these change after publication of the statement, the Management Board and Supervisory Board will only update them in accordance with the obligations under German law.

Furthermore, the information on the Bidder, its intentions, persons acting in concert with the Bidder and the Mandatory Offer itself is based on the information provided by the Bidder in the Offer Document and other publicly available information as well as statements and notifications of the Bidder, unless expressly stated otherwise herein. No responsibility is taken for the completeness or accuracy of this information or the statements and notifications of the Bidder.

Unless otherwise stated, time references in this statement refer to local time in Frankfurt am Main, Germany. Where terms such as "at present", "currently", "presently", "now", "at present", "today" or similar terms are used in this Statement, they refer to the time of publication of this Statement, unless expressly stated otherwise.

### **5. Independent decision of the shareholders of the Target Company**

The Management Board and Supervisory Board expressly point out that this Statement is not binding on the shareholders of the Target Company ("**SURTECO Shareholders**") in any form and does not claim to be complete. Only the provisions of the Offer Document are authoritative for the content and settlement of the Mandatory Offer. Each SURTECO shareholder must make its own assessment as to whether and to what extent it accepts the Mandatory Offer. Insofar as this Statement refers to, quotes, summarizes or reproduces the Mandatory Offer or the Offer Document, it is merely a reference by which the Management Board and the Supervisory Board do not adopt the Mandatory Offer or the Offer Document as their own, nor do they assume any guarantee for the accuracy and completeness of the Mandatory Offer and the Offer Document. SURTECO shareholders are advised to obtain tax and legal advice on their own responsibility. The

Management Board and Supervisory Board do not check whether the SURTECO shareholders comply with all legal obligations applicable to them personally when accepting the Mandatory Offer.

## **6. Publication of this statement and any additional statements on possible amendments to the Mandatory Offer**

This statement, as well as any statement on any amendments to the Mandatory Offer pursuant to Sections 27 para. 3 sentence 1, 14 para. 3 sentence 1 WpÜG, will be published on the Internet on the English website of the Target Company at the address

[www.surteco.com](http://www.surteco.com)

under the menu item Investor Relations - Takeover Offer and will be available free of charge at SURTECO GROUP SE, Johan-Viktor-Bausch-Straße 2, 86647 Buttenwiesen (phone: +49 (0) 8274 9988 0, e-mail: [info@surteco.com](mailto:info@surteco.com)). The Target Company has drawn attention to this by publishing a notice in the Federal Gazette. Comments on any amendments to the Mandatory Offer will be published on the Internet at the above-mentioned address of the Target Company. The Target Company will also draw attention to this by publishing a notice in the Federal Gazette (*Bundesanzeiger*).

This statement and any additional statements on the Mandatory Offer will be published in German. In addition, this non-binding English translation will be made available. No liability is assumed for the accuracy and completeness of the English translations. Only the German versions are authoritative.

## **II. Information on the Target Company**

### **1. Legal basis**

SURTECO GROUP SE is a European Company (*Societas Europaea*, SE) with its registered office in Buttenwiesen and is entered in the Commercial Register of Augsburg Local Court under HRB 23000. The business address is Johan-Viktor-Bausch-Straße 2, 86647 Buttenwiesen.

The share capital of the Target Company registered in the commercial register amounts to EUR 15,505,731.00 and is divided into 15,505,731 no-par value shares. The Target Company does not hold any treasury shares. All issued shares of SURTECO GROUP SE are entitled to vote.

The shares of the Target Company are admitted to trading on the Regulated Market with additional post-admission obligations (*Prime Standard*) of the Frankfurt Stock Exchange



and are also traded on XETRA, the Frankfurt Stock Exchange and the stock exchanges in Stuttgart, Munich, Berlin, Düsseldorf, Hamburg and Hanover.

## 2. Management Board and Supervisory Board

The members of the Management Board of the Target Company are Mr. Wolfgang Moyses (Chairman of the Management Board) and Mr. Andreas Pötz. They are responsible for the following Management Board departments:

Wolfgang Moyses: Corporate Centers: Corporate Development, Sustainability, Corporate Communications & Marketing, Global HR

Business Units: Profiles, Edgebands, North America

Andreas Pötz: Corporate Centers: Global Operational Excellence, IT, Group Accounting, Group Treasury, Group Controlling, Legal Governance & Compliance, Global Procurement

Business Units: Surfaces, Asia/Pacific

The members of the Supervisory Board are

- Mr. Andreas Engelhardt (Chairman of the Supervisory Board)
- Mr. Tim Fiedler (First Deputy Chairman of the Supervisory Board)
- Mr. Tobias Pott (second Deputy Chairman of the Supervisory Board)
- Mr. Jens Krazeisen\*
- Mr. Jochen Müller
- Mr. Dirk Mühlenkamp\*
- Mr. Jan Oberbeck
- Mr. Thomas Stockhausen\*
- Mr. Jörg Wissemann

\* Employee representative

Six Supervisory Board members are elected by the Annual General Meeting, three Supervisory Board members are delegated to the Supervisory Board by the employees in accordance with the agreement on the involvement of employees in a European company under the SE Employee Involvement Act<sup>5</sup>.

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<sup>5</sup> Act on the Involvement of Employees in a European Company (*SE-Beteiligungsgesetz* – "SEBG").

### 3. Shareholder structure

#### a) Overview

On the basis of the mandatory notifications pursuant to the German Securities Trading Act ("WpHG") received by the date of submission of this Statement and the additional information provided by the Bidder in Section 6.6. of the Offer Document on the SURTECO Shares held by the Bidder or by persons acting jointly with the Bidder and their subsidiaries, the structure of the group of shareholders of SURTECO GROUP SE is currently as follows:

<u>Name</u>	<u>Voting rights participation</u>
SURTECO Pool	56,87 % <sup>6</sup>
BANASINO INVESTMENTS S.à r.l. (Bidder) <sup>7</sup>	30,02 % <sup>8</sup>
Lazard Frères Gestion S.A.S.	4,68 % <sup>9</sup>
Shareholders not subject to notification requirements	8,43 %

#### b) SURTECO Pool

According to the offer document of PKG Schürfeld GmbH dated April 9, 2021<sup>10</sup>, the SURTECO Pool was established on March 1, 2021. To the knowledge of SURTECO GROUP SE, the members of the pool listed below own the shares indicated:

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<sup>6</sup> According to voting rights notifications dated June 14, 15 and 16, 2021.

<sup>7</sup> The voting rights notification is made on the basis of an attribution of voting rights by Mr. Matthias Kaindl. Further information on the structure of the Bidder under Section 6 of the Offer Document, as well as on the voting rights held by the Bidder or by persons acting jointly with the Bidder and their subsidiaries under Section 6.6 of the Offer Document.

<sup>8</sup> According to Section 6.6. of the Offer Document, the Bidder holds 4,655,006 SURTECO Shares at the time of publication of this Offer Document, which corresponds to 30.02 % of the SURTECO Shares and the voting rights in SURTECO.

<sup>9</sup> According to the voting rights notification dated September 10, 2019.

<sup>10</sup> See in more detail page 20 et seq. of the offer document of PKG Schürfeld GmbH dated April 9, 2021; available at <https://portal.mvp.bafin.de/database/AnteileInfo/aktiengesellschaft.do?cmd=zeigeAktiengesellschaft&id=40001870>.

<b>Party</b>	<b>Share (in %)<sup>11</sup></b>
Mr. Björn Ahrenkiel (estate)	1,19
Ms. Coralie Anna Bausch	0,10
Dr. Camilla Bausch	0,10
Th. Bausch GmbH & Co. Vermögensanlage KG <sup>12</sup>	3,38
Dr. Dr. Thomas Bausch	0,33
Mr. Oliver Bausch	0,70
J.V. Bausch GmbH & Co. Vermögensverwaltungs KG <sup>13</sup>	0,65
Delos 31 GmbH	2,48
Mr. Tim Fiedler	0,53
PKG Schürfeld GmbH <sup>14</sup>	20,39
Gustav and Catharina Schürfeld Stiftung	1,61
Mr. Jens Schürfeld (estate)	0,19
Dr. Victoria Constanze Jacob	0,11
Mr. Fridolin Kohl	0,53
Mr. Jens-Gabriel Kohl	0,53
Mrs. Christa Linnemann	5,93
Mr. Claus Linnemann	8,75
Mr. Jan Oberbeck	0,53
Mr. Tobias Pott	0,37

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<sup>11</sup> These are only the shares held directly by the persons listed within the meaning of Section 33 WpHG without attribution of the shares of the other pool members in accordance with Section 34 WpHG.

<sup>12</sup> Notifying party according to WpHG: Dr. Dr. Thomas Bausch.

<sup>13</sup> Notifying party according to WpHG: Mr. Oliver Bausch.

<sup>14</sup> Notifying party according to WpHG: G.A. Schürfeld Verwaltungs GmbH.

<b>Party</b>	<b>Share (in %)<sup>11</sup></b>
Mrs. Marion Ramcke	1,19
Mr. Christian Schlautmann	3,18
Mrs. Katrin Schlautmann <sup>15</sup>	3,18
Mr. Hendrik Schürfeld	0,53
Mr. Sven Schürfeld	0,53
<b>Total with the shares held in the SURTECO Pool</b>	<b>56,87</b>

#### **4. Structure and business activities of the SURTECO Group**

##### **a) Introduction**

SURTECO GROUP SE is the parent company of the SURTECO Group, which is represented by Group companies in Germany, other European countries, America, Asia and Australia.

In the business year 2023, the SURTECO Group generated sales of EUR 835.1 million (previous year: EUR 747.7 million) and EBIT of EUR 8.1 million (previous year: EUR 40.2 million) according to the consolidated financial statements prepared by the Management Board as at December 31, 2023.<sup>16</sup> As at December 31, 2023, the SURTECO Group had 3,685 employees (December 31, 2022: 3,052 employees), of which 1,495 were employed in Germany (December 31, 2022: 1,627 employees).

##### **b) Operational Group structure**

The SURTECO Group has the following operational structure:

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<sup>15</sup> Ms. Katrin Schlautmann also manages a further 131,300 SURTECO shares from an estate that are not subject to pooling as executor of the will.

<sup>16</sup> The Supervisory Board approved the consolidated financial statements as of December 31, 2023, at its meeting on April 16, 2024. On the same day, the auditor issued an unqualified audit opinion.



### c) Business activities

The SURTECO Group is a globally active group of complementary companies that specialize primarily in the production of decorative surface coatings for furniture, flooring and interior fittings. SURTECO GROUP SE serves as the controlling holding company.

The products of the SURTECO Group are mainly processed by the international flooring, wood-based materials, caravan and furniture industries as well as by carpenters and craftsmen. As a rule, wood-based materials such as chipboard or fiberboard are coated to give them their final surface with corresponding visual and tactile properties. These coated wood-based materials are used as a base material in the manufacture of furniture, doors, laminate flooring and other interior design products. With skirting boards for commercial floor installers as well as for trade and industry in the interior design sector, the Group also offers a logical addition for the flooring sector. The product range also includes technical plastic profiles for all industrial sectors and furniture roller shutter systems.

The Group's business activities are divided into five business units:

Surfaces	Sales revenue <sup>17</sup> in the 2023 financial year: EUR 265.6 million. Employees as of December 31, 2023: 1.034
Edgebands	Sales revenue <sup>18</sup> in the 2023 financial year: EUR 151.1 million. Employees as of December 31, 2023: 830
Profiles	Sales revenue <sup>19</sup> in the 2023 financial year: EUR 137.4 million. Employees as of December 31, 2023: 512
North America	Sales revenue <sup>20</sup> in the 2023 financial year: EUR 229.1 million. Employees as of December 31, 2023: 1.077
Asia/Pacific	Sales revenue <sup>21</sup> in the 2023 financial year: EUR 51.9 million. Employees as of December 31, 2023: 207

The business units are organized on a cross-company basis according to sales markets. Surfaces, for example, includes the production and sale of paper and plastic-based finish foils, impregnates and release papers, decor papers and paper-based edgebands in Europe and South America. Edgebands bundles the activities with plastic edgebands in these regions, while Profiles concentrates on skirtings and technical profiles. The North America and Asia/Pacific regional business units encompass all activities in the respective geographical markets, irrespective of the products. The product group with the highest sales in the SURTECO Group is made up of paper and plastic-based edgebandings. These products are used for finishing the narrow sides and cut edges of wood-based panels. The range extends from paper edgebandings - also known as melamine edgebandings - in various versions to thermoplastic edgebandings, which are manufactured from different plastics depending on the area of application.

SURTECO's finish foils, laminates and heavy-duty films (performance films) are used for the large-area coating of wood-based materials and thus influence the visual and tactile assessment of the finished workpieces such as furniture or panels. As with the edgebandings, the finish films are produced on the basis of both special technical papers and plastics.

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<sup>17</sup> According to the consolidated financial statements prepared by the Management Board as of December 31, 2023; see Section II 4. a).

<sup>18</sup> As before.

<sup>19</sup> As before.

<sup>20</sup> As before.

<sup>21</sup> As before.

The SURTECO Group is also a producer of decorative papers (decorative prints). These special papers printed with wood, stone or fantasy decors are used as decorative material and are used for the Group's internal production of finish foils and impregnates as well as being supplied directly to customers in the flooring, furniture and wood-based materials industries.

Just like finish foils, SURTECO's impregnates are used for the large-scale finishing of wood-based materials. Printed or single-colored decorative paper, overlay or backing paper is used as the basis, which is impregnated, dried and cut into formats. It is mainly used for surfaces subject to particularly high levels of wear, such as laminate flooring or worktops.

The SURTECO Group's skirting boards are either made entirely of plastic or coated with a wood fiber core in a special triple extrusion process and are primarily used by commercial floor installers. Plastic skirting boards are also produced especially for trade and industry in the interior design sector and are offered together with merchandise as a complete range. In addition, the Group has many years of experience in the manufacture of a wide range of extrusion products for interior fittings, furniture roller shutter systems and a wide variety of industrial applications. The Coated Fabrics product line is mainly used for car and bus seats, ship seats and upholstery and as artificial leather for seating of all kinds.

The Group believes that its extensive product range gives it a unique selling point in the market. The products reach customers either through direct sales or via the Group's own sales locations as well as through dealers and sales representatives on all continents. The Group is also increasingly using e-commerce as a sales channel. The Group's most important sales markets include Germany, Europe and North and South America. Production and sales companies in Europe, North and South America, Australia and Asia ensure fast delivery tailored to the target market.

#### **d) Selected key financial figures of the SURTECO Group**

The financial information summarized below is taken from the annual report of SURTECO GROUP SE for the business year ending on 31 December 2022 and the annual report for the business year ending on 31 December 2023. Both annual reports can be viewed on the English website of SURTECO GROUP SE ([www.surteco.com](http://www.surteco.com)) under Investor Relations.

<b><u>Key figures (in EUR million)</u></b>	<b><u>Financial year 2022</u></b>	<b><u>Financial year 2023</u></b>
<b>Sales revenue</b>	747,7	835,1
<b>Foreign sales ratio (in %)</b>	76	80

<b>EBITDA</b>	84,2	66,6
<b>EBITDA margin</b> (in %)	11,3	8,0
<b>EBIT</b>	40,2	8,1
<b>EBIT margin</b> (in %)	5,4	1,0
<b>Consolidated profit</b>	25,2	-12,3
<b>Earnings per share</b> (in EUR)	1,63	-0,79
<b>Balance sheet total</b>	851,8	1.041,8
<b>Equity capital</b>	426,1	392,9
<b>Free cash flow</b>	30,2	-172,6
<b>Employees</b> (average in the financial year) (number)	3.147	3.756

#### e) **Objectives and strategy of SURTECO GROUP SE**

SURTECO GROUP SE is pursuing the following strategic goals in order to achieve profitable growth in the future and to sustainably increase the value of the company for its shareholders:

##### i. **Operational Excellence**

With this approach, the Target Company is pursuing the goal of continuously improving the Group's processes in production and administration. To this end, a systematic improvement program is applied to existing measures and monitored using defined key figures. In addition to increasing productivity and improving material consumption, the focus is on increasing customer satisfaction through better delivery and product service.

##### ii. **Product Leadership**

Compared to its competitors, the SURTECO Group has a large product portfolio. The Group has extensive knowledge of a wide range of production technologies. The Target Company would like to further expand this unique selling point in the market by further increasing product quality, through new technical functions for existing products or new products for existing applications. The strategic objective is complemented by new business opportunities from digital printing.

##### iii. **Commercial Excellence**



SURTECO GROUP SE is pursuing the goal of further expanding the market shares of the Group and identifying new application opportunities by means of closer integration of the existing sales network, greater market penetration and the introduction of digital sales channels.

**iv. Focussed Internationalization**

SURTECO GROUP SE intends to expand its presence and market share in high-growth regions. North America and Asia in particular offer opportunities to participate in the highly dynamic market. In addition, capacities in existing locations such as Australia, North America and Indonesia can be further expanded and related markets added.

**v. Digital transformation**

The digitalization of processes should help to achieve the goals of operational and commercial excellence. SURTECO GROUP SE will facilitate new forms of cooperation and improve the exchange of knowledge. The inclusion of customers and suppliers in the digital value chain opens up new competitive opportunities.

**vi. Sustainability**

SURTECO GROUP SE not only aims to provide its customers with first-class products, but also to offer innovative and sustainable solutions. In this respect, the company wants to set standards as a sustainability-conscious company and play a leading role in the market.

**vii. Company I like to work for**

It is important to SURTECO GROUP SE to offer employees a professional working atmosphere in order to promote employee health on the one hand and the performance of the company as a whole on the other. SURTECO GROUP SE promotes a shared identity in which every employee can recognize themselves and in which the mutual exchange of knowledge, diversity and an appreciative approach to management are given high priority.

**III. Information on the Bidder and persons acting in concert with the Bidder**

The following information is taken from the Bidder's Offer Document. The Management Board and Supervisory Board have not verified the accuracy of these information given by the Bidder.

## **1. Legal basis of the Bidder**

BANASINO INVESTMENTS S.à r.l. is a limited liability company under Luxembourg law (*société à responsabilité limitée*). It has its registered office in Soleuvre, Grand Duchy of Luxembourg, and is entered in the trade and companies register of the Grand Duchy of Luxembourg (*registre de commerce et des sociétés*) under registration number B271922. The managing directors (*Gérants*) are:

- Mr. Spyridon Gaitanos, Director, and
- Mr. Alexander Gambroudes, Director.

The company's share capital amounts to EUR 59,112,000.00, divided into 591,120 shares, each with a nominal value of EUR 100.00. The purpose of the company is to invest in securities, assets, bonds and other long-term investment opportunities. The object of the company also includes, inter alia, the holding of participations in any form in Luxembourg and foreign companies as well as in other asset classes. The Bidder invests mainly in tradable securities such as bonds, equities, derivatives and alternative investment vehicles. BANASINO INVESTMENTS S.à r.l. has five employees.

## **2. Shareholder structure of the Bidder**

The sole shareholder of the Bidder is BANASINO INVESTMENTS Ltd., which has its registered office in Nicosia, Republic of Cyprus, and is registered with the Cyprus Registrar of Companies under registration number HE 102703.

BANASINO INVESTMENTS Ltd. is majority-owned by the Luda Stiftung (*foundation*), which has its registered office in Vaduz, Principality of Liechtenstein, and is entered in the commercial register of the Principality of Liechtenstein under the registration number FL- 0001.103.792-2. The Luda Stiftung holds all ordinary shares and 1,111,543 redeemable preference shares in BANASINO INVESTMENTS Ltd. In addition, only Douglas Technical Ltd. holds 525,000 preference shares in BANASIO INVESTMENT Ltd. and Lignum Technologies Holding Ltd. holds 250,000 preference shares.

The Luda Foundation is a so-called deposited foundation with its own legal capacity under Liechtenstein law with its registered office in Vaduz, Principality of Liechtenstein, and its business address at Austrasse 79, 9490 Vaduz, Principality of Liechtenstein. The purpose of the Luda Foundation is to manage, secure and increase the foundation's assets, to secure and continue the existence of the directly or indirectly held companies and to support beneficiaries, provided that these are determined from among the potential beneficiaries. The foundation capital of the Luda Foundation amounts to 30,000 Swiss francs.

The governing body of the Luda Stiftung is the board of trustees, consisting of the following members:

- Dr. Matthias Müller, Chairman of the board of trustees;
- Clive Stanford, member of the board of trustees; and
- Dr. Michael Kranz, member of the board of trustees.

The protector of the Luda Stiftung is Mr. Matthias Kaindl, St. Moritz, Switzerland. As protector, he oversees the management of the foundation and has the right to appoint the members of the board of trustees and can dismiss them for good cause.

BANASINO INVESTMENTS S.à r.l. is part of a group of companies controlled by BANASINO INVESTMENT Ltd. and indirectly by the Luda Foundation ("**BANASINO Group**"). According to Section 6.4.1. of the Offer Document, the BANASINO Group generated consolidated revenues of EUR 649.33 million in the 2023 financial year (until September 30, 2023) and employed 855 people at the end of the financial year.

Further information on the BANASINO Group and the Luda Foundation and the key financial figures can be found in Section 6.4 of the Offer Document.

### **3. Other acquirers of control**

At the time of publication of the Offer Document, November 6, 2024, the Bidder itself held 4,655,006 SURTECO Shares, which corresponds to a participation in the share capital of the Target Company of approx. 30.02 %.

According to the Bidder, the voting rights from the shares of the Target Company held by the Bidder are also attributed to the following persons pursuant to Section 30 para. 1 sentence 1 no. 1 and sentence 3 WpÜG. These are the following persons:

- Mr. Matthias Kaindl, Via Stredas 5, 7500 St. Moritz, Switzerland;
- Luda Stiftung, Austrasse 79, 9490 Vaduz, Principality of Liechtenstein;
- BANASINO INVESTMENTS Ltd, Tagmatarchou Pouliou 9, Grayoak House, Ayios Andreas, 1101 Nicosia, Republic of Cyprus.

The publication of the acquisition of control was also made on behalf of Mr. Matthias Kaindl, Luda Stiftung and BANASINO INVESTMENTS Ltd. (together the "**Further Acquirers of Control**"), who are thereby released from the obligation to submit their own mandatory offer.

#### **4. Acquisition of a controlling interest in SURTECO GROUP SE**

As a result of the aforementioned acquisition, the Bidder has gained direct control over the Target Company within the meaning of Section 35 para. 1 WpÜG.

Anyone who acquires a controlling interest in a listed company is legally obliged under Section 35 para. 2 WpÜG to submit a public purchase offer to the other shareholders of the company in accordance with the provisions of the German Securities Acquisition and Takeover Act. The publication of the Bidder's Mandatory Offer pursuant to Section 35 para. 2 WpÜG has a discharging effect for the Further Acquirers of Control. They will not publish a separate mandatory offer to the shareholders of the Target Company.

See Section 4.3 of the Offer Document for more details.

The Bidder has not made use of the option to apply to the German Federal Financial Supervisory Authority (*Bundesanstalt für Finanzdienstleistungsaufsicht – BaFin*) for an exemption from the obligation to publish the Mandatory Offer pursuant to Section 37 WpÜG in conjunction with Section 9 sentence 2, no. 1 WpÜG-AV.<sup>22</sup>

#### **5. Business relations of the Target Company with the Bidder**

There are no business relationships between the companies of the SURTECO Group and the Bidder.

However, the companies of the SURTECO Group maintain ongoing and, in some cases, long-established business relationships with companies (indirectly) controlled by Mr. Matthias Kaindl, as shown in Annex 1, Section 2 of the Offer Document. The companies controlled by Mr. Kaindl are both customers and suppliers of the SURTECO Group.

### **IV. Information on the Mandatory Offer**

#### **1. Relevance of the offer document**

The following summarizes selected information about the Bidder's Mandatory Offer which, in the view of the Management Board and the Supervisory Board, is relevant for the purposes of this Statement. For further details (in particular with regard to the offer conditions, the acceptance periods, the acceptance modalities and the withdrawal rights),

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<sup>22</sup> German ordinance on the content of the offer document, the consideration for takeover offers and mandatory offers and the exemption from the obligation to publish and submit an offer (*Verordnung über den Inhalt der Angebotsunterlage, die Gegenleistung bei Übernahmeangeboten und Pflichtangeboten und die Befreiung von der Verpflichtung zur Veröffentlichung und zur Abgabe eines Angebots*) ("**WpÜG-AV**")

SURTECO Shareholders are referred to the statements in the Offer Document. The following information summarizes only part of the information contained in the Offer Document. The description of the Offer in this Statement does not claim to be exhaustive. The content and settlement of the Mandatory Offer are governed solely by the provisions of the Offer Document. It is the responsibility of each SURTECO shareholder to take note of the offer document and to take the necessary measures.

## **2. Addressees of the Mandatory Offer**

The Mandatory Offer is addressed to all SURTECO shareholders and is aimed at the acquisition of all SURTECO shares not directly held by the Bidder, including ancillary rights.

## **3. Notification by the SURTECO Pool not to accept the offer**

The spokesman of the SURTECO pool informed the Management Board of SURTECO Group SE on November 13, 2024, that the members of the SURTECO pool do not intend to accept the public purchase offer BANASINO INVESTMENTS S.à r.l. (Bidder) to acquire all SURTECO shares not held by it at a price of EUR 16.96 per SURTECO share<sup>23</sup> for the SURTECO shares tied up in the SURTECO Pool.

## **4. Legal basis / Permission for publication by the Federal Financial Supervisory Authority**

The Mandatory Offer will be made exclusively in accordance with German law and certain applicable securities laws of the United States of America and Canada. The publication of the Offer Document has been authorized exclusively by the German Federal Financial Supervisory Authority (*Bundesanstalt für Finanzdienstleistungsaufsicht*). No registrations, approvals or authorizations have been applied for or granted outside the Federal Republic of Germany with respect to this Offer Document and/or the Mandatory Offer. Therefore, SURTECO Shareholders should not rely on the applicability of foreign investor protection laws.

In Section 1.2 of the Offer Document, the Bidder provides special information for shareholders whose place of residence, registered office or habitual abode is outside the Federal Republic of Germany, the Member States of the European Union and the European Economic Area. The information has not been reviewed by the Management Board and Supervisory Board of SURTECO Group SE.

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<sup>23</sup> See Section 4.1 of the Offer Document.

Shareholders who receive the Offer Document and/or wish to accept the Mandatory Offer outside the Federal Republic of Germany and who are subject to capital market regulations other than those of the Federal Republic of Germany should inquire about the applicable legal provisions and the resulting restrictions and requirements in each individual case and comply with them. According to the Offer Document, the Bidder does not guarantee that the acceptance of the Mandatory Offer outside the Federal Republic of Germany, the Member States of the European Union and the European Economic Area is permissible under the applicable legal provisions.

## **5. Offer Price**

The Bidder offers the SURTECO Shareholders to acquire their SURTECO Shares (ISIN: DE0005176903; WKN: 517690) at the Offer Price of EUR 16.96 per SURTECO Share in accordance with the terms and conditions of the Offer Document. The Mandatory Offer is aimed at the acquisition of all shares of SURTECO GROUP SE, with the exception of the shares held by the Bidder.

## **6. Acceptance of the offer; acceptance period and extension of the acceptance period**

The period for acceptance of the Mandatory Offer began with the publication of the Offer Document on November 6, 2024, and ends on December 4, 2024, 24:00 hours (Frankfurt am Main local time) ("**Acceptance Period**"). SURTECO Shareholders who have not accepted the Mandatory Offer by the end of the Acceptance Period may accept the Mandatory Offer within two weeks after publication of the preliminary result of the Mandatory Offer by the Bidder ("**Additional Acceptance Period**").<sup>24</sup> The Bidder has not indicated in the Offer Document when it expects the Additional Acceptance Period to commence. Pursuant to Section 23 para. 1 no. 2 WpÜG, the Bidder is obliged to publish without undue delay after the end of the Acceptance Period the number of all securities of the Target Company to which it, the persons acting jointly with it and their subsidiaries are entitled, including the amount of the respective shares and the voting rights to which it is entitled and which are attributable to it pursuant to Section 30 WpÜG and the amount of the voting rights to be notified pursuant to Sections 38 and 39 WpHG as well as the number of securities which are the subject of the offer resulting from the declarations of acceptance received by it, including the amount of the securities and voting rights. As soon as this publication has been made by the Bidder, the additional Acceptance Period begins<sup>25</sup>. If the Bidder makes the publication pursuant to Section 23 para. 1 no. 2 WpÜG

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<sup>24</sup> This is the publication pursuant to Section 23 para. 1 sentence 1 no. 2 WpÜG.

<sup>25</sup> Section 16 (2) sentence 2 WpÜG.

directly at the end of the Acceptance Period on December 4, 2024, the additional Acceptance Period will end on December 18, 2024, 24:00 hours (Frankfurt am Main local time).

For details on the acceptance and settlement of the Mandatory Offer, please refer to Section 13 of the Offer Document.

In special cases determined by law (subsequent amendments to the Mandatory Offer, competing offer by a third party, convening of a general meeting in connection with the Mandatory Offer), the Acceptance Period may be further extended. The Bidder has explained the statutory cases in which a further extension of the Acceptance Period occurs in Section 5.2 of the Offer Document.

## **7. Right of withdrawal for shareholders who have accepted the Mandatory Offer**

The Bidder has not granted the shareholders who have accepted the Mandatory Offer any further right to withdraw from the Mandatory Offer at any time between the end of the Additional Acceptance Period and the settlement of the Mandatory Offer (beyond the statutory rights of withdrawal in the event of an amendment to the Mandatory Offer or a competing offer<sup>26</sup>); see Section 17.2 of the Offer Document regarding the exercise of the statutory rights of withdrawal in the event of an amendment to the Mandatory Offer or a competing offer.

## **8. Costs of acceptance**

According to the Offer Document<sup>27</sup>, the acceptance of the Acquisition Offer of the Bidder for the SURTECO Shareholders who hold their SURTECO Shares in a securities account in the Federal Republic of Germany is generally free of costs and expenses of the custodian banks (except for the costs for the transmission of the declaration of acceptance to the respective custodian bank). For this purpose, the Bidder will grant the custodian banks a compensation payment, which will be communicated to them separately and includes a standard market custodian bank commission. Any additional costs and expenses charged by custodian banks or foreign securities service providers and any expenses incurred outside the Federal Republic of Germany or any taxes incurred are to be borne by the accepting SURTECO Shareholders themselves.

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<sup>26</sup> See Section 17.1 of the Offer Document.

<sup>27</sup> See Section 13.6 of the Offer Document.

## 9. Offer conditions

The Mandatory Offer and the purchase agreements resulting from its acceptance will only be executed if the conditions precedent set out in Section 12 of the Offer Document ("**Offer Conditions**") have been fulfilled.

The terms of the offer can be summarized as follows:

### a) Offer conditions under merger control law

According to Section 12.1 of the Offer Document, the completion of the Mandatory Offer is subject to the condition precedent of antitrust clearances or equivalent events ("**Antitrust Clearances**").<sup>28</sup> The European Commission and/or, if the European Commission refers the transaction to a national competition authority, the European Commission must have cleared the transaction by November 6, 2025 at the latest or the clearance must be deemed to have been granted. According to the Bidder, clearance is deemed to have been granted if the SURTECO Shares submitted for sale to the Bidder and the voting rights from the SURTECO Shares held by the Bidder and attributed to the Bidder pursuant to Section 30 WpÜG in the publication of the Bidder pursuant to Section 23 (1) no. 3 WpÜG, together comprise less than 50% of the voting rights from the SURTECO Shares issued at that time.

For details of the merger control proceedings, please refer to Section 11.1 of the Offer Document.

### b) No further offer conditions

The Bidder has not made any further offer conditions for the Mandatory Offer.

## 10. Waiver of Offer Conditions

The Bidder reserves the right to waive the Offer Condition in advance up to one working day before the expiry of the Acceptance Period.<sup>29</sup> The publication of the waiver is decisive.<sup>30</sup> The Bidder may not waive the Offer Condition in the event of a definitive waiver.

Offer Conditions effectively waived by the Bidder are deemed to have been fulfilled for the purposes of the Mandatory Offer. If the Offer Condition has been waived within the last two weeks prior to the expiry of the Acceptance Period, the Acceptance Period will

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<sup>28</sup> More details on the release procedures in Section 12.1 of the Offer Document.

<sup>29</sup> See Section 12.2 of the Offer Document for more details.

<sup>30</sup> See section 21 (2) WpÜG in conjunction with Section 14 (3) WpÜG.



be extended by two further weeks (i.e. until December 18, 2024, 24:00 hours (Frankfurt am Main local time)).<sup>31</sup>

## **11. Failure of Offer Conditions**

The Mandatory Offer will lapse if the Offer Conditions set out in Section 9 have not been fulfilled by November 6, 2025, at the latest or if the Bidder has not effectively waived the fulfilment of a condition that has not yet been fulfilled by then. Please refer to Section 12.2 of the Offer Document for the consequences of the expiry of the Mandatory Offer.

## **12. No minimum acceptance threshold**

The Mandatory Offer is not subject to a minimum acceptance threshold. The completion of the Mandatory Offer is independent of how many shareholders actually accept the Bidder's Mandatory Offer to acquire their shares.

## **V. Financing of the Mandatory Offer**

Prior to the publication of the Offer Document, the Bidder was legally obliged<sup>32</sup> to take the necessary measures to ensure that the funds required for the complete fulfilment of the Mandatory Offer are available to it at the time the claim to the consideration falls due.

### **1. Maximum consideration**

SURTECO GROUP SE has issued 15,505,731 no-par value shares. According to the Offer Document, the Bidder holds 4,655,006 SURTECO Shares at the time of publication of the Mandatory Offer.<sup>33</sup>

If the Mandatory Offer is accepted for a total of 10,850,725 SURTECO Shares, the Bidder's payment obligation to the accepting SURTECO Shareholders would amount to a total of EUR 184,028,296. This corresponds to the product of the Offer Price of EUR 16.96 multiplied by 10,850,725 SURTECO Shares.

According to the Bidder, it will incur further costs in connection with the Mandatory Offer and its completion, which, however, are not expected to exceed a total amount of EUR 700,000. According to the Bidder, the total costs of the Bidder for the Mandatory Offer are therefore expected to amount to a maximum of EUR 184,728,296.

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<sup>31</sup> Cf. Section 21 para. 5 WpÜG.

<sup>32</sup> Cf. Section 13 para. 1 WpÜG.

<sup>33</sup> See Section 6.6 of the Offer Document for more details.

## **2. Measures to secure financing**

According to the Offer Document<sup>34</sup>, the Bidder has secured the financing with its own and external funds.

### **a) Financing through own funds**

According to the Offer Document, the Bidder has a total of EUR 598.7 million in own funds available in the form of liquid securities traded on the stock exchange without selling restrictions.<sup>35</sup>

### **b) Financing through borrowed funds**

In addition, according to the Offer Document, the Bidder has borrowed funds of up to EUR 185 million: BHB Limited, based in Douglas, Isle of Man, has granted the Bidder a financing loan of EUR 185 million with a term until March 31, 2025, and an interest rate of 3.75 % by agreement dated September 16, 2024.

The Management Board and Supervisory Board had no opportunity to review the individual financing commitments. However, they also have no reason to doubt the accuracy of the information in the Offer Document.

## **3. Financing confirmation**

According to Section 14.3 of the Offer Document, Baader Bank AG, with its registered office in Unterschleißheim, Germany, an investment services company independent of the Bidder, has issued the legally required financing confirmation<sup>36</sup>. The financing confirmation is attached to the Offer Document as Annex 3. Baader Bank AG confirms that the Bidder has taken the necessary measures to ensure that the funds required for the complete fulfilment of the Mandatory Offer will be available to it at the due date. The Management Board and the Supervisory Board see no reason to doubt the correctness of this financing confirmation.

## **4. Statement by the Management Board and the Supervisory Board on the financing measures taken**

Insofar as this is accessible to an examination by the Management Board and the Supervisory Board, the Bidder has, in the view of the Management Board and the Supervisory

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<sup>34</sup> See Section 14.2 of the Offer Document.

<sup>35</sup> See Section 14.2. of the Offer Document.

<sup>36</sup> Cf. Section 13 para. 1 sentence 2 WpÜG.

Board, taken the necessary measures to ensure that it has the funds necessary to fully fulfil the Mandatory Offer at the time the claim to the consideration falls due. In the opinion of the Management Board and the Supervisory Board, the statutory requirements<sup>37</sup> for securing financing have been satisfied. The financing confirmation from Baader Bank AG also provides legal protection for shareholders who accept the Mandatory Offer.<sup>38</sup>

## **VI. Statement on the nature and amount of the consideration**

### **1. Type and amount of consideration**

The Bidder's Offer is a mandatory offer that provides exclusively for a cash consideration. The Bidder is offering a cash payment of EUR 16.96 per SURTECO share as consideration.<sup>39</sup>

### **2. Minimum offer price according to WpÜG**

As far as the Management Board and the Supervisory Board can judge on the basis of the information available to them, the Offer Price per SURTECO share of EUR 16.96 fulfils the statutory minimum price requirements.<sup>40</sup> However, the Offer Price does not exceed the minimum price required by law to protect shareholders.

#### **a) Three-month average price**

The consideration must at least correspond to the weighted average domestic stock exchange price of the SURTECO Share within the last three months prior to publication of the notification of the acquisition of control, i.e. prior to October 4, 2024 ("**three-month average price**").<sup>41</sup>

According to the Offer Document, the weighted three-month average price for the SURTECO Share as of the relevant date, October 3, 2024, is EUR 14.44. The purchase price offered by the Bidder is in line with the statutory minimum amount determined by the German Federal Financial Supervisory Authority (*Bundesanstalt für Finanzdienstleistungsaufsicht*). As stated in the Offer Document, the German

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<sup>37</sup> Cf. Section 13 para. 1 sentence 1 WpÜG.

<sup>38</sup> Cf. Section 13 para. 2 WpÜG.

<sup>39</sup> See Section 4.1 of the Offer Document for more details.

<sup>40</sup> Cf. Section 31 WpÜG in conjunction with Sections 3 et seq. WpÜG-AV.

<sup>41</sup> See Section 31 para. 1, para. 2 and para. 7 WpÜG in conjunction with Section 5 para. 1 WpÜG-AV.

Federal Financial Supervisory Authority informed the Bidder in a letter dated October 11, 2024, that it estimates the weighted three-month average price at EUR 14.44.<sup>42</sup>

**b) Pre-acquisition prices**

In addition, the offer consideration must at least correspond to the value of the highest consideration granted or agreed by the Bidder or a person acting jointly with the Bidder<sup>43</sup> or its subsidiaries for the acquisition of SURTECO Shares within the last six months prior to publication of the Offer Document.<sup>44</sup>

According to the Offer Document<sup>45</sup>, the Bidder acquired SURTECO Shares in the six months prior to publication of the Offer Document. The highest price it paid was EUR 16.96. According to the Offer Document, it acquired 275 SURTECO Shares at this price on May 30, 2024.<sup>46</sup>

The Management Board and the Supervisory Board have no knowledge that the Bidder or Further Acquirers of Control have acquired SURTECO Shares at a higher price within the last six months prior to publication of the Offer Document or have concluded an agreement with a third party on the basis of which they can demand the transfer of shares, or which is equivalent to the acquisition of shares.

**3. Statement on the consideration by the Management Board and Supervisory Board**

**a) General**

The Management Board dealt with the question of the appropriateness of the consideration offered by the Bidder for the SURTECO Shares in various discussions with ParkView and intensively in a Management Board meeting on November 18, 2024, and the Supervisory Board in a Supervisory Board meeting on November 18, 2024. The Valuation Opinion of ParkView was made available to the members of the Management Board and the Supervisory Board prior to the meetings. The representatives of ParkView attended the Management Board meeting on November 18, 2024, and the Supervisory Board meetings on November 18, 2024. The representatives of ParkView explained their Valuation Opinion in detail and were available to answer questions. The Management

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<sup>42</sup> See Section 10.1 (a) of the Offer Document.

<sup>43</sup> For the legal definition § 2 para. 5 WpÜG.

<sup>44</sup> Section 31 (1), (2) and (7) WpÜG in conjunction with Section 4 WpÜG-AV.

<sup>45</sup> See Section 10.1 (b) of the Offer Document.

<sup>46</sup> See Section 6.7 of the Offer Document.

Board and the Supervisory Board dealt intensively with the Valuation Opinion independently of each other and each concurred with ParkView's assessment.

The Management Board and Supervisory Board point out that they have independently assessed the appropriateness of the consideration offered following advice from ParkView.

**b) Opinion on the minimum price rules in connection with a pre-acquisition**

The Offer Price corresponds to the statutory minimum price. The Management Board and Supervisory Board have no indications that the statutory minimum price rules have not been complied with in connection with a prior acquisition by the Bidder.

**c) Comparison of the consideration with historical share prices**

When preparing the statement, the Management Board and Supervisory Board included the development of the share price of the SURTECO Shares in their assessment. The Management Board and Supervisory Board consider the stock exchange price of the SURTECO Shares as a reference value when examining the financial adequacy of the consideration offered, although they are of the opinion that this could be influenced by several factors that are independent of the fundamental value of SURTECO GROUP SE, including the limited free float and the limited liquidity of the SURTECO Share.

The Bidder's offer price is above the stock exchange price (XETRA closing price) of the SURTECO Share on October 3, 2024, the last trading day prior to the publication of the acquisition of control pursuant to Section 35 para. 1 sentence 1 in conjunction with Section 10 para. 3 sentence 1 and sentence 2 WpÜG. Furthermore, the Bidder's offer price is above the volume-weighted average stock exchange price of the last three months up to and including October 3, 2024, which according to the notification of the Federal Financial Supervisory Authority (*BaFin*) amounted to EUR 14.44 per SURTECO Share; see page 25 f. of the Offer Document for more details.

However, the share price at the time of the Statement (XETRA closing price on November 15, 2024) is higher than the Offer Price.

**d) Comparison of the consideration with analyst price targets**

Two financial analysts are currently following the developments at SURTECO GROUP SE. They last presented analyst reports on October 31, 2024, and November 4, 2024, respectively with a price target corridor of EUR 25.00 to EUR 26.10.

Broker	EUR	Date
Pareto Securities	25.00	October 31, 2024
Sphene Capital	26.10	November 4, 2024

The price targets indicated by the analysts are EUR 8.04 (around 47.5 %) and EUR 9.14 (around 53.9 %) above the offer price of EUR 16.96.

#### **e) Valuation using valuation multiples**

In assessing the appropriateness of the Offer Price, the Management Board and Supervisory Board have also considered a valuation based on valuation multiples determined for listed companies as well as precedent transactions that are considered to be comparable for SURTECO GROUP SE from the view of the Management Board and Supervisory Board.

Multiplier methods put revenue or earnings figures in relation to market capitalization or the enterprise value. They are based on a comparison with a peer group of comparable listed companies and similar sectors (*trading multiples*), or comparable precedent M&A transactions (*transaction multiples*).

Earnings before interest, taxes, depreciation and amortization (*EBITDA*) adjusted for non-recurring income and expenses were used as the earnings reference figure. The ranges for the value per SURTECO Share determined on the basis of the valuation multiples are each higher than the offer price.

#### **f) Valuation using the discounted cash flow method**

The Management Board and the Supervisory Board have each agreed in connection with the presentation of the analyses performed by ParkView (as described in Section VI. 3. g) of this Statement) that they are satisfied that the Offer Price, based on what the Management Board and the Supervisory Board consider to be realistic assumptions and taking into account the opportunities and risks associated with the business plan, is below the value ranges determined on the basis of discounted cash flow analyses and thus, in the view of the Management Board and the Supervisory Board, the consideration offered does not adequately reflect the long-term value of the Target Company.

In the discounted cash flow analysis, a present value analysis of the expected future free cash flows is performed.

The business plan on which the discounted cash flow analyses were based reflects the current planning of the Target Company.

**g) Valuation Opinion ParkView**

The Management Board and Supervisory Board have commissioned ParkView to provide a valuation opinion on the appropriateness of the consideration offered from a financial perspective. The purpose of the Valuation Opinion is to support the Management Board and the Supervisory Board in their own assessment of the financial adequacy of the consideration offered. In its Valuation Opinion, ParkView comes to the conclusion that, subject to the statements and assumptions contained in the Valuation Opinion, the consideration offered per SURTECO Share is not appropriate for the SURTECO Shareholders from a financial point of view at the time the Valuation Opinion was issued. The part of the Valuation Opinion of ParkView intended for publication is attached as an **Annex** to this Statement. The Management Board and the Supervisory Board point out that the Valuation Opinion was issued solely for the information and support of the Management Board and the Supervisory Board in connection with their own assessment of the financial adequacy of the consideration offered. The Valuation Opinion is neither addressed to third parties (including SURTECO Shareholders) nor is it intended to protect third parties (including SURTECO Shareholders). Third parties cannot derive any rights or obligations from the Valuation Opinion. Neither the Valuation Opinion nor the underlying engagement agreement between ParkView and the Target Company have a protective effect for third parties or lead to the inclusion of third parties in their respective scope of protection. Neither the preparation of the Valuation Opinion nor the consent of ParkView to the attachment of the Opinion Letter as an Annex to this joint statement shall permit third parties (including, but not limited to, the SURTECO Shareholders) to rely on the Valuation Opinion or to derive any rights therefrom. In particular, no contractual relationship is created between ParkView and third parties in connection with the Valuation Opinion. Neither ParkView nor the Management Board and the Supervisory Board assume any liability towards third parties in relation to the Valuation Opinion. In particular, the Valuation Opinion is not addressed to the SURTECO Shareholders and does not constitute a recommendation to the SURTECO Shareholders in connection with the Offer.

In the Valuation Opinion, ParkView has stated, among other things, which assumptions, reservations and information it is based on, which methods were applied, and which aspects were considered and within which limitations the analysis was carried out by ParkView. The Management Board and Supervisory Board also point out that the Valuation Opinion is subject to certain assumptions and reservations and that it is necessary to read the Valuation Opinion in full in order to understand it. In particular, the Valuation Opinion is based on the general economic conditions and business, monetary, market and other conditions at the time the Valuation Opinion was issued and the information available to ParkView at that time. Subsequent developments could have an impact on the assumptions made in the Valuation Opinion and thus on the result of the Valuation Opinion. ParkView is not obliged to update its Valuation Opinion with regard to new circumstances.

The analyses underlying the valuation opinion are based on methods typically used by investment banks for comparable capital market transactions and appear appropriate to provide the Management Board and Supervisory Board with a sound basis for their own assessment of the fairness of the consideration offered from a financial perspective. The procedure is described in the Opinion Letter.

The Valuation Opinion is not a valuation appraisal as typically prepared by auditors. It also does not follow the standards for such opinions as set by the *Institut der Wirtschaftsprüfer in Deutschland e.V.* ("**IDW**") (for business valuation according to IDW S 1; for the preparation of fairness opinions according to IDW S 8). A valuation opinion of the type issued by ParkView differs in important aspects from a business valuation by an auditor and from business valuations in general. ParkView has not made any statement on the necessity of obtaining a valuation appraisal from an auditor. Furthermore, it did not examine the solvency of the Target Company or the Bidder and was not commissioned to do so. The Valuation Opinion does not contain any assessment of the prices at which SURTECO Shares could be traded on the stock exchange at any time and does not provide any assessment of the effects of the Mandatory Offer on the solvency or viability of SURTECO GROUP SE or the Bidder or the ability of SURTECO GROUP SE or the Bidder to pay their respective liabilities as they fall due.

ParkView has not prepared an independent valuation of the assets and liabilities of the Target Company or the Bidder, nor has ParkView been provided with any such valuations, other than the documents explicitly identified in the Valuation Opinion. In addition, ParkView has not conducted a physical appraisal of the Target's or Bidder's properties or facilities, nor has it undertaken any obligation to conduct such an appraisal. Furthermore, ParkView has not provided any opinion as to whether the terms of the Mandatory Offer, including the Offer Price, comply with the requirements of the WpÜG or any other legal requirements.

ParkView is acting as financial advisor to the Target Company in connection with the Offer. For the preparation of the Valuation Opinion in connection with the Mandatory Offer ParkView receives a market standard fee from the Target Company which is independent from the success of the transaction and the outcome of the Valuation Opinion. It is possible that ParkView and/or its affiliates may in the future provide services to the Target Company or other parties involved in the transaction and receive an appropriate compensation for these services.

Based on their own experience, the Management Board and Supervisory Board are convinced of the plausibility and appropriateness of the procedures, methods and analyses applied by ParkView.



## **h) Summary**

Taking into account the aspects outlined above, the overall circumstances of the Mandatory Offer and the result of the Valuation Opinion, the Management Board and Supervisory Board come to the following overall assessment:

- (1) The Offer Price corresponds to the lowest Offer Price that the Bidder can offer in accordance with the statutory price regulations. The Offer Price is within the legally permitted range. As the German Federal Financial Supervisory Authority (*Bundesanstalt für Finanzdienstleistungsaufsicht*) has authorized the publication of the Offer Document, the German Federal Financial Supervisory Authority has also concluded in its review that the Offer Price complies with the statutory requirements which require the Bidder to offer the shareholders of the Target Company an adequate consideration.
- (2) However, the consideration is significantly below the price targets published by analysts in October/November 2024. The Management Board and Supervisory Board are also of the opinion that the consideration offered values SURTECO GROUP SE at a discount to multiples paid for comparable companies in the current market.
- (3) The Management Board and Supervisory Board have commissioned ParkView to issue a Valuation Opinion. The Valuation Opinion comes to the conclusion that, subject to the assumptions and limitations contained in the Valuation Opinion, the consideration offered per SURTECO Share is inadequate from a financial point of view for the SURTECO shareholders at the time the Valuation Opinion was issued.

## **VII. Intentions of the Bidder / Expected consequences of a successful Mandatory Offer for the Target Company, the employees and their representatives, the employment conditions and the locations of the Target Company**

### **1. Information provided by the Bidder**

In the following, the Management Board and Supervisory Board of SURTECO GROUP SE have summarized the information provided by the Bidder in the Offer Document<sup>47</sup> regarding the intentions of the Bidder and the persons acting jointly with the Bidder and their subsidiaries as well as the expected consequences of the Mandatory Offer for the Target Company, the employees and their representatives, the employment conditions and the locations of the Target Company. For a complete description, the Management

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<sup>47</sup> See in particular Section 9 of the Offer Document.

Board and the Supervisory Board refer to the information provided by the Bidder in Section 9 of the Offer Document. At present, the SURTECO Pool holds the majority of the votes from the shares issued by the Target Company.<sup>48</sup> From the current perspective, the Bidder is therefore dependent on the support of the SURTECO Pool if it wishes to enforce resolutions at the general meeting of SURTECO GROUP SE which require a simple or qualified majority of votes or capital. Conversely, without the support of the Bidder, the SURTECO Pool cannot enforce any resolutions at the annual general meeting that require a qualified majority of votes or capital of 75% of the voting rights of the share capital represented at the time the resolution is adopted. The Bidder holds a blocking minority - even before publication of the Offer Document and irrespective of the acceptance ratio.

**a) Background of the offer**

The Bidder describes the background of the Offer in the Offer Document<sup>49</sup> (excerpt) as follows:

"The acquisition of control and the Mandatory Offer are an expression of the expectation of the Bidder and the Bidder's parent companies that SURTECO will continue to develop successfully in the future. There are no other economic or strategic motives of the Bidder and the persons acting jointly with the Bidder pursuant to Section 2 para. 5 WpÜG for submitting the offer."

In the opinion of the Management Board and the Supervisory Board, the Bidder intends to fulfil its legal obligation by publishing the Offer Document and, in this respect, is only pursuing a general investor interest.

**b) Future business activities, future assets and future liabilities of the Target Company**

The Bidder explains in the Offer Document<sup>50</sup>, that it does not intend to exert any influence on the future business policy or the assets or future obligations of the Target Company. The Management Board and the Supervisory Board have no reason to believe otherwise.

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<sup>48</sup> For the intention of the members of the SURTECO Pool not to accept the public acquisition offer of the Bidder to acquire all SURTECO Shares not held by it at a price of EUR 16.96 for the shares tied up in the pool, see Section IV.3.

<sup>49</sup> See Section 8 of the Offer Document.

<sup>50</sup> See in particular Section 9.1.1 of the Offer Document.

### **c) Composition of the Management Board and Supervisory Board**

According to the Offer Document<sup>51</sup>, the Bidder has confidence in the Target Company and the current members of the Management Board. The Bidder does not intend to change the composition of the Management Board.

The completion of the Mandatory Offer will not affect the size and general composition of the Supervisory Board of the Target Company, i.e. the number of employee representatives and the number of representatives elected by the annual general meeting. The Supervisory Board of SURTECO GROUP SE will continue to consist of 9 members, including 3 employee representatives and 6 members elected by the annual general meeting of SURTECO GROUP SE. The Bidder will initially not be represented on the Supervisory Board of the Target Company. According to its own statements, it is not seeking a seat on the Supervisory Board.<sup>52</sup> Since the SURTECO Pool holds the majority of the votes from the shares issued by the Target Company, the Bidder is currently dependent on the support of the SURTECO Pool if it wishes to obtain one or more seats on the Supervisory Board.<sup>53</sup>

### **d) Employees and their representation**

The Bidder explains<sup>54</sup>, that the business success of the Target Company depends in particular on creativity and innovative strength, which in turn are decisively determined by the competence and commitment of the SURTECO employees. The Management Board and Supervisory Board agree with this. The Bidder does not expect any overlaps in the business activities of the SURTECO Group and the BANASINO Group in the area of personnel. The Bidder does not intend to work towards a reduction in personnel as a result of the acquisition of a controlling interest. The Bidder does not intend to work towards significant changes in the employment conditions or the current employee representation.<sup>55</sup>

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<sup>51</sup> See in particular Section 9.4 of the Offer Document.

<sup>52</sup> See also Section 9.4 of the Offer Document.

<sup>53</sup> For the intention of the members of the SURTECO Pool not to accept the public acquisition offer of the Bidder to acquire all SURTECO Shares not held by it at a price of EUR 16.96 for the shares tied up in the pool, see Section IV.3.

<sup>54</sup> See Section 9.3 of the Offer Document.

<sup>55</sup> See Section 9.3 of the Offer Document.

**e) Registered office and location**

The Bidder does not intend to relocate<sup>56</sup> the registered office of SURTECO GROUP SE from Bittenwiesen. Nor does it intend to relocate or close any significant parts of the Target Company.

**f) Possible structural measures**

The Bidder does not intend to take structural measures, in particular pursuant to the German Reorganization and Stock Corporation Act (*Umwandlungsgesetz – UmwG*), with regard to the Target Company and/or with regard to its stock exchange listing.<sup>57</sup> As the SURTECO Pool currently holds the majority of the votes from the shares issued by the Target Company, the Bidder could only implement structural measures, in particular pursuant to the German Reorganization and Stock Corporation Act, together with the SURTECO Pool.<sup>58</sup>

**g) Future business activities of the Bidder**

The Bidder does not intend to change<sup>59</sup> its own business activities as a result of the Mandatory Offer. This applies in particular with regard to its registered office and the location of significant parts of the company, the use of assets, future obligations, the employees and their representatives, the members of the management bodies or changes to the terms and conditions of employment. It also states that it has no other knowledge with regard to the persons acting jointly with it.

**2. Assessment of the Bidder's objectives and intentions by the Management Board and the Supervisory Board**

The Management Board and the Supervisory Board of the Target Company comment on the Bidder's objectives and intentions as follows:

- Naturally, the Management Board and Supervisory Board cannot fully verify the information provided by the Bidder on the intentions pursued with the Mandatory Offer. However, they have no reason to doubt the information provided by the

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<sup>56</sup> See Section 9.2 of the Offer Document.

<sup>57</sup> See Section 9.5 of the Offer Document.

<sup>58</sup> For the intention of the members of the SURTECO Pool not to accept the Bidder's public acquisition offer to acquire all SURTECO Shares not held by it at a price of EUR 16.96 for the shares tied up in the pool, see Section IV.3.

<sup>59</sup> See Section 9.6 of the Offer Document.

Bidder on the intentions pursued with the Takeover Offer. They consider them to be plausible.

As already explained above<sup>60</sup>, the spokesman of the SURTECO Pool informed the Management Board on November 13, 2024, that the members of the SURTECO Pool do not intend to accept the Bidder's Offer to acquire all shares in SURTECO GROUP SE not held by it at a price of EUR 16.96 for the shares tied up in the pool. Based on this, the Bidder will not acquire a majority shareholding in SURTECO GROUP SE with the Offer. The Bidder already had a so-called blocking minority, i.e. a shareholder position with which it can prevent a resolution of the annual general meeting if this requires a majority of 75 percent of the votes cast and/or the share capital represented at the time of the resolution, prior to the publication of the Offer Document.

- The Management Board and the Supervisory Board consider the current strategic orientation of the SURTECO Group to be correct for the further development of the Target Company. They welcome the fact that the Bidder does not intend to relocate the registered office of the Target Company as a result of the acquisition of the controlling interest and does not intend to relocate any other sites, reduce the workforce or change the employment conditions and employee representation. From the Management Board's point of view, this provides a good basis for concentrating on the implementation of its planned corporate development and strategy in the coming years.

### **3. Expected financial consequences of the Mandatory Offer**

#### **a) Effects on financing agreements**

There are currently no indications that the publication of the Offer Document and/or the execution of the Offer will have any impact on financing agreements of SURTECO GROUP SE and its Group companies. Insofar as financing agreements contain contractual provisions that are linked to a *change of control*, these will only apply if the members of the SURTECO Pool accept the offer by the Bidder and the SURTECO Pool loses its majority position. This is not to be expected from the current perspective.<sup>61</sup>

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<sup>60</sup> See Section IV.3.

<sup>61</sup> For the intention of the members of the SURTECO Pool not to accept the public acquisition offer of the Bidder to acquire all SURTECO Shares not held by it at a price of EUR 16.96 for the shares tied up in the pool, see Section IV.3.

**b) Other contractual agreements that link legal consequences to a change of control**

SURTECO GROUP SE and its Group companies have also not concluded any other material agreements that link legal consequences to the acquisition of the controlling interest by the Bidder and/or the Further Acquirers of Control or the execution of the Mandatory Offer. Provided that the members of the SURTECO Pool do not accept the Mandatory Offer as intended<sup>62</sup>, the members of the Management Board are not entitled to any special rights either, in particular they do not have any termination or severance payment rights which are triggered by the acquisition of the controlling interest by the Bidder and/or the Further Acquirers of Control or which arise as a result of the publication of the Offer Document and/or the execution of the Mandatory Offer.

**c) Effects on existing business relationships**

The Management Board and Supervisory Board have not received any indications from any significant business partner that they will take the Mandatory Offer of the Bidder or the implementation of the offer as an opportunity to terminate the business relationship with companies of the SURTECO Group or to work towards a significant change in the conditions or the scope of the business relationship. The Management Board and Supervisory Board do not expect the completion of the Mandatory Offer to have any significant adverse effects on existing business relationships. However, the Management Board and Supervisory Board have not held discussions with all significant business partners to ascertain their position on the Bidder's Mandatory Offer and a change of control. Therefore, it cannot be ruled out that the completion of the Mandatory Offer will have an impact on existing business relationships.

**d) Tax consequences**

According to the assessment of the Management Board and the Supervisory Board, the completion of the Mandatory Offer will have no impact on the tax situation of SURTECO GROUP SE and its group companies.

- The SURTECO Group has German real estate in the form of business premises. In the case of corporations, real estate transfer tax can arise in particular if 90 % of the shares are directly or indirectly combined in one hand within a certain period (currently ten years). However, the so-called "stock exchange clause" is to be applied as an exception for the shares of SURTECO GROUP SE. In accordance with the new provision of Section 1 para. 2c GrEStG, transfers of

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<sup>62</sup> See also Section IV.3.

shares in corporations that are admitted to trading on a market organized in Germany are to be disregarded if the transfer of shares takes place on the basis of a transaction on this market.

- The SURTECO Group also has real estate assets outside Germany in the form of business premises. A change in the shareholder structure does not lead to real estate transfer tax there.

Please note: The above explanations do not comprehensively describe the potential tax implications of the Mandatory Offer but provide an initial summary of potential tax implications. The Management Board and the Supervisory Board were not able to conduct a final review within the time frame available for the Statement.

#### **e) Dividend policy**

The Target Company has distributed stable dividends in the past. The Bidder has not stated in the Offer Document that it intends to influence the proposals of the Management Board and the Supervisory Board regarding the appropriation of the balance sheet profit, and particularly the distribution of dividends in the future.

### **VIII. Effects on the shareholders of the Target Company**

#### **1. General information**

The following statements are intended to provide the shareholders of the Target Company with information for evaluating the effects of accepting or not accepting the Mandatory Offer, without claiming to be exhaustive. It is the responsibility of each shareholder of the Target Company to independently and autonomously evaluate the effects of accepting or not accepting the Mandatory Offer, taking into account their individual circumstances. The Management Board and Supervisory Board advise shareholders to seek expert advice in this regard if necessary.

The Management Board and the Supervisory Board further point out that they cannot make any assessment as to whether shareholders of the Target Company may suffer tax disadvantages (in particular any tax liability on capital gains) or miss out on tax advantages as a result of accepting or not accepting the Mandatory Offer. The Management Board and Supervisory Board recommend that the shareholders of the Target Company obtain tax advice before deciding whether or not to accept the Mandatory Offer, taking into account the personal circumstances of the respective shareholder.

## **2. Considerations upon acceptance of the Mandatory Offer**

Shareholders who intend to accept the Mandatory Offer should note the following, among other things, in light of the above:

- Shareholders who accept the Mandatory Offer will no longer benefit from any positive development of the share price or positive business development of the Target Company. On the other hand, they will no longer bear the risks arising from negative developments in the Target Company or the share price.
- The Mandatory Offer will only be completed if the Closing Conditions under which the Mandatory Offer is subject to have been fulfilled or the Bidder has effectively waived their fulfilment (see Section VI.9 for more details). Whether the closing conditions have been fulfilled may only be determined after the expiry of the Acceptance Period.
- If the bidder, persons acting jointly with it, or its subsidiaries acquire SURTECO Shares to which it or they are entitled after expiry of the offer period and which result from the acceptance of the Mandatory Offer (Section 23 para. 1 sentence 1 no. 2 WpÜG) outside the stock exchange and if a consideration higher in value than the consideration specified in the Mandatory Offer is granted or agreed for this, the Bidder is obliged to pay the shareholders of the Target Company who have accepted the Mandatory Offer a consideration in the amount of the respective difference. In contrast, there is no such entitlement to subsequent improvement of the consideration under the Mandatory Offer for off-market acquisitions against the granting of a higher consideration after the expiry of this subsequent acquisition period of one year. There is also no entitlement to subsequent improvement in the case of share acquisitions in connection with a statutory obligation to grant compensation to the shareholders of the Target Company. Furthermore, the Bidder may also acquire SURTECO Shares on the stock exchange at a higher price within the aforementioned one-year subsequent acquisition period without having to adjust the consideration in favour of those shareholders of the Target Company who have already accepted the Mandatory Offer.
- Withdrawal from the acceptance of the Mandatory Offer is only possible under the strict conditions set out in Section 17 of the Offer Document and only until the expiry of the Acceptance Period.
- As the completion of the Mandatory Offer is subject to Merger Control Clearances (see Section IV.9 above), the completion may be delayed until November 6, 2025, at the latest.



- Those SURTECO Shares which were sold by the SURTECO Shareholders to the Bidder prior to the expiry of the Acceptance Period by accepting the Offer ("**Tendered SURTECO Shares**") may continue to be traded on the Prime Standard of the Frankfurt Stock Exchange under ISIN DE000A409690 pursuant to Section 13.7 of the Offer Document. Trading is to commence on the third (3rd) stock exchange trading day after the start of the Acceptance Period. Trading in the Tendered SURTECO Shares on the regulated market of the Frankfurt Stock Exchange is expected to cease (i) at the end of the last day of the Acceptance Period if the Offer Condition has been fulfilled or effectively waived or (ii) at the end of the third (3rd) trading day immediately preceding the settlement or reversal of the Offer. The trading volume and liquidity of the Tendered SURTECO Shares depends on the respective acceptance rate and may therefore be non-existent or low and subject to strong fluctuations. It is therefore possible that it will not be possible to sell the Tendered SURTECO Shares on the stock exchange due to a lack of demand.

### 3. Considerations in the event of non-acceptance of the Mandatory Offer

Shareholders of the Target Company who do not accept the Mandatory Offer and do not otherwise sell their SURTECO Shares will remain shareholders of SURTECO GROUP SE. They should note, inter alia, the Bidder's statements in Section 16 of the Offer Document and the following:

- They bear the opportunities and risks of the future development of the SURTECO Shares for which they do not accept the Mandatory Offer.
- SURTECO Shares for which the Mandatory Offer was not accepted will continue to be traded on the stock exchange. However, it is uncertain whether the share price of SURTECO Shares will remain at the current level or whether it will fall or rise after expiry of the acceptance period.
- Completion of the Mandatory Offer may lead to a reduction in the free float of the issued SURTECO Shares. At the time of publication of the offer document, the free float amounts to 8.43 % of the share capital. The number of shares in free float could be reduced to such an extent that orderly stock exchange trading in SURTECO Shares can no longer be guaranteed or even no further stock exchange trading takes place. It is possible that the requirements for the shares to remain in the Prime Standard of the Frankfurt Stock Exchange may no longer apply. This may in turn lead to institutional investors selling their shares in SURTECO GROUP SE. If the Bidder acquires a further 484,630 or more SURTECO Shares as part of the Mandatory Offer, it could - assuming that the shares held by them are pooled in an upstream company - carry out a squeeze-out together with the

SURTECO Pool on the basis of a voting majority of 90% in SURTECO GROUP SE. The Management Board and Supervisory Board are not aware of any intentions of the Bidder or discussions with the SURTECO Pool in this regard.

- As the spokesman of the SURTECO Pool has informed the Management Board that the members of the SURTECO pool do not intend to accept the offer for the pool-linked shares<sup>63</sup>, it is not to be expected that the Bidder will have a simple majority of the votes cast and the share capital represented at the annual general meeting of SURTECO GROUP SE upon completion of the Mandatory Offer. It already has a blocking minority of 25 percent at present. The Bidder cannot use its votes alone to pass resolutions on the discharge of the Management Board and Supervisory Board, on the appropriation of profits and thus also on the distribution of a dividend, on the election of the auditor and on the election and removal of Supervisory Board members.

## **IX. Interests of the members of the Management Board or the Supervisory Board**

According to their own statements, the members of the Management Board and the Supervisory Board have no personal or business relationship or close relationship with the Bidder or the Further Acquirers of Control. In particular, they do not hold any direct or indirect interest in the Bidder or any Further Acquirer of Control.

### **1. Agreements with members of the Management Board or Supervisory Board**

The Bidder or Further Acquirers of Control have not entered into any agreements with individual members of the Management Board and/or the Supervisory Board in connection with the acquisition of a controlling interest or the Mandatory Offer. The members of the Management Board have not been promised an extension of their employment contracts. The members of the Management Board will continue their activities unchanged after completion of the Mandatory Offer. The Bidder has stated in Section 9.4 of its Offer Document that it does not intend to work towards a change in the composition of the Management Board of the Target Company.

### **2. No monetary or other benefits in connection with the Mandatory Offer**

To the knowledge of the Management Board and the Supervisory Board, neither the Bidder nor Further Acquirers of Control have granted, promised or held out the prospect of granting financial or other non-cash benefits to members of the Management Board and the Supervisory Board in connection with the Bidder's Mandatory Offer.

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<sup>63</sup> For more details, see Section IV.3.

### **3. No acceptance of the Mandatory Offer by members of the Management Board and Supervisory Board**

Of the members of the Management Board and the Supervisory Board of the Target Company, the following held shares in SURTECO SE at the time of publication of the Mandatory Offer and at the time of adoption of this Statement:

■	Wolfgang Moyses, Management Board (Chairmen)	5,080 SURTECO shares
■	Andreas Pötz, Member of the Management Board	1,387 SURTECO shares
■	Tim Fiedler, Member of the Supervisory Board	82,048 SURTECO shares
■	Jan Oberbeck, Member of the Supervisory Board	84,348 SURTECO shares
■	Tobias Pott, Member of the Supervisory Board	57,900 SURTECO shares

No member of the Management Board and/or the Supervisory Board intends to accept the Mandatory Offer.

### **X. Summary and recommendation**

The Management Board and the Supervisory Board have each independently and separately reviewed the offer document of BANASINO INVESTMENTS S.à r.l., Luxembourg. The Management Board and Supervisory Board summarize the results of their review as follows:

1. With the offer, the Bidder fulfils its statutory obligation to make an offer.
2. The Offer Price corresponds to the lowest Offer Price that the Bidder could offer in accordance with the statutory minimum price requirements on the basis of a pre-purchase price of EUR 16.96. The Offer Price is therefore within the legally permitted range. The Offer Price is thus within the legally permitted range, as is already evident from the fact that the German Federal Financial Supervisory Authority (*Bundesanstalt für Finanzdienstleistungsaufsicht*) has permitted the publication of the Offer Document. In its review, the German Federal Financial Supervisory Authority came to the conclusion that the offer price complies with the statutory requirements which require the Bidder to offer the shareholders of the Target Company an appropriate consideration.
3. However, the offer price falls short - in some cases significantly - of the short targets recently expressed by analysts and of a market valuation based on the market multiples described in more detail above. In the opinion of the Management Board

and Supervisory Board, the Offer Price does not adequately reflect the future earnings prospects of the Target Company.

4. The Management Board and Supervisory Board have commissioned ParkView to issue a valuation opinion. The Valuation Opinion comes to the conclusion that the Offer Price is inadequate from a financial point of view.
5. On an overall view, the Management Board and Supervisory Board see no basis for recommending acceptance of the Offer to the shareholders of SURTECO GROUP SE.
6. Rather, each shareholder of the Target Company must decide for himself whether to accept or reject the Mandatory Offer, taking into account the information in the Offer Document and in this Statement and taking into account the overall circumstances and including his individual circumstances and his personal assessment of the possibilities of the future development of the value and the stock exchange price of the SURTECO Share. The Management Board and Supervisory Board assume no liability should the acceptance or non-acceptance of the Mandatory Offer prove to be economically disadvantageous in retrospect.
7. The submission of this Statement and the subsequent recommendation was unanimously approved by the Management Board at its meeting on November 18, 2024, and by the Supervisory Board at its meeting, also on November 18, 2024.

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Buttenwiesen, November 18, 2024

**SURTECO GROUP SE**

The Management Board and the Supervisory Board

**Annex**      Valuation Opinion of ParkView Partners GmbH dated November 18, 2024

# PARKVIEW

ParkView, Taunusanlage 8, 60329 Frankfurt a.M., Germany

**- strictly confidential -**

The Management Board and Supervisory Board of  
SURTECO GROUP SE  
Johan-Viktor-Bausch-Straße 2  
86647 Buttenwiesen  
Germany

November 18, 2024

## Valuation Opinion for the Management Board and Supervisory Board of SURTECO GROUP SE

Dear members of the Management Board and Supervisory Board,

On October 4, 2024, BANASINO INVESTMENTS S.à r.l. ("**Bidder**") announced that it will submit a mandatory offer ("**Offer**") pursuant to section 35 para. 1 sentence 1 in conjunction with section 10 para. 3 sentences 1 and 2 of the German Securities Acquisition and Takeover Act (Wertpapiererwerbs- und Übernahmegesetz – WpÜG) to the shareholders of SURTECO GROUP SE ("**Proposed Transaction**"). The Bidder offers all shareholders to acquire their SURTECO GROUP SE shares for EUR 16.96 in cash for every share as consideration ("**Consideration**").

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Taunusanlage 8  
60329 Frankfurt am Main  
Germany

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The corresponding offer document according to sections 35 para. 2, 14 para. 2 and 3 WpÜG has been approved by the Federal Financial Supervisory Authority (Bundesanstalt für Finanzdienstleistungsaufsicht – BaFin) and was published by the Bidder on November 6, 2024.

Against the background of the Proposed Transaction, SURTECO GROUP SE ("**SURTECO**" or "**Client**") has engaged ParkView Partners GmbH ("**ParkView**" or "**us**") to serve as its financial advisor to provide a valuation opinion ("**Valuation Opinion**") to the Client as to the adequacy, from a financial point of view, of the Consideration to be received as described above.

We submitted the Valuation Opinion to the Client on November 18, 2024 for purposes of the reasoned statement to be published by the Client.

Our advisory services and the opinion expressed herein are rendered for the sole purpose of informing and assisting the Management Board and Supervisory Board of the Client in connection with their consideration of the Offer. They are no substitute for an independent assessment of the Consideration by the Client's governing bodies. They do not contain any recommendation to pursue the Proposed Transaction or not. Moreover, they do not include any assessment as to

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whether the terms and conditions of the Proposed Transaction meet the legal requirements of the WpÜG and the regulations promulgated thereunder, or comply with any other legal requirements.

In performing ParkView's analyses and rendering this Valuation Opinion with respect to the Proposed Transaction, ParkView, with the Client's consent:

- a) Relied upon the accuracy, completeness, and fair presentation of all information (without limitation, "**Received Information**"), data, advice, opinions and representations obtained from public sources or provided to it from private sources, including the Client and/or its advisors and did not independently verify such information. ParkView has received a letter from the Client confirming representations made by the Client upon which ParkView has relied, that, to the best of the Client's knowledge and belief, such information was accurate and that no significant information essential to the Valuation Opinion has been withheld from ParkView;
- b) Relied upon the fact that the Client and each other party to the Proposed Transaction have been advised by legal and tax counsels and by auditors as to legal, tax and auditing matters with respect to the Proposed Transaction, including whether all procedures required by law to be taken in connection with the Proposed Transaction have been duly, validly and timely taken;
- c) Assumed that any estimates, evaluations, forecasts and projections furnished to ParkView were accurately prepared and based upon the best currently available information, estimates and good faith judgment of the management of SURTECO;
- d) Assumed that any transfer pricing system between the Client, its shareholders and/or any affiliates to be at arm's length and did not perform any further analyses with regard to such transfer pricing system;
- e) Assumed that there has been no material change in the assets, financial condition and business of the Client since the information was made available to ParkView;
- f) Assumed that the Received Information contains all material terms of the Proposed Transaction, that the Proposed Transaction will be consummated in accordance with the terms of, and as described in, the Received Information and that the terms of the Proposed Transaction, as reflected in the Received Information, will be reflected in the documents executed in the Proposed Transaction (collectively, "**Transaction Documents**");
- g) Assumed that all representations and warranties of each party to the Transaction Documents are true and correct and that each party will perform their obligations thereunder in full; and
- h) Assumed that all governmental, regulatory or other consents and approvals necessary for the consummation of the Proposed Transaction will be obtained without any adverse effect on the Client or the contemplated benefits expected to be derived from the Proposed Transaction.

To the extent that any of the outlined assumptions or any of the facts on which this Valuation Opinion is based upon prove to be untrue in any material respect, this Valuation Opinion cannot and should not be relied upon. Furthermore, in ParkView's analyses and in connection with the preparation of this Valuation Opinion, ParkView has made numerous assumptions with respect to industry performance, general business, market and economic conditions and other matters, many of which are beyond the control of any party involved in the Proposed Transaction.

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This Valuation Opinion is necessarily based upon market, economic, monetary, financial and other conditions as they exist and can be evaluated as of the date hereof, and ParkView disclaims any undertaking or obligation to advise any person of any change in any fact or matter affecting this Valuation Opinion which may come or be brought to the attention of ParkView after the date hereof.

We further assume no responsibility for updating, revising or reaffirming this Valuation Opinion based on circumstances, developments or events occurring after the date hereof. Further, ParkView did not conduct an independent appraisal or physical inspection of any specific assets or liabilities (contingent or otherwise) of the Client.

This Valuation Opinion is furnished solely for the use and benefit of the Client in connection with the Proposed Transaction and is not intended to, and does not, confer any rights or remedies upon any other person, and is not intended to be used, and may not be used, by any other person or for any other purpose, without the explicit written approval of ParkView. This Valuation Opinion (i) does not address the merits of the underlying business decision to enter into the Proposed Transaction versus any alternative strategy or transaction; (ii) does not address any legal transaction related to the Proposed Transaction; (iii) is not, and shall not be construed as, a recommendation as to how the Client and its governing bodies or any shareholder should vote or act with respect to any matters relating to the Proposed Transaction, or whether to proceed with the Proposed Transaction or any related transaction, and (iv) does not indicate that the Consideration received is the best possibly attainable under any circumstances. Instead, it merely states whether the Consideration in the Proposed Transaction is within a range suggested by certain financial analyses. The decision as to whether to proceed with the Proposed Transaction or any related transaction may depend on an assessment of factors unrelated to the financial analysis on which this Valuation Opinion is based upon. This Valuation Opinion should not be construed as creating any fiduciary duty on the part of ParkView to any party.

Further, this Valuation Opinion should not be construed as an opinion for any other purpose than stated above, nor as a credit rating, a solvency opinion, an analysis of the Client's creditworthiness, as tax advice, or as accounting advice. ParkView has not made, and assumes no responsibility to make, any representation, or render any opinion, as to any legal matter.

In rendering this Valuation Opinion, ParkView is not expressing any opinion with respect to the amount or nature of any compensation to any of the Client's officers, directors, employees, or any class of such persons, relative to the Consideration to be received in the Proposed Transaction, or with respect to the adequacy or fairness of any such compensation, if such compensation should exist.

This Valuation Opinion is solely that of ParkView, and ParkView's liability in connection with this letter shall be limited in accordance with the terms set forth in the engagement letter between ParkView and the Client ("**Engagement Letter**").

This Valuation Opinion is for the information of the Management Board and Supervisory Board of the Client only and may not be used for any other purpose without ParkView's written consent, except that a copy of this letter may be included in any filing the Client is required to make according to sec. 27 WpÜG.

ParkView is acting as financial advisor to the Client with respect to the Offer and this Valuation Opinion and receives a customary fee for its services which has become payable independently from the

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consummation of the Proposed Transaction and the outcome of the Valuation Opinion. In addition, the Client has agreed to reimburse us for certain expenses and indemnify us for certain liabilities that may arise out of our engagement.

In connection with this Valuation Opinion, ParkView has made such reviews, analyses and inquiries as it has deemed necessary and appropriate under the circumstances. ParkView also took into account its assessment of general economic, market and financial conditions, as well as its experience in securities and business valuation, in general, and with respect to similar transactions, in particular. In rendering the Valuation Opinion, ParkView has, among other things:

- a) reviewed certain publicly available financial statements and other business and financial information of SURTECO;
- b) reviewed certain internal financial analyses and forecasts for SURTECO as prepared by the management on a stand-alone basis and as approved by SURTECO for the use of ParkView. As per our engagement we have performed a stand-alone valuation of SURTECO, not taking into account any potential synergies between SURTECO and the Bidder;
- c) discussed the past and current operations, financial condition and future prospects of SURTECO with the CEO, CFO and Head of Group Controlling;
- d) reviewed the historical share prices and trading activity for the shares of SURTECO;
- e) reviewed research analysts' price targets for SURTECO and certain publicly available research analyst reports for SURTECO;
- f) compared certain financial and stock market information for SURTECO to that of certain other publicly traded companies comparable to SURTECO;
- g) reviewed the financial terms, to the extent publicly available, of certain comparable transactions;
- h) reviewed the offer document according to sections 35 para. 2, 14 para. 2 and 3 WpÜG approved by the Federal Financial Supervisory Authority and published by the Bidder on November 6, 2024;
- i) performed discounted cash flow valuations for SURTECO, based on financial forecasts derived from the information described above; and
- j) performed such other procedures, investigations, and financial analyses and considered such other factors that were deemed appropriate.

Based on the activities described above, ParkView's task was only to assess whether the Consideration to be received is fair from a financial point of view. ParkView did neither perform any audit procedures, nor a review of the information presented to us by the Client or third parties.



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In the context of the preparation of this Valuation Opinion, ParkView has given consideration to several valuation methods which are customarily considered by investment banks in the preparation of such opinions. This Valuation Opinion does not constitute, and is not intended, and should not be interpreted or deemed, to be a valuation as it is typically carried out by qualified auditors or independent valuation experts in accordance with German corporate and commercial law. In particular, ParkView has not prepared a valuation on the basis of the Principles for the Performance of Business Valuations (*Grundsätze zur Durchführung von Unternehmensbewertungen – IDW S 1*) published by the Institute of Auditors in Germany (*Institut der Wirtschaftsprüfer e.V. – IDW*) and this Valuation Opinion also does not take into account the Principles for the Preparation of Fairness Opinions (*Grundsätze für die Erstellung von Fairness Opinions – IDW S 8*) published by the IDW. An assessment pertaining solely as to whether a consideration is fair, from a financial point of view, differs in material aspects from assessments by qualified auditors or independent valuation experts, as well as from financial assessments and accounting valuations in general.

**Based upon and subject to the foregoing, ParkView is of the opinion that, as of the date hereof, the Consideration of EUR 16.96 in cash per SURTECO share to be offered to the holders of SURTECO shares is inadequate from a financial point of view to the holders of SURTECO shares.**

This Valuation Opinion has been prepared in the English language. Should a version be prepared in another language, only the English version shall be binding.

The issuance of this Valuation Opinion was approved by a Fairness Opinion Review Committee of ParkView.

Yours faithfully,

ParkView Partners GmbH

