

Report of the Supervisory Board



Dr. Othmar Belker
Chairman

Michael Schuster
Deputy Chairman

Andreas Peiker
Member

Martin Bestmann
Member

Dr. Cornelius Liedtke
Member

Prof. Dr. Christoph Hütten
Member

The Supervisory Board of Brockhaus Technologies AG, Frankfurt am Main, (“**Company**” or “**BKHT**” and together with its subsidiaries “**Brockhaus Technologies**” or the “**Group**”) oversaw the activities of the Company’s Executive Board in accordance with the requirements of the German Stock Corporation Act and the Articles of Association of BKHT and provided advice and support to the Executive Board during the fiscal year from January 1, 2021 to December 31, 2021.

The Executive Board reported regularly to the Supervisory Board on the business development of BKHT. Particular highlights were the process for seeking out additional suitable acquisitions, the successful acquisition of the Bikeleasing Group (“**Bikeleasing**”), the performance of the two business segments Environmental Technologies (Palas Holding GmbH and its subsidiaries (“**Palas**”) and Security Technologies (IHSE AcquiCo GmbH and its subsidiaries (“**IHSE**”)), and the ongoing assessment of the influence of COVID-19 pandemic restrictions on the Company’s business activities in Germany and on export markets. Changes in revenue, earnings, statement of financial position items and cash flows were presented and explained in detail, in each case with a comparison with the budget and the previous year. The Supervisory Board was directly involved in all key decisions, in particular issues of strategy and planning and in the review of strategic options. On this basis, in-depth discussions were held at the numerous meetings, the number of which far exceeded the minimum number required.

The Company’s Articles of Association specify that the Supervisory Board should hold at least two meetings per

calendar half-year. A large number of Supervisory Board meetings as well as other informal verbal and telephone discussions were held in fiscal year 2021. In the current fiscal year 2022, there were several additional Supervisory Board meetings. The Chairman of the Supervisory Board was in regular personal and telephone contact with the members of the Executive Board and was proactively and comprehensively informed about all important business transactions. If necessary, the Chairman of the Supervisory Board kept the other members of the Supervisory Board informed between meetings.

The Executive Board provided detailed information on the course of business at the regular Supervisory Board meetings. The regular meetings usually have an agenda that is identical in parts and structures the discussion on key economic issues and potential risks. Regular topics were the current economic situation of the operating segments and Group, the current impacts and future risks of the COVID-19 pandemic, a regularly assessed risk report, the opportunities and risks of the search processes for new acquisition targets, and developments in the field of investor relations. Fundamental issues at the meetings were the annual and consolidated financial statements of BKHT for fiscal year 2020, the quarterly financial statements for fiscal year 2021, the half-yearly report as of June 30, 2021, preparation for and evaluation of the Annual General Meeting on June 16, 2021, cost trends at the Company and the subsidiaries, personnel development at the Company, the implementation of the Group’s employee stock option program, and discussion and approval of the internal rules of procedure and declarations of compliance.

Another fixed feature of the regular Supervisory Board meetings was an examination of the relevant risks and support for the development of a formal internal control system at the Company and the subsidiaries. In the course of the discussions relating to risk, the Supervisory Board was in all cases able to obtain a clear picture, in particular about whether and which risks could adversely affect the Company's financial position and results of operations. In addition, the Supervisory Board and the Executive Board regularly discussed the Company's long-term strategic alignment. Among other things, the latest economic figures of the Company, the subsidiaries and the Group, including changes in cash flows and, where expedient, in statement of financial position items, were presented and discussed.

By way of a resolution of the Annual General Meeting 2020, the number of Supervisory Board members had been increased from four to six. Dr. Cornelius Liedtke was appointed as a member of the Company's Supervisory Board by a decision of Frankfurt am Main Local Court on September 14, 2020 and elected as a full member of the Supervisory Board at the Annual General Meeting on June 16, 2021 up to the end of the Annual General Meeting that resolves to approve the actions of the Supervisory Board for the fiscal year of the Company ending December 31, 2021. Effective April 16, 2021, Prof. Dr. Christoph Hütten was delegated by the shareholder Falkenstein Heritage GmbH as a full member of the Supervisory Board up to the end of the Annual General Meeting that resolves to approve the actions of the Supervisory Board for the fiscal year of the Company ending December 31, 2022.

In fiscal year 2021, the Supervisory Board held 13 meetings, some of which were wholly conducted using video-conferencing and conference calls and some of which were conducted in hybrid form (with some of the members being present in person and others participating virtually) due to the conditions caused by the COVID-19 pandemic and to reduce the risk of infection. Unless specified otherwise below, the Supervisory Board meetings were attended by all Supervisory Board members in office. Mr. Andreas

Peiker was excused from attending the meetings on September 22 and October 28, 2021. Dr. Cornelius Liedtke was also excused from attending the meeting on October 28, 2021. He had previously submitted his approval for the resolution up for vote by e-mail on October 27, 2021.

In fiscal year 2022 to date, four meetings of the Supervisory Board were held. Unless otherwise noted, all members of the Supervisory Board in office attended the Supervisory Board meetings. Dr. Cornelius Liedtke was excused from the meeting on April 27, 2022, but had previously submitted his written vote by e-mail dated April 27, 2022.

At its meeting on June 16, 2021, the Supervisory Board formed an Executive and Nomination Committee and an Audit Committee.

The training and development measures required for discharging their duties, for example on changes in the legal environment and on new technologies, are taken by the members of the Supervisory Board under their own responsibility, with the Company's support where requested.

The Supervisory Board addressed the following topics at its meetings in the 2021 fiscal year.

SUPERVISORY BOARD MEETING on January 26, 2021

Detailed discussion and approval of a transaction intended by the Executive Board relating to a previously presented acquisition project.

SUPERVISORY BOARD MEETING on February 3, 2021

The 2021 budget for BKHT, the subsidiaries and the Group was discussed in detail. In particular the uncertainties due to the coronavirus situation as well as reconciliations from German GAAP to IFRS were discussed. The Supervisory Board resolved the budget for 2021. Another focus was the current economic situation of the Company and the subsidiaries and their product roadmap, personnel developments and the current internationalization steps. The acquisition projects from the Q1 2021 pipeline and the share's performance were discussed.

SUPERVISORY BOARD MEETING on March 3, 2021

The Executive Board discussed the current acquisition processes with the Supervisory Board. The Executive Board and Supervisory Board will ensure that any potential or actual conflicts of interest are discussed regularly and that all economic activities with related parties are managed strictly on an arm's length basis.

SUPERVISORY BOARD MEETING on March 24, 2021

As part of the debate on diversity and corporate culture, the Supervisory Board passed resolutions on the independence of the Supervisory Board, the setting of targets for the proportion of women and adopted the corporate governance statement. Other focus points of the meeting were governance, risk and compliance, the review of the effectiveness of ICS and RMS and the current status of the preparation of the 2020 annual and consolidated financial statements and the combined management report and its audit by the independent auditor, KPMG.

SUPERVISORY BOARD MEETING on April 7, 2021

The independent auditor reported on the conduct of the audit, the focus points of the audit and the audit results relating to the 2020 HGB annual financial statements of Brockhaus Technologies AG, the IFRS consolidated financial statements and the combined management report for the fiscal year 2020 prepared in accordance with the requirements of the HGB. The independent auditor issued unqualified audit opinions for the annual financial statements, the consolidated financial statements and the combined management report. Following its own detailed examination of the accounting documents and the independent auditor's reports, the Supervisory Board approved the annual financial statements, the consolidated financial statements and the combined management report. The annual financial statements are thereby adopted. In view of the risk of infection, the Supervisory Board approved preparations for a virtual Annual General Meeting instead of an in-person Annual General Meeting on June 16, 2021.

SUPERVISORY BOARD MEETING on April 28, 2021

After being delegated by the shareholder Falkenstein Heritage GmbH as a member of the Supervisory Board

effective April 16, 2021, Prof. Dr. Christoph Hütten took part in a meeting for the first time. Backed by his many years of experience in the fields of accounting, auditing of financial statements, financial processes and compliance, Prof. Hütten will further bolster the expertise on the Supervisory Board. Moreover, the Supervisory Board mainly discussed the status of current acquisition projects with the Executive Board.

SUPERVISORY BOARD MEETING on May 10, 2021

The Supervisory Board discussed and unanimously adopted the agenda for the Annual General Meeting, which included the agenda items approval of the actions of the members of the Executive Board for the fiscal year 2020, approval of the actions of the members of the Supervisory Board for the fiscal year 2020, appointment of the independent auditor of the annual and consolidated financial statements for the fiscal year 2021 and for any review of interim financial reports, change in the Company's name to Brockhaus Technologies AG, nomination of the existing member Dr. Cornelius Liedtke for election as a member of the Supervisory Board up to the end of the Annual General Meeting that resolves to approve the actions of the members of the Supervisory Board for the fiscal year 2021, and adjustments to the Supervisory Board's remuneration. After an in-depth and very comprehensive discussion, the Supervisory Board resolved following the meeting by way of a unanimous written vote on May 12, 2021 to approve the new remuneration system for the Executive Board members that will be presented to the Annual General Meeting. Instead of the one-year performance bonus directly linked to earnings as was the case in the Company's establishment phase, a more up-to-date system was introduced with the short-term performance bonus less dependent on earnings and more dependent on the earnings performance of the portfolio companies and of newly acquired companies. A multi-year, long-term component essentially reflecting the share's performance was also introduced. The new system is to apply in the course of 2022, but no later than by August 2022, after being approved by the Annual General Meeting. Changes to the Declaration of Compliance with the German Corporate Governance Code were adopted following the meeting.

SUPERVISORY BOARD MEETING on June 11, 2021

The meeting of the Supervisory Board dealt in detail with the potential acquisition of the Bikeleasing Group. The Executive Board and Supervisory Board discussed the strategic alignment of the existing group, the strategic changes that would result from the potential acquisition, the status of the due diligence review, possible ownership and financing structures, the company's business plan, and the opportunities and risks associated with the acquisition. The Executive Board answered numerous detailed questions. The Supervisory Board unanimously approved the Executive Board's decision to acquire the company and finance the acquisition.

SUPERVISORY BOARD MEETING on June 16, 2021

The Supervisory Board meeting after the Annual General Meeting dealt with the voting results for the agenda items, the lessons learned from the first virtual Annual General Meeting, and a wide range of measures relating to successful signing of the deal to acquire Bikeleasing. They also included questions of financing, as well as a legal assessment of the scope of application of various mediation agreements in connection with the acquisition. The Supervisory Board established an Executive and Nomination Committee for the first time and elected Dr. Belker as its Chairman, Mr. Schuster as its Deputy Chairman and Mr. Peiker as a further member. The Supervisory Board likewise established an Audit Committee for the first time and elected Prof. Dr. Hütten as its Chairman, Mr. Bestmann as its Deputy Chairman and Dr. Belker as a further member. Both Prof. Dr. Hütten and Dr. Belker are independent of BKHT and have expertise in the field of accounting and auditing of financial statements, as well as particular know-how and experience in the application of accounting principles and internal control procedures.

The Audit Committee convened its constituent meeting following the meeting of the Supervisory Board.

SUPERVISORY BOARD MEETING on September 22, 2021

The Supervisory Board adopted rules of procedure for the Audit Committee and resultant amendments to the rules

of procedure for the Supervisory Board. The first report from the meetings of the Audit Committee dealt mainly with defining its focal tasks, as well as the involvement of business management functions at the Company and external auditors in the committee's work. The Supervisory Board discussed measures to finance the acquisition of Bikeleasing, plans to integrate it, and the planning for closing the acquisition. The time of closing is subject, among other things, to successful completion of a qualifying holding procedure by German Federal Financial Supervisory Authority (BaFin). After the meeting, the Supervisory Board voted in writing on October 16, 2021 to approve formal steps for financing the acquisition.

SUPERVISORY BOARD MEETING on October 28, 2021

The Supervisory Board noted with approval the acquisition of the shares in the Austrian company kvm-tec by the subsidiary IHSE GmbH following an update of the general contractual terms and conditions that had been negotiated.

SUPERVISORY BOARD MEETING on November 29, 2021

Following the in-depth discussions by the Executive Board and Supervisory Board at previous meetings about possible financing models for the acquisition of the Bikeleasing shares and their prior approval of a partial purchase price payment in the form of BKHT shares on June 11, 2021, the Supervisory Board supported the resolution of the Executive Board on the performance of a capital increase partially utilizing Authorized Capital 2020 (designated as Authorized Capital 2020/II in the commercial register) in return for non-cash contributions while disapplying the Company's shareholders' pre-emption rights.

SUPERVISORY BOARD MEETING on December 1, 2021

The meeting focused on the operating performance of Bikeleasing and converting the HGB accounting of Bikeleasing, which featured complex leasing issues, into Brockhaus Technologies' IFRS accounting, made even more complex on account of these leasing issues. This changeover will be carried out with the support of proven IFRS and leasing specialists from one of the leading

global auditing firms and independently of BKHT's independent auditor. Following the meeting, the Supervisory Board gave its approval for the 2021 Annual Report not to be published until April 28, 2022 due to the fact that Bikeleasing was only acquired shortly before the end of the year and for the Company's 2021 Declaration of Compliance to be amended April 28, 2022.

In its meetings to date in fiscal year 2022, the Supervisory Board has focused on the following topics:

SUPERVISORY BOARD MEETING on January 19, 2022

The Supervisory Board discussed the submitted budget for 2022 and approved the provisional budget. Earlier preparation of the complete budget was not possible because of the late closing of the Bikeleasing transaction in December 2021. The budget figures will also change as a result of Bikeleasing's annual financial statements. The Supervisory Board discussed the general conditions for successful closing. After in-depth consideration and in view of the ongoing situation as regards coronavirus, it decided to organize and hold the 2022 Annual General Meeting once more as a virtual Annual General Meeting.

SUPERVISORY BOARD MEETING on March 30, 2022

This Supervisory Board meeting focused on the economic performance of the three operating segments. The Supervisory Board discussed strategic options to develop the respective business models further, taking into account the gradual lifting of coronavirus restrictions as well as the war between Russia and the Ukraine. During the meeting, the organization of the virtual 2022 Annual General Meeting and the process of the ongoing annual audit, especially with regard to the transition of Bikeleasing to IFRS, was also discussed. Furthermore, the proposal for a new member of the Supervisory Board for the upcoming Annual General Meeting was discussed. Against the background of the Executive Board appointments expiring in mid-2022, the Supervisory Board resolved to introduce staggered new appointment periods for the Executive Board members (CEO 5 years, COO 4 years).

SUPERVISORY BOARD MEETING on April 27, 2022

The focus of the meeting was discussion of the 2021 accounting documents and the status and remaining timeline of the 2021 annual audit. The Chairman of the Audit Committee and the auditors also reported on this. The agenda for the 2022 Annual General Meeting was also discussed. The Supervisory Board discussed and resolved the compensation of the Executive Board for the fiscal year 2021 and discussed the draft compensation report 2021. The meeting also dealt with the structure and implementation of new Executive Board contracts in 2022, taking into account the Executive Board compensation system adopted by the Annual General Meeting on June 16, 2021.

SUPERVISORY BOARD MEETING on May 2, 2022

The Supervisory Board discussed and approved the Company's accounting and consolidated financial statements and adopted this Supervisory Board Report.

The work of the Audit Committee

The Audit Committee, which was set up in June 2021, held a total of three meetings in fiscal year 2021, some of which were held virtually. All members of the committee took part in all the meetings.

In September 2021, the Supervisory Board adopted rules of procedure for the Audit Committee. These rules of procedure assigned the committee the tasks of dealing with the accounting and the accounting process, the audit and the auditor, with oversight of the internal control system, risk management system, internal audit system, and compliance management system, and with transactions with related parties.

In addition to the committee members, an Executive Board member, the manager responsible for the consolidated financial reporting, and a representative of the auditor took part in most of the committee meetings.

The following topics were dealt with at the Audit Committee's meetings:

- preparation of the rules of procedure for the Audit Committee as the basis for the committee's further work
- discussion of financial statement preparation processes in the Group, associated internal controls, and improvement potential
- discussion of the details of individual important accounting policies in the consolidated financial statements
- discussion of the 2021 semi-annual report and the interim statement for the third quarter before their publication and of the corresponding preparation processes
- engagement of the auditor for a voluntary content audit of BKHT's remuneration report
- discussion of the audit planning and audit focal points of the audit of the 2021 financial statements
- discussion of the impact on the Company of the newly adopted German Act to Strengthen Financial Market Integrity (FISG)

In addition, the chair of the Audit Committee advised on various aspects of the points listed above and important individual topics in the Audit Committee's area of activity in numerous discussions both with members of the Executive Board and the manager responsible for the consolidated financial reporting and with representatives of the audit. The chair of the Audit Committee in each case informed the other committee members about these discussions at the next meeting. The chair of the Audit Committee also regularly reported on the activities of the Audit Committee at the Supervisory Board meetings.

The work of the Executive and Nomination Committee

The Executive and Nomination Committee, which was also set up in June 2021, did not hold any meetings in fiscal year 2021.

Audit of the financial reporting and consolidated financial reporting in 2021

On June 16, 2021, in response to the proposal of the Supervisory Board, the Company's Annual General meeting elected KPMG AG Wirtschaftsprüfungsgesellschaft ("KPMG")

as the auditor of the financial reporting and consolidated financial reporting. KPMG has been the auditor of BKHT's financial statements since the company was founded in 2017 and has also been the auditor of the consolidated financial statements since the first acquisition of the company at the end of 2018. Before the Supervisory Board proposed it to the Annual General Meeting as the auditor, KPMG had confirmed to the Chairman of the Supervisory Board that no circumstances existed that could impair its independence as the auditor or give rise to doubts about its independence. The engagement letter for the audit of the annual and consolidated financial statements and of the combined management report was issued by the Supervisory Board following the Annual General Meeting.

KPMG audited BKHT's financial reporting and consolidated financial reporting for the year ended December 31, 2021 and issued an unqualified audit opinion on these on May 2, 2022. The audited financial reporting and consolidated financial reporting consisted of BKHT's annual financial statements prepared in accordance with the requirements of the German Commercial Code (HGB), its consolidated financial statements prepared in accordance with International Financial Reporting Standards (IFRS), as adopted by the European Union, and its combined management report in accordance with HGB for fiscal year 2021. In addition, in accordance with section 317 (3a) HGB, KPMG audited and confirmed that the reproduction of the annual financial statements, the consolidated financial statements, and the combined management report, which were contained in the files provided on an electronic data storage medium and retrievable in the client portal with access protection and were prepared for the purpose of publication, complies in all material respects with the requirements of section 328 (1) HGB for the electronic reporting format ("ESEF format").

The Supervisory Board also arranged for KPMG to inform it and note in the audit report if, during the performance of the audit, any facts are identified that indicate an inaccuracy in the Declaration of Compliance regarding the recommendations of the German Corporate Governance Code issued by the Executive Board and Supervisory Board.

The Audit Committee, and in particular, the chair of the Audit Committee, was always closely involved in the preparation of the audit measures, and the support of the auditor and commercial functions in the Group.

Ahead of the first financial statements meeting on April 27, 2022, the Supervisory Board received the draft versions of the financial reporting, the consolidated financial reporting, and the corresponding auditor's reports and ahead of the second financial statements meeting on May 2, 2022, final versions of both the financial statements and consolidated financial statements as well as the corresponding auditor's reports. In the Audit Committee meetings on April 21 and 27, 2022 as well as May 2, 2022 and in the Supervisory Board meeting on April 27 and May 2, 2022, the Audit Committee and the Supervisory Board discussed the financial reporting and consolidated financial reporting. At these meetings, the Executive Board and the manager responsible for the consolidated financial reporting reported on the preparation of the documents and the auditor reported on the current status of the audit overall, on the individual key audit matters, and on the key findings of the audit. At their respective meetings, the Audit Committee and the Supervisory Board then discussed the financial reporting, the consolidated financial reporting, the findings of the audit and the audit reports with the Executive Board and the auditor. All the Audit Committee's and the Supervisory Board's questions were answered. Furthermore, the auditor explained that there were no facts that gave rise to concerns about bias on its part and informed the Supervisory Board about services provided in addition to the audit services. At the Supervisory Board meeting, the Audit Committee also reported on its own review of the financial reporting and consolidated financial reporting, its discussion with the Executive Board and the auditor, and its oversight of the financial reporting process.

Both the Audit Committee and the Supervisory Board were able to satisfy themselves that the audit by KPMG was properly conducted. In particular, the Audit Committee and the Supervisory Board concluded that the audit reports and the audit itself complied with statut-

ory requirements. They therefore approved the findings of the audit, and the Supervisory Board determined that, on the basis of the final result of the review by the Audit Committee and its own review, no objections were to be raised. The Supervisory Board therefore approved the financial reporting and consolidated financial reporting. The annual financial statements were thus adopted in accordance with section 172 sentence 1 of the German Stock Corporation Act (AktG).

Appropriation of the result

The net accumulated losses, consisting of the accumulated losses brought forward from the previous year and the net profit for the fiscal year 2021, are carried forward to new account.

The Supervisory Board thanks the members of the Executive Board and all employees of Brockhaus Technologies for their enormous personal commitment and our shareholders for the confidence they placed in the Company in this year again marked by enormous external challenges.

On behalf of the Supervisory Board

Dr. Othmar Belker, Chairman
Frankfurt am Main, May 2022

