

Report by the Executive Board on agenda item 8: Cancellation of the authorization to issue share options dated June 27, 2019, and the reduction of Contingent Capital 2019 and the authorization to issue share options to employees of the Company as well as to members of the management and employees of affiliated companies (Share Option Program 2024), the creation of Contingent Capital 2024/I to settle Share Option Program 2024 and amendments to Articles 5 (7) and (8) of the Articles of Association

The Executive Board submits the following report on the Share Option Program proposed to the Annual General Meeting under agenda item 8:

The existing Share Option Program 2019 was created by an authorization of the Executive Board – or, if share options were to be granted to members of the Executive Board, an authorization of the Supervisory Board – resolved by the Annual General Meeting on June 27, 2019, and valid until June 26, 2024, and applied to the issue of up to 425,200 no-par value registered shares in the Company to members of the Executive Board, members of the management of affiliated companies, employees of the Company and employees of affiliated companies.

Under the authorization dated June 27, 2019, there were 283,742 share options that had not yet been exercised as of April 30, 2024, due to the conditions not having been met; a further 75,000 share options have been forfeited without replacement. The Contingent Capital 2019 created to service these share options (Article 5 (7) of the Articles of Association) is therefore no longer required in full. The Executive Board and Supervisory Board therefore intend to propose to the Annual General Meeting that the authorization, insofar as it has not yet been exercised, be canceled by way of precaution and that the Contingent Capital 2019 be reduced to the maximum amount still required to service issued and not yet forfeited share options up to the time the resolution is adopted by the Annual General Meeting.

In addition, the Executive Board and Supervisory Board intend to propose to the Annual General Meeting a new Share Option Program 2024 to grant share options to employees of the Company as well as to members of the management and employees of affiliated companies with a total volume of 550,000 shares in Brockhaus Technologies AG (“BKHT shares”) and the creation of new contingent capital in the amount of EUR 550,000.00 (“Contingent Capital 2024/I”). Shareholders will not have a right to subscribe to the shares granted under the Share Option Program 2024.

In summary, the Share Option Program 2024 has the following main content, details of which can be found in the proposed resolution on agenda item 8 published in the invitation to the Annual General Meeting:

1. Purpose of the Share Option Program

The Executive Board and Supervisory Board of Brockhaus Technologies AG still hold the view that share options are an important and customary component of a modern remuneration system. It is the conviction of the Executive Board and Supervisory Board that the new authorization to issue share options is necessary so that the Company can continue to recruit and retain the qualified managers it requires in the future. Share options increase identification with the Company, employees become co-owners, and the attractiveness of Brockhaus Technologies AG, and of the Group as a whole, as an employer is enhanced; share options also strengthen the loyalty of the beneficiaries to the Company and their dedication to their role on governing bodies. Granting share options also creates a special incentive for all beneficiaries to increase the value of the Company with the aim of achieving a positive share price performance. This benefits shareholders and beneficiaries alike.

2. Details of the design of the plan's main components:

a) Groups of beneficiaries

The maximum total of 550,000 share options to be issued under the Share Option Program 2024 are distributed among the groups of beneficiaries as follows:

- Employees of the Company (Group A) receive a maximum total of up to 250,000 share options (approx. 45.45%);
- Members of management of affiliated companies of the Company in Germany and abroad (Group B) receive a maximum total of up to 200,000 share options (approx. 36.36%);
- Employees of affiliated companies of the Company in Germany and abroad (Group C) receive a maximum total of up to 100,000 share options (approx. 18.18%);

A person can only be assigned to a single group at any one time. If a person belongs to more than one group, the Executive Board decides on the group he or she is assigned to.

b) No compensation payable, acquisition periods

The share options are issued free of charge.

The share options have a maximum term of six years starting on the Issue Date. The share options can be issued to the beneficiaries in one or more tranches until June 19, 2029, after the Contingent Capital 2024/I becomes effective. They can be

issued only within a period of four weeks after publication of an annual or semi-annual financial report or a quarterly report of the Company, or within a period of four weeks after an Annual General Meeting of the Company. If they cannot be issued within an acquisition period due to general legal provisions, it may be determined that the relevant acquisition period will not end until ten trading days after the restriction ceases to apply. This may be the case, for example, where insider information is involved.

c) Vesting Period, Exercise Periods, Exercise Date

Share options can be exercised for the first time after expiry of a vesting period of four years after the respective issue date, with it being necessary to comply with section 193 (2) no. 4 of the AktG (“**vesting period**”). Exercise of the share options after the end of the Vesting Period is permissible after the Vesting Period ends from the beginning of the 9th trading day up to and including the 18th trading day after the date of publication of (i) the annual financial statements or (ii) semi-annual financial statements of the Company. The first day of the aforementioned period, i.e. the 9th trading day after the publication of the relevant annual financial statements, is deemed in all cases to be the “**exercise date**”. The Executive Board, with the approval of the Supervisory Board, may determine further exercise periods in justified exceptional cases, such as a takeover, a significant restructuring or the conclusion of an inter-company agreement.

d) Exercise Price, determination of the value of the shares

For the acquisition of a BKHT share as a result of the exercise of a share option, the beneficiaries must pay an Exercise Price for the acquisition of the purchased shares (“**exercise price**”). The Exercise Price corresponds to the share value on the Issue Date (relevant Valuation Date), provided that there are no changes for reasons of dilution protection. However, the Exercise Price may under no circumstances be less than the proportion of the share capital attributable to one share (currently EUR 1.00).

The value of the shares relevant for determining the Exercise Price corresponds to the average closing auction price (arithmetic mean) of the shares of the Company in the electronic trading system XETRA of Deutsche Börse AG in Frankfurt am Main (or a comparable system) in the last 20 trading days prior to the applicable Valuation Date. If the Company is no longer listed on the stock exchange on a Valuation Date, the authorization contains a special provision for determining the Exercise Price.

e) Performance Target

Exercise of the share options is only permissible if the Performance Target has been achieved on the respective Exercise Date. For that to be possible, the Company's share value on the Exercise Date plus the sum of any dividends paid out since the Issue Date for each share of the Company must be at least 15% above the share value on the Issue Date.

f) Additional provisions

The authorization also contains additional provisions, in particular on the personal prerequisites for exercise, forfeiture and vesting, dilution protection, the possibility of determining deemed exercise or a cash compensation as well as an authorization to determine other details in the terms and conditions of the Share Option Program 2024.

The Executive Board and Supervisory Board are convinced that the Share Option Program 2024 will have a positive impact for Brockhaus Technologies AG and its shareholders due to the fact that it will increase the incentive for and loyalty to the Company of managers and other employees. The likewise proposed Contingent Capital 2024/I ensures that the share options issued under the Share Option Program 2024 can also be fulfilled.

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Marco Brockhaus

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